YRC Worldwide Inc.
Form 10-K/A
March 25, 2010
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-K/A

(Amendment No. 1)

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

For the fiscal year ended December 31, 2009

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

YRC WORLDWIDE INC.

(Exact name of registrant as specified in its charter)

Delaware	**48-0948788**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. 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

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

Title of each class	**Name of each exchange on which registered**
Common Stock, $0.01 par value per share	**NASDAQ Global Select Market**

Securities registered pursuant to Section 12(g) of the Act: NONE

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ¨ No x

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act. Yes ¨ No x

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 x No ¨

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted 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 and post such files). Yes ¨ No ¨

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant s knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. x

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

Large accelerated filer	¨	Accelerated filer	x
Non-accelerated filer	¨ (Do not check if a smaller reporting company)	Smaller reporting company	¨

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

As of June 30, 2009, the aggregate market value of the registrant s common stock held by non-affiliates of the registrant was $101,469,441 based on the closing sale price as reported on the NASDAQ Global Select Market.

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

Class	Outstanding at March 22, 2010
Common Stock, $0.01 Par Value Per Share	1,054,060,900 shares

DOCUMENTS INCORPORATED BY REFERENCE

None.

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EXPLANATORY NOTE

This Amendment No. 1 to the Annual Report on Form 10-K (this Amendment No. 1) of YRC Worldwide Inc. amends the Company s Annual Report on Form 10-K for the fiscal year ended December 31, 2009 that was originally filed with the Securities and Exchange Commission (the SEC) on March 16, 2010 (the Original Form 10-K). In this Amendment No. 1, unless the context indicates otherwise, the terms YRC Worldwide, the Company, we, us or our refer to YRC Worldwide Inc. The capitalized terms used in this Amendment No. 1 but not defined sh have the meaning specified for that term in the Original Form 10-K.

This Amendment No. 1 is being filed solely to include the information required in Part III (Items 10, 11, 12, 13 and 14) of Form 10-K that was previously omitted from the Original Form 10-K in reliance upon General Instruction G(3) to Form 10-K.

Except as described in this explanatory note, no other information in the Original Form 10-K is being modified or amended by this Amendment No. 1. This Amendment No. 1 does not reflect events occurring after March 16, 2010, which is the filing date of the Original Form 10-K. Accordingly, this Amendment No. 1 should be read in conjunction with the Original Form 10-K and the Company s other filings with the SEC. This Amendment No. 1 consists solely of the preceding cover page, this explanatory note, Part III (Items 10, 11, 12, 13 and 14), Part IV (Item 15(a)(3)), the signature page and the exhibits identified in Part IV (Item 15(a)(3)).

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PART III

Item 10. Directors, Executive Officers and Corporate Governance.

CURRENT EXECUTIVE OFFICERS AND DIRECTORS

Executive Officers

The following are our executive officers, each of whom serves until his or her successor has been elected and qualified or until his or her earlier resignation or removal:

Name	Age	Principal Occupation and Past Service
William D. Zollars	62	Chairman of the Board and Chief Executive Officer of YRC Worldwide (since November 1999); President of YRC Worldwide (November 1999 October 2009); President of Yellow Transportation (1996 1999); Senior Vice President of Ryder Integrated Logistics, Inc. (1994 1996).
Timothy A. Wicks	44	President and Chief Operating Officer of YRC Worldwide (since October 2009); Executive Vice President and Chief Financial Officer of YRC Worldwide (October 2008 October 2009); Senior Vice President, Strategic Growth Initiatives (2006 2008), Senior Vice President, Product Development and Management (2004 2006), Vice President, Platinum Broker Service (2003 2004), and Vice President, Consumer Solutions (2002 2003) of United Healthcare (healthcare insurance).
Sheila K. Taylor	36	Executive Vice President and Chief Financial Officer of YRC Worldwide (since October 2009); Vice President Investor Relations of YRC Worldwide (January 2008 October 2009); Treasurer of YRC Worldwide (June 2009 October 2009); Vice President Finance of Yellow Transportation (January 2007 August 2008); various director and manager titles in finance, corporate development and investor relations with YRC Worldwide (July 2002 January 2007).
Michael J. Smid	54	Chief Operations Officer of YRC Worldwide (since June 2009); President of YRC Inc. (since October 2008); President of YRC Enterprise Services (since 2007); President of YRC National Transportation (2007); President and Chief Executive Officer of Roadway Express (2005 2007); President and Chief Integration Officer of YRC Worldwide Enterprise Services (2004 2005); Executive Vice President and Chief Administrative Officer of Yellow Transportation (2000 2004).
Daniel J. Churay	47	Executive Vice President, General Counsel and Secretary of YRC Worldwide (since September 2002).
Phil J. Gaines	46	Chief Accounting Officer of YRC Worldwide (since October 2009); Senior Vice President Finance of YRC Worldwide (since June 2009); Senior Vice President and Chief Financial Officer of YRC Inc. and YRC Enterprise Services (since January 2009); President of Yellow Transportation (July 2008 February 2009); Senior Vice President and Chief Financial Officer of YRC North American Transportation (January 2008 July 2008); Senior Vice President and Chief Financial Officer of YRC National Transportation (January 2007 December 2007); Senior Vice President Investor Relations, Government Relations and Corporate Development of YRC Worldwide (August 2005 January 2007); Senior Vice President Finance and Administration of Yellow Transportation (December 2003 August 2005).

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James G. Kissinger	53	Executive Vice President Human Resources of YRC Worldwide (since January 2008); Senior Vice President Corporate Operations, Aircell (telecommunications) (2006 2007); Senior Vice President Human Resources, Sprint Nextel Corporation (telecommunications) (1984 2006).
John A. Garcia	56	Executive Vice President and Chief Sales Officer of YRC Worldwide (since June 2009); President, CDMA Business Unit (October 2007 November 2008), Chief Marketing Officer (September 2006 October 2007), Senior Vice President Product Development (July 2005 September 2006), President, Sprint/Cable Joint Venture (2005) of Sprint Nextel Corporation (telecommunications).
Richard Williamson	53	Chief Strategy Officer of YRC Worldwide (since August 2009); Managing Director of Alvarez & Marsal (restructuring and performance improvement consulting) (since 2001).

Directors

Our Board of Directors currently consists of nine members, each of whom is elected to serve one year, or until his or her successor is elected and qualified or until his or her earlier resignation, removal from office or death, except as otherwise provided in the Company s Bylaws or required by law. Directors may serve until age 75, which is the mandatory retirement age pursuant to the Company s Bylaws. A director s term on the Board may also be limited if the director changes employment (other than a promotion or lateral move within the same organization) or if the director fails in any fiscal year to attend at least 66% of the aggregate meetings of the Board and any Board committees on which the director serves. The Company s Bylaws require the director to offer his or her retirement or resignation effective on the annual stockholders meeting following the three-month anniversary of the change in his or her employment or the failure to attend the requisite number of meetings in a fiscal year. The Board may waive this requirement in its discretion.

Name	Age	Principal Occupation and Past Service; Directorships
Michael T. Byrnes Director since 2007	64	Senior Advisor, Yuan Associates (China governmental affairs consulting) (since January 2006); President, Tyco International China (manufacturing) (2005 2006); Vice President China Operations, Rockwell Automation (manufacturing) (1998 2004); Retired Brigadier General, United States Army.
		Mr. Byrnes significant experience working for major corporations with operations in China and his understanding of the cultural, political and regulatory aspects of operating in China allows him to significantly contribute to the Board s discussions of our Asia operations.
Cassandra C. Carr Director since 1997	65	Senior Advisor, Public Strategies, Inc. (strategic communications) (since 2002), Senior Executive Vice President, External Affairs (1998 2002) and Senior Vice President, Human Resources (1994 1998), SBC Communications, Inc. (telecommunications); Current Director, Temple-Inland Inc. (containerboard manufacturer).
		As a result of Ms. Carr s professional accomplishments, she has gained knowledge and experience in a number of important areas, including human resources, executive compensation and communications. This experience, combined with her institutional knowledge of the Company and the LTL transportation industry gained from many years of service on our Board, allows her to provide the Board with important insight into operational issues facing the Company.

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Howard M. Dean Director since 1987	72	Retired Chairman of the Board of Dean Foods Company (processor and distributor of food products); Former Director, Ball Corporation (metal cans). Mr. Dean s experience as chief executive officer of a large distribution company, combined with his institutional knowledge of the Company and the LTL transportation industry gained from many years of service on our Board, allows him to provide the Board with unique insights into our challenges, opportunities and operations.
Dennis E. Foster Director since 2000	69	Principal, Foster Thoroughbred Investments (thoroughbred breeding and racing) (since 2000); Vice Chairman, Alltel Corporation (telecommunications) (1998 2000); Chief Executive Officer, 360 Communications, Inc. (wireless communications) (1993 1998); Current Director, NiSource Inc. (natural gas and electric), and current Non-Executive Chairman, Windstream Corporation (telecommunications); Former Director, Alltel Corporation (telecommunications). Mr. Foster s experience in leadership positions with technology companies, combined with his institutional knowledge of the Company and the LTL transportation industry gained from many years of service on our Board, allows him to provide the Board with insight on the opportunities and challenges facing us in deploying technology across our network.
Phillip J. Meek Director since 2003	72	Retired Senior Vice President and President, Publishing Group, Capital Cities/ABC, Inc. (broadcasting, cable, and publishing) (1986 1997); Life Trustee of Ohio Wesleyan University; Director, Guideposts (religious organization). Mr. Meek s experience as a senior executive of a large public company, combined with his institutional knowledge of the Company and the LTL transportation industry gained from many years of service on our Board and on the Board of Directors of Roadway Corporation, which we acquired in 2003, allows him to provide the Board with important insight on operational matters.
Mark A. Schulz Director since 2007	57	Retired Executive Vice President and President International Operations, Ford Motor Company (automotive) (2005 2007) and President Asia Pacific and Ford South America Operations (2003 2005), Ford Motor Company (automotive); Current Director, Dana Holding Corporation (supplier of vehicle parts); Member of the Board of Advisors of The National Bureau of Asian Research (an independent, non-partisan research institution); Member of the Board of Directors of Valparaiso University. Mr. Schulz s experience as an executive officer of Ford Motor Company in charge of international operations, including those in Asia, allows him to provide the Board with important insight into operating a company in foreign jurisdictions. In addition, Mr. Schulz s experience at Ford Motor Company, which has complex procurement and distribution operations, allows him to provide the Board with unique insight into the needs of our customers.

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William L. Trubeck Director since 1994	63	Self-employed business and financial consultant (2008 present); Executive Vice President and Chief Financial Officer, H&R Block, Inc. (financial services) (2004 2007); Executive Vice President, Western Group (2003 2004); Executive Vice President, Chief Administrative Officer and Chief Financial Officer (2002 2003) and Senior Vice President and Chief Financial Officer (2000 2002), Waste Management, Inc. (waste disposal and environmental services); Senior Vice President Finance and Chief Financial Officer and President, Latin American Operations, International MultiFoods, Inc. (food manufacturing) (1997 2000); Current Director, Dynegy Inc. (independent power producer); Vice Chairman of the Board of Trustees of Monmouth College; Former Director, Ceridian Corp. (business services); and Federal Home Loan Bank of Des Moines (community banking). Mr. Trubeck s experience as the chief financial officer of several large public companies, combined with his institutional knowledge of the Company and the LTL transportation industry gained from many years of service on our Board, allows him to provide the Board with important knowledge of financial and accounting issues affecting us.
Carl W. Vogt Director since 1996	73	Retired Senior Partner, Fulbright & Jaworski LLP (legal services) (1974 2002); President Emeritus (President interim 1999 2000), Williams College, Williamstown, MA; Chairman, National Transportation Safety Board (1992 1994); Current Director, American Science & Engineering (x-ray bomb and contraband detection); Former Director, Waste Management, Inc. (waste and environmental services); and DWS Scudder Mutual Funds (financial services). Mr. Vogt s background as a lawyer and his prior experience as the Chairman of the National Transportation Safety Board, combined with his institutional knowledge of the Company and the LTL transportation industry gained from many years of service on our Board, allows him to provide the Board with an important perspective of the regulatory environment in which we operate, including on issues related to governance and safety.
William D. Zollars Director since 1999	62	Chairman of the Board and Chief Executive Officer of YRC Worldwide (since November 1999); President of YRC Worldwide (November 1999 October 2009); President of Yellow Transportation, Inc. (1996 1999); Senior Vice President of Ryder Integrated Logistics (1994 1996); Current Director, ProLogis Trust (real estate investment trust), Cerner Corporation (computer integrated systems design) and CIGNA Corporation (hospital and medical service plans); Former Director, Butler Manufacturing Company (prefabricated metal buildings and components). Mr. Zollars experience as our chief executive officer for over a decade allows him to provide the Board with important perspective on our opportunities, challenges and operations.

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SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Based solely on our review of copies of reports that persons required to file reports under Section 16(a) of the Securities Exchange Act of 1934, as amended (the Exchange Act), furnished to us, we believe that, for the year ended December 31, 2009, all filings required to be made by reporting persons with respect to the Company were timely made in accordance with the requirements of the Exchange Act.

CODE OF CONDUCT

We have adopted a written Code of Conduct that applies to all of our directors, officers and employees, including our chief executive officer, chief financial officer and chief accounting officer. It is available under Board Committee Charters & Code of Conduct on our website located at www.yrcw.com. We intend to disclose any amendments to, or waivers from, any provision of our Code of Conduct that applies to our chief executive officer, chief financial officer or chief accounting officer by posting such information on our website located at www.yrcw.com.

CHANGES TO PROCEDURES FOR STOCKHOLDERS TO NOMINATE PERSONS FOR

ELECTION TO THE BOARD OF DIRECTORS

Except as set forth below, there were no material changes made during fiscal year 2009 to the procedure by which stockholders may recommend nominees to our Board of Directors.

As a result of the debt-for-equity exchange offers we consummated at the end of 2009, eight of our current directors will resign, and we currently anticipate that the directors will appoint to the vacant positions eight new directors to serve until the next annual meeting of the Company s stockholders. Four of the new directors will be chosen by the board of directors from a group of six potential nominees put forth by a subcommittee comprised of some of the persons that held the largest amount of the notes tendered in the exchange offers (the noteholder subcommittee). Three of the new directors will be chosen by the board of directors in consultation with the noteholder subcommittee and subject to approval by the noteholder subcommittee. However, if the noteholder subcommittee does not approve the three directors to be so nominated, two of the directors that would have been so nominated will be chosen from a group of five potential nominees put forth by the noteholder subcommittee, and the board of directors shall be entitled to appoint one of the directors that would have been so nominated. The International Brotherhood of Teamsters, pursuant to the Amended and Restated Memorandum of Understanding on the Job Security Plan, dated July 9, 2009, 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., has the right to nominate one of our nine directors. The Company will file with the SEC and transmit to its stockholders the information required by Rule 14f-1 of the Exchange Act not less than 10 days before the new directors take office.

AUDIT/ETHICS COMMITTEE

The Company has an Audit/Ethics Committee, whose members are William Trubeck (Chairman), Howard Dean and Mark Schulz. The Board had determined that all of the members of the Audit/Ethics Committee are, and in 2009 were, independent directors, as that term is defined in applicable law and the NASDAQ Stock Market rules. The Board had further determined that Mr. Trubeck is the audit committee financial expert, as that term is defined under SEC regulations and that Mr. Trubeck met the financial sophistication requirement of the NASDAQ Stock Market rules.

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Item 11. Executive Compensation.

COMPENSATION DISCUSSION AND ANALYSIS

Compensation Philosophy and Objectives

Our Compensation Committee (the Committee) has established an executive compensation philosophy that supports our objectives to:

- attract and retain high caliber executives whose leadership skills can enable us to effectively navigate the economic environment affecting our Company and to effectively compete in our market segments; and
- provide incentives that encourage executives to attain the highest level of organizational performance to maximize stockholder value without encouraging excessive risk taking.

To achieve these objectives, the Committee has adopted an executive compensation program that:

- provides compensation at levels that are reflective of responsible market practices;
- provides a significant portion of total compensation that is aligned with the achievement of annual, long-term and individual performance goals; and
- provides almost all long-term incentive compensation in the form of equity to further align our executives interests with our stockholders.

Overview of 2009 Business Activity Related to Compensation Actions

The economic environment in 2009 had a dramatic effect on our industry and negatively impacted our customers needs to ship and, therefore, negatively impacted the volume of freight we serviced and the price we received for our services. In addition, we believe that certain of our customers diverted business to other carriers due to their concerns regarding our financial stability. As a result, our operating results, cash flows from operations, liquidity and financial condition were negatively impacted.

In 2009, we implemented a comprehensive recovery plan to reduce our cost structure and improve our operating results, cash flows from operations, liquidity and financial condition. As part of our comprehensive recovery plan, we monitored and modified our compensation practices to align our employees compensation (including our named executive officers) with our financial condition and our need to attract and retain high-caliber employees (including our named executive officers) to assist us in navigating through the current economic environment.

During 2009, we significantly reduced our overall workforce and implemented the following actions related to the compensation of our employees:

- in the first quarter, we implemented a 10% wage reduction for substantially all of our employees (both union and non-union), including our named executive officers;
- in the first quarter, we granted stock options to substantially all of our employees (both union and non-union, but excluding participants in our long-term incentive plan including our named executive officers, other than Ms. Taylor, as she was not our principal financial officer at the time) in connection with the 10% wage reduction;

we deferred the payment of certain contributions to our multi-employer pension funds, mostly in the first half of 2009, pursuant to a Contribution Deferral Agreement;

- we temporarily ceased pension contributions to our multi-employer pension funds starting in July 2009 through December 31, 2010;
- we implemented an additional 5% wage reduction for substantially all of our union employees in August 2009;
- in connection with the August 2009 reduction in union wages and the temporary cessation of pension contributions, we agreed to grant union employees options to purchase an additional 20% of the Company s outstanding common stock, subject to the receipt of certain stockholder approvals (or stock appreciation rights with equivalent value if stockholders did not provide the requisite approvals); the Company adopted plans and awarded these options and rights in March 2010;
- we continued the suspension of Company matching 401(k) contributions for non-union employees; and
- we implemented seasonal wage reductions of approximately 5% in October 2009 and an additional reduction of approximately 18% in December 2009 for substantially all of our non-union employees, including our named executive officers.

In addition, as indicated below under *Director Compensation*, our Board voluntarily reduced their fees and retainers for 2009 and waived special telephonic meeting fees for 2009.

Components of Executive Compensation

For 2009, the compensation for each of our named executive officers listed in the *Summary Compensation Table* was comprised of the following principal elements:

- base salary;
- annual cash incentive opportunity aligned with our 2009 EBITDA;
- long-term incentive opportunity aligned with our 2009 EBITDA and price appreciation of our common stock over a three year period, paid in cash and restricted stock (Ms. Taylor was not eligible for this opportunity in 2009); and
- perquisites and other benefit plans and programs that we sponsor.

Determining Executive Compensation

The Committee has primary responsibility for determining the compensation package for the named executive officers with the assistance of the Company s chief executive officer and the Committee s independent compensation consultant (the Consultant). The Committee does not follow a strict formula in setting each element of compensation and total compensation and does not have an established formula for allocating executive compensation between cash and equity or short-term and long-term compensation. Instead, the Committee has followed market practices relative to each component of compensation while remaining consistent with our executive compensation philosophy and objectives, including the use of performance goals such as EBITDA, which aligns payouts to a goal that is subject to a formal calculation. Prior to 2009, the Committee utilized information that the Consultant provided from various survey groups in determining the appropriate level and form of compensation. Generally, the Committee has aimed to provide base salaries, target annual incentive and long-term incentive opportunities and total compensation for the named executive officers that are near the market median of the applicable survey group for similar positions, with the opportunity for the named executive officers to receive annual incentive and long-term incentive compensation in excess of (or less than) target if we exceed (or fail to achieve) our target performance goals. The Committee also has considered experience, tenure in position, scope of an executive s responsibilities, performance and any other factors that could be relevant at the time when setting salaries and target annual incentive and long-term incentive opportunity levels.

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Due to the economic environment facing the Company in 2009, the Committee did not follow historical practices in determining the 2009 compensation package for the named executive officers. Instead, it decided to maintain base salaries (which were then subject to reductions as discussed elsewhere in this Compensation Discussion and Analysis) and annual and long-term incentive target percentages at 2008 levels and to maintain the 2008 percentage split between base salary and incentive compensation. The Committee then designed incentive compensation to align the named executive officers compensation with the goals of our comprehensive recovery plan. As a result, in 2009 the Committee did not utilize benchmarking or third-party compensation surveys in the same manner as it had in prior years. See *Survey Group* below for a discussion of the Committee s use of surveys in 2009.

The Committee expects to work with the Consultant in 2010 to reevaluate our compensation practices in light of the significant changes that have occurred in our business over the last several years, including comparing such practices to a survey group that is more reflective of our size and the current labor market.

Chief Executive Officer Compensation

In January 2006, the Committee and the full Board (other than Mr. Zollars) determined it was beneficial for us to enter into an employment agreement with Mr. Zollars and established his base salary and annual incentive and long-term incentive opportunities (as set forth in his employment agreement) using a similar method as was used for the other named executive officers, which was targeting each element of compensation and total compensation near the market median of an applicable survey group. See *Executive Agreement William D. Zollars Employment Agreement* for a discussion of the terms of Mr. Zollars employment agreement. Mr. Zollars January 2006 employment agreement requires the Board to annually review his base salary to determine whether it should be increased. Other than special equity opportunities (which have previously been provided) and the supplemental retirement benefits contained in Mr. Zollars employment agreement, the compensation policies for Mr. Zollars are essentially the same as for our other named executive officers. The variation between Mr. Zollars and the other named executive officers compensation reflects the scope and increased level of responsibility of the chief executive officer position compared with our other named executive officers.

In addition, supplemental retirement benefits were provided to Mr. Zollars as part of his new hire package in 1996 and were critical to attract him as a mid-career top executive. These benefits were continued in his 2006 employment agreement and are calculated by reference to the Yellow Corporation Pension Plan (the Yellow Pension Plan). When we froze future benefit accruals under the Yellow Pension Plan in July 2008, the future benefit accruals under Mr. Zollars employment agreement were also frozen.

Mr. Zollars provided a written self-evaluation of his performance for 2008 and met with the Committee to discuss the evaluation. After this discussion, the Committee met without Mr. Zollars to discuss his compensation and then provided a recommendation to the Board. Mr. Zollars, who is presently a member of the Board, recused himself from the Board s deliberations on his compensation, which were held in executive session without him, and abstained from voting on any element of his compensation. The Board, taking into account the recommendation of the Committee, made a final determination as to Mr. Zollars 2009 compensation, which was to maintain his base salary and annual and long-term incentive target percentages at 2008 levels. Mr. Zollars then agreed to reductions in his base salary during 2009 in connection with the implementation of wage reductions for substantially all our non-union employees.

Compensation for Named Executive Officers (other than the Chief Executive Officer)

Each year, the chief executive officer sets performance goals for the other named executive officers. The chief executive officer reviews the performance of each named executive officer (excluding himself) with the Committee and makes recommendations as to the compensation for each executive. Taking into account the chief executive officer s performance review of the named executive officers, the Committee approves the compensation for each named executive officer other than the chief executive officer. Prior to 2009, the Committee would compare the chief executive officer s compensation recommendations against market data from an applicable survey group provided by the Consultant. Due to the Committee s decision

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to maintain base salaries and annual and long-term target percentages for the named executive officers at 2008 levels, the Committee did not utilize market data in this manner for 2009. See *Survey Group* below for a discussion of the Committee s use of surveys in 2009.

Consultant

The Committee s Consultant provides guidance and advice to the Committee regarding executive officer compensation trends, reviews compensation plan design and suggests alternative ways to deliver compensation to align the executive s compensation with Company goals. Frederic W. Cook & Co. has been the Committee s independent consultant since July 2007.

Survey Group

As discussed above, in 2009, the Committee did not undertake an overall evaluation of the named executive officers compensation in light of a comparable survey group. Instead, the Committee requested information from the Consultant in connection with the evaluation of certain of the named executive officers compensation. See *Summary of Compensation Components-Base Salary, Summary of Compensation Components-Annual Incentive Bonus Program* and *Summary of Compensation Components-2009 Long-Term Incentive Plan.* The Committee requested this information to understand the current labor market environment and to recognize the changes the Company has experienced over the last two years. In evaluating compensation, the Consultant provided guidance and advice to the Committee using data derived from the Towers Perrin Compensation Data Bank (CDB) Executive Database (the Database). The Database includes more than 500 companies and presents the compensation levels and practices of companies across a broad section of industries, including aerospace/defense and automotive and transportation, chemicals, computer hardware, software and services, consumer products (excluding food and beverage), electronics and scientific equipment, food and beverages, metals and mining, oil and gas, pharmaceutical, retail and telecommunications. A list of the companies contained in the Database is included in this Annual Report on Form 10-K/A as Exhibit 99.1.

Summary of Compensation Components

Base Salary

Prior to 2009, base salary for each of the named executive officers was determined based on a number of factors including: the salary level for similar positions in applicable survey groups, the named executive officer s experience, tenure in position, level of responsibility and performance, and internal pay equity among our executive officers. The performance of each named executive officer was also evaluated by reference to individual goals that the named executive officer, together with the chief executive officer (and in the case of the chief executive officer, together with the Board), established each year, including:

- developing and executing our strategies;
- developing personnel within the executive s control or management; and
- participating in and contributing to programs that positively impact our operations and growth.

The Committee departed from past practices and elected to not increase base salaries for any of the named executive officers at the beginning of 2009 in light of the economic environment facing the Company. In January 2009 in connection with a 10% reduction in wages and the elimination of certain cost of living adjustments for union employees, we temporarily reduced the salaries of substantially all non-union employees, including the named executive officers, by 10% through June 30, 2009, at which time the reduction was scheduled to be adjusted to 5% through the end of 2009. This temporary reduction in salary, however, was made permanent in July 2009 in connection with the union employees approval of a further modification of their labor agreements providing for an additional 5% incremental wage reduction and an 18 month cessation of union pension fund contributions.

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As part of the Company s efforts to reduce costs and improve liquidity, the Company instituted an additional reduction of approximately 5% in the salaries of substantially all non-union employees of the Company, including the named executive officers, in October 2009, and an additional reduction of approximately 18% in the salaries of substantially all non-union employees of the Company, including the named executive officers, for the period from December 15, 2009 through January 15, 2010. While base salary reductions implemented in the fourth quarter of 2009 terminated on January 15, 2010, the 10% reduction is permanent. As a result, the base salary for substantially all non-union employees at the beginning of 2010, including the named executive officers, is generally 10% lower than in 2008. These salary reductions are on top of prior reductions in 2008 of pension and 401(k) plan benefits and an increase in employee costs for Company provided medical and dental benefits.

In October 2009, Mr. Wicks and Ms. Taylor received base salary adjustments to reflect their increased duties and responsibilities in connection with their promotion to our President and Chief Operating Officer, and Executive Vice President and Chief Financial Officer, respectively, and in November 2009, Mr. Churay received a base salary adjustment to align his salary with the market. In establishing these new base salaries, the Consultant provided guidance and advice to the Committee using data derived from the Database.

Option Grant. On January 2, 2009, Ms. Taylor, who, at the time, was not our principal financial officer, received an option to purchase 1,280 shares of our common stock pursuant to the YRC Worldwide Inc. Non-Union Employee Option Plan. See *Grants of Plan-Based Awards.* This grant was part of a company-wide grant of options to substantially all non-union employees (other than employees who participate in our long-term incentive plan) in connection with the 10% wage reduction in January 2009.

Annual Incentive Bonus Program

The named executive officers are eligible to receive cash compensation under our Annual Incentive Bonus Program if certain performance objectives are achieved. Like in previous years, the 2009 annual incentive opportunity for each named executive officer is expressed as a percentage of the named executive officer s actual base salary. As with base salaries, in 2009 the Committee maintained each named executive officer s target percentage at 2008 levels. Using information provided by the Consultant from the Database, the Committee decided to increase Mr. Wicks and Ms. Taylor s target percentage when they assumed additional duties and responsibilities in October 2009. Actual payouts could be higher or lower depending on the achievement of individual performance goals.

In 2009, EBITDA was a key measure the Company utilized in determining whether it had met its cost reduction and liquidity goals. As a result, the Committee utilized 2009 EBITDA (as defined below) in determining each named executive officer s annual incentive opportunity. The Board approved our 2009 financial plan goals, including our 2009 EBITDA goals, and the Committee established threshold, target and maximum 2009 EBITDA plan objectives that aligned each named executive officer s annual incentive opportunity to the financial plan of the Company. The Committee determined the threshold based on the minimum amount of 2009 EBITDA that would be necessary to fund the incentive payments.

While the measurement criteria was different in 2009, the Committee believes that the difficulty of achieving the target was as difficult, or more difficult, to achieve than the targets utilized for prior years due to the economic environment affecting the Company. The following table sets forth the 2009 EBITDA goals for the named executive officers and the percentage of target incentive compensation that could have been paid had the goals been achieved. For named executive officers to earn any incentive compensation, the Company had to achieve greater than 100% of its $200 million 2009 EBITDA goal. To receive the full 100% of their respective target incentive compensation, the Company had to achieve $280 million of 2009 EBITDA, or 140% of financial plan goal. In addition, incentive compensation was capped at 125% of target regardless of how well the Company performed.

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Operating Measurement	THRESHOLD 100% of EBITDA Goal 0% of Target Incentive Compensation	TARGET 140% of EBITDA Goal 100% of Target Incentive Compensation	MAXIMUM 150% of EBITDA Goal 125% of Target Incentive Compensation	2009 Actual Performance
YRC Worldwide				
2009 EBITDA	$ 200,000,000	$ 280,000,000	$ 300,000,000	$ (589,846,000)

For the purpose of the Annual Incentive Bonus Program, 2009 EBITDA meant Consolidated EBITDA (as defined below) for the 12-month period ending December 31, 2009 (excluding any negative Consolidated EBITDA for the three-month period ending March 31, 2009).

Consolidated EBITDA was determined by adding the following amounts to the Company s audited consolidated net income (loss) to the extent they were deducted from the Company s audited consolidated operating revenues in determining net income (loss):

(a) consolidated interest expense;

(b) expense for taxes paid or accrued;

(c) depreciation;

(d) amortization;

(e) extraordinary, non-cash expenses or losses incurred other than in the ordinary course of business;

(f) non-recurring, non-cash expenses or losses incurred other than in the ordinary course of business;

(g) non-cash expenses related to stock based compensation or stock appreciation rights; and

(h) fees and expenses (including legal, accounting and debt issuance costs) incurred in connection with certain waivers of, and amendments to, the Company s credit agreement and its ABS facility and in connection with a certain sale/lease back transactions.

And then subtracting the following amounts to the extent they were included in the Company s audited consolidated net income (loss):

(v) interest income;

(w) income tax credits and refunds (to the extent not netted from tax expense);

(x) any cash payments made during such period in respect of items described in items (e), (f) or (g) above subsequent to the fiscal quarter in which the relevant non-cash expenses or losses were incurred;

(y) any income or gains resulting from the early retirement, redemption, defeasance, repayment or similar actions in respect of indebtedness; and

(z) extraordinary, unusual or non-recurring income or gains realized other than in the ordinary course of business.

All additions and deductions were calculated in accordance with generally accepted accounting principles on a consolidated basis.

Actual achievement of objectives between threshold and target and between target and maximum provide the named executive officers with the opportunity for payouts that are proportionately between the percentages of target incentive bonus for each of those objectives.

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In determining annual incentive payouts for a year, the Committee may reduce payouts if our performance is below our goals, if the Committee determines that it is in the best interest of our stockholders taking into consideration the cyclical nature of our industry and the impact of general economic conditions on our operations in that year or based upon an assessment of the named executive officer s performance versus individual objectives. The Committee generally approves annual incentive compensation payments during the first quarter of the year following the performance year.

For 2009, the performance objectives used to determine annual incentive compensation eligibility were weighted 75% based on 2009 EBITDA and 25% based on the individual performance of the named executive officers. Because we did not achieve our 2009 EBITDA plan goals, the named executive officers did not receive annual incentive compensation for 2009. Therefore, individual performance reviews were not a factor in determining annual incentive compensation payments for 2009.

2009 Long-Term Incentive Plan

Our 2009 long-term incentive plan (2009 LTIP) provides our named executive officers (other than Ms. Taylor) with an opportunity to receive cash and have restricted stock vest if certain performance objectives are achieved. Ms. Taylor was not eligible to participate in our 2009 LTIP because she did not become our Executive Vice President and Chief Financial Officer until October 2009. She will, however, be eligible for a long-term incentive opportunity in 2010. In March 2009, the Committee approved a redesign of our long-term incentive plan to align our named executive officer s compensation with our liquidity goals during the difficult economic environment facing our company and with the price appreciation of our common stock, in each case for the benefit of our stockholders. In connection with the approval of our 2009 LTIP, our prior long-term incentive plan and potential award opportunities under that plan with respect to incomplete performance periods, including the 2007-2009 and 2008-2010 performance periods were cancelled and terminated.

Like in previous years, the 2009 long-term incentive opportunity is expressed as a percentage of the named executive officer s base salary. The Committee based each named executive officer s long-term incentive opportunities on the executive s expected 2009 base salary, which at the beginning of 2009 was anticipated to be 7.5% lower on an annual basis (reflecting an anticipated 10% reduction in base salary from January through June 2009 and an anticipated 5% reduction in base salary from July through December 2009). As with base salaries, in 2009, the Committee maintained each named executive officer s target percentage at 2008 levels. Using information provided by the Consultant from the Database, the Committee decided to increase Mr. Wicks target percentage for 2010, when he assumed additional duties and responsibilities in October 2009.

Under the 2009 LTIP, (i) 20% of our named executive officers 2009 incentive opportunity was based on the achievement of a 2009 EBITDA target (payable one-half in cash and one-half in restricted stock) and (ii) 80% of the 2009 incentive opportunity was based on the price appreciation of our common stock (all of which was payable in restricted stock). For the purpose of the 2009 LTIP, 2009 EBITDA has the same meaning as under our Annual Incentive Bonus Program. See *Annual Incentive Bonus Program* above.

Under the 2009 LTIP, our named executive officers received a restricted stock grant on March 30, 2009. The restricted stock was issued pursuant to our 2004 Long-Term Incentive and Equity Award Plan. If our 2009 EBITDA was equal to or greater than $200 million, 11% of the shares of restricted stock would have vested on the third anniversary of the date of grant. Because we did not meet that EBITDA target, these shares did not vest and were forfeited.

Also, under the 2009 LTIP, if the highest Average Share Price (as defined below) of our common stock at any time prior to the third anniversary of the date of grant is:

- equal to $5.00 per share, 22% of the shares of restricted stock will vest; or

- greater than or equal to $15.00 per share, 89% of the shares of restricted stock will vest.

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If the highest Average Share Price is greater than $5.00 but less than $15.00 per share prior to the third anniversary of the date of grant, we will interpolate the additional number of shares to vest by using the highest Average Share Price to determine how many shares of restricted stock vest within the range of 22% to 89% of those shares. Average Share Price means the average closing price per share of the our common stock for any consecutive 20 trading days on the NASDAQ Stock Market during the period from the date of grant until the third anniversary of the date of grant. The number of shares of restricted stock granted under the 2009 LTIP will be decreased and the Average Share Price targets will be increased if our Board effects a reverse stock split that was approved by our stockholders on February 17, 2010.

Any shares of restricted stock that do not vest by the third anniversary of the date of grant will be forfeited.

Finally under the 2009 LTIP, our named executive officers were granted an opportunity to receive a cash award on March 30, 2010 based on our 2009 EBITDA. If our 2009 EBITDA was:

- less than or equal to $200 million, the named executive officer would not receive a cash award;

- greater than or equal to $280 million, the named executive officer would receive 100% of the target cash award.

If 2009 EBITDA was greater than $200 million but less than $280 million, we would have interpolated the amount of the cash award to paid the named executive officer. Because our 2009 EBITDA was less than $200 million our named executive officers did not receive any cash payment under the 2009 LTIP.

Prior Long-Term Incentive Plan

Our prior long-term incentive plan provided participants with the opportunity to receive cash (one-third of award opportunity) and restricted share unit (two-thirds of award opportunity) based on our performance over a three-year performance period. Based solely on application of the plan formula to our performance over the 2006-2008 performance period, the participating named executive officers were eligible to receive up to 21.75% of the target awards under the prior long-term incentive plan. All of the named executive officers other than Mr. Wicks and Ms. Taylor were eligible to receive awards for the 2006-2008 performance period.

The Committee had the discretion to reduce awards under our prior long-term incentive plan prior to the date of grant in consideration of a number of factors such as achievement of individual performance goals. The Committee s historical practice was to approve awards in the first quarter of the year following completion of a three-year performance period. However, the Committee decided during the first quarter of 2009 to delay approving any awards for the 2006-2008 performance period until later in the year. Restricted share units granted under our prior long-term incentive plan were issued pursuant to our 2004 Long-Term Incentive and Equity Award Plan.

On November 9, 2009, we launched a debt-for-equity exchange offer that settled on December 31, 2009. In connection with the exchange offer, and to free up additional shares of common stock that could be issued to tendering bond holders in the exchange, the Board unreserved the remaining shares available for issuance under our 2004 Long-Term Incentive and Equity Award Plan. In November 2009, the Committee determined to pay participants 21.75% of target awards for the 2006-2008 performance period. Because there were no shares available for issuance under the 2004 Long-Term Incentive and Equity Award Plan to grant restricted share units, the Committee determined that the entire amount of the award, including the portion originally designated to be paid in restricted share units, would be payable in cash in January 2010.

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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 Ag