



# Summary of Key Terms and Conditions for the Non-Binding Restructuring Plan

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There are a number of key provisions the union negotiated around financial terms and governance to assure YRCW's financial health as well as provide a seat at the table for the Teamsters Union on important decisions going forward:

## GOVERNANCE

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- The Teamsters Union will be assured two independent director representatives on the company Board of Directors.
- TNFINC advisors, the lenders and the administrative agent will conduct a several week-long in-depth liquidity and operational due diligence review with company management and their restructuring advisors. Our agreement is conditioned upon a satisfactory review of the company's plans and future liquidity.

## FINANCIAL

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- Meaningful equity ownership stake for the Teamsters employed by YRC in the restructured company. This ownership stake will allow Teamsters employed by YRC to receive substantial economic benefit from the company's performance over time.
- Under the plan, lenders will convert an agreed upon amount of debt into equity, with an additional conversion of debt into an equity-like note that does not pay cash interest. This debt reduction is an important step toward financial health for the company.
- New money investment in the form of a convertible note. This additional liquidity provided by new investor participation in the YRC restructuring is a significant win in the Teamsters' negotiations and a strong signal of support from the market. This note will help provide a substantial balance sheet and liquidity cushion.

## PENSION

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- The company will follow through on its promise to re-initiate pension contributions at the previously negotiated 25 percent of contribution rate on June 1, 2011.
- The company will begin to pay cash interest on the existing Pension Note (or "CDA") with the balance of that note and its accrued interest due in full on March 31, 2015. This is pending approval of the funds.

## OTHER TERMS AND CONDITIONS

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- The company's existing ABS Credit Facility will be restructured as an ABL Facility to be secured by the accounts receivable of YRCW.
- The terms and conditions of this agreement are predicated on the successful review of company liquidity, financial projections and operational plan by the TNFINC and its advisors and are non-binding in the event of negative material findings during the diligence and review process.
- It is anticipated that the restructuring process will be completed during the summer of 2011.