

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

FORM 10-Q

(Mark One)

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

For the quarterly period ended March 31, 2021

OR

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

For the transition period from _____ to _____

Commission file number: 0-12255

Yellow Corporation

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

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

48-0948788

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

66211
(Zip Code)

(913) 696-6100

(Registrant's telephone number, including area code)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.01 par value per share	YELL	The NASDAQ Stock Market LLC

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

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

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

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input checked="" type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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

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

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

Class	Outstanding at April 30, 2021
Common Stock, \$0.01 par value per share	51,097,950 shares

INDEX

Item		Page
	<u>PART I – FINANCIAL INFORMATION</u>	
1	<u>Financial Statements</u>	3
	<u>Consolidated Balance Sheets – March 31, 2021 and December 31, 2020</u>	3
	<u>Statements of Consolidated Comprehensive Income (Loss) - Three Months Ended March 31, 2021 and 2020</u>	4
	<u>Statements of Consolidated Cash Flows - Three Months Ended March 31, 2021 and 2020</u>	5
	<u>Statements of Consolidated Shareholders' Deficit - Three Months Ended March 31, 2021 and 2020</u>	6
	<u>Notes to Consolidated Financial Statements</u>	7
2	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	12
3	<u>Quantitative and Qualitative Disclosures About Market Risk</u>	19
4	<u>Controls and Procedures</u>	19
	<u>PART II – OTHER INFORMATION</u>	
1	<u>Legal Proceedings</u>	20
1A	<u>Risk Factors</u>	20
2	Not Applicable	
3	Not Applicable	
4	Not Applicable	
5	Not Applicable	
6	<u>Exhibits</u>	20
	<u>Signatures</u>	21

PART I—FINANCIAL INFORMATION

Item 1. Financial Statements

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

	March 31, 2021 (Unaudited)	December 31, 2020
Assets		
Current Assets:		
Cash and cash equivalents	\$ 381.4	\$ 439.3
Restricted amounts held in escrow	31.4	38.7
Accounts receivable, net	579.9	505.0
Prepaid expenses and other	65.5	46.8
Total current assets	1,058.2	1,029.8
Property and Equipment:		
Cost	2,977.1	2,795.5
Less – accumulated depreciation	(2,031.3)	(2,031.3)
Net property and equipment	945.8	764.2
Deferred income taxes, net	2.0	0.9
Pension	66.0	63.2
Operating lease right-of-use assets	246.4	276.0
Other assets	36.1	51.7
Total Assets	\$ 2,354.5	\$ 2,185.8
Liabilities and Shareholders' Deficit		
Current Liabilities:		
Accounts payable	\$ 214.6	\$ 160.7
Wages, vacations and employee benefits	222.6	214.6
Current operating lease liabilities	108.1	114.2
Claims and insurance accruals	108.6	108.2
Other accrued taxes	75.9	68.6
Other current and accrued liabilities	43.7	30.4
Current maturities of long-term debt	4.4	4.0
Total current liabilities	777.9	700.7
Other Liabilities:		
Long-term debt, less current portion	1,391.1	1,221.4
Operating lease liabilities	148.5	172.6
Claims and other liabilities	318.2	314.4
Commitments and contingencies		
Shareholders' Deficit:		
Cumulative preferred stock, \$1 par value per share	—	—
Common stock, \$0.01 par value per share - authorized 95,000,000 shares, issued 50,660,100 and 50,192,000 shares, respectively	0.5	0.5
Capital surplus	2,385.4	2,383.6
Accumulated deficit	(2,429.2)	(2,365.9)
Accumulated other comprehensive loss	(145.2)	(148.8)
Treasury stock, at cost	(92.7)	(92.7)
Total shareholders' deficit	(281.2)	(223.3)
Total Liabilities and Shareholders' Deficit	\$ 2,354.5	\$ 2,185.8

The accompanying notes are an integral part of these statements.

STATEMENTS OF CONSOLIDATED COMPREHENSIVE INCOME (LOSS)
Yellow Corporation and Subsidiaries
For the Three Months Ended March 31
(Amounts in millions except per share data, shares in thousands)
(Unaudited)

	2021	2020
Operating Revenue	\$ 1,198.4	\$ 1,150.4
Operating Expenses:		
Salaries, wages and employee benefits	723.8	720.2
Fuel, operating expenses and supplies	203.5	208.0
Purchased transportation	200.0	136.2
Depreciation and amortization	33.3	35.7
Other operating expenses	64.4	61.6
(Gains) losses on property disposals, net	1.0	(39.3)
Total operating expenses	1,226.0	1,122.4
Operating Income (Loss)	(27.6)	28.0
Nonoperating Expenses:		
Interest expense	35.9	28.3
Non-union pension and postretirement benefits	(1.3)	(1.6)
Other, net	—	(2.6)
Nonoperating expenses, net	34.6	24.1
Income (loss) before income taxes	(62.2)	3.9
Income tax expense (benefit)	1.1	(0.4)
Net income (loss)	(63.3)	4.3
Other comprehensive income, net of tax	3.6	1.3
Comprehensive Income (Loss)	\$ (59.7)	\$ 5.6
Average Common Shares Outstanding - Basic	50,358	33,791
Average Common Shares Outstanding - Diluted	50,358	35,630
Earnings (Loss) Per Share - Basic	\$ (1.26)	\$ 0.13
Earnings (Loss) Per Share - Diluted	\$ (1.26)	\$ 0.12

The accompanying notes are an integral part of these statements.

STATEMENTS OF CONSOLIDATED CASH FLOWS
Yellow Corporation and Subsidiaries
For the Three Months Ended March 31
(Amounts in millions)
(Unaudited)

	2021	2020
Operating Activities:		
Net income (loss)	\$ (63.3)	\$ 4.3
Adjustments to reconcile net income (loss) to cash flows from operating activities:		
Depreciation and amortization	33.3	35.7
Lease amortization and accretion expense	36.9	43.1
Lease payments	(37.7)	(38.1)
Paid-in-kind interest	2.3	—
Debt-related amortization	5.7	3.3
Equity-based compensation and employee benefits expense	5.1	5.6
(Gains) losses on property disposals, net	1.0	(39.3)
Deferred income tax benefit, net	(1.0)	(0.4)
Other noncash items, net	0.7	0.7
Changes in assets and liabilities, net:		
Accounts receivable	(74.9)	(61.0)
Accounts payable	36.1	14.9
Other operating assets	(4.0)	(3.9)
Other operating liabilities	21.0	19.5
Net cash provided by (used in) operating activities	(38.8)	(15.6)
Investing Activities:		
Acquisition of property and equipment	(202.4)	(12.4)
Proceeds from disposal of property and equipment	0.4	45.0
Net cash provided by (used in) investing activities	(202.0)	32.6
Financing Activities:		
Issuance of long-term debt, net	176.5	—
Repayment of long-term debt	(0.5)	(20.1)
Debt issuance costs	(0.1)	—
Payments for tax withheld on equity-based compensation	(0.3)	(0.2)
Net cash provided by (used in) financing activities	175.6	(20.3)
Net Increase (Decrease) In Cash and Cash Equivalents and Restricted Amounts Held in Escrow	(65.2)	(3.3)
Cash and Cash Equivalents and Restricted Amounts Held in Escrow, Beginning of Period	478.0	109.2
Cash and Cash Equivalents and Restricted Amounts Held in Escrow, End of Period	\$ 412.8	\$ 105.9
Supplemental Cash Flow Information:		
Interest paid	\$ (27.3)	\$ (8.6)

The accompanying notes are an integral part of these statements.

STATEMENTS OF CONSOLIDATED SHAREHOLDERS' DEFICIT
Yellow Corporation and Subsidiaries
For the Three Months Ended March 31
(Amounts in millions)
(Unaudited)

	Preferred Stock	Common Stock	Capital Surplus	Accumulated Deficit	Accumulated Other Comprehensive Loss	Treasury Stock, At Cost	Total Shareholders' Deficit
Balances at December 31, 2020	\$ —	\$ 0.5	\$ 2,383.6	\$ (2,365.9)	\$ (148.8)	\$ (92.7)	\$ (223.3)
Equity-based compensation	—	—	1.8	—	—	—	1.8
Net income (loss)	—	—	—	(63.3)	—	—	(63.3)
Pension, net of tax:							
Amortization of prior net losses	—	—	—	—	3.0	—	3.0
Amortization of prior service credit	—	—	—	—	(0.1)	—	(0.1)
Foreign currency translation	—	—	—	—	0.7	—	0.7
Balances at March 31, 2021	<u>\$ —</u>	<u>\$ 0.5</u>	<u>\$ 2,385.4</u>	<u>\$ (2,429.2)</u>	<u>\$ (145.2)</u>	<u>\$ (92.7)</u>	<u>\$ (281.2)</u>

	Preferred Stock	Common Stock	Capital Surplus	Accumulated Deficit	Accumulated Other Comprehensive Loss	Treasury Stock, At Cost	Total Shareholders' Deficit
Balances at December 31, 2019	\$ —	\$ 0.3	\$ 2,332.9	\$ (2,312.4)	\$ (369.3)	\$ (92.7)	\$ (441.2)
Equity-based compensation	—	—	1.8	—	—	—	1.8
Net income	—	—	—	4.3	—	—	4.3
Pension, net of tax:							
Amortization of prior net losses	—	—	—	—	3.3	—	3.3
Amortization of prior service credit	—	—	—	—	(0.1)	—	(0.1)
Foreign currency translation	—	—	—	—	(1.9)	—	(1.9)
Balances at March 31, 2020	<u>\$ —</u>	<u>\$ 0.3</u>	<u>\$ 2,334.7</u>	<u>\$ (2,308.1)</u>	<u>\$ (368.0)</u>	<u>\$ (92.7)</u>	<u>\$ (433.8)</u>

The accompanying notes are an integral part of these statements.

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

1. Description of Business

Yellow Corporation (also referred to as “Yellow,” the “Company,” “we,” “us” or “our”) is a holding company that, through its operating subsidiaries, offers its customers a wide range of transportation services. We have one of the largest, most comprehensive less-than-truckload (“LTL”) networks in North America with local, regional, national and international capabilities. Through our team of experienced service professionals, we offer expertise in LTL shipments and flexible supply chain solutions, ensuring customers can ship industrial, commercial and retail goods with confidence.

Yellow Corporation provides for the movement of industrial, commercial and retail goods through our LTL subsidiaries including USF Holland LLC (“Holland”), New Penn Motor Express LLC (“New Penn”), USF Reddaway Inc. (“Reddaway”), YRC Inc. and YRC Freight Canada Company (both doing business as, and herein referred to as, “YRC Freight”). Our LTL companies provide regional, national and international services through a consolidated network of facilities located across the United States, Canada, and Puerto Rico. We also offer services through HENRY Logistics, Inc. (“HENRY Logistics”), our customer-specific logistics solutions provider, specializing in truckload, residential, and warehouse solutions.

As of March 31, 2021, approximately 79% of our labor force is subject to collective bargaining agreements, which predominantly expire on March 31, 2024.

2. Basis of Presentation

The accompanying unaudited consolidated financial statements include the accounts of Yellow Corporation and its wholly owned subsidiaries. All significant intercompany accounts and transactions have been eliminated in consolidation. We report on a calendar year basis. The quarters of Holland and Reddaway consist of thirteen weeks that end on a Saturday either before or after the end of March, June and September, whereas all other companies’ quarters end on the natural calendar quarter end.

All normal recurring adjustments necessary for a fair presentation of the consolidated financial statements for the interim periods included herein have been made. These unaudited interim consolidated financial statements of the Company have been prepared in accordance with U.S. generally accepted accounting principles for interim financial information, the instructions to Quarterly Report on Form 10-Q and the applicable rules and regulations. Certain information and note disclosures normally included in financial statements prepared in accordance with U.S. generally accepted accounting principles have been condensed or omitted from these statements. The accompanying consolidated financial statements should be read in conjunction with the Company’s Annual Report on Form 10-K for the year ended December 31, 2020 (“the 2020 Form 10-K”). Operating results for the three months ended March 31, 2021 are not necessarily indicative of the results of operations that may be expected for the year ended December 31, 2021.

Reclassifications

Certain immaterial reclassifications have been made to prior year’s balances to conform with current year presentation.

Disaggregation of Revenue

The Company’s revenue is summarized below with LTL shipments defined as shipments less than 10,000 pounds that move in our network:

(in millions)	Three Months	
	2021	2020
LTL revenue	\$ 1,083.5	\$ 1,050.7
Other revenue	114.9	99.7
Total revenue	<u>\$ 1,198.4</u>	<u>\$ 1,150.4</u>

Newly-Adopted Accounting Standards

In December 2019, the Financial Accounting Standards Board issued Accounting Standards Update (“ASU”) 2019-12, *Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes*. The amendments of ASU 2019-12 are meant to simplify and reduce the cost of accounting for income taxes. The new standard became effective for the Company on January 1, 2021. ASU 2019-12, upon becoming effective, also removed certain exceptions to the general principles in Topic 740 including the general intraperiod tax allocation exception, and also clarifies and amends existing guidance to improve consistent application. Application of the exception to the intraperiod tax allocation rules was a factor in 2020 and certain previous years.

While there are additional recently issued accounting standards that are applicable to the Company, none of these standards are expected to have a material impact on our consolidated financial statements and accompanying notes.

3. Debt and Financing

Our outstanding debt as of March 31, 2021, which includes our \$176.5 million of additional United States Treasury (“UST”) Loan Tranche B draws during the three months then ended, consisted of the following:

(in millions)	Par Value	Discount	Commitment Fee	Debt Issuance Costs	Book Value	Effective Interest Rate
Term Loan	\$ 613.0	\$ (19.5)	\$ —	\$ (8.6)	\$ 584.9 (a)	9.5%
ABL Facility	—	—	—	—	—	N/A
UST Loan Tranche A(b)	304.4	—	(16.5)	(4.3)	283.6 (c)	6.5%
UST Loan Tranche B	251.3	—	(13.8)	(3.6)	233.9 (c)	6.5%
Secured Second A&R CDA	24.1	—	—	(0.1)	24.0	7.7%
Unsecured Second A&R CDA	43.9	—	—	(0.1)	43.8	7.7%
Lease financing obligations	225.5	—	—	(0.2)	225.3 (d)	17.3%
Total debt	\$ 1,462.2	\$ (19.5)	\$ (30.3)	\$ (16.9)	\$ 1,395.5	
Current maturities of Unsecured Second A&R CDA	(1.3)	—	—	—	(1.3)	
Current maturities of lease financing obligations	(3.1)	—	—	—	(3.1)	
Long-term debt	\$ 1,457.8	\$ (19.5)	\$ (30.3)	\$ (16.9)	\$ 1,391.1	

- (a) Variable interest rate based on the Eurodollar rate, which is currently determined by the 1, 3 or 6-month USD LIBOR, with a floor of 1.0%, plus a fixed margin of 7.5%.
(b) The Par Value and the Book Value both reflect the accumulated cash funds that have been drawn and the accumulated paid-in-kind interest, which was \$4.4 million as of March 31, 2021.
(c) Variable interest rate based on the Eurodollar rate, which is currently determined by the 1, 2, 3 or 6-month USD LIBOR, with a floor of 1.0%, plus a fixed margin of 3.5%.
(d) Interest rate for lease financing obligations is derived from the difference between total rent payment and calculated principal amortization over the life of lease agreements.

On April 1, 2021, the Company drew \$129.8 million of funds on the Tranche B UST Credit Agreement and is described in Note 9 to our consolidated financial statements.

Principal Maturities of Long-Term Debt

The principal maturities of long-term debt for the next five years are as follows:

(in millions)	Principal Maturity Amount
2021 - remaining portion	\$ 3.4
2022	70.7
2023	4.9
2024	1,171.1
2025	0.2
Thereafter	211.9
Total	\$ 1,462.2

Fair Value Measurement

The book value and estimated fair values of our long-term debt, including current maturities, are summarized as follows:

(in millions)	March 31, 2021		December 31, 2020	
	Book Value	Fair Value	Book Value	Fair Value
Term Loan	\$ 584.9	\$ 615.8	\$ 582.7	\$ 611.0
UST Loans	517.5	481.4	349.2	322.0
Second A&R CDA	67.8	68.3	67.8	67.8
Lease financing obligations	225.3	224.8	225.7	225.8
Total debt	\$ 1,395.5	\$ 1,390.3	\$ 1,225.4	\$ 1,226.6

The fair values of the Term Loan and Second A&R CDA were estimated based on observable prices (level two inputs for fair value measurements). The fair value of the UST Loans is estimated using certain inputs that are unobservable (level three input for fair value measurement), which are based on the discounted amount of future cash flows using our current estimated incremental rate of borrowing for similar liabilities or assets. The fair value of the lease financing obligations are estimated using a publicly traded secured loan with similar characteristics (level three input for fair value measurement).

4. Leases

Leases (in millions)	March 31, 2021	December 31, 2020
Assets		
Operating lease right-of-use assets	\$ 246.4	\$ 276.0
Liabilities		
Current		
Current operating lease liabilities	\$ 108.1	\$ 114.2
Noncurrent		
Operating lease liabilities	148.5	172.6
Total lease liabilities	<u>\$ 256.6</u>	<u>\$ 286.8</u>

Lease Cost (in millions)	Three Months	
	2021	2020
Operating lease cost ^(a)	\$ 36.9	\$ 43.1
Short-term cost ^(b)	9.6	2.0
Variable lease cost ^(b)	2.5	2.4
Total lease cost	<u>\$ 49.0</u>	<u>\$ 47.5</u>

- (a) Operating lease cost represents non-cash amortization of ROU assets and accretion of the discounted lease liabilities and is segregated on the statement of consolidated cash flows.
(b) These costs are classified and recorded primarily within purchased transportation.

Remaining Maturities of Lease Liabilities (in millions)	Operating Leases	
2021 - remaining portion	\$	103.0
2022		95.1
2023		53.0
2024		23.0
2025		10.8
After 2025		26.9
Total lease payments	\$	311.8
Less: imputed interest		55.2
Present value of lease liabilities	<u>\$</u>	<u>256.6</u>

Lease Term and Discount Rate (years and percent)	Weighted-Average Remaining Lease Term	Weighted-Average Discount Rate
Operating leases	3.2	12.0%

Other Information (in millions)	Three Months	
	2021	2020
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	\$ 37.2	\$ 38.0
Leased assets obtained in exchange for new operating lease liabilities	\$ 0.6	\$ 3.7

5. Employee Benefits

Qualified and Nonqualified Defined Benefit Pension Plans

The following table presents the components of our Company-sponsored pension plan costs:

(in millions)	Three Months	
	2021	2020
Interest cost	\$ 7.7	\$ 9.6
Expected return on plan assets	(12.0)	(14.9)
Amortization of prior service credit	(0.1)	(0.1)
Amortization of prior net pension loss	3.0	3.7
Total net periodic pension (benefit) cost	\$ (1.4)	\$ (1.7)

6. Earnings (Loss) Per Share

We calculate basic earnings (loss) per share by dividing our net earnings (loss) available to common shareholders by our weighted-average shares outstanding at the end of the period. The calculation for diluted earnings (loss) per share adjusts the weighted average shares outstanding for our dilutive unvested shares and stock units using the treasury stock method. Our calculations for basic and dilutive earnings (loss) per share are as follows:

(dollars in millions, except per share data; shares and stock units in thousands)	Three Months	
	2021	2020
Basic and dilutive net income (loss) available to common shareholders	\$ (63.3)	\$ 4.3
Basic weighted average shares outstanding	50,358	33,791
Effect of dilutive securities:		
Unvested shares and stock units(a)	—	1,839
Dilutive weighted average shares outstanding	\$ 50,358	\$ 35,630
Basic earnings (loss) per share(b)	\$ (1.26)	\$ 0.13
Diluted earnings (loss) per share(b)	\$ (1.26)	\$ 0.12

- (a) Includes unvested shares of Common Stock, unvested stock units, and vested stock units for which the underlying Common Stock has not been distributed.
(b) Earnings (loss) per share is based on unrounded figures and not the rounded figures presented.

Given our net loss position for the three months ended March 31, 2021, we do not report dilutive securities for this period. At March 31, 2021 and 2020, our anti-dilutive unvested shares and stock units not included in the calculation of diluted earnings (loss) per share were approximately 35,000 and 176,000, respectively.

7. Commitments, Contingencies and Uncertainties

Department of Defense Complaints

In December 2018, the United States on behalf of the United States Department of Defense filed a complaint in Intervention against the Company (and two other defendants) in the U.S. District in the Western District of New York captioned United States ex rel. James Hannum v. YRC Freight, Inc.; Roadway Express, Inc.; and Yellow Transportation, Inc., Civil Action No. 08-0811(A). The complaint alleges that the Company violated the False Claims Act by overcharging the Department of Defense for freight carrier services by failing to comply with the contractual terms of freight contracts between the Department of Defense and the Company and related government procurement rules. The complaint also alleges claims for unjust enrichment and breach of contract. Under the False Claims Act, the complaint seeks treble damages, civil penalties, attorneys' fees and costs of suit, all in unspecified amounts. The remaining common causes of action seek an undetermined amount for an alleged breach of contract or alternatively causes constituting unjust enrichment or a payment by mistake. The Company has moved to dismiss the case, and the court heard oral arguments on the motion on August 12, 2019. On July 17, 2020, the Magistrate Judge to whom the case had been referred issued a Report and Recommendation recommending that the District Judge grant the Company's motion to dismiss in part with respect to one claim and deny it in all other respects. On July 31, 2020 the Company filed its Objections to the Report and Recommendation with the District Court. Management believes the Company has meritorious defenses against

the remaining counts and intends to vigorously defend this action. We are unable to estimate the possible loss, or range of possible loss, associated with these claims at this time.

Class Action Securities Complaint

In January 2019, a purported class action lawsuit captioned Christina Lewis v. YRC Worldwide Inc., et al., Case No. 1:19-cv-00001, was filed in the U.S. District Court for the Northern District of New York against the Company and certain of our current and former officers. The complaint was filed on behalf of persons who purchased or otherwise acquired the Company's publicly traded securities between March 10, 2014 and December 14, 2018. The complaint generally alleged that the defendants had violated Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 by making false and misleading statements relating to the Company's freight billing practices as alleged in the Department of Defense complaint described above. The action included claims for damages, including interest, and an award of reasonable costs and attorneys' fees. The co-lead plaintiffs filed an amended complaint on June 14, 2019, and the defendants moved to dismiss it on July 15, 2019. On March 27, 2020, the court granted defendants' motion to dismiss in its entirety and entered judgment closing the case. The co-lead plaintiffs filed a notice of appeal to the U.S. Court of Appeals for the Second Circuit on April 27, 2020. That appeal is pending and has been fully briefed. On December 16, 2020, the parties to the appeal filed an informative notice to inform the Second Circuit that they would engage in mediation to explore whether the case can be resolved. In February 2021, the parties to the appeal reached an agreement in principle to settle the matter for an immaterial amount, which agreement remains subject to certain conditions, including execution of a definitive settlement agreement and court approval. On February 10, 2021, the Second Circuit granted the parties' joint motion to stay the appeal and remand the case to the District Court for consideration once the parties have documented the proposed settlement and presented it to the court for approval. On April 12, 2021, the parties executed the definitive settlement documents, agreeing to settle the case for \$2.1 million, subject to court approval. Plaintiffs filed a motion on April 15, 2021 asking the court to preliminarily approve the proposed settlement and authorize notice to the settlement class. The court granted preliminary approval on April 19, 2021, and scheduled a fairness hearing for August 18, 2021.

Shareholder Derivative Complaint

In February 2021, two putative shareholders filed an action derivatively and on behalf of the Company naming Douglas A. Carty, Raymond J. Bromark, William R. Davidson, Matthew A. Doheny, Robert L. Friedman, James E. Hoffman, Michael J. Kneeland, Patricia M. Nazemetz, James F. Winestock, Jamie G. Pierson, Darren D. Hawkins, James L. Welch and Stephanie D. Fisher individually as defendants and the Company as the nominal defendant. The case, captioned *Bhandari, et al. v. Carty, et al.*, Case No. 2021-0090-SG, was filed in the Court of Chancery in the State of Delaware. The complaint alleges that the Company was exposed to harm by the individual defendants' purported conduct concerning its freight-billing practices as alleged in the Department of Defense complaint and the class action securities complaint described above. The complaint asserts that the individual defendants breached their fiduciary duties and were unjustly enriched as a result of their purported conduct. Claims similar to those raised in *Bhandari* had been raised in two shareholder derivative cases that were previously disclosed by the Company and have been dismissed. The defendants moved to dismiss the case on April 19, 2021.

Other Legal Matters

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

8. Related Party Transactions

Under the applicable accounting standards the Company is deemed a related party with the United States federal government as a result of the UST Credit Agreements and the associated issuance of common stock to the UST in July 2020. In the ordinary course of business, the Company has continued to regularly transact with various authorities associated with the United States federal government (the "U.S. government") and to also operate in an industry subject to various U.S. government regulations. These transactions and regulatory oversight relationships include the Company providing a full range of transportation services to various U.S. government entities and the Company being subject to certain applicable U.S. government regulations such as those of the U.S. Departments of Transportation and Homeland Security, as examples.

9. Subsequent Events

On April 1, 2021, the Company received \$129.8 million of funds on a draw of the Tranche B UST Credit Agreement. The Tranche B UST Credit Agreement requires these funds to be used for the purchase of tractors and trailers, and the remaining undrawn portion is \$18.9 million after this drawdown.

Cautionary Note Regarding Forward-Looking Statements

Management’s Discussion and Analysis of Financial Condition and Results of Operations (“MD&A”) should be read in conjunction with the Consolidated Financial Statements and the Notes to Consolidated Financial Statements included elsewhere in this report. This report includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (“Exchange Act”). Forward-looking statements include those preceded by, followed by or characterized by words such as “will,” “expect,” “intend,” “anticipate,” “believe,” “could,” “should,” “may,” “project,” “forecast,” “propose,” “plan,” “designed,” “estimate,” “enable” and similar expressions which speak only as of the date the statement was made. Forward-looking statements are inherently uncertain, are based upon current beliefs, assumptions and expectations of Company management and current market conditions, and are subject to significant business, economic, competitive, regulatory and other risks, uncertainties and contingencies, known and unknown, many of which are beyond our control. Readers are cautioned not to place undue reliance on any forward-looking statements. Our future financial condition and results could differ materially from those predicted in such forward-looking statements because of a number of business, financial and liquidity, and common stock related factors, including (without limitation):

- The risk of labor disruptions or stoppages if our relationship with our employees and unions were to deteriorate;
- general economic factors, including (without limitation) impacts of COVID-19 and customer demand in the retail and manufacturing sectors;
- the widespread outbreak of an illness or any other communicable disease, including the effects of pandemics comparable to COVID-19, or any other public health crisis, as well as regulatory measures implemented in response to such events;
- interruptions to our computer and information technology systems and sophisticated cyber-attacks;
- business risks and increasing costs associated with the transportation industry, including increasing equipment, operational and technology costs, disruption from natural disasters, and impediments to our operations and business resulting from anti-terrorism measures;
- our ability to attract and retain qualified drivers and increasing costs of driver compensation;
- competition and competitive pressure on pricing;
- changes in pension expense and funding obligations, subject to interest rate volatility;
- increasing costs relating to our self-insurance claims expenses;
- our ability to comply and the cost of compliance with, or liability resulting from violation of, federal, state, local and foreign laws and regulations, including (without limitation) labor laws and laws and regulations regarding the environment and climate change initiatives;
- the impact of claims and litigation expense to which we are or may become exposed;
- that we may not realize the expected benefits and costs savings from our performance and operational improvement initiatives;
- a significant privacy breach or IT system disruption;
- our dependence on key employees;
- our ability to finance the maintenance, acquisition and replacement of revenue equipment and other necessary capital expenditures;
- seasonality and the impact of weather;
- shortages of fuel and changes in the cost of fuel or the index upon which we base our fuel surcharge and the effectiveness of our fuel surcharge program in protecting us against fuel price volatility;
- risks of operating in foreign countries;
- our failure to comply with the covenants in the documents governing our existing and future indebtedness;
- our ability to generate sufficient liquidity to satisfy our indebtedness and cash interest payment obligations, lease obligations and pension funding obligations;
- fluctuations in the price of our common stock;
- dilution from future issuances of our common stock;
- we are not permitted to pay dividends on our common stock in the foreseeable future;

- that we have the ability to issue preferred stock that may adversely affect the rights of holders of our common stock; and
- other risks and contingencies, including (without limitation) the risk factors that are included in our reports filed with the SEC, including those described under “Risk Factors” in our annual report on Form 10-K and quarterly reports on Form 10-Q, including this quarterly report.

Overview

MD&A includes the following sections:

Our Business: a brief description of our business and a discussion of how we assess our operating results.

Consolidated Results of Operations: an analysis of our consolidated results of operations for the three months ended March 31, 2021 and 2020.

Certain Non-GAAP Financial Measures: presentation and an analysis of selected non-GAAP financial measures for the three months ended March 31, 2021 and 2020 and trailing-twelve-months ended March 31, 2021 and 2020.

Financial Condition, Liquidity and Capital Resources: a discussion of our major sources and uses of cash and an analysis of our cash flows and, if applicable, material changes in our contractual obligations and commercial commitments.

The “first quarter” of the years discussed below refer to the three months ended March 31.

Our Business

Yellow Corporation is a holding company that, through its operating subsidiaries, offers our customers a wide range of transportation services. The Company has one of the largest, most comprehensive LTL networks in North America with local, regional, national and international capabilities. Through its team of experienced service professionals, the Company offers industry-leading expertise in LTL shipments and flexible supply chain solutions, ensuring customers can ship industrial, commercial and retail goods with confidence.

We measure the performance of our business using several metrics, but rely primarily upon (without limitation) operating revenue, operating income (loss), and operating ratio. We also use certain non-GAAP financial measures as secondary measures to assess our operating performance.

- **Operating Revenue:** Our operating revenue has two primary components: volume (commonly evaluated using tonnage, tonnage per day, number of shipments, shipments per day or weight per shipment) and yield or price (commonly evaluated using picked up revenue, revenue per hundredweight or revenue per shipment). Yield includes fuel surcharge revenue, which is common in the trucking industry and represents an amount charged to customers that adjusts with changing fuel prices. We base our fuel surcharges on the U.S. Department of Energy fuel index and adjust them weekly. Rapid material changes in the index or our cost of fuel can positively or negatively impact our revenue and operating income as a result of changes in our fuel surcharge. We believe that fuel surcharge is an accepted and important component of the overall pricing of our services to our customers. Without an industry accepted fuel surcharge program, our base pricing for our transportation services would require changes. We believe the distinction between base rates and fuel surcharge has blurred over time, and it is impractical to clearly separate all the different factors that influence the price that our customers are willing to pay. In general, under our present fuel surcharge program, we believe rising fuel costs are beneficial to us and falling fuel costs are detrimental to us in the short term, the effects of which are mitigated over time.
- **Operating Income (Loss):** Operating income (loss) is operating revenue less operating expenses.
- **Operating Ratio:** Operating ratio is a common operating performance measure used in the trucking industry. It is calculated as (i) 100 percent (ii) minus the result of dividing operating income by operating revenue or (iii) plus the result of dividing operating loss by operating revenue, and is expressed as a percentage.
- **Non-GAAP Financial Measures:** We use EBITDA and Adjusted EBITDA, which are non-GAAP financial measures, to assess the following:
 - *EBITDA:* a non-GAAP measure that reflects our earnings before interest, taxes, depreciation, and amortization expense. EBITDA is used for internal management purposes as a financial measure that reflects our core operating performance.

- *Adjusted EBITDA*: a non-GAAP measure that reflects EBITDA, and further adjusts for letter of credit fees, equity-based compensation expense, net gains or losses on property disposals, restructuring charges, transaction costs related to issuances of debt, non-recurring consulting fees, non-cash impairment charges and the gains or losses from permitted dispositions, discontinued operations, and certain non-cash expenses, charges and losses (provided that if any of such non-cash expenses, charges or losses represents an accrual or reserve for potential cash items in any future period, the cash payment in respect thereof in such future period will be subtracted from Consolidated EBITDA in such future period to the extent paid). All references to “Adjusted EBITDA” throughout this section and the rest of this report refer to “Adjusted EBITDA” calculated under our UST Credit Agreements and the Term Loan Agreement (collectively, the “TL Agreements”) (defined therein as “Consolidated EBITDA”) unless otherwise specified. Consolidated EBITDA is also a defined term in our ABL Facility and the definition there aligns with the prior definition of Consolidated EBITDA under the Prior Term Loan Agreement. Adjusted EBITDA is used for internal management purposes as a financial measure that reflects our core operating performance, to measure compliance with financial covenants in our TL Agreements and to determine certain management and employee bonus compensation.

We believe our presentation of EBITDA and Adjusted EBITDA is useful to investors and other users as these measures represent key supplemental information our management uses to compare and evaluate our core underlying business results, particularly in light of our leverage position and the capital-intensive nature of our business. Further, EBITDA is a measure that is commonly used by other companies in our industry and provides a comparison for investors to evaluate the performance of the companies in the industry. Additionally, Adjusted EBITDA helps investors to understand how the company is tracking against our financial covenant in our TL Agreements as this measure is calculated as defined in our TL Agreements and serves as a driving component of our key financial covenants.

Our non-GAAP financial measures have the following limitations:

- EBITDA does not reflect the interest expense or the cash requirements necessary to service interest or fund principal payments on our outstanding debt;
- Adjusted EBITDA does not reflect the interest expense or the cash requirements necessary to service interest or fund principal payments on our outstanding debt, letter of credit fees, restructuring charges, transaction costs related to the issuance of debt, non-cash expenses, charges or losses, or nonrecurring consulting fees, among other items;
- Although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will generally need to be replaced in the future and EBITDA and Adjusted EBITDA do not reflect any cash requirements for such replacements;
- Equity-based compensation is an element of our long-term incentive compensation package, although Adjusted EBITDA excludes employee equity-based compensation expense when presenting our ongoing operating performance for a particular period; and
- Other companies in our industry may calculate Adjusted EBITDA differently than we do, potentially limiting its usefulness as a comparative measure.

Because of these limitations, our non-GAAP measures should not be considered a substitute for performance measures calculated in accordance with GAAP. We compensate for these limitations by relying primarily on our GAAP results and use our non-GAAP measures as secondary measures.

Multi-Employer Pension Plans

The Company contributes to various multi-employer pension plans for employees covered by our collective bargaining agreements, as more fully detailed in the 2020 Form 10-K. Our collective bargaining agreements with the unions determine the amount of our contributions to these plans. The pension plans provide defined benefits to retired participants. We do not directly manage the multi-employer pension plans to which we contribute. The trusts covering these plans are generally managed by trustees, half of whom the unions appoint and half of whom various contributing employers appoint.

In March 2021, the American Rescue Plan Act of 2021 (the “ARPA”) was passed, which includes, among many other provisions, significant financial assistance for eligible, underfunded multi-employer pension plans. The Company believes that several multi-employer pension plans for employees covered by our collective bargaining agreements could be eligible, including the Central States, Southeast and Southwest Areas Pension Funds that are disclosed in the Company’s 2020 Form 10-K. The special financial assistance provided by the ARPA is designed to cover the payments of accrued pension benefits through the 2051 plan year and is not subject to any repayment obligations. Commencing March 2021, the Pension Benefit Guaranty Corporation (“PBGC”) has 120 days to issue regulations or guidance setting forth application requirements for special financial assistance. The Company is

monitoring these developments, including updates from the PBGC, to understand the short-term and long-term impacts of this financial assistance.

Consolidated Results of Operations

The table below provides summary consolidated financial information for the first quarter of 2021 and 2020:

(Amounts in millions)	First Quarter				Percentage Change in Dollar Amounts %
	2021		2020		
	\$	%	\$	%	
Operating Revenue	\$ 1,198.4	100.0	\$ 1,150.4	100.0	4.2
Operating Expenses:					
Salaries, wages and employee benefits	723.8	60.4	720.2	62.6	0.5
Fuel, operating expenses and supplies	203.5	17.0	208.0	18.1	(2.2)
Purchased transportation	200.0	16.7	136.2	11.8	46.8
Depreciation and amortization	33.3	2.8	35.7	3.1	(6.7)
Other operating expenses	64.4	5.4	61.6	5.4	4.5
(Gains) losses on property disposals, net	1.0	0.1	(39.3)	(3.4)	NM*
Total operating expenses	1,226.0	102.3	1,122.4	97.6	9.2
Operating Income (Loss)	(27.6)	(2.3)	28.0	2.4	NM*
Nonoperating Expenses:					
Nonoperating expenses, net	34.6	2.9	24.1	2.1	43.6
Income (loss) before income taxes	(62.2)	(5.2)	3.9	0.3	NM*
Income tax expense (benefit)	1.1	0.1	(0.4)	(0.0)	NM*
Net Income (Loss)	\$ (63.3)	(5.3)	\$ 4.3	0.4	NM*

*Not meaningful

First quarter of 2021 Compared to the first quarter of 2020

The industry is currently in a tight capacity environment with fewer drivers available to meet shipping demands which has led to price increases charged to customers and an increase in the cost of purchased transportation.

Results of operations in the first quarter of 2021 were impacted by severe winter weather that affected significant portions of the United States, including many Southern and Southeastern states not normally impacted by winter weather events. These storms, which mainly impacted February results, caused 215 of our terminals to have service outages during February with some extending to March. This reduced the number of shipments picked-up and further increased the need for purchased transportation to meet customer service expectations.

The Company's yield growth partially offset by a decline in volume produced a consolidated operating revenue increase of \$48.0 million compared to the first quarter of 2020.

The Company's results reflect these revenue increases offset by increased purchased transportation expenses and small decreases in certain variable expenses. Offsetting these variable expense decreases the Company paid higher contractual wage and benefit rates for union employees with total operating expenses increasing \$103.6 million. Further material changes are provided below.

Purchased transportation. Purchased transportation increased \$63.8 million primarily due to significant rate increases and other factors noted above. These increases were noted in all our modes of purchased transportation and include a \$26.0 million increase in over-the-road purchased transportation expense, a \$17.5 million increase in rail purchased transportation expense, a \$10.6 million increase from additional usage of local purchased transportation, and a \$10.4 million increase in third-party costs due to the growth in customer-specific logistics solutions.

Gains/losses on property disposals, net. Net losses on disposals of property were \$1.0 million during the first quarter of 2021 as compared to net gains of \$39.3 million in 2020 which were primarily related to the sale of real properties.

Nonoperating expenses, net. Nonoperating expenses increased \$10.5 million primarily due to increased interest expense as a result of increased outstanding debt balances during 2021.

Income tax. Our effective tax rate for the first quarter of 2021 and 2020 was (1.8%) and (10.3%), respectively. The most significant items impacting the 2021 rate were net state and foreign tax provisions, while the most significant item impacting the

2020 rate was a benefit recognized due to application of the exception to the rules regarding intraperiod tax allocation. The Company had a full valuation allowance against our domestic net deferred tax assets as of the relevant reporting periods.

The table below summarizes the key revenue metrics for the first quarter of 2021 compared to the first quarter of 2020:

	First Quarter		Percent Change ^(a)
	2021	2020	
Workdays	63.5	65.5	
Operating ratio	102.3%	97.6%	(4.7pp)
LTL picked up revenue (in millions)	\$ 1,090.6	\$ 1,049.6	3.9%
LTL tonnage (in thousands)	2,478	2,544	(2.6%)
LTL tonnage per workday (in thousands)	39.02	38.85	0.5%
LTL shipments (in thousands)	4,263	4,323	(1.4%)
LTL shipments per workday (in thousands)	67.13	66.00	1.7%
LTL picked up revenue per hundred weight	\$ 22.00	\$ 20.63	6.7%
LTL picked up revenue per hundred weight (excluding fuel surcharge)	\$ 19.53	\$ 18.27	6.9%
LTL picked up revenue per shipment	\$ 256	\$ 243	5.4%
LTL picked up revenue per shipment (excluding fuel surcharge)	\$ 227	\$ 215	5.6%
LTL weight per shipment (in pounds)	1,163	1,177	(1.2%)
Total picked up revenue (in millions) ^(b)	\$ 1,196.3	\$ 1,141.4	4.8%
Total tonnage (in thousands)	3,216	3,234	(0.5%)
Total tonnage per workday (in thousands)	50.64	49.37	2.6%
Total shipments (in thousands)	4,380	4,426	(1.0%)
Total shipments per workday (in thousands)	68.98	67.57	2.1%
Total picked up revenue per hundred weight	\$ 18.60	\$ 17.65	5.4%
Total picked up revenue per hundred weight (excluding fuel surcharge)	\$ 16.56	\$ 15.69	5.6%
Total picked up revenue per shipment	\$ 273	\$ 258	5.9%
Total picked up revenue per shipment (excluding fuel surcharge)	\$ 243	\$ 229	6.1%
Total weight per shipment (in pounds)	1,468	1,461	0.5%

(in millions)	First Quarter	
	2021	2020
(b) Reconciliation of operating revenue to total picked up revenue:		
Operating revenue	\$ 1,198.4	\$ 1,150.4
Change in revenue deferral and other	(2.1)	(9.0)
Total picked up revenue	\$ 1,196.3	\$ 1,141.4

(a) Percent change based on unrounded figures and not the rounded figures presented.

(b) Does not equal financial statement revenue due to revenue recognition adjustments between accounting periods and the impact of other revenue.

Certain Non-GAAP Financial Measures

As previously discussed in the “Our Business” section, we use certain non-GAAP financial measures to assess performance including EBITDA and Adjusted EBITDA. We believe our presentation of EBITDA and Adjusted EBITDA is useful to investors and other users as these measures represent key supplemental information our management uses to compare and evaluate our core underlying business results, particularly in light of our leverage position and the capital-intensive nature of our business. These secondary measures should be considered in addition to the results prepared in accordance with GAAP, but should not be considered a substitute for, or superior to, our GAAP financial measures.

Adjusted EBITDA

The reconciliation of net income (loss) to EBITDA and EBITDA to Adjusted EBITDA (defined in our TL Agreements as “Consolidated EBITDA”) for the first quarter of 2021 and 2020, and the trailing twelve months ended March 31, 2021 and 2020, is as follows:

(in millions)	First Quarter		Trailing Twelve Months Ended	
	2021	2020	March 31, 2021	March 31, 2020
Reconciliation of net income (loss) to Adjusted EBITDA:				
Net income (loss)	\$ (63.3)	\$ 4.3	\$ (121.1)	\$ (50.6)
Interest expense, net	35.8	28.2	143.2	111.6
Income tax expense (benefit)	1.1	(0.4)	(18.1)	5.0
Depreciation and amortization	33.3	35.7	132.5	148.1
EBITDA	6.9	67.8	136.5	214.1
Adjustments for TL Agreements:				
(Gains) losses on property disposals, net	1.0	(39.3)	(5.0)	(54.6)
Non-cash reserve changes ^(a)	(1.8)	0.3	0.8	16.4
Letter of credit expense	2.1	1.6	7.8	6.5
Permitted dispositions and other	0.7	0.2	0.8	0.4
Equity-based compensation expense	2.1	2.0	4.8	6.0
Loss on extinguishment of debt	—	—	—	11.2
Non-union pension settlement charge	—	—	3.6	1.8
Other, net	1.0	(1.6)	6.1	0.2
Expense amounts subject to 10% threshold ^(b) :				
COVID-19	—	0.2	3.7	0.2
Other, net	4.6	2.9	19.0	12.4
Adjusted EBITDA prior to 10% threshold	16.6	34.1	178.1	214.6
Adjustments pursuant to TTM calculation ^(b)	(3.4)	—	(7.1)	—
Adjusted EBITDA	\$ 13.2	\$ 34.1	\$ 171.0	\$ 214.6

(a) Non-cash reserve changes reflect the net non-cash reserve charge for union and nonunion vacation (which includes the impact of the National Master Freight Agreement for the one week of restored vacation), with such non-cash reserve adjustment to be reduced by cash charges in a future period when paid.

(b) Pursuant to the TL Agreements, Adjusted EBITDA limits certain adjustments in aggregate to 10% of the trailing-twelve-month (“TTM”) Adjusted EBITDA, prior to the inclusion of amounts subject to the 10% threshold, for each period ending. Such adjustments include, but are not limited to, restructuring charges, integration costs, severance, and non-recurring charges. The limitation calculation is updated quarterly based on TTM Adjusted EBITDA, and any necessary adjustment resulting from this limitation, if applicable, will be presented here.

Financial Condition, Liquidity and Capital Resources

The following sections provide aggregated information regarding our financial condition, liquidity and capital resources. As of March 31, 2021, and December 31, 2020 our total debt was \$1,395.5 million and \$1,225.4 million, respectively.

Liquidity

Our principal sources of liquidity are cash and cash equivalents, any prospective net cash flow from operations and available borrowings under our ABL facility. As of March 31, 2021, our cash and cash equivalents, exclusive of restricted amounts held in escrow was \$381.4 million.

As of March 31, 2021, our maximum availability under our ABL Facility was \$85.6 million, and our Managed Accessibility was \$41.6 million. Maximum availability is derived by reducing the amount that may be advanced against eligible receivables plus eligible borrowing base cash by certain reserves imposed by the ABL Agent and our \$353.9 million of outstanding letters of credit. Our “Managed Accessibility” represents the maximum amount we would access on the ABL Facility and is adjusted for eligible receivables plus eligible borrowing base cash measured for the applicable period. If eligible receivables fall below the threshold management uses to measure availability, which is 10% of the borrowing line, the credit agreement governing the ABL Facility permits adjustments from eligible borrowing base cash to restricted cash prior to the compliance measurement date of April 15, 2021. As of March 31, 2021, our cash and cash equivalents and Managed Accessibility were \$423.0 million.

For the December 31, 2020 borrowing base certificate, which was filed in January of 2021, we transferred \$3.1 million of cash into restricted cash to maintain the 10% threshold, as permitted under the ABL Facility, which transfer effectively put our cash and cash equivalents and Managed Accessibility to \$440.2 million.

Outside of funding normal operations, our principal uses of cash include principal and interest payments on our funded debt, payments on equipment leases and investments in capital expenditures.

We have no off-balance sheet arrangements except for other contractual obligations for service agreements and capital purchases, letters of credit and surety bonds, which were disclosed in the 2020 Form 10-K. Additionally, there have been no material changes to these arrangements subsequent to December 31, 2020.

Covenants

The Company has a requirement under the TL Agreements to maintain minimum Liquidity of \$125.0 million. The Company is in compliance with the applicable financial covenant as of March 31, 2021. This Liquidity requirement is relieved at the end of the first quarter in which the Company's Adjusted EBITDA for the trailing twelve-month period is greater than \$200.0 million. With Liquidity as of March 31, 2021 of \$423.0 million, and forecasted operating results, management expects the Company will meet this covenant requirement for the next nine months or until it is relieved and not applicable.

Beginning with the fiscal quarter ending December 31, 2021, the Company has a quarterly requirement to maintain a trailing twelve-month Adjusted EBITDA of \$100.0 million. This requirement increases for the fiscal quarter ending March 31, 2022 to a trailing twelve months adjusted EBITDA of \$150.0 million. Management expects, based on actual and forecasted operating results, the Company will meet this covenant requirement for the period it becomes effective and the next twelve months.

Cash Flows

For the first quarter of 2021 and 2020:

(in millions)	First Quarter	
	2021	2020
Net cash provided by (used in) operating activities	\$ (38.8)	\$ (15.6)
Net cash provided by (used in) investing activities	(202.0)	32.6
Net cash provided by (used in) financing activities	175.6	(20.3)

Operating Cash Flow

Cash used in operating activities was \$38.8 million during the first quarter of 2021, compared to \$15.6 million used during the first quarter of 2020. The decrease in cash is primarily attributable to a \$67.6 million decrease in net income, partially offset by a \$40.3 million decrease in net gains on the sale of real property and timing differences in working capital accounts. Cash paid for interest increased \$18.7 million as certain interest payments were deferred in the first quarter of 2020 and no such deferral was made in the first quarter of 2021.

Investing Cash Flow

Cash used in investing activities was \$202.0 million during the first quarter of 2021 compared to \$32.6 million of cash provided during the first quarter of 2020. The decrease of \$234.6 million in cash was largely driven by an increase in cash outflows on revenue equipment acquisitions partially offset by lower cash proceeds from the sale of real property. Cash used by investing cash flows during the second quarter of 2021 is expected to be higher than historic levels as the Company anticipates utilizing funds, including those received in April 2021, from the UST Credit Agreements.

Financing Cash Flow

Cash provided by financing activities for the first quarter of 2021 was \$175.6 million compared to \$20.3 million used during the first quarter of 2020. The increase in cash is primarily related to amounts drawn on our UST Credit Agreement Tranche B. Cash provided by financing activities during the second quarter of 2021 will include additional funds drawn in April 2021 to acquire tractors and trailers as described by the UST Credit Agreements.

Capital Expenditures

Our capital expenditures for the first quarter of 2021 and 2020 were \$202.4 million and \$12.4 million, respectively. These amounts were principally used to fund the purchase of new and used revenue equipment, for capitalized costs to improve our technology infrastructure and to refurbish engines for our revenue equipment fleet. The Company begins depreciation on revenue equipment upon placement into active service. Our activity related to new operating lease commitments for revenue equipment was nominal during the first quarter of 2021 due to the aforementioned purchases.

Contractual Obligations and Other Commercial Commitments

The following sections summarize consolidated information regarding our contractual cash obligations and other commercial commitments for any updates for material changes during the reporting period ended March 31, 2021.

Contractual Cash Obligations

The Company has completed a review of our material cash requirements in order to analyze and disclose material changes, if any, in those requirements between those expected cash outflows as of December 31, 2020, as detailed in the Form 2020 10-K, and those as of March 31, 2021. As a result, our material updates to cash outflows that we are contractually obligated to make include our increases in future principal and interest payment requirements that resulted from the additional UST Loan Tranche B borrowings during the quarter ended March 31, 2021 and decreases in total future operating lease payments. Our additional borrowings and the associated changes in our contractual cash obligations related to our UST Loan Tranche B, which are required to be used to fund the purchase of tractors and trailers, are described in Note 3. Our contractual cash obligations related to our operating leases have decreased as the Company has primarily been acquiring revenue equipment, thus not entering new or renewing, at historical levels, operating leases on revenue equipment, as described in Note 4. For all other changes in our cash requirements, for cash outflows that we are contractually obligated to make, they were considered by the Company and those changes are reasonably expected in the ordinary course of business.

Other Commercial Commitments

The Company has completed a review of our other commercial commitments in order to analyze and disclose material changes, if any, in those commitments between those as of December 31, 2020, as detailed in the 2020 Form 10-K, and those as of March 31, 2021. As a result, the Company determined that there were no material changes to disclose.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We are primarily exposed to the market risk associated with unfavorable movements in interest rates, foreign currencies, and fuel price volatility. The risk inherent in our market risk-sensitive instruments and positions is the potential loss or increased expense arising from adverse changes in those factors. There have been no material changes to our market risk policies or our market risk-sensitive instruments and positions as described in the 2020 Form 10-K.

Item 4. Controls and Procedures

As required by the Exchange Act, we maintain disclosure controls and procedures designed to ensure that information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Our disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information we are required to disclose in reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including our principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure. Our management, with the participation of our principal executive and financial officers, has evaluated our disclosure controls and procedures as of March 31, 2021 and has concluded that our disclosure controls and procedures were effective as of March 31, 2021.

There were no changes in our internal control over financial reporting that occurred during the fiscal quarter ended March 31, 2021 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings

We discuss legal proceedings in the “Commitments, Contingencies and Uncertainties” note to our consolidated financial statements included with this quarterly report on Form 10-Q, and that discussion is incorporated by reference herein.

Item 1A. Risk Factors

You should carefully consider the factors discussed in Part I, Item IA. “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2020 which could materially affect our business, financial condition or future results. The risks in our Annual Report on Form 10-K are not the only risks facing us. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may eventually prove to materially adversely affect our business, financial condition and/or operating results.

Item 6. Exhibits

- | | |
|----------|--|
| 10.1* | Severance Agreement and Release, dated April 23, 2021, between Thomas J. O'Connor and the Company. |
| 10.2* | Severance Agreement and Release, dated April 14, 2021, between Scott D. Ware and the Company. |
| 31.1* | Certification of Darren D. Hawkins filed pursuant to Exchange Act Rules 13a-14 and 15d-14, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. |
| 31.2* | Certification of Daniel L. Olivier filed pursuant to Exchange Act Rules 13a-14 and 15d-14, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. |
| 32.1* | Certification of Darren D. Hawkins furnished pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. |
| 32.2* | Certification of Daniel L. Olivier furnished pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. |
| 101.INS* | Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because XBRL tags are embedded within the Interline XBRL document. |
| 101.SCH* | Inline XBRL Taxonomy Extension Schema Document |
| 101.CAL* | Inline XBRL Taxonomy Extension Calculation Linkbase Document |
| 101.DEF* | Inline XBRL Taxonomy Extension Definition Linkbase Document |
| 101.LAB* | Inline XBRL Taxonomy Extension Label Linkbase Document |
| 101.PRE* | Inline XBRL Taxonomy Extension Presentation Linkbase Document |
| 104 | Cover Page Interactive Data File (embedded within the Inline XBRL document) |

* Indicates documents filed herewith.

SIGNATURES

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

YELLOW CORPORATION

Date: May 5, 2021

/s/ Darren D. Hawkins

Darren D. Hawkins

Chief Executive Officer

Date: May 5, 2021

/s/ Daniel L. Olivier

Daniel L. Olivier

Interim Chief Financial Officer

SEVERANCE AGREEMENT AND RELEASE

The parties to this Severance Agreement and Release (“Agreement”) are Yellow Corporation, its, parents, successors, predecessors, and subsidiaries, including (hereinafter collectively referred to as the “Company”), and Thomas J. O’Connor (hereinafter referred to as “Employee”).

Employee and the Company wish to terminate their at-will employment relationship in a manner that is satisfactory to both Employee and the Company.

In consideration of the mutual promises set forth herein, which constitute good and valuable consideration, Employee and the Company agree as follows:

1. Separation Date. Employee’s last day of employment is April 12, 2021 (the “Separation Date”).
 2. Severance Pay. In exchange for Employee’s promises contained herein and for Employee’s continued compliance with the obligations set forth herein, the Company agrees:
 - a To pay Employee an amount equal to Employee’s base salary for the period beginning on the Effective Date of this Agreement and continuing for a period of 18-months (the “Severance Period”). The total payment for 18-months of base salary is \$1,050,000.00 and will be paid to Employee in a lump sum, subject to appropriate withholdings and deductions, within 15 calendar days after the Effective Date of this Agreement. The “Effective Date” of this Agreement is defined as the date this Agreement becomes effective and irrevocable.
 - b To provide Employee with \$120,000.00 to obtain outplacement services and to pay reasonable fees incurred by Employee for his professional affiliations, memberships, and/or certifications (the “Outplacement Services Payment”). The Company will not withhold any amount for taxes from this payment and will issue Employee an IRS Form 1099 for the Outplacement Services Payment. Employee agrees that he shall be solely responsible for any taxes which may be due on the Outplacement Services Payment. This amount shall be paid in one lump sum within 15 days calendar days after the Effective Date of this Agreement.
 - c As of the Separation Date, Employee will become ineligible to participate in the Company’s health insurance program subject to Employee’s right, if any, to continuation coverage under COBRA. Thereafter, if applicable, coverage will be made available to Employee at Employee’s sole expense (i.e., Employee will be responsible for the full COBRA premium) for the remaining months of the COBRA coverage period made available pursuant to applicable law.
 - d Any equity-based awards granted to Employee will be subject to the terms and conditions of the Company equity incentive plan and its respective award document, which provide for the vesting of awards representing 6,028 shares of Company stock.
-

e Employee will be paid an additional cash lump sum of \$29,684.65 in full settlement of the 2021 LTIP Award that was scheduled to be made to the Employee.

3. Consideration. Employee acknowledges that Employee is not otherwise entitled to the consideration set forth in Paragraph 2 and that Employee is receiving the consideration set forth in Paragraph 2 solely in exchange for the promises in this Agreement. Except as otherwise specifically (i) provided in this Agreement; (ii) required pursuant to the terms of the Company's compensation and benefit programs; or (iii) required by COBRA or other applicable law, Employee shall not be entitled to any compensation or benefits or to participate in any past, present or future Company employee benefit programs or arrangements (including, without limitation, any severance plan, program or arrangement) on or after Separation Date. Employee acknowledges that Employee has received all compensation in any form to which Employee may be entitled. Employee has been fully compensated for all hours worked and has received all other compensation Company owed to Employees, if any.

4. Return of Company Property. If Employee has not done so already, Employee must, before receiving any payment pursuant to Paragraph 2 of this Agreement, return all property belonging to the Company, including but not limited to corporate credit cards, keycard, mobile phones, computer equipment, files, records, computer access codes, computer software, business plans, instruction manuals, and any other property that Employee has prepared or helped to prepare in conjunction with Employee's employment with the Company.

5. Confidential Information. Employee agrees that Employee shall not, directly or indirectly, use or disclose to any person or entity other than the Company any Confidential Information (defined below) for any purpose. "Confidential Information" means any non-public information relating to the Company or the business, assets, operations or financial affairs of the Company, whether or not in written form and whether or not expressly designated as confidential, including any information consisting of or otherwise relating to trade secrets, know-how, technology, operations, processes, products, services, personnel, plans, prospects, customers, customer lists, customer preferences, contracts, proposals, suppliers, pricing, referral sources, marketing or sales techniques or plans, market analyses, programs, operations manuals, service manuals, labor and employment policies, strategies and positions, or financial information and projections. Employee understands that any Confidential Information that has been divulged to Employee has been done so in confidence, and agrees that the disclosure of Confidential Information to a competitor or any other person or entity would cause irreparable harm to the Company. If Employee has any questions regarding what data or information would be considered by the Company to be Confidential Information subject to this provision, Employee agrees to contact **Leah Dawson, Executive Vice President, General Counsel & Secretary, via email at leah.dawson@myyellow.com**.

6. Non-Solicitation of Employees. Employee shall not solicit or attempt to induce any employee of the Company to leave the employment of the Company or to become an employee of any competitor or any other person or entity from the Separation Date until 18-months from the Effective Date (the "No Solicitation Period").

7. Non-Solicitation of Customers and Accounts. During the No Solicitation Period, Employee shall not, directly or indirectly: solicit any Customer or Account of the Company; assist any of the Company's competitors in soliciting any Customer or Account of the Company; induce or attempt to induce any Customer or Account of the Company to cease doing business with the Company; or interfere with the relationship between the Company and any Customer or Account of the Company. For purposes of this Agreement, a Customer or Account is any person or entity with whom Employee had contact with and/or knowledge of by reason of his/her employment with the Company during the one (1) year period prior to the Separation Date.

8. Reasonableness of Restrictions. Employee agrees that Employee has read this entire Agreement and understands it. Employee agrees that Paragraphs 6 and 7 of this Agreement do not prevent Employee from earning a living or pursuing Employee's career. Employee agrees that the restrictions contained in this Agreement are reasonable, proper, and necessitated by the Company's legitimate business interests. Employee represents and agrees that Employee is entering into this Agreement freely and with knowledge of its contents with the intent to be bound by the Agreement and the restrictions contained in it.

In the event that a court finds this Agreement, or any of its restrictions, to be ambiguous, unenforceable, or invalid, Employee and the Company agree that this Agreement will be automatically modified to provide the Company with the maximum protection of its business interests allowed by law and Employee agrees to be bound by this Agreement as modified.

9. Reasonable Assistance. If the Company becomes involved in any legal action relating to events that occurred during Employee's employment, Employee shall cooperate to the fullest extent possible in the preparation, prosecution, or defense of the Company's case, including, but not limited to, the execution of affidavits or documents or providing of information requested by the Company. Reasonable out-of-pocket expenses related to such assistance will be reimbursed by the Company if Company's approval is obtained in advance. Employee acknowledges and agrees that the Company is involved in legal action with a former employee and a purported consultant that will require Employee's ongoing cooperation in accordance with this Paragraph 9.

10. Non-disparagement. Employee agrees that Employee will not, in any way, disparage the Company or any of the Released Parties (defined below). Employee further agrees Employee will not make, nor solicit, any comments, statements, or the like to the media, or to others, that are derogatory or detrimental to the good name or business reputation of the Company. Employee's non-disparagement obligations under this Paragraph 10 do not interfere with or restrict Employee's ability to communicate with any federal, state, or local agency, including with which a charge or complaint has been filed.

11. Employee's Death. If Employee dies prior to receipt of any payments that this Agreement provides, Company will pay any remaining payments to Employee's estate (subject to the other terms and conditions of this Agreement), except to the extent that Employee's current or future beneficiary designation forms for Company benefit plans that utilize such forms provide otherwise.

12. General Release and Waiver.

a In exchange for the Company's promises set forth in this Agreement, Employee, including Employee's heirs, administrators, executors, spouse, if any, successors, estate, representatives and assigns and all others claiming by or through Employee, voluntarily and knowingly releases the Company, its parent companies, their subsidiaries, divisions, predecessors, successors, partners, members, directors, officers, trustees, employees, stockholders, owners, attorneys, benefit plans, subrogees, insurers, representatives and assigns, whether alleged to have acted in their official capacities or personally (collectively, the "Released Parties") completely and forever, from any and all claims, causes of action, suits, contracts, promises, or demands of any kind, which Employee may now have, whether known or unknown, intentional or otherwise, from the beginning of time to the Effective Date of this Agreement arising out of or in connection with Employee's employment by and separation from the Company.

b Employee understands that this Agreement releases, waives and forever discharges liability arising under contract, tort or other common law, including, without limitation, breach of contract, fraud, estoppel, misrepresentation, express or implied duties of good faith and fair dealing, wrongful discharge, discrimination, retaliation, harassment, negligence, gross negligence, false imprisonment, assault and battery, conspiracy, intentional or negligent infliction of emotional distress, slander, libel, defamation, violation of public policy and invasion of privacy whether arising, occurring, or existing at any time prior to the signing of this Agreement.

c Employee understands and agrees that this Agreement covers all claims described in this Paragraph 12, including, but not limited to, any alleged violation of the Civil Rights Act of 1991; Title VII of the Civil Rights Act of 1964, as amended; Americans with Disabilities Act; Employee Retirement Income Security Act; the Worker Adjustment and Retraining Notification Act; the Family and Medical Leave Act; the Age Discrimination in Employment Act as amended by the Older Workers Benefit Protection Act; the Fair Labor Standards Act, to the extent permitted by law; the Occupational Safety and Health Act of 1970; Kansas Act Against Discrimination, Kansas Equal Pay Law, Kansas Age Discrimination in Employment Act, Kansas Discrimination Against Military Personnel Act, Kansas Discrimination Against Victims of Domestic Violence or Sexual Assault Act, Kansas' whistleblower protection laws (including Kan. Stat. Ann. §§ 39-1403, 39-1432, 44-615 & 44-636), Kansas Minimum Wage and Maximum Hours Law, and Kansas WARN Act; and any other federal, state or local civil, labor, pension, wage-hour or human rights law, federal or state public policy, contract or tort law; any claim arising under federal or state common law, including, but not limited to, constructive or wrongful discharge or intentional or negligent infliction of emotional distress; and any claim for costs or attorney's fees.

d Employee represents, warrants and agrees that Employee has received from the Company all wages, vacation pay and benefits, if any, potentially due to him/her pursuant to federal and state law and under Company policy, including any overtime pay if applicable. It is the parties' intent to release all liability that can legally be released but no more than that. Employee states that Employee is aware of no facts (including any injuries or illnesses) that might lead to his/her filing of a workers' compensation claim against the Company. This Agreement expressly releases claims

under the False Claims Act to the fullest extent permitted by law. To the extent that a court of competent jurisdiction were to conclude that pre-filing releases of claims under the False Claims Act are not enforceable absent government knowledge of the alleged claims, the parties agree that Employee shall be permitted to participate in any legal proceedings under the False Claims Act. But, Employee specifically waives, to the fullest extent permitted by law, any rights he may have to receive any monetary award from such proceedings.

13. Medicare Secondary Payer. Employee declares and expressly warrants that Employee is not Medicare eligible, that Employee is not a Medicare beneficiary, that Employee is not within thirty (30) months of becoming Medicare eligible; that Employee is not 65 years of age or older; that Employee is not suffering from end stage renal failure or amyotrophic lateral sclerosis; that Employee has not received Social Security benefits for twenty-four (24) months or longer; and/or that Employee has not applied for Social Security benefits, and/or has not been denied Social Security disability benefits and is appealing the denial. Employee affirms, covenants, and warrants Employee has made no claim for illness or injury against, nor is Employee aware of any facts supporting any claim against, Company under which the Company could be liable for medical expenses incurred by the Employee before or after the execution of this Agreement. As Employee is not a Medicare recipient as of the date of this Agreement, Employee is aware of no medical expenses that Medicare has paid and for which the Company is or could be liable now or in the future. Employee agrees and affirms that, to the best of Employee's knowledge, no liens of any governmental entities, including those for Medicare conditional payments, exist.

The parties have not shifted responsibility for medical treatment to Medicare in contravention of 42 U.S.C. § 1395y(b). The parties made every effort to adequately protect Medicare's interest and incorporate such into the severance terms, and to comply with both federal and state law. The parties acknowledge and understand that any present or future action or decision by the Centers for Medicare & Medicaid Services or Medicare on this Agreement, or Employee's eligibility or entitlement to Medicare or Medicare payments, will not render this Agreement void or ineffective, or in any way affect the finality of this Agreement. Employee represents and agrees that he will indemnify, defend and hold the Company harmless from any and all claims, liens, Medicare conditional payments and rights to payment, known or unknown, arising from any and all charges for medical treatment Employee has received or will receive in the future. If any governmental entity, or anyone acting on behalf of any governmental entity, seeks reimbursement or damages (including multiple damages) from the Company relating to Employee's alleged past or future medical expenses, injuries, or claims, Employee will defend and indemnify the Company, and hold the Company harmless from any and all such damages (including multiple damages), claims, liens, Medicare conditional payments and rights to payment, including any attorney's fees and costs sought by such entities. Employee agrees to waive any and all private causes of action for damages pursuant to 42 U.S.C. § 1395y(b)(3)(A) et seq.

14. Reports to Government Entities. Nothing in this Agreement, including the Release of Claims, Confidential Information, and Non-Disparagement clauses, restricts or prohibits Employee from initiating communications directly with, responding to any inquiries from, providing testimony before, providing confidential information to, reporting possible violations of law or regulation to, or from filing a claim or assisting with an investigation directly with a self-regulatory authority or a government agency or entity, including the U.S. Equal

Employment Opportunity Commission (“EEOC”), the Department of Labor (11 DOL”), the National Labor Relations Board (“NLRB”), the Department of Justice (11 DOJ”), the Securities and Exchange Commission (“SEC”), the Congress, and any agency Inspector General (collectively, the “Regulators”), or from making other disclosures that are protected under the whistleblower provisions of state or federal law or regulation. Please take notice that federal law provides criminal and civil immunity to federal and state claims for trade secret misappropriation to individuals who disclose a trade secret to their attorney, a court, or a government official in certain, confidential circumstances that are set forth at 18 U.S.C. §§ 1833(b)(1) and 1833(b)(2), related to the reporting or investigation of a suspected violation of the law, or in connection with a lawsuit for retaliation for reporting a suspected violation of the law. However, Employee is waiving Employee’s right to receive any individual monetary relief resulting from such claims, regardless of whether Employee or another party has filed them, and in the event Employee obtains such monetary relief the Company will be entitled to an offset for the payments made pursuant to this Agreement, except where such limitations are prohibited as a matter of law (e.g., under the Sarbanes-Oxley Act of 2002, 18 U.S.C.A. §§ 1514A). Employee does not need the prior authorization of the Company to engage in such communications, respond to such inquiries, provide confidential information or documents to the Regulators, or make any such reports or disclosures to the Regulators. Employee is not required to notify the Company that Employee has engaged in such communications with the Regulators.

15. Employee Rights. This Agreement does not: (a) release or waive any rights Employee may have, if any, to pension benefits which may have vested while Employee was employed by Company (which, in the avoidance of doubt, include but is not limited to all defined benefit pension plans, transferred executive supplemental retirement plans, and supplemental executive pension plans); (b) release or waive any rights that cannot by law be released or waived by private agreement; (c) release or waive any workers compensation claim filed and properly disclosed to the Company before the Separation Date; or (d) affect or limit Employee’s ability to challenge this Agreement’s compliance with notice and time-period requirements of the Age Discrimination in Employment Act (“ADEA”).

16. Employee Promises. Employee warrants that: (a) Employee has no pending charges or lawsuits against the Company; (b) Employee has not suffered a work-related injury that Employee has not properly disclosed to the Company; and (c) Employee has been paid in full all wages due and owing to the Employee for any and all work performed for the Company.

17. Confidentiality. The terms of this Agreement, including its existence, shall remain confidential. Employee shall not publish or publicize the terms of this Agreement in any manner or with any person not a party to this Agreement. Employee shall not discuss or reveal the terms of this Agreement to any persons other than as necessary immediate family members, legal counsel, and/or financial advisors (the “Potential Third Party Recipients”). Employee agrees that Employee may only disclose the terms of this Agreement to any Potential Third Party Recipients if those individuals have been informed of, agreed to be bound by, the requirement to maintain the confidentiality of this Agreement and its terms, and that Employee shall indemnify the Company for any damages caused due to failure of the Potential Third Party Recipients to protect the confidentiality of such Agreement and its terms. Nothing in the Agreement shall prevent either Employee or the Company from responding accurately and fully to any question, inquiry or request for information when required by applicable law.

18. Remedies and Forfeiture. In the event Employee fails to comply with the provisions of this Agreement, including specifically the restrictive covenants set forth in Paragraphs 6, and 7, the Company shall be relieved of its obligations to Employee under Paragraph 2 of this Agreement, and Employee shall immediately return to the Company ninety (90) percent of the consideration previously paid under Paragraph 2(a). The parties further agree that the portion of previously paid consideration that is not subject to forfeiture constitutes adequate, ongoing consideration for the Release of Claims. Provided, however, that nothing in this Agreement shall limit the Company's right to pursue additional remedies for Employee's violation of this Agreement. Moreover, Employee will remain bound by the provisions of this Agreement. The prevailing Party in any action or proceeding brought to enforce the terms of this Agreement shall be entitled to recover his or its costs and attorneys' fees.

19. No Admission of Wrongdoing. Employee and the Company understand and agree that the execution of this Agreement does not constitute an admission by either party of any wrongdoing. The Company expressly denies any liability or violation of law.

20. Governing Law. This Agreement shall be governed and interpreted in all respects by the laws of the State of Kansas without regard to its conflict of laws provision.

21. Severability. The provisions of this Agreement are severable. If any provision of this Agreement is adjudicated invalid or unenforceable, the remaining provisions will remain valid and enforceable.

22. Review and Revocation Periods; Attorney Review. In compliance with the Older Workers Benefit Protection Act, Employee is hereby advised to consult with an attorney regarding the terms, meaning and impact of this Agreement. In addition, Employee understands and agrees that: (a) by signing this Agreement, Employee waives and releases any claims Employee might have against any of the Released Parties, including, but not limited to, any claims under the Age Discrimination in Employment Act of 1967; (b) Employee has thirty (30) days from the date of receipt of this Agreement to consider whether or not to execute this Agreement, which Employee waives by virtue of Employee's execution of the Agreement during the consideration period; and (c) after Employee signs this Agreement and it becomes effective, Employee has seven (7) days from that date to change Employee's mind and revoke the Agreement. Revocation by Employee shall be in writing and shall be effective upon timely receipt by Sean Saunders, Vice President of Human Resources, via email at sean.saunders@myyellow.com. Employee further understands that, if Employee fails to sign the Agreement within thirty (30) days of receipt or revokes the Agreement, the Company shall have no obligation to provide the consideration described in Paragraph 2 of this Agreement to Employee. Employee understands that this Agreement shall not be effective and enforceable until seven (7) days from the date Employee and the Company execute this Agreement.

23. Entire Agreement; Modifications. This Agreement embodies the entire agreement between the Company and Employee. Employee agrees that the Company has made no representations to induce the Employee to agree to the Agreement other than those set forth in the Agreement. This Agreement cannot be modified except by a written agreement.

24. Internal Revenue Code (“IRC”) Section 409A Compliance. To the extent applicable, it is the intent of the parties that this Agreement shall be applied and construed so as to comply with the requirements for an exemption from the requirements of IRC Section 409A or, if so determined by the Company, to satisfy any applicable IRC Section 409A requirements. In no event whatsoever shall the Company be liable for any additional tax, interest or penalties that may be imposed on Employee pursuant to IRC Section 409A.

25. Knowing and Voluntary. Employee acknowledges that Employee has carefully read this Agreement, is fully familiar with its contents, and understands its provisions. Employee agrees that this Agreement is written in a manner such that Employee understands it and has been signed knowingly and voluntarily. Employee signs this Agreement with an understanding of its significance and intending to be bound by its terms.

26. Execution and Return of Agreement. Upon execution, please return all pages of the signed Agreement to Sean Saunders, **Vice President of Human Resources, via email at sean.saunders@myyellow.com.**

27. PLEASE READ THIS DOCUMENT CAREFULLY. IT IS A LEGAL DOCUMENT. IT INCLUDES AN AGREEMENT BY EMPLOYEE TO RELEASE ALL LIABILITY KNOWN AND UNKNOWN AGAINST THE COMPANY, ITS AFFILIATES, PARENTS, SUCCESSORS, PREDECESSORS, SUBSIDIARIES AND ALL DIRECTORS, OFFICERS, EMPLOYEES AND AGENTS OF SUCH ENTITIES.

/s/ Thomas J. O’Connor

(Employee’s Signature)

Thomas J. O’Connor

(Employee’s Printed Name)

Date: 4/23/2021

(Employee’s Phone Number)

(Employee’s Home & Email Address)

Yellow Corporation, its affiliates, parents, successors, predecessors, and subsidiaries

By: /s/ Leah K. Dawson

(Company Representative’s Signature)

Leah K. Dawson

(Company Representative’s Printed Name)

Executive Vice President, General Counsel and
Secretary

(Company Representative’s Title)

SEVERANCE AGREEMENT AND RELEASE

The parties to this Severance Agreement and Release (“Agreement”) are Yellow Corporation, its, parents, successors, predecessors, and subsidiaries, including (hereinafter collectively referred to as the “Company”), and Scott D. Ware (hereinafter referred to as “Employee”).

Employee and the Company wish to terminate their at-will employment relationship in a manner that is satisfactory to both Employee and the Company.

In consideration of the mutual promises set forth herein, which constitute good and valuable consideration, Employee and the Company agree as follows:

1. Separation Date. Employee’s last day of employment is April 12, 2021 (the “Separation Date”).
 2. Severance Pay. In exchange for Employee’s promises contained herein and for Employee’s continued compliance with the obligations set forth herein, the Company agrees:
 - a To pay Employee an amount equal to Employee’s base salary for the period beginning on the Effective Date of this Agreement and continuing for a period of 18-months (the “Severance Period”). The total payment for 18-months of base salary is \$900,000.00 and will be paid to Employee in a lump sum, subject to appropriate withholdings and deductions, within 15 calendar days after the Effective Date of this Agreement. The “Effective Date” of this Agreement is defined as the date this Agreement becomes effective and irrevocable.
 - b To provide Employee with \$120,000.00 to obtain outplacement services and to pay reasonable fees incurred by Employee for his professional affiliations, memberships, and/or certifications (the “Outplacement Services Payment”). The Company will not withhold any amount for taxes from this payment and will issue Employee an IRS Form 1099 for the Outplacement Services Payment. Employee agrees that he shall be solely responsible for any taxes which may be due on the Outplacement Services Payment. This amount shall be paid in one lump sum within 15 days calendar days after the Effective Date of this Agreement.
 - c As of the Separation Date, Employee will become ineligible to participate in the Company’s health insurance program subject to Employee’s right, if any, to continuation coverage under COBRA. Thereafter, if applicable, coverage will be made available to Employee at Employee’s sole expense (i.e., Employee will be responsible for the full COBRA premium) for the remaining months of the COBRA coverage period made available pursuant to applicable law.
 - d Any equity-based awards granted to Employee will be subject to the terms and conditions of the Company equity incentive plan and its respective award document, which provide for the vesting of awards representing 5,576 shares of Company stock.
-

e Employee will be paid an additional cash lump sum of \$10,237.21 in full settlement of the 2021 LTIP Award that was scheduled to be made to the Employee.

f Employee will be paid an additional cash lump sum of \$103,107.86 if full settlement of the Final Component described in the Amended & Restated Retention Bonus letter dated December 3, 2020.

3. Consideration. Employee acknowledges that Employee is not otherwise entitled to the consideration set forth in Paragraph 2 and that Employee is receiving the consideration set forth in Paragraph 2 solely in exchange for the promises in this Agreement. Except as otherwise specifically (i) provided in this Agreement; (ii) required pursuant to the terms of the Company's compensation and benefit programs; or (iii) required by COBRA or other applicable law, Employee shall not be entitled to any compensation or benefits or to participate in any past, present or future Company employee benefit programs or arrangements (including, without limitation, any severance plan, program or arrangement) on or after Separation Date. Employee acknowledges that Employee has received all compensation in any form to which Employee may be entitled. Employee has been fully compensated for all hours worked and has received all other compensation Company owed to Employees, if any.

4. Return of Company Property. If Employee has not done so already, Employee must, before receiving any payment pursuant to Paragraph 2 of this Agreement, return all property belonging to the Company, including but not limited to corporate credit cards, keycard, mobile phones, computer equipment, files, records, computer access codes, computer software, business plans, instruction manuals, and any other property that Employee has prepared or helped to prepare in conjunction with Employee's employment with the Company.

5. Confidential Information. Employee agrees that Employee shall not, directly or indirectly, use or disclose to any person or entity other than the Company any Confidential Information (defined below) for any purpose. "Confidential Information" means any non-public information relating to the Company or the business, assets, operations or financial affairs of the Company, whether or not in written form and whether or not expressly designated as confidential, including any information consisting of or otherwise relating to trade secrets, know-how, technology, operations, processes, products, services, personnel, plans, prospects, customers, customer lists, customer preferences, contracts, proposals, suppliers, pricing, referral sources, marketing or sales techniques or plans, market analyses, programs, operations manuals, service manuals, labor and employment policies, strategies and positions, or financial information and projections. Employee understands that any Confidential Information that has been divulged to Employee has been done so in confidence, and agrees that the disclosure of Confidential Information to a competitor or any other person or entity would cause irreparable harm to the Company. If Employee has any questions regarding what data or information would be considered by the Company to be Confidential Information subject to this provision, Employee agrees to contact **Leah Dawson, Executive Vice President, General Counsel & Secretary, via email at leah.dawson@myyellow.com.**

6. Non-Solicitation of Employees. Employee shall not solicit or attempt to induce any employee of the Company to leave the employment of the Company or to become an employee of any competitor or any other person or entity from the Separation Date until 18-months from the Effective Date (the “No Solicitation Period”).

7. Non-Solicitation of Customers and Accounts. During the No Solicitation Period, Employee shall not, directly or indirectly: solicit any Customer or Account of the Company; assist any of the Company’s competitors in soliciting any Customer or Account of the Company; induce or attempt to induce any Customer or Account of the Company to cease doing business with the Company; or interfere with the relationship between the Company and any Customer or Account of the Company. For purposes of this Agreement, a Customer or Account is any person or entity with whom Employee had contact with and/or knowledge of by reason of his/her employment with the Company during the one (1) year period prior to the Separation Date.

8. Reasonableness of Restrictions. Employee agrees that Employee has read this entire Agreement and understands it. Employee agrees that Paragraphs 6 and 7 of this Agreement do not prevent Employee from earning a living or pursuing Employee’s career. Employee agrees that the restrictions contained in this Agreement are reasonable, proper, and necessitated by the Company’s legitimate business interests. Employee represents and agrees that Employee is entering into this Agreement freely and with knowledge of its contents with the intent to be bound by the Agreement and the restrictions contained in it.

In the event that a court finds this Agreement, or any of its restrictions, to be ambiguous, unenforceable, or invalid, Employee and the Company agree that this Agreement will be automatically modified to provide the Company with the maximum protection of its business interests allowed by law and Employee agrees to be bound by this Agreement as modified.

9. Reasonable Assistance. If the Company becomes involved in any legal action relating to events that occurred during Employee’s employment, Employee shall cooperate to the fullest extent possible in the preparation, prosecution, or defense of the Company’s case, including, but not limited to, the execution of affidavits or documents or providing of information requested by the Company. Reasonable out-of-pocket expenses related to such assistance will be reimbursed by the Company if Company’s approval is obtained in advance.

10. Non-disparagement. Employee agrees that Employee will not, in any way, disparage the Company or any of the Released Parties (defined below). Employee further agrees Employee will not make, nor solicit, any comments, statements, or the like to the media, or to others, that are derogatory or detrimental to the good name or business reputation of the Company. Employee’s non-disparagement obligations under this Paragraph 10 do not interfere with or restrict Employee’s ability to communicate with any federal, state, or local agency, including with which a charge or complaint has been filed.

11. Employee’s Death. If Employee dies prior to receipt of any payments that this Agreement provides, Company will pay any remaining payments to Employee’s estate (subject to the other terms and conditions of this Agreement), except to the extent that Employee’s current or future beneficiary designation forms for Company benefit plans that utilize such forms provide otherwise.

12. General Release and Waiver.

a In exchange for the Company's promises set forth in this Agreement, Employee, including Employee's heirs, administrators, executors, spouse, if any, successors, estate, representatives and assigns and all others claiming by or through Employee, voluntarily and knowingly releases the Company, its parent companies, their subsidiaries, divisions, predecessors, successors, partners, members, directors, officers, trustees, employees, stockholders, owners, attorneys, benefit plans, subrogees, insurers, representatives and assigns, whether alleged to have acted in their official capacities or personally (collectively, the "Released Parties") completely and forever, from any and all claims, causes of action, suits, contracts, promises, or demands of any kind, which Employee may now have, whether known or unknown, intentional or otherwise, from the beginning of time to the Effective Date of this Agreement arising out of or in connection with Employee's employment by and separation from the Company.

b Employee understands that this Agreement releases, waives and forever discharges liability arising under contract, tort or other common law, including, without limitation, breach of contract, fraud, estoppel, misrepresentation, express or implied duties of good faith and fair dealing, wrongful discharge, discrimination, retaliation, harassment, negligence, gross negligence, false imprisonment, assault and battery, conspiracy, intentional or negligent infliction of emotional distress, slander, libel, defamation, violation of public policy and invasion of privacy whether arising, occurring, or existing at any time prior to the signing of this Agreement.

c Employee understands and agrees that this Agreement covers all claims described in this Paragraph 12, including, but not limited to, any alleged violation of the Civil Rights Act of 1991; Title VII of the Civil Rights Act of 1964, as amended; Americans with Disabilities Act; Employee Retirement Income Security Act; the Worker Adjustment and Retraining Notification Act; the Family and Medical Leave Act; the Age Discrimination in Employment Act as amended by the Older Workers Benefit Protection Act; the Fair Labor Standards Act, to the extent permitted by law; the Occupational Safety and Health Act of 1970; Kansas Act Against Discrimination, Kansas Equal Pay Law, Kansas Age Discrimination in Employment Act, Kansas Discrimination Against Military Personnel Act, Kansas Discrimination Against Victims of Domestic Violence or Sexual Assault Act, Kansas' whistleblower protection laws (including Kan. Stat. Ann. §§ 39-1403, 39-1432, 44-615 & 44-636), Kansas Minimum Wage and Maximum Hours Law, and Kansas WARN Act; and any other federal, state or local civil, labor, pension, wage-hour or human rights law, federal or state public policy, contract or tort law; any claim arising under federal or state common law, including, but not limited to, constructive or wrongful discharge or intentional or negligent infliction of emotional distress; and any claim for costs or attorney's fees.

d Employee represents, warrants and agrees that Employee has received from the Company all wages, vacation pay and benefits, if any, potentially due to him/her pursuant to federal and state law and under Company policy, including any overtime pay if applicable. It is the parties' intent to release all liability that can legally be released but no more than that. Employee states that Employee is aware of no facts

(including any injuries or illnesses) that might lead to his/her filing of a workers' compensation claim against the Company. This Agreement expressly releases claims under the False Claims Act to the fullest extent permitted by law. To the extent that a court of competent jurisdiction were to conclude that pre-filing releases of claims under the False Claims Act are not enforceable absent government knowledge of the alleged claims, the parties agree that Employee shall be permitted to participate in any legal proceedings under the False Claims Act. But, Employee specifically waives, to the fullest extent permitted by law, any rights he may have to receive any monetary award from such proceedings.

13. Medicare Secondary Payer. Employee declares and expressly warrants that Employee is not Medicare eligible, that Employee is not a Medicare beneficiary, that Employee is not within thirty (30) months of becoming Medicare eligible; that Employee is not 65 years of age or older; that Employee is not suffering from end stage renal failure or amyotrophic lateral sclerosis; that Employee has not received Social Security benefits for twenty-four (24) months or longer; and/or that Employee has not applied for Social Security benefits, and/or has not been denied Social Security disability benefits and is appealing the denial. Employee affirms, covenants, and warrants Employee has made no claim for illness or injury against, nor is Employee aware of any facts supporting any claim against, Company under which the Company could be liable for medical expenses incurred by the Employee before or after the execution of this Agreement. As Employee is not a Medicare recipient as of the date of this Agreement, Employee is aware of no medical expenses that Medicare has paid and for which the Company is or could be liable now or in the future. Employee agrees and affirms that, to the best of Employee's knowledge, no liens of any governmental entities, including those for Medicare conditional payments, exist.

The parties have not shifted responsibility for medical treatment to Medicare in contravention of 42 U.S.C. § 1395y(b). The parties made every effort to adequately protect Medicare's interest and incorporate such into the severance terms, and to comply with both federal and state law. The parties acknowledge and understand that any present or future action or decision by the Centers for Medicare & Medicaid Services or Medicare on this Agreement, or Employee's eligibility or entitlement to Medicare or Medicare payments, will not render this Agreement void or ineffective, or in any way affect the finality of this Agreement. Employee represents and agrees that he will indemnify, defend and hold the Company harmless from any and all claims, liens, Medicare conditional payments and rights to payment, known or unknown, arising from any and all charges for medical treatment Employee has received or will receive in the future. If any governmental entity, or anyone acting on behalf of any governmental entity, seeks reimbursement or damages (including multiple damages) from the Company relating to Employee's alleged past or future medical expenses, injuries, or claims, Employee will defend and indemnify the Company, and hold the Company harmless from any and all such damages (including multiple damages), claims, liens, Medicare conditional payments and rights to payment, including any attorney's fees and costs sought by such entities. Employee agrees to waive any and all private causes of action for damages pursuant to 42 U.S.C. § 1395y(b)(3)(A) et seq.

14. Reports to Government Entities. Nothing in this Agreement, including the Release of Claims, Confidential Information, and Non-Disparagement clauses, restricts or prohibits Employee from initiating communications directly with, responding to any inquiries from, providing testimony before, providing confidential information to, reporting possible

violations of law or regulation to, or from filing a claim or assisting with an investigation directly with a self-regulatory authority or a government agency or entity, including the U.S. Equal Employment Opportunity Commission (“EEOC”), the Department of Labor (11 DOL”), the National Labor Relations Board (“NLRB”), the Department of Justice (11 DOJ”), the Securities and Exchange Commission (“SEC”), the Congress, and any agency Inspector General (collectively, the “Regulators”), or from making other disclosures that are protected under the whistleblower provisions of state or federal law or regulation. Please take notice that federal law provides criminal and civil immunity to federal and state claims for trade secret misappropriation to individuals who disclose a trade secret to their attorney, a court, or a government official in certain, confidential circumstances that are set forth at 18 U.S.C. §§ 1833(b)(1) and 1833(b)(2), related to the reporting or investigation of a suspected violation of the law, or in connection with a lawsuit for retaliation for reporting a suspected violation of the law. However, Employee is waiving Employee’s right to receive any individual monetary relief resulting from such claims, regardless of whether Employee or another party has filed them, and in the event Employee obtains such monetary relief the Company will be entitled to an offset for the payments made pursuant to this Agreement, except where such limitations are prohibited as a matter of law (e.g., under the Sarbanes-Oxley Act of 2002, 18 U.S.C.A. §§ 1514A). Employee does not need the prior authorization of the Company to engage in such communications, respond to such inquiries, provide confidential information or documents to the Regulators, or make any such reports or disclosures to the Regulators. Employee is not required to notify the Company that Employee has engaged in such communications with the Regulators.

15. Employee Rights. This Agreement does not: (a) release or waive any rights Employee may have, if any, to pension benefits which may have vested while Employee was employed by Company; (b) release or waive any rights that cannot by law be released or waived by private agreement; (c) release or waive any workers compensation claim filed and properly disclosed to the Company before the Separation Date; or (d) affect or limit Employee’s ability to challenge this Agreement’s compliance with notice and time-period requirements of the Age Discrimination in Employment Act (“ADEA”).

16. Employee Promises. Employee warrants that: (a) Employee has no pending charges or lawsuits against the Company; (b) Employee has not suffered a work-related injury that Employee has not properly disclosed to the Company; and (c) Employee has been paid in full all wages due and owing to the Employee for any and all work performed for the Company.

17. Confidentiality. The terms of this Agreement, including its existence, shall remain confidential. Employee shall not publish or publicize the terms of this Agreement in any manner or with any person not a party to this Agreement. Employee shall not discuss or reveal the terms of this Agreement to any persons other than as necessary immediate family members, legal counsel, and/or financial advisors (the “Potential Third Party Recipients”). Employee agrees that Employee may only disclose the terms of this Agreement to any Potential Third Party Recipients if those individuals have been informed of, agreed to be bound by, the requirement to maintain the confidentiality of this Agreement and its terms, and that Employee shall indemnify the Company for any damages caused due to failure of the Potential Third Party Recipients to protect the confidentiality of such Agreement and its terms. Nothing in the Agreement shall prevent either Employee or the Company from responding accurately and fully to any question, inquiry or request for information when required by applicable law.

18. Remedies and Forfeiture. In the event Employee fails to comply with the provisions of this Agreement, including specifically the restrictive covenants set forth in Paragraphs 6, and 7, the Company shall be relieved of its obligations to Employee under Paragraph 2 of this Agreement, and Employee shall immediately return to the Company ninety (90) percent of the consideration previously paid under Paragraph 2(a). The parties further agree that the portion of previously paid consideration that is not subject to forfeiture constitutes adequate, ongoing consideration for the Release of Claims. Provided, however, that nothing in this Agreement shall limit the Company's right to pursue additional remedies for Employee's violation of this Agreement. Moreover, Employee will remain bound by the provisions of this Agreement. The prevailing Party in any action or proceeding brought to enforce the terms of this Agreement shall be entitled to recover his or its costs and attorneys' fees.

19. No Admission of Wrongdoing. Employee and the Company understand and agree that the execution of this Agreement does not constitute an admission by either party of any wrongdoing. The Company expressly denies any liability or violation of law.

20. Governing Law. This Agreement shall be governed and interpreted in all respects by the laws of the State of Kansas without regard to its conflict of laws provision.

21. Severability. The provisions of this Agreement are severable. If any provision of this Agreement is adjudicated invalid or unenforceable, the remaining provisions will remain valid and enforceable.

22. Review and Revocation Periods; Attorney Review. In compliance with the Older Workers Benefit Protection Act, Employee is hereby advised to consult with an attorney regarding the terms, meaning and impact of this Agreement. In addition, Employee understands and agrees that: (a) by signing this Agreement, Employee waives and releases any claims Employee might have against any of the Released Parties, including, but not limited to, any claims under the Age Discrimination in Employment Act of 1967; (b) Employee has thirty (30) days from the date of receipt of this Agreement to consider whether or not to execute this Agreement, which Employee waives by virtue of Employee's execution of the Agreement during the consideration period; and (c) after Employee signs this Agreement and it becomes effective, Employee has seven (7) days from that date to change Employee's mind and revoke the Agreement. Revocation by Employee shall be in writing and shall be effective upon timely receipt by Sean Saunders, Vice President of Human Resources, via email at sean.saunders@myyellow.com. Employee further understands that, if Employee fails to sign the Agreement within thirty (30) days of receipt or revokes the Agreement, the Company shall have no obligation to provide the consideration described in Paragraph 2 of this Agreement to Employee. Employee understands that this Agreement shall not be effective and enforceable until seven (7) days from the date Employee and the Company execute this Agreement.

23. Entire Agreement; Modifications. This Agreement embodies the entire agreement between the Company and Employee. Employee agrees that the Company has made no representations to induce the Employee to agree to the Agreement other than those set forth in the Agreement. This Agreement cannot be modified except by a written agreement.

24. Internal Revenue Code (“IRC”) Section 409A Compliance. To the extent applicable, it is the intent of the parties that this Agreement shall be applied and construed so as to comply with the requirements for an exemption from the requirements of IRC Section 409A or, if so determined by the Company, to satisfy any applicable IRC Section 409A requirements. In no event whatsoever shall the Company be liable for any additional tax, interest or penalties that may be imposed on Employee pursuant to IRC Section 409A.

25. Knowing and Voluntary. Employee acknowledges that Employee has carefully read this Agreement, is fully familiar with its contents, and understands its provisions. Employee agrees that this Agreement is written in a manner such that Employee understands it and has been signed knowingly and voluntarily. Employee signs this Agreement with an understanding of its significance and intending to be bound by its terms.

26. Execution and Return of Agreement. Upon execution, please return all pages of the signed Agreement to Sean Saunders, Vice President of Human Resources, via email at sean.saunders@myyellow.com.

27. PLEASE READ THIS DOCUMENT CAREFULLY. IT IS A LEGAL DOCUMENT. IT INCLUDES AN AGREEMENT BY EMPLOYEE TO RELEASE ALL LIABILITY KNOWN AND UNKNOWN AGAINST THE COMPANY, ITS AFFILIATES, PARENTS, SUCCESSORS, PREDECESSORS, SUBSIDIARIES AND ALL DIRECTORS, OFFICERS, EMPLOYEES AND AGENTS OF SUCH ENTITIES.

/s/ Scott D. Ware

(Employee’s Signature)

Scott D. Ware

(Employee’s Printed Name)

Date: 4/14/2021

(Employee’s Phone Number)

(Employee’s Home & Email Address)

Yellow Corporation, its affiliates, parents, successors, predecessors, and subsidiaries

By: /s/ Leah K. Dawson

(Company Representative’s Signature)

Leah K. Dawson

(Company Representative’s Printed Name)

Executive Vice President, General Counsel and
Secretary

(Company Representative's Title)

Date: 4/14/2021

8

CERTIFICATION PURSUANT TO
EXCHANGE ACT RULES 13a-14 AND 15d-14,
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Darren D. Hawkins, certify that:

- (1) I have reviewed this quarterly report on Form 10-Q of Yellow Corporation;
- (2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- (3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
- (4) The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
- (5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 5, 2021

/s/ Darren D. Hawkins
Darren D. Hawkins
Chief Executive Officer

CERTIFICATION PURSUANT TO
EXCHANGE ACT RULES 13a-14 AND 15d-14,
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Daniel L. Olivier, certify that:

- (1) I have reviewed this quarterly report on Form 10-Q of Yellow Corporation;
- (2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- (3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
- (4) The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
- (5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 5, 2021

/s/ Daniel L. Olivier

Daniel L. Olivier

Interim Chief Financial Officer

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

In connection with the quarterly report of Yellow Corporation on Form 10-Q for the period ended March 31, 2021, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Darren D. Hawkins, Chief Executive Officer of Yellow Corporation, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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

Date: May 5, 2021

/s/ Darren D. Hawkins

Darren D. Hawkins
Chief Executive Officer

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

In connection with the quarterly report of Yellow Corporation on Form 10-Q for the period ended March 31, 2021, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Daniel L. Olivier, Interim Chief Financial Officer of Yellow Corporation, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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

Date: May 5, 2021

/s/ Daniel L. Olivier

Daniel L. Olivier

Interim Chief Financial Officer