

EXECUTIVE COMPENSATION

The table below sets forth compensation in the fiscal years ended December 31, 2007, 2008 and 2009 for our named executive officers.

SUMMARY COMPENSATION TABLE

Name and Principal Position	Year	Salary \$(1)	Bonus (\$)	Stock Awards \$(2)	Option Awards \$(3)	Non-Equity Incentive Plan Compensation \$(4)	Change in Pension Value	All Other Compensation \$(6)	Total (\$)
							and Nonqualified Deferred Compensation Earnings \$(5)		
William D. Zollars Chairman of the Board and Chief Executive Officer	2009	928,104	0	843,767	0	0	566,000	135,000	2,472,871
						0			
						0			
	2008	1,040,000	0	1,227,520	247,125	0	1,023,000	171,895	4,388,140
						678,600			
						678,600			
	2007	1,040,000	0	1,856,407	0	0	1,475,000	191,889	5,195,096
						631,800			
						631,800			
Timothy A. Wicks President and Chief Operating Officer	2009	396,695	0	189,307	0	0	—	293,872	879,874
						0			
	2008	87,949	100,000(7)	300,000	0	0	—	57,943	545,892
						0			
Sheila K. Taylor Executive Vice President and Chief Financial Officer	2009	193,193	0	0	2,637	0	5,000	9,523	210,353
						0			
Michael J. Smid Chief Operations Officer and President of YRC Inc.	2009	530,477	0	283,963	0	0	178,000	28,450	1,020,890
						0			
						0			
	2008	605,885(8)	0	330,485	71,172	0	124,000	419,572	1,769,048
						217,935			
						217,935			
	2007	522,792	0	369,415	0	0	210,000	52,676	1,315,798
						160,915			
						160,915			
Daniel J. Churay Executive Vice President, General Counsel and Secretary	2009	349,924	0	124,943	0	0	17,000	22,708	514,575
						0			
						0			
	2008	369,018	0	172,050	33,609	0	19,000	31,900	721,891
						96,314			
						96,314			
	2007	344,750	0	246,890	0	0	11,000	37,584	723,998
						83,774			
						83,774			
Phil J. Gaines Senior Vice President - Finance and Chief Accounting Officer	2009	295,235	0	99,521	0	0	60,000	22,708	477,464
						0			
						0			

(1) See *Compensation Discussion and Analysis—Summary of Compensation Components—Base Salary* for a discussion of base salary reductions affecting all named executive officers during 2009 and adjustments to the base salaries of Mr. Wicks, Ms. Taylor and Mr. Churay during 2009.

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- (2) See *Compensation Discussion and Analysis—Summary of Compensation Components—2009 Long-Term Incentive Plan and Grants of Plan-Based Awards* table for additional information regarding awards in 2009.

For 2009, amounts represent the aggregate grant date fair value computed in accordance with FASB ASC Topic 718 of the restricted stock granted to our named executive officers (other than Ms. Taylor) under our 2009 LTIP. Based on the Monte Carlo simulation model, the grant date fair value of the restricted stock that could vest based on our three-year share price appreciation was \$3.65/share. The Monte Carlo simulation model requires the use of highly subjective and complex assumptions, including the price volatility of the underlying stock. We used the closing price of our common stock on the date of grant of \$4.26/share as our starting stock price and assumed a dividend yield of zero. We also assumed a constant volatility of 102.6% based on both recent spot-implied volatility and a three-year historical volatility and a risk-free rate of return of 1.2% based on the three-year U.S. constant maturity treasury rates as of the grant date on a continuous compounding basis. Based on the probability of the awards vesting, the grant date fair value of the restricted stock that could vest based on our 2009 EBITDA was zero.

The value of the restricted stock granted to our named executive officers (other than Ms. Taylor) under our 2009 LTIP at the grant date assuming the highest level of performance conditions would be achieved and a share price of \$4.26, which was the closing price of the Company's common stock on the grant date, was as follows: Mr. Zollars, \$1,106,492; Mr. Wicks, \$248,252; Mr. Smid, \$372,379; Mr. Churay, \$163,848; and Mr. Gaines, \$130,509.

For 2008, the amounts represent the aggregate grant date fair value of restricted share units granted to Messrs. Zollars, Smid and Churay for the 2005-2007 performance period under our previous long-term incentive plan, and a restricted share unit grant to Mr. Wicks upon the commencement of his employment. For 2007, the amounts represent the aggregate grant date fair value of restricted share units granted to Messrs. Zollars, Smid and Churay for the 2004-2006 performance period under our previous long-term incentive plan. For 2008 and 2007, no assumptions were necessary to determine the grant date fair value.

- (3) Amounts represent the aggregate grant date fair value computed in accordance with FASB ASC Topic 718 of options awarded to Ms. Taylor in 2009 pursuant to the YRC Worldwide Inc. Non-Union Employee Option Plan and to Messrs. Zollars, Smid and Churay in 2008 in connection with a reduction of the 2008 annual incentive opportunity. See Note 9 to Consolidated Financial Statements, *Stock Compensation Plans*, for a discussion of the assumptions used in calculating the grant date fair value for the 2009 option grant. See Note 8 to Consolidated Financial Statements, *Stock Compensation Plans*, in the Company's Annual Report on Form 10-K for the year ended December 31, 2008 for a discussion of the assumptions used in calculating the grant date fair value for the 2008 option grants.
- (4) The amounts in the first line represent payments pursuant to our Annual Incentive Bonus Program and the second line, if applicable, represents the cash portion of awards under our applicable long term incentive plan with a total of these awards. In 2008, Mr. Wicks was not eligible to participate in our long-term incentive plan, and in 2009, Ms. Taylor was not eligible to participate in our 2009 LTIP. Accordingly, those amounts represent payments pursuant to our Annual Incentive Bonus Program. See *Compensation Discussion and Analysis—Summary of Compensation Components—Prior Long-Term Incentive Plan* regarding the determination of the cash award under our prior long-term incentive plan for the 2006-2008 performance period.
- (5) The amounts reported in this column represent the aggregate change in the actuarial present value of the accumulated benefit under all defined benefit and actuarial pension plans. Mr. Wicks is not eligible to participate in our pension plans.

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(6) All other compensation for 2009 includes the following:

<u>Name</u>	Flexible Perquisite Allowance	Relocation Expenses	Total
	<u>\$(a)</u>	<u>\$(b)</u>	<u>(\$)</u>
William D. Zollars	135,000	0	135,000
Timothy A. Wicks	22,708	271,164	293,872
Sheila K. Taylor	9,523	0	9,523
Michael J. Smid	22,708	5,742	28,450
Daniel J. Churay	22,708	0	22,708
Phil J. Gaines	22,708	0	22,708

- (a) The Company provides each named executive officer with cash payments for perquisites, which are more fully described in *Compensation Discussion and Analysis*.
- (b) For Mr. Wicks, the amount represents a \$181,305 reimbursement for loss on sale of his home and a tax gross-up on that amount of \$89,858. For Mr. Smid, the amount represents reimbursement for relocation expenses.

- (7) Represents a one-time payment in connection with the commencement of employment with the Company.
- (8) The Company paid Mr. Smid \$5,885 representing amounts earned and accrued, but unpaid, for vacation days that Mr. Smid did not take. Pursuant to Company policy, Mr. Smid was required to use this amount to pay his out-of-pocket costs for Company provided benefits.

Non-Competition, Non-Solicitation, Non-Disparagement and Confidentiality Agreements

During 2008, 2009 and early 2010, we entered into certain non-competition, non-solicitation, non-disparagement and confidentiality agreements (“non-competition agreements”) with our named executive officers (other than Mr. Zollars). In general, each provides for payments to our named executive officers in exchange for certain non-competition, non-solicitation, non-disparagement and confidentiality agreements. The Committee decided that these non-competition agreements were important to help ensure the retention of key executives who were crucial to the implementation of our comprehensive recovery plan and to protect the Company from competition if they did terminate their employment with us. A summary of these non-competition agreements is set forth below.

Timothy A. Wicks Agreement. The Company entered into a non-competition agreement with Timothy A. Wicks, its President and Chief Operating Officer, in January 2010 (the “Wicks Agreement”). Pursuant to the Wicks Agreement, Mr. Wicks agreed to a one year non-competition and non-solicitation period following any termination of his employment and agreed to certain confidentiality and non-disparagement provisions. In exchange for these agreements and to incent Mr. Wicks to remain employed with the Company, the Company paid Mr. Wicks \$400,000 on January 6, 2010. In addition, the Company agreed to pay Mr. Wicks \$200,000 on April 1, 2010 if Mr. Wicks is still employed by the Company on that date and the Company achieves certain specified operational and selling, general and administrative operating expense run rate improvements on an annual basis during the measurement period beginning on September 1, 2009 and ending on March 31, 2010, and \$200,000 on July 1, 2010 if Mr. Wicks is still employed by the Company on that date and the Company has increased its sales and marketing productivity by a specified percentage during the measurement period beginning on November 1, 2009 and ending on June 30, 2010. In determining if the above objectives are met, the Company will calculate the measures consistent with past practice, and the Committee (or the full Board) will interpret, review and approve whether the objectives have been achieved.

Michael J. Smid Agreement. The Company entered into a non-competition agreement with Michael J. Smid in June 2009 (the “Smid Agreement”). Pursuant to the Smid Agreement, Mr. Smid agreed to a six-month non-competition and non-solicitation period following any termination of his employment and agreed to certain confidentiality and non-disparagement provisions. In exchange for these agreements and to incent Mr. Smid to remain employed with the Company, the Company agreed that if Mr. Smid remains employed through April 7, 2011 or is terminated without Cause (as defined in the Smid Agreement) prior to April 7, 2011, he will be entitled to 60% of his accrued benefit under the Company’s Supplemental Executive Pension Plan (the “SEPP”) instead of 42%, and if Mr. Smid remains employed through April 7, 2012 or is terminated without Cause on or after April 7, 2011 but prior to April 7, 2013, he will be entitled to 80% of his accrued benefit under the SEPP, instead of 46%. Further, if Mr. Smid dies or becomes disabled while employed prior to April 7, 2013, he will be entitled to 100% of his accrued benefit under the SEPP. If Mr. Smid remains employed through April 7, 2013, the Smid Agreement does not modify the SEPP benefits to which he is currently entitled to receive. Mr. Smid will not receive the benefits under the Smid Agreement if he is terminated for Cause or if he breaches the Smid Agreement.

Sheila K. Taylor and Daniel J. Churay Agreements. The Company entered into a non-competition agreement with each of Sheila K. Taylor and Daniel J. Churay in November 2009 (the “Agreements”). Pursuant to the Agreements, each executive officer agreed to a three month non-competition and non-solicitation period following any termination of employment and agreed to certain confidentiality and non-disparagement provisions. In exchange for these agreements and to incent the officer to remain employed with the Company, the Company agreed to pay each officer an amount equal to one-third of the officer’s base salary (as of the date of the Agreement) on January 2, 2010, if the officer was employed on that date. This payment was made to each officer. If the officer resigns or is terminated with Cause (as defined in the applicable Agreement) before March 31, 2010, the officer is required to return the January 2, 2010 payment.

On each of April 1, 2010 and July 1, 2010, the non-competition and non-solicitation period will be extended to six and nine months, respectively, unless the Board or the officer cancels the extension prior to April 1, 2010 or July 1, 2010, as the case may be. If the officer is still employed and the extension is

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effected on those dates, the Company will pay the officer an amount equal to one-third of the officer's base salary (as of the date of the Agreement) on each of April 1, 2010 and July 1, 2010. If the officer resigns or is terminated with Cause, before June 30, 2010, the officer is required to return the April 1, 2010 payment, and if the officer resigns or is terminated with Cause before September 30, 2010, the officer is required to return the July 1, 2010 payment. If the officer is terminated without Cause or by reason of the officer's death or permanent and total disability before the July 1, 2010 payment is made, the Company will pay to the officer or the officer's estate all unpaid amounts on the date that is six months following the officer's termination by the Company. If the officer has breached the Agreement, the Company will not make and will withhold the remaining payments as damages for any such breach.

In December 2008, the Company had entered into a non-competition and retention agreement with Ms. Taylor. As a result, her Agreement additionally provides that if she has not received aggregate payments of at least \$159,024 on or before July 1, 2010, she will receive a payment, equal to the difference between \$159,024 and the amounts paid to her on or before July 1, 2010 so long as she remains employed with the Company on July 1, 2010. If she is terminated without Cause or by reason of her death or permanent and total disability before the July 1, 2010 payment is made, the Company will pay to her or her estate any unpaid amounts on the date that is six months following her termination by the Company. If she has breached the Agreement, the Company will not make and will withhold the remaining payments as damages for any such breach. If her employment with the Company ends as a result of her resignation or her termination with Cause before July 1, 2010, the Company will not be required to pay to her any additional amount.

Phil J. Gaines Agreement. The Company entered into a non-competition agreement with Phil J. Gaines in December 2008, which was subsequently amended (the "Gaines Agreement"). Pursuant to the Gaines Agreement, Mr. Gaines agreed to a six-month non-competition and non-solicitation period following any termination of his employment and agreed to certain confidentiality and non-disparagement provisions. In exchange for these agreements and to incent Mr. Gaines to remain employed with the Company, the Company agreed to pay Mr. Gaines an amount equal to one times Mr. Gaines's base salary (as of the date of the Gaines Agreement) in equal installments in each of January 2010, April 2010 and July 2010 if he is still employed on those dates. Mr. Gaines received the payment due in January 2010. If Mr. Gaines resigns prior to July 1, 2010, Mr. Gaines is required to return all payments he received under the Gaines Agreement, and the Company will not be required to pay to Mr. Gaines any remaining payments under the Gaines Agreement. If the Company terminates Mr. Gaines's employment without Cause prior to July 1, 2010, the Company will pay to Mr. Gaines any unpaid portion of the remaining payments due six months following Mr. Gaines's termination by the Company. If Mr. Gaines has breached the Gaines Agreement, the Company will not make and will withhold the remaining payments as damages for such breach.

Perquisite Program

The named executive officers participate in our executive perquisite program. In 2009, perquisite levels were reduced by approximately 10% from 2008 levels, reflecting the 10% permanent reduction in the named executive officers' base salaries. Under this program, in 2009 Mr. Zollars received \$135,000; the other named executive officers (other than Ms. Taylor) received approximately \$22,500; and Ms. Taylor received approximately \$9,500. There is no requirement that a named executive officer spend the perquisite payments on any particular item. Mr. Zollars' perquisites included personal use (up to his \$135,000 perquisite level) of two aircraft in which the Company owned a very small fractional interest. In 2009, the Company terminated these interests. Perquisites are limited to cash payments. Perquisite payments are subject to local, state and federal income taxation and withholding and are differentiated from base salary because perquisites are not included in compensation when determining annual or long-term incentive payouts. Perquisite payments are included in the "All Other Compensation" column of the *Summary Compensation Table*.