

Term Sheet/Proposal

In connection with, and as a condition to, concessions to YRC Worldwide Inc., including all subsidiaries and affiliates, (the "Company") being considered by the Teamsters National Freight Industry Negotiating Committee ("TNFINC") of the International Brotherhood of Teamsters (the "IBT"), TNFINC hereby submits this Term Sheet/Proposal summarizing the key terms and conditions of any such concessions. All terms from prior TNFINC agreements with the Company shall remain in effect unless specifically modified by the terms set forth below. This Term Sheet/Proposal is binding on the parties hereto and is subject to required approvals of the IBT, TNFINC and IBT member ratification as well as approval of the Company's Board of Directors.

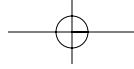
Description of Transaction:	TNFINC would be willing to agree to the Concessions described in the MOU (defined below) subject to the conditions specified in this term sheet for a term expiring on March 31, 2015.
Concessions:	The concessions are set forth in the Agreement for the Restructuring of the YRC Worldwide Inc. Operating Companies ("MOU") to which this Term Sheet/Proposal is attached. In determining whether the restructuring with the lenders and the Capital Event is satisfactory to TNFINC in its sole discretion, TNFINC will require a profit sharing provision to provide additional compensation to members based upon the achievement of financial performance triggers by the Company which requirements have been communicated to the Company and may be altered by TNFINC in its sole discretion, including adjustments to incorporate cash flow recapture and other mandatory repayment provisions or commitment reductions under the Company's Revolving Credit and Term Loan Facilities.
	Subject to the provisions of this term sheet, including without limitation, the matters set forth under the caption Timing below, the concessions set forth in the MOU could become effective promptly after IBT and TNFINC shall have obtained all required approvals and ratifications to the effectiveness of such concessions as described above. In the event such approvals and ratifications are obtained, such concessions could be implemented in October 2010. The parties acknowledge that the provisions of this Term Sheet/Proposal are also subject to the approval of the Company's Board of Directors. In the event the approval of the Company's Board is not obtained on or before September 29, 2010, this Term Sheet/Proposal shall be null and void without any further action of any party hereto.
ABS Credit Facility:	The Company would enter into an amendment with the lenders under the ABS Credit Facility renewing or extending its ABS facility in an amount of at least \$300 million in capacity (or such other amount as TNFINC may agree in its sole discretion). TNFINC would be provided with copies of the proposed amendment to provide its input to the Company regarding the proposed terms.
Revolving Credit and Term Loan Facilities:	The Company would enter into an agreement with the lenders under the revolving credit and term loan facilities pursuant to which the Company's debt would be restructured, in form and substance satisfactory to TNFINC, in its sole discretion, which shall reduce the Company's outstanding indebtedness

	to an amount satisfactory to TNFINC, in its sole discretion. TNFINC has advised the Company of the terms of an agreement that would satisfy this requirement.
Equity Ownership of the Company:	<p>TNFINC has advised the Company of the pro forma equity ownership of the Company after giving effect to the concessions, restructuring and transactions described in this term sheet which would satisfy TNFINC in its sole discretion, other than the capital transaction described under the caption Capital Event. The parties acknowledge that the equity ownership of the Company will be materially changed as a result of a Capital Event.</p> <p>TNFINC would have full discretion to select the vehicle(s) that would hold any interests granted to IBT for the benefit of the employees it represents.</p>
Non-Union Pension Funding Obligations:	To the extent applicable law permits and subject to fiduciary obligations, the Company will reduce or defer contributions to the Company's single employer pension plans.
Capital Raising Updates; Reports:	The Company will advise TNFINC of possible transactions and update TNFINC on a regular basis (at least weekly) as to all steps taken to effectuate the restructuring and recapitalization of the Company.
	<p>In the event that the Company engages in a process to enter into any material transaction pursuant to which it may dispose of any material portion of its assets or business to a third party, enter into any material debt or equity capital transaction (including the restructuring contemplated hereby), the Company would:</p> <ul style="list-style-type: none"> • provide TNFINC proposed transaction terms and analyses and other documentation to evaluate, review and comment • provide TNFINC with the business plans and financial models that support the analysis for the restructuring and recapitalization of the Company • provide TNFINC with reasonable access to senior management of the Company and its advisors, Alvarez & Marsal and Rothschild to discuss and analyze possible transactions • provide TNFINC with reasonable access at appropriate times to designated members of the Company's board of directors to discuss and analyze possible transactions • introduce TNFINC to parties that the Company believes have proposed viable restructuring and recapitalization solutions for the Company

	<ul style="list-style-type: none"> • provide the Subcommittee and TNFINC information required under the credit agreement or otherwise provided to the lenders and with all information reasonably requested by TNFINC relating to the Company as soon as reasonably practicable after the request therefor • share with TNFINC proposals from third party financing sources as well as copies of any indications of interest or proposals from or responses to capital raising sources (all such items with regard to the restructuring shall be delivered promptly after the presentation of this Term Sheet) as well as copies of all proposals and other communications regarding the restructuring with the lenders • consult with TNFINC throughout the process, including, without limitation, with respect to any bidding procedures, introducing TNFINC to all parties that the Company believes are likely to be viable bidders in such sale process no later than a reasonable time period after the first indications of interest are received but at least concurrently with any other significant communications between the Company or its agents and such third parties and • to the extent legally permissible, provide, at the Company's reasonable cost and reasonable expense, for TNFINC to be advised by a financial advisor or investment banking firm selected by TNFINC <p>To facilitate the foregoing the Company will request amendments or waivers to any existing confidentiality agreements to permit the sharing of information contemplated hereby and will not enter into any confidentiality agreement that in any way restricts any such sharing of information.</p>
Capital Event:	<p>As a condition to the continued effectiveness of the concessions contemplated by this term sheet, (i) on or prior to December 31, 2010 (or such later date as TNFINC may agree in its sole discretion) the Company would have entered into definitive documentation with respect to, and (ii) on or before March 31, 2011 (or such later date as TNFINC may agree in its sole discretion) the Company would have consummated a capital transaction that results in, an additional equity investment in the Company of at least \$300 million or such other amount as shall be acceptable to TNFINC based upon an opinion from a financial adviser satisfactory to TNFINC addressed to the Company and which may be relied upon by TNFINC.</p> <p>Notwithstanding the foregoing or the matters set forth under the caption Revolving Credit and Term Loan Facilities, if the Company can demonstrate financial sustainability, including adequate liquidity on a pro forma basis post transaction, TNFINC may in its sole discretion deem the requirements set forth under this caption and the caption Revolving Credit and Term Loan Facilities to have been met.</p>

Restricted Payments:	Any covenant regarding Restricted Payments agreed to by the Company with the lenders under the Revolving Credit and Term Loan Facilities in connection with the restructuring and recapitalization of the Company shall be incorporated in this Term Sheet as if fully set forth herein.
Indemnity:	To the maximum extent legally permissible, the Company would indemnify on reasonable terms and conditions TNFINC and its controlling persons, directors, officers, partners, affiliates, agents, representatives, advisors (legal and financial) and employees from and against all liabilities, losses, claims damages, actions, proceedings, investigations or threats thereof, including without limitation, all costs and expenses (including legal fees and expenses) incurred in connection with the defense thereof arising out of or relating to the execution, delivery or performance of this term sheet and the transactions contemplated hereby.
Board Composition and Representation:	<p>In the event that TNFINC in its sole discretion approves a restructuring or recapitalization of the Company that has been consummated, TNFINC shall be entitled to designate a minimum of two (2) members to the Board of Directors of the Company.</p> <p>TNFINC has advised the Company of certain additional governance provisions which would satisfy TNFINC in its sole discretion.</p>
Stockholder Rights/ Registration Rights:	The vehicle(s) designated by TNFINC to hold any equity interests would be provided tag along rights in connection with any sale of capital stock of the Company by any lender or other specified stockholders of the Company. Such vehicles would have demand and “piggyback” registration rights no less favorable to them than the rights granted to any other stockholder of the Company.
Sale/leaseback and Senior Convertible Notes:	The Company will review their existing sale/leaseback transactions and the Company’s senior convertible notes (which the Company has guaranteed) to determine if opportunities exist to improve the terms of those transactions and notes or achieve a favorable impact to the Company and will consult with TNFINC and its advisors regarding these transactions and notes.
Remedies:	Without limiting any other remedy available at law or equity, the definitive agreements would provide for specific performance remedies for all breaches by the Company or any other party thereto for which legal damages would be an inadequate remedy.
Subcommittee/ Fees and Expenses:	For purposes of monitoring and maintaining compliance with the terms of the MOU (and for prior periods, the Amended and Restated Memorandum of Understanding on the Job Security Plan dated July 7, 2009 (the “Prior Plan”)), the parties will continue the four person Subcommittee that Section 17 of the MOU confirms. The Subcommittee’s decisions regarding the interpretation of

	<p>the MOU (and for prior periods, the Restated Job Security Plan) and this Term Sheet/Proposal shall be final and binding.</p> <p>If an applicable multiemployer pension fund (each a "Fund") fails to accept a Company's participation in the Fund under the terms and conditions outlined in the MOU, the Subcommittee shall have the authority to work with the Fund to alter the terms and conditions of the Company's re-entry into the Fund to the extent that the Subcommittee finds it necessary or desirable.</p> <p>The parties understand and agree that in connection with TNFINC's participation and involvement in the negotiation of additional adjustments to the Company's obligations under the NMFA and in the restructuring and recapitalization of the Company, the parties have been and will be consulting with financial and legal advisors retained by the Subcommittee. To the maximum extent legally permissible, the Company agrees that it will pay and/or reimburse all reasonable fees, costs and expenses of such financial and legal advisors.</p>
Timing:	<p>In the event (a) the Company does not consummate the restructuring contemplated by this Term Sheet with its lenders in form and on terms satisfactory to TNFINC in its sole discretion or (b) the Company does not enter into definitive agreements contemplated by clause (i) of Capital Event on terms satisfactory to TNFINC in its sole discretion, in each case on or before December 31, 2010 (or such later date as TNFINC may agree in its sole discretion), or (c) the Company does not consummate the Capital Event on or before March 31, 2011 (or such later date as TNFINC may agree in its sole discretion), on terms and conditions satisfactory to TNFINC in its sole discretion, or (d) the Company does not comply with any of its other agreements set forth in this Term Sheet, or (e) the various transactions contemplated by this Term Sheet become, in the sole judgment of TNFINC, unlikely to be consummated for any reason, including by virtue of actions taken by any of the Company's lenders, then upon notice to the Company from TNFINC the concessions contemplated hereby shall become null and void and the Company shall owe TNFINC, on behalf of and for the benefit of IBT members, an amount equal to the concessions that had in fact benefitted the Company.</p> <p>Notwithstanding any other provisions of this Term Sheet/Proposal or the MOU to the contrary, if prior to the filing of a petition in bankruptcy with respect to the Company or any of its subsidiaries, including the Employers, TNFINC exercises its rights to nullify the concessions, to the extent the exercise of those rights and the voiding of those concessions would constitute a Deferral Termination Event under the Company's Credit Agreement, the concessions shall revert to the rates in the Prior Plan and TNFINC shall have the rights in the Prior Plan.</p> <p>In determining whether the restructuring with the lenders and the Capital Event is satisfactory to TNFINC in its sole discretion, the factors TNFINC</p>



	<p>would consider shall include without limitation the terms of the restructuring and the total amount of indebtedness that remains outstanding after giving effect to the restructuring, the entity making the investment or acquisition pursuant to the Capital Event, the amount and form of equity participation or other consideration given for the value of the concessions, the changes in the Company's capital structure and senior management effected in the transaction, corporate governance and the financial viability of the Company on a going forward basis specifically including but not limited to the amount of leverage the Company will have on a pro forma post transaction basis.</p> <p>The concessions that are provided in the MOU will continue to be available to a new investor providing the capital contemplated under Capital Event if the Capital Event is consummated on or before March 31, 2011 so long as the Company entered into definitive documentation with respect to the Capital Event on or before December 31, 2010 or in each case such later date as TNFINC shall decide in its sole discretion.</p>
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YRC Inc., USF Holland, Inc. and New Penn Motor Express, Inc.:

By: _____

Date: _____

Teamsters National Freight Industry Negotiating Committee:

By: _____

Date: _____

