

YRC WORLDWIDE INC.

FORM 8-K

(Current report filing)

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

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported) March 1, 2010

YRC Worldwide Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

0-12255
(Commission
File Number)

48-0948788
(IRS Employer
Identification No.)

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

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

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

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 3.01. Notice of Delisting or Failure to Satisfy a Continued Listing Standard; Transfer of Listing.

On March 3, 2010, YRC Worldwide Inc. (the “Company”) received a letter from The NASDAQ Stock Market (“NASDAQ”) stating that, based on the closing bid price of the Company’s common stock for the last 30 consecutive business days, a deficiency exists with regard to NASDAQ Listing Rule 5450(a)(1), which requires a minimum bid price of \$1.00 per share. Pursuant to the NASDAQ Listing Rules, the Company has a grace period of 180 calendar days from March 3, 2010, or until August 30, 2010, to regain compliance with the \$1.00 minimum bid price requirement. In order to regain compliance, the closing price of the Company’s common stock must be \$1.00 or greater for a minimum of 10 consecutive business days during the 180-day grace period.

A copy of the news release announcing the receipt of the letter from NASDAQ is being furnished as Exhibit 99.1 and is incorporated by reference into this Item 3.01.

Item 8.01. Other Events.

As previously disclosed, pursuant to a Quarterly Report on Form 10-Q that the Company filed with the Securities and Exchange Commission on August 10, 2009, the Company’s employees represented by the International Brotherhood of Teamsters (“Teamsters”) ratified the Amended and Restated Memorandum of Understanding on the Job Security Plan dated July 9, 2009 (the “MOU”), which modified the National Master Freight Agreement, effective April 1, 2008 through March 31, 2013, with YRC Inc., USF Holland Inc. and New Penn Motor Express Inc. (the “NMFA”). The MOU, among other things, provided for a 15% wage reduction (including the 10% wage reduction implemented in January 2009) for participating union employees and an 18-month cessation of union pension fund contributions. Pursuant to the MOU, the Company agreed to establish a stock option plan for affected union employees (including those employees represented by unions other than the Teamsters), who are employed by bargaining units that ratified the MOU (“Union Employees”), providing for options to purchase shares representing 20% of the Company’s outstanding common stock on a fully diluted basis, subject to shareholder approval. The Company also agreed to grant Union Employees stock appreciation rights on terms similar to the option plan, which will become effective if the Company’s shareholders do not approve the stock option plan.

Consistent with these expectations, on March 1, 2010, the Finance Committee of the Company’s Board of Directors adopted the Second Union Employee Option Plan (the “Stock Option Plan”) and the Second Union Employee Stock Appreciation Right Plan (the “SAR Plan”). Copies of the Stock Option Plan and the SAR Plan are filed herewith as Exhibits 10.1 and 10.2, respectively, and are incorporated herein by reference. The terms of the Option Plan and the SAR Plan are similar to the terms of the union option plan and the union stock appreciation right plan established in the first quarter of 2009 in connection with a prior modification to the NMFA.

Pursuant to the Stock Option Plan, the Company will grant to its Union Employees options to purchase an aggregate of 263,746,809 shares of the Company’s common stock. Substantially all of these options were granted to Union Employees on March 1, 2010 at an exercise price equal to \$0.48 per share. The options will vest in full on the day immediately following the day the Company’s shareholders approve the Stock Option Plan and will be exercisable for 10 years following the date of grant, subject to the terms of the Stock Option Plan. Upon a reverse stock split, the number of shares of common stock that may be purchased upon the exercise of the options will be proportionately reduced and the exercise price for such shares will be proportionately increased. The options were granted subject to shareholder approval and will not be effective until the Stock Option Plan is approved by the shareholders of the Company. The Company expects to submit the Stock Option Plan to a vote by its shareholders at a meeting of the shareholders later this year, most likely its annual meeting of shareholders. If the shareholders of the Company do not approve the Stock Option Plan by February 28, 2011, the options granted under the Stock Option Plan will automatically terminate.

Pursuant to the SAR Plan, the Company will grant to its Union Employees stock appreciation rights (“SARs”) with respect to 263,746,809 shares of the Company’s common stock. Substantially all of the SARs were granted to Union Employees on March 1, 2010 at an exercise price equal to \$0.48 per share. Each Union Employee received one SAR under the SAR Plan for each option that the Union Employee received under the Stock Option Plan. Each SAR provides the Union Employee the right to receive a cash payment from the Company equal to the closing price of the Company’s common stock on the date of exercise less the exercise price of the SAR. The SARs will vest in full on the first anniversary of the grant date, and will be exercisable for 10 years following the date of grant, subject to the terms of the SAR Plan. Upon a reverse stock split, the number of SARs will be proportionately reduced and the exercise price of the SARs will be proportionately increased. If the shareholders of the Company approve the Stock Option Plan, the SARs granted under the SAR Plan will automatically terminate.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

- 10.1 YRC Worldwide Inc. Second Union Employee Option Plan.
- 10.2 YRC Worldwide Inc. Second Union Employee Stock Appreciation Right Plan.
- 99.1 News Release dated March 5, 2010.

SIGNATURE

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

YRC WORLDWIDE INC.

Date: March 5, 2010

By: /s/ Jeff P. Bennett

Jeff P. Bennett

Vice President - Legal, Assistant General Counsel and Assistant Secretary

EXHIBIT INDEX

<u>Exhibit Number</u>	<u>Description</u>
10.1	YRC Worldwide Inc. Second Union Employee Option Plan.
10.2	YRC Worldwide Inc. Second Union Employee Stock Appreciation Right Plan.
99.1	News Release dated March 5, 2010

SECOND UNION EMPLOYEE OPTION PLAN

March 1, 2010

The following describes the Second Union Employee Option Plan (this "Plan") of YRC Worldwide Inc. (the "Company"), which is designed to compensate Qualifying Employees (defined below) for past and current service:

1. As of the Effective Date(s) as described in Sections 3 and 4, the Company will issue options to purchase the Company's common stock ("options") to Qualifying Employees. "Qualifying Employees" means U.S. and Canadian union employees of the Company and its subsidiaries (including those employees represented by unions other than the International Brotherhood of Teamsters) who were either employed and working on July 1, 2009 or on seniority boards as of July 1, 2009, even if they were not working; *provided*, that "Qualifying Employees" does not include casual employees. Only union employees who are employed by bargaining units who have ratified the wage reduction described in the Amended and Restated Memorandum of Understanding on the Job Security Plan dated July 9, 2009 (the "MOU"), between the International Brotherhood of Teamsters and certain subsidiaries of the Company, can be "Qualifying Employees".
2. The maximum number of options granted under this Plan will be 263,746,809, prior to giving effect to the impact of any stock splits or reverse stock splits.
3. Section 5 of the wage reduction described in the MOU defines the "Effective Date" for each bargaining unit that ratifies the wage reduction in the MOU. For the purposes of Qualifying Employees who are employed by the bargaining units that ratified the MOU as it applies to the 2008-2013 National Master Freight Agreement ("NMFA") or ratified other union contracts or modifications to other union contracts incorporating the MOU on the same date as the ratification of the MOU as it applies to the NMFA or prior to March 1, 2010, the "Effective Date" shall be March 1, 2010.
4. The options shall be granted to Qualifying Employees on the applicable Effective Date(s). The number of options granted to each Qualifying Employee shall be determined as set forth in Exhibit A. Each Qualifying Employee shall be notified and furnished appropriate documentation as quickly as reasonably possible after the date of the Qualifying Employee's specific grant. The number of options to all Qualifying Employees and any potential Qualifying Employees from bargaining units that have not yet ratified the MOU may not exceed the maximum number of options defined in Section 2. 1,319,341 options may be withheld from allocation to specific employees to cure any administrative errors in distributing the grants until the first trading day of July 2010. If the shareholders of the Company approve this Plan, any options that are not granted by June 30, 2010 shall be reallocated and granted on the first trading day of July 2010 as determined in Exhibit A, which shall be the "Effective Date" for these grants. Only whole numbers of options may be granted. If, after the final grant on the first trading day in July 2010 there remain any options that could not be granted because they would result in options to purchase partial shares, those options shall be forfeited and cancelled.

5. Each option will have an exercise price equal to the greater of (a) 48 cents per share and (b) the closing price of the Company's common stock trading on The NASDAQ Stock Market on the applicable Effective Date (or the first trading day of July 2010 for options not granted by June 30, 2010), or if the applicable Effective Date is not on a trading day, on the first trading day following the applicable Effective Date.
6. The options granted to a Qualifying Employee shall vest in full on the day immediately following the day the shareholders of the Company approve this Plan; provided, that options granted on or after the day that shareholders of the Company approve this Plan shall vest on the day immediately following the Effective Date of such grant. Once vested, the options shall become exercisable and remain exercisable for 10 years following the applicable Effective Date of the options (the "Exercise Period"), at which time they shall terminate.
7. The options shall include a cashless exercise provision and shall provide for a net exercise for paying each Qualifying Employee's withholding taxes at applicable statutory rates.
8. If a Qualifying Employee terminates employment for any reason other than death or disability, the Qualifying Employee shall retain all vested options and, in addition, any options that would have otherwise vested following the date of his or her termination of employment shall vest according to normal vesting schedule in the option. For the avoidance of doubt, if a Qualifying Employee is terminated for any reason other than death or disability prior to the vesting date of the Qualified Employee's options, the options shall vest in accordance with Section 6. All vested options shall remain the property of the Qualifying Employee and be exercisable during the Exercise Period. The Company shall not be liable to a Qualifying Employee for the inability of the Qualifying Employee to exercise any option pending implementation of any decision or outcome to determine vesting or termination of options under this Plan.
9. If
 - (a) a Qualifying Employee dies or becomes permanently and totally disabled, and
 - (b) after presentation to the Company's shareholders, the shareholders approve this Plan,then the Qualifying Employee, or the Qualifying Employee's estate, guardian or legal representative shall retain all vested options and, in addition, any options that would have otherwise vested following the date of his or her death or disability shall vest immediately. A Qualifying Employee shall be considered "permanently and totally disabled" if the Qualifying Employee is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months or is, by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, receiving income replacement benefits for

a period of not less than three months under an accident and health plan covering employees of the Qualifying Employee's employer. The existence of a permanent and total disability shall be evidenced by such medical certification as the Secretary of the Company or his or her designee shall require.

10. For the avoidance of doubt, transfers of employment between the Company and a subsidiary, or between subsidiaries, shall not constitute a termination of employment for purposes of the options.
11. For the avoidance of doubt, authorized leaves of absence from the Company shall not constitute a termination of employment for purposes of the options. For purposes of the options, an authorized leave of absence shall be an absence while the Qualifying Employee is on military leave, sick leave, or other bona fide leave of absence so long as the Qualifying Employee's right to employment with the Company is guaranteed by statute, a contract or Company policy.
12. Subject to Section 7, to the extent Qualifying Employees have taxable income in connection with the grant, vesting or exercise of the options or the delivery of shares of Company common stock, the Company is authorized to withhold from any compensation payable to Qualifying Employees, including shares of common stock that the Company is to deliver to the Qualifying Employees, any taxes required to be withheld by foreign, federal, state, provincial or local law.
13. No rights under the options shall be transferable otherwise than by will, the laws of descent and distribution or pursuant to a qualified domestic relations order ("QDRO"), and, except to the extent otherwise provided herein, the rights and the benefits of the options may be exercised and received, respectively, during the lifetime of the Qualifying Employee only by the Qualifying Employee or by the Qualifying Employee's guardian or legal representative or by an "alternate payee" pursuant to a QDRO.
14. Notwithstanding any other provision of this Plan, the options shall not be effective and exercisable until the Company's shareholders approve the issuance of options and the common stock issuable upon exercise of the options, in each case, pursuant to this Plan. The options shall automatically terminate if, after presentation to the Company's shareholders, the Company's shareholders do not approve the issuance of options and the common stock issuable upon exercise of the options, in each case, pursuant to this Plan on or before February 28, 2011. The Company agrees to file a Registration Statement covering the options and the shares under this Plan on the date the shareholders of the Company approve this Plan.
15. Under no circumstances will the Company be liable for any indirect, incidental, consequential or special damages (including lost profits) of any form incurred by any person, whether or not foreseeable and regardless of the forum in which such a claim may be brought, with respect to this Plan or the Company's role as Plan sponsor.
16. Notwithstanding anything else in this Plan, the shares received upon exercise of the options may not be sold, pledged or hypothecated until such time as the Company complies with all regulatory requirements regarding registration of the shares to be issued under the terms of this Plan.

17. The Plan has been designed so that the grant, vesting, exercise and payments of awards hereunder are not subject to the requirements of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"). To the extent that an award or payment, or the settlement or deferral thereof, is or becomes subject to Section 409A of the Code, except as the Compensation Committee (the "Committee") of the Board of Directors of the Company otherwise determines in writing, the award shall be granted, paid, settled or deferred in a manner that will meet the requirements of Section 409A of the Code, including regulations or other guidance issued with respect thereto, such that the grant, payment, settlement or deferral shall not be subject to any additional taxation applicable under Section 409A of the Code.
18. The Plan described above represents the plan of the Company regarding the union options. The Company shall be this Plan's sponsor and shall administer this Plan. The Company may appoint a Plan administrator for this purpose. The Committee is authorized to amend and modify this Plan for the purposes of administration to address additional details such as (without limitation) the impact of stock splits, stock dividends, recapitalizations or other similar transactions or events and administrative matters. Any such amendments or modifications shall be final and binding on the Qualifying Participants with Compensation Committee approval. However, the Committee described in Section 13 of the MOU must approve any substantive amendments or modifications of this Plan, and its decisions shall be final and binding with respect to the Qualifying Employees with respect to these amendments.
19. This Plan shall be governed, construed and administered in accordance with the laws of the State of Delaware without giving effect to the conflict of laws principles.
20. Notwithstanding any other provision of this Plan, this Plan is not a guarantee of employment for any Qualifying Employee, and no person subject to the benefits of this Plan may argue that this Plan impacts any decision regarding the continued employment of the Qualifying Employee.
21. In the event of any conflict or inconsistency between this Plan and the MOU, the provisions of this Plan shall prevail.
22. Upon the effective date of a reverse stock split with respect to the Company's common stock, each Qualifying Employee's options in this Plan shall represent the right to purchase that number of shares of Company common stock equal to the number of shares a Qualifying Employee was entitled to purchase pursuant to the option prior to the reverse stock split divided by the number of shares that will be combined into one share of the Company's common stock pursuant to the reverse stock split, rounded down to the nearest whole number of shares, including zero (the "reverse stock split shares"), as the case may be, and the exercise price of each option will be increased by multiplying the exercise price of each option prior to the reverse stock split by the reverse stock split shares, rounded down to the nearest whole cent per share.

Exhibit A

Initial Grants :

Each Qualifying Employee's proportionate share of the options, if any, shall equal the ratio of:

(a) the Qualifying Employee's earnings for the period January 1, 2009 to June 30, 2009 (inclusive, "calendar half year 2009")

divided by

(b) the total earnings for calendar half year 2009 of all Qualifying Employees as of July 1, 2009 and all other union employees (as of July 1, 2009) who would otherwise be Qualifying Employees (but for the fact that those other union employees have not yet ratified the wage reduction described in the MOU)

multiplied by

(c) 263,746,809.

No fractional options shall be granted with respect to fractional shares, so after performing the above calculation for each employee, any number of options shall be rounded down to the nearest whole share.

The term "earnings" means gross wages as would be reflected on an employee's W-2 for 2009 or the Canadian equivalent thereof (as of the determination date).

Final Grants :

As described in Section 4 of this Plan, if the shareholders of the Company approve this Plan and any options available for grant under this Plan have not been granted by June 30, 2010, the Company shall grant the remaining options on the first trading day of July 2010 solely to Qualifying Employees who are employed and working on June 30, 2010. For this residual grant, each such Qualifying Employee's proportionate share of the options shall equal the ratio of:

(a) the Qualifying Employee's earnings for the period July 1, 2009 to June 30, 2010 (inclusive, "carryover year 2009-10")

divided by

(b) the total earnings for carryover year 2009-10 of all such Qualifying Employees as June 30, 2010

multiplied by

(c) the remaining un-granted options as of the first trading day of July 2010.

Only whole numbers of options may be granted. If, after the final grant on the first trading day in July 2010 there remain any options that could not be granted because they would result in options to purchase partial shares, those options shall be forfeited and cancelled.

Pursuant to Section 13 of the MOU, the undersigned, Chairman, Co-Chairman or authorized and designated representatives of TNFINC, on behalf of the represented employees hereby confirm the foregoing Plan along with the Second Union Employee Stock Appreciation Right Plan of the Company dated as of the same date satisfy collectively the Company's obligations under Section 11 of the MOU.

Name:
Title:

Name:
Title:

SECOND UNION EMPLOYEE STOCK APPRECIATION RIGHT PLAN

March 1, 2010

The following describes the Second Union Employee Stock Appreciation Right Plan (this “Plan”) of YRC Worldwide Inc. (the “Company”), which is designed to compensate Qualifying Employees (defined below) for past and current service:

1. As of the Effective Date(s) as described in Sections 3 and 4, the Company will issue stock appreciation rights (“SARs”) with respect to the Company’s common stock to Qualifying Employees. Each SAR shall give a Qualifying Employee the right to receive a cash payment from the Company equal to the difference of the closing price of the Company’s common stock on the date of exercise less the exercise price of the SAR on the date of grant. “Qualifying Employees” means U.S. and Canadian union employees of the Company and its subsidiaries (including those employees represented by unions other than the International Brotherhood of Teamsters) who were either employed and working on July 1, 2009 or on seniority boards as of July 1, 2009, even if they were not working; *provided*, that “Qualifying Employees” does not include casual employees. Only union employees who are employed by bargaining units who have ratified the wage reduction described in the Amended and Restated Memorandum of Understanding on the Job Security Plan dated July 9, 2009 (the “MOU”), between the International Brotherhood of Teamsters and certain subsidiaries of the Company, can be “Qualifying Employees”.
2. The maximum number of SARs granted under this Plan will be 263,746,809, prior to giving effect to the impact of any stock splits or reverse stock splits.
3. Section 5 of the wage reduction described in the MOU defines the “Effective Date” for each bargaining unit that ratifies the wage reduction in the MOU. For the purposes of Qualifying Employees who are employed by the bargaining units that ratified the MOU as it applies to the 2008-2013 National Master Freight Agreement (“NMFA”) or ratified other union contracts or modifications to other union contracts incorporating the MOU on the same date as the ratification of the MOU as it applies to the NMFA or prior to March 1, 2010, the “Effective Date” shall be March 1, 2010.
4. The SARs shall be granted to Qualifying Employees on the applicable Effective Date(s). The number of SARs granted to each Qualifying Employee shall be determined as set forth in Exhibit A. Each Qualifying Employee shall be notified and furnished appropriate documentation as quickly as reasonably possible after the date of the Qualifying Employee’s specific grant. The number of SARs to all Qualifying Employees and any potential Qualifying Employees from bargaining units that have not yet ratified the MOU may not exceed the maximum number of SARs defined in Section 2. 1,319,341 SARs may be withheld from allocation to specific employees to cure any administrative errors in distributing the grants until the first trading day of July 2010. If the shareholders of the Company shall not have approved the Stock Option Plan (defined in Section 9(b)), any SARs that are not granted by June 30, 2010 shall be reallocated and granted on the first trading day of July 2010 as determined in Exhibit A, which shall be the “Effective Date” for these grants. Only whole numbers of SARs may be granted. If, after the final grant on the first trading day in July 2010 there remain any SARs that could not be granted because they would result in partial SARs, those SARs shall be forfeited and cancelled.

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5. Each SAR will have an exercise price equal to the greater of (a) 48 cents per share and (b) the closing price of the Company's common stock trading on The NASDAQ Stock Market on the applicable Effective Date (or the first trading day of July 2010 for SARs not granted by June 30, 2010), or if the applicable Effective Date is not on a trading day, on the first trading day following the applicable Effective Date.
 6. The SARs shall vest in full on the first anniversary of the applicable Effective Date of the SAR. Once vested, the SARs shall become exercisable and remain exercisable for 10 years following the applicable Effective Date of the SAR (the "Exercise Period"), at which time they shall terminate.
 7. The SARs shall provide for a net exercise for paying each Qualifying Employee's withholding taxes at applicable statutory rates.
 8. If a Qualifying Employee terminates employment for any reason other than death or disability, the Qualifying Employee shall retain all vested SARs and, in addition, any SARs that would have otherwise vested following the date of his or her termination of employment shall vest according to normal vesting schedule in the SAR. For the avoidance of doubt, if a Qualifying Employee is terminated for any reason other than death or disability prior to the first anniversary of the Effective Date, the SARs shall vest on such first anniversary of the Effective Date. All vested SARs shall remain the property of the Qualifying Employee and be exercisable during the Exercise Period. The Company shall not be liable to a Qualifying Employee for the inability of the Qualifying Employee to exercise any SAR pending implementation of any decision or outcome to determine vesting or termination of SARs under this Plan.
 9. If
 - (a) a Qualifying Employee dies or becomes permanently and totally disabled, and
 - (b) after presentation to the Company's shareholders, the shareholders reject the Union Employee Stock Option Plan of the Company dated as of even date herewith (the "Stock Option Plan"),

then the Qualifying Employee, or the Qualifying Employee's estate, guardian or legal representative shall retain all vested SARs and, in addition, any SARs that would have otherwise vested following the date of his or her death or disability shall vest immediately. A Qualifying Employee shall be considered "permanently and totally disabled" if the Qualifying Employee is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months or is, by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, receiving income replacement benefits for a period of not less than three months under an accident and health plan covering

employees of the Qualifying Employee's employer. The existence of a permanent and total disability shall be evidenced by such medical certification as the Secretary of the Company or his or her designee shall require.

10. If a "Change of Control" of the parent company, YRC Worldwide Inc., occurs on or after the date the shareholders of the Company shall have rejected the Stock Option Plan, the SARs shall accelerate and become fully vested and become the right to receive in cash the value (as determined in good faith by the Compensation Committee (the "Committee") of the Board of Directors of the Company) of the consideration per share that other holders of common stock of the Company would receive as result of the Change of Control less the exercise price per share of the SARs. For the purposes of this Section, a "Change of Control" shall be deemed to have taken place if:
- (a) a third person, including a "group" as defined in Section 13(d)(3) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), purchases or otherwise acquires beneficial ownership of shares of the Company after the applicable Effective Date of the SAR that, together with stock held by such person or group, constitutes more than 50 percent of the total fair market value or total voting power of the stock of the Company;
 - (b) a third person, including a "group" as defined in Section 13(d)(3) of the Exchange Act purchases or otherwise acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such person or group) shares of the Company after the applicable Effective Date of the SAR and as a result thereof becomes the beneficial owner of shares of the Company having 35% or more of the total number of votes that may be cast for election of directors of the Company; or
 - (c) as the result of, or in connection with any cash tender or exchange offer, merger or other Business Combination, or contested election, or any combination of the foregoing transactions, the Continuing Directors shall cease to constitute a majority of the Board of Directors of the Company or any successor to the Company during any 12-month period.

For the purposes of this Section 10, "Business Combination" means any transaction that is referred to in any one or more of clauses (a) through (e) of Section 1 of Subparagraph A of Article Seventh of the Certificate of Incorporation of the Company; and "Continuing Director" means a director of the Company who meets the definition of Continuing Director contained in Section 5 of Subparagraph C of Article Seventh of the Certificate of Incorporation of the Company.

11. For the avoidance of doubt, transfers of employment between the Company and a subsidiary, or between subsidiaries, shall not constitute a termination of employment for purposes of the SARs.
12. For the avoidance of doubt, authorized leaves of absence from the Company shall not constitute a termination of employment for purposes of the SARs. For purposes of the

SARs, an authorized leave of absence shall be an absence while the Qualifying Employee is on military leave, sick leave, or other bona fide leave of absence so long as the Qualifying Employee's right to employment with the Company is guaranteed by statute, a contract or Company policy.

13. Subject to Section 7, to the extent Qualifying Employees have taxable income in connection with the grant, vesting or exercise of the SARs, the Company is authorized to withhold from any compensation payable to Qualifying Employees, any taxes required to be withheld by foreign, federal, state, provincial or local law.
14. No rights under the SARs shall be transferable otherwise than by will, the laws of descent and distribution or pursuant to a qualified domestic relations order ("QDRO"), and, except to the extent otherwise provided herein, the rights and the benefits of the SARs may be exercised and received, respectively, during the lifetime of the Qualifying Employee only by the Qualifying Employee or by the Qualifying Employee's guardian or legal representative or by an "alternate payee" pursuant to a QDRO.
15. Notwithstanding any other provision of this Plan, the SARs shall not be effective and exercisable until the Company's shareholders have failed to approve on or before February 28, 2011 the issuance of options and the common stock issuable upon exercise of the options, in each case, pursuant to the Stock Option Plan. If, after presentation to the Company's shareholders, the Company's shareholders approve on or before February 28, 2011 the issuance of options and the common stock issuable upon exercise of the options, in each case, pursuant to the Stock Option Plan, the SARs shall automatically terminate.
16. Under no circumstances will the Company be liable for any indirect, incidental, consequential or special damages (including lost profits) of any form incurred by any person, whether or not foreseeable and regardless of the forum in which such a claim may be brought, with respect to this Plan or the Company's role as Plan sponsor.
17. Notwithstanding anything else in this Plan, the SARs may not be sold, pledged or hypothecated.
18. The Plan has been designed so that the grant, vesting, exercise and payments of awards hereunder are not subject to the requirements of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"). To the extent that an award or payment, or the settlement or deferral thereof, is or becomes subject to Section 409A of the Code, except as the Compensation Committee (the "Committee") of the Board of Directors of the Company otherwise determines in writing, the award shall be granted, paid, settled or deferred in a manner that will meet the requirements of Section 409A of the Code, including regulations or other guidance issued with respect thereto, such that the grant, payment, settlement or deferral shall not be subject to any additional taxation applicable under Section 409A of the Code.
19. The Plan described above represents the plan of the Company regarding the union SARs. The Company shall be this Plan's sponsor and shall administer this Plan. The Company

may appoint a Plan administrator for this purpose. The Committee is authorized to amend and modify this Plan for the purposes of administration to address additional details such as (without limitation) the impact of stock splits, stock dividends, recapitalizations or other similar transactions or events and administrative matters. Any such amendments or modifications shall be final and binding on the Qualifying Participants with Compensation Committee approval. However, the Committee described in Section 13 of the MOU must approve any substantive amendments or modifications of this Plan, and its decisions shall be final and binding with respect to the Qualifying Employees with respect to these amendments.

20. This Plan shall be governed, construed and administered in accordance with the laws of the State of Delaware without giving effect to the conflict of laws principles.
21. Notwithstanding any other provision of this Plan, this Plan is not a guarantee of employment for any Qualifying Employee, and no person subject to the benefits of this Plan may argue that this Plan impacts any decision regarding the continued employment of the Qualifying Employee.
22. In the event of any conflict or inconsistency between this Plan and the MOU, the provisions of this Plan shall prevail.
23. Upon the effective date of a reverse stock split with respect to the Company's common stock, each Qualifying Employee's SARs in this Plan shall be reduced to the number of SARs prior to the reverse stock split divided by the number of shares that will be combined into one share of the Company's common stock pursuant to the reverse stock split, rounded down to the nearest whole number of shares, including zero (the "reverse stock split shares"), as the case may be, and the exercise price of each SAR will be increased by multiplying the exercise price of each SAR prior to the reverse stock split by the reverse stock split shares, rounded down to the nearest whole cent per share.

Exhibit A

Initial Grants :

Each Qualifying Employee's proportionate share of the SARs, if any, shall equal the ratio of:

- (a) the Qualifying Employee's earnings for the period January 1, 2009 to June 30, 2009 (inclusive, "calendar half year 2009")

divided by

- (b) the total earnings for calendar half year 2009 of all Qualifying Employees as of July 1, 2009 and all other union employees (as of July 1, 2009) who would otherwise be Qualifying Employees (but for the fact that those other union employees have not yet ratified the wage reduction described in the MOU)

multiplied by

- (c) 263,746,809.

No fractional SARs shall be granted, so after performing the above calculation for each employee, any number of SARs shall be rounded down to the nearest whole share.

The term "earnings" means gross wages as would be reflected on an employee's W-2 for 2009 or the Canadian equivalent thereof (as of the determination date).

Final Grants :

As described in Section 4 of this Plan, if the shareholders of the Company shall not have approved the Stock Option Plan on or before June 30, 2010 and if any SARs available for grant under this Plan have not been granted by June 30, 2010, the Company shall grant the remaining SARs on the first trading day of July 2010 solely to Qualifying Employees who are employed and working on June 30, 2010. For this residual grant, each such Qualifying Employee's proportionate share of the SARs shall equal the ratio of:

- (a) the Qualifying Employee's earnings for the period July 1, 2009 to June 30, 2010 (inclusive, "carryover year 2009-10")

divided by

- (b) the total earnings for carryover year 2009-10 of all such Qualifying Employees as June 30, 2010

multiplied by

- (c) the remaining un-granted SARs as of the first trading day of July 2010.

Only whole numbers of SARs may be granted. If, after the final grant on the first trading day in July 2010 there remain any SARs that could not be granted because they would result in partial SARs, those options shall be forfeited and cancelled.

Pursuant to Section 13 of the MOU, the undersigned, Chairman, Co-Chairman or authorized and designated representatives of TNFINC, on behalf of the represented employees hereby confirm the foregoing Plan along with the Second Union Stock Option Plan of the Company dated as of the same date satisfy collectively the Company's obligations under Section 11 of the MOU.

Name:
Title:

Name:
Title:

10990 Roe Avenue
Overland Park, KS 66211
Phone 913 696 6100 Fax 913 696 6116
News Release



March 5, 2010

YRC Worldwide Receives NASDAQ Notification

- Reverse Stock Split Expected During the Second Quarter of 2010 Bringing Post-Split Outstanding Shares to a Range of 40 Million to 200 Million

OVERLAND PARK, KAN. — YRC Worldwide Inc. (NASDAQ: YRCW) today reported it was notified by The Nasdaq Stock Market on March 3, 2010 that it is not in compliance with Nasdaq Marketplace Rule 5450(a)(1) because shares of its common stock closed at a per share bid price of less than \$1.00 for 30 consecutive business days. In accordance with Nasdaq Marketplace Rule 5810(c)(3)(A), the company has 180 calendar days, or until August 30, 2010, to regain compliance. This notification has no effect on the listing of the company's common stock at this time.

To regain compliance with the Nasdaq Marketplace Rules, the closing bid price of YRC Worldwide common stock must close at or above \$1.00 per share for ten consecutive business days.

As previously announced, the company's stockholders at the February 17 special stockholders meeting approved an increase in the number of authorized common shares which allowed substantially all of the company's outstanding convertible class A preferred stock to automatically convert to common stock. With the conversion of the convertible class A preferred stock into common stock the number of outstanding common shares listed and tradable on the NASDAQ exchange increased from approximately 97 million to approximately 1 billion shares. Based upon the March 4, 2010 closing price on the Nasdaq exchange of \$0.44 per common share, the company's market capitalization was approximately \$450 million. Stockholders have authorized the company's board of directors, at their discretion, to effect a reverse stock split within a range from 5:1 to 25:1 bringing the approximately 1 billion outstanding shares to a post-reverse-stock-split range of approximately 40 million to approximately 200 million. Under the terms of the \$70 million private placement transaction with respect to the company's new 6% convertible senior notes, the company agreed to not implement the reverse stock split prior to April 24, 2010. The company expects to effect the reverse stock split during the second quarter of the year.

* * * * *

Private Placement of the Notes

The convertible notes offered and sold in the private placement have not been registered under the Securities Act or state securities laws and may not be offered or sold in the United States absent registration with the Securities and Exchange Commission or an applicable exemption from the registration requirements. This notice shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any state in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of such state.

Forward-Looking Statements:

This news release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. The word “expects” and similar expressions are intended to identify forward-looking statements. The closing bid price of the company’s common stock depends on many factors, including without limitation, actual or expected fluctuations in the company’s operating results, changes in general economic condition or conditions in the company’s industry generally, changes in conditions in the financial markets, the effect of any issuance of additional shares of the company’s common stock and whether the company’s board of directors effects a reverse stock split and the timing of, and the reverse stock split ratio for, any reverse stock split approved by the board.

YRC Worldwide Inc., a Fortune 500 company headquartered in Overland Park, Kan., is one of the largest transportation service providers in the world and the holding company for a portfolio of successful brands including YRC, YRC Reimer, YRC Glen Moore, YRC Logistics, New Penn, Holland and Reddaway. YRC Worldwide has the largest, most comprehensive network in North America, with local, regional, national and international capabilities. Through its team of experienced service professionals, YRC Worldwide offers industry-leading expertise in heavyweight shipments and flexible supply chain solutions, ensuring customers can ship industrial, commercial and retail goods with confidence. Please visit yrcw.com for more information.

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