

## **AMENDED AND RESTATED MEMORANDUM OF UNDERSTANDING ON THE JOB SECURITY PLAN**

YRC Inc., USF Holland, Inc. and New Penn Motor Express, Inc. (each "the Employer") and the Teamsters National Freight Industry Negotiating Committee ("TNFINC") of the International Brotherhood of Teamsters (the "IBT", the "Teamsters" or the "Union") hereby establish this Second Amended and Restated Job Security Plan (this "Revised Plan") for the benefit of all of their employees. This Revised Plan has been developed for the express purpose of allowing the Employer the ability to compete and provide job security for Teamster bargaining unit employees. This Revised Plan is not, and is not intended to be, a plan that the Employee Retirement Income Security Act of 1974, as amended, governs; rather, this Revised Plan is an amendment to the NMFA (defined below) that the parties have referred to as the Revised Plan. As used in this Revised Plan, "NMFA" means collectively the 2008-2013 National Master Freight Agreement and its applicable supplemental agreements.

1. **Employee Participation.** During the period in which this Revised Plan is effective (as set forth in Section 5), each IBT bargaining unit, full-time employee of the Employer shall participate in the Revised Plan. For purposes of the Plan, unless expressly stated to the contrary, the term "employee" means an IBT bargaining unit employee who is on the seniority list and is scheduled to perform work for the Employer when called, including a probationary employee, a regular employee on lay off status and casuals, and including employees who work on a percentage basis less than 40 hours per week.

2. **Non-Permanent Pension Contribution Termination and Deferral.**

(a) Notwithstanding any other provision of this Revised Plan, the obligation of the Employers to contribute to the Pension Funds covered by the NMFA ("Funds") shall cease effective July 1, 2009 through December 31, 2010 ("Non-Permanent Pension Contribution Termination Period"). During the Non-Permanent Pension Contribution Termination Period, each Employer may terminate its participation in the multi-employer pension funds (each a "Fund") in which it participates; it being understood that such termination shall result in the cessation of any accruals of benefits for the months in the Non-Permanent Pension Contribution Termination Period; it being further understood that the Employers shall not be required to provide contributions to these Funds for the Non-Permanent Pension Contribution Termination Period. At the end of the Non-Permanent Pension Contribution Termination Period, each Employer shall resume its participation in those Funds by resuming pension contributions. The parties agree that on this basis, the Employers intend to continue their participation in each Fund. To the extent consent is necessary, TNFINC and each Employer consent to actions by Fund trustees to reduce pension accruals to zero during the Non-Permanent Pension Contribution Termination Period. TNFINC and each Employer agree to use their respective reasonable best efforts to encourage the trustees of each Fund to enter into a reasonably acceptable Non-Permanent Pension Contribution Termination Period Agreement, which shall avoid any debt or accumulated pension obligations of the Employers. The obligation of the Employers to contribute to the Funds shall resume

effective January 1, 2011 or earlier if the Employers satisfy certain financial benchmarks established by the Subcommittee (defined in Section 13). The resumption of the Employers' obligation to contribute to the Funds shall be at rates, terms and conditions approved by the Funds.

(b) It is hereby acknowledged that the Employers have deferred contributions to Funds and expect to defer such contributions with respect to hours worked until immediately prior to the beginning of the Non-Permanent Pension Contribution Termination Period. To the extent any of those deferrals occurred before or occur after the Effective Date and the respective applicable Funds and Employers enter into deferral agreements, the Employers shall not be in breach of the NMFA (as amended by this Revised Plan), and no legal, strike (pursuant to Article 8, Section 3(b) of the NMFA) or other action shall be taken against Employers so long as Employers are not materially in default of the deferral agreements and related documents (as they may be amended from time to time). If an Employer is in material default of a deferral agreement or related document, before any legal, strike or other action is taken against Employer, the Subcommittee (defined in Section 13) must provide written notice to the Employer, and the Employer shall have 30 days to cure the default. If the default is cured, any applicable legal, strike or other action shall be rescinded or dismissed, and TNFINC shall use its reasonable best efforts to ensure that any such action is rescinded or dismissed. If prior to the Effective Date, a Fund terminated an Employer, the Employer shall have no obligation to provide contributions to the Fund for the period between such termination and the Effective Date.

3. **Wage Reduction.** Effective August 1, 2009, the Employer shall reduce by 15% employees' gross wages or earnings paid per the NMFA (but before the Prior Plan), including the increases to wages described below in this Section 3 and the reduced wages in Section 10. (This includes the 10% reduction previously taken in Section 2 of the Prior Plan). Such wage reductions and/or reduced earnings shall include overtime and any premium pay, vacation, sick pay, holiday pay, funeral leave, jury duty, and other paid for time not worked. Wage and mileage rate increases outlined in Article 33 of the NMFA, effective April 1, 2010, April 1, 2011 and April 1, 2012 shall also be reduced by 15%.

4. **Equal Sacrifice of Non-Bargaining Unit Employees and their Participation.**

(a) All non-bargaining unit employees (including management) will participate equally in the Revised Plan, and the Employer will share the burden of sacrifices among all IBT bargaining unit and non-bargaining unit employees (including management), in each case, as described in this Section 4(a). The Employer must reduce the total compensation (defined as wages plus health and welfare and pension or retirement benefits) of all non-bargaining unit employees (including management) by the same percentage reduction (an "Equal Reduction") in total compensation as is being applied to IBT bargaining unit employees. In determining the Equal Reduction for non-bargaining unit employees under this Plan, the Employer may include the monetary value of the following concessions imposed on non-bargaining unit employees beginning in 2008:

- (i) termination of retiree medical,
- (ii) suspension of the defined contribution pension plan,
- (iii) the suspension of Employer matching contributions to 401(k) accounts,
- (iv) freezing of the defined benefit pension plan,
- (v) increases in the cost of health care,
- (vi) the elimination or reduction of wage increases for 2009, and
- (vii) the suspension of normal performance incentive and equity awards..

On January 1, 2009, additional wage and benefit concessions were imposed on non-bargaining unit employees to the extent needed to create an Equal Reduction under the Prior Plan. As of the Effective Date, each Employer will make permanent the wage reductions originally in the Prior Plan. During the Non-Permanent Pension Contribution Termination Period, the Employer will be prohibited from making any contributions to Employer provided retirement or pension plans, 401(k) accounts or other retirement vehicles including any defined contribution or defined benefit plans for non-bargaining unit employees (including management). The Employer agrees not to increase wages (including bonuses) and benefits of current non-bargaining unit employees (including management) as an overall percentage beyond the effective overall total compensation percentage increases to be received by the bargaining unit employees. This shall not prevent the Employer from paying variable, performance based compensation as the Employer has paid in past practice. This shall also not prevent the Employer from providing targeted increases to individual employees if necessary, in Employer's judgment, to operate the business so long as the overall total compensation increases are within the effective overall total compensation percentage increases to be received by the bargaining unit employees. If it becomes necessary to exceed this overall percentage increase limit to retain employees for the efficient continued operation of the business, the Employer would request approval from the Subcommittee. The Employer will be permitted to re-instate merit increases in 2010; *provided* that the Employer's financial condition can support any increase to base wages.

(b) All remaining non-Teamsters represented employees of USF Reddaway, USF Glen Moore, Reimer and YRC Logistics shall share equal sacrifice in total compensation as those employees covered by non-NMFA collective bargaining agreements. To that end, it is agreed that immediately upon the Teamster-represented employees of the respective business unit voting to accept a wage reduction or pension and 401(k) contribution suspensions necessary to achieve such equal sacrifice, the equivalent equal sacrifice reductions shall be imposed on non-Teamster represented employees of that same operating company. The Employer and TNFINC shall cooperate in achieving the equal sacrifice among Canadian employees of Reimer, and recognize such efforts must be in compliance with applicable Canadian federal and provincial law.

(c) The Employer and TNFINC agree to use their reasonable best efforts to achieve equal sacrifice in the total compensation of employees covered by non-Teamster and non-NMFA collective bargaining agreements.

5. **Effective Dates; Relation to Collective Bargaining Agreement.** This Revised Plan will be mandatory for all employees, since job security is the number one asset the Employer, the Union and the employees all hope to share equally. This Revised Plan will be submitted for secret ballot vote of all bargaining unit employees, and shall be put into effect if 50% plus one of the bargaining unit employees voting, vote to adopt the Revised Plan. The Revised Plan will be effective on the first day of the first payroll period commencing after the date of ratification of the Revised Plan (the "Effective Date"). This Revised Plan terminates on March 31, 2013. This Revised Plan is incorporated by reference into and shall be a part of the NMFA.

6. **Health & Welfare and Pension Contributions.**

(a) The increase in Employer contributions to health, welfare and pension that the NMFA requires (i) on August 1, 2009 shall be reduced to \$0.20 per hour; (ii) on August 1, 2010 shall be reduced to \$0.40 per hour; (iii) on August 1, 2011 shall remain \$1.00 per hour; and (iv) on August 1, 2012 shall remain \$1.00 per hour. The contractual provision in the NMFA supplemental agreements authorizing the Supplemental Negotiating Committee to determine the allocation of the health, welfare and pension contribution increases shall be suspended during the Non-Permanent Pension Contribution Termination Period. The contribution increases made during the Non-Permanent Pension Contribution Termination Period shall be made only to health and welfare funds.

(b) At the end of the Non-Permanent Pension Contribution Termination Period, the Employer will commence contributing the total contribution for health, welfare and pension the NMFA (as modified by this Revised Plan) requires. At the end of the Non-Permanent Pension Contribution Termination Period, as required by the applicable NMFA supplemental agreements, the Supplemental Negotiating Committee will determine the allocation of the contribution rate increase between the health and welfare and pension funds, as approved by the applicable Fund.

7. **Extension of Recall for Laid off Teamsters.** The NMFA is amended to increase the recall rights of laid off bargaining unit employees from five (5) years to ten (10) years. Accordingly, Article 5, Section 1(b) of the NMFA is amended to read: "Seniority shall be broken only by discharge, voluntary quit, retirement, or more than ten (10) -year layoff."

8. **Dispute Settlement.** Disputes pertaining to this Revised Plan are subject to the grievance procedure contained in the NMFA. However, any grievance filed hereunder, by either party, shall be referred initially to the Subcommittee for disposition. If the Subcommittee fails to reach agreement, the matter will be referred to the Chairman of TNFINC and the President of the Employer in accordance with Article 8, Section 2(b)(2) of the NMFA. If the Chairman of TNFINC and the President of the Employer are unable to resolve the matter, the 30 additional days provided in Article 8, Section 2(b)(2) of the NMFA shall be considered as exhausted and the remaining provisions of Article 8, Section 2 shall govern.

9. **Participation.** An employee begins or continues participation in this Revised Plan on the Effective Date of Revised Plan or the first day of the pay period following his/her first day of regular and/or probationary employment.

10. **New Hire.**

(a) **Non-CDL Qualified Employees**

Non-CDL qualified employees (excluding mechanics) hired after the Effective Date begin participation in the Revised Plan on their first day of employment at the following wage progression:

<u>Time of Service</u>	<u>Maximum Wage Reduction from New Hire Rate Prior to Reduction in Section 3 Above</u>
Effective First Day of Employment	Receive 70% of NMF A Wages
Effective First Day plus One (1) Year	Receive 75% of NMF A Wages
Effective First Day plus Two (2) Years	Receive 80% of NMFA Wages
Effective First Day plus Three (3) Years	Receive 100 % of NMFA Wages

"NMFA Wages" means 100% of the full NMFA rate for the applicable job classification after the agreed upon wage reduction.

(b) **CDL Qualified or Mechanics**

CDL qualified employees and mechanics hired after the Effective Date begin participation in the Revised Plan on their first day of employment at the following wage progression:

<u>Time of Service</u>	<u>Maximum Wage Reduction from New Hire Rate Prior to Reduction in Section 3 Above</u>
Effective First Day of Employment	Receive 85% of NMFA Wages
Effective First Day plus One (1) Year	Receive 90% of NMFA Wages
Effective First Day plus Two (2) Years	Receive 95% of NMFA Wages
Effective First Day plus Three (3) Years	Receive 100 % of NMFA Wages

"NMFA Wages" means 100% of the full NMFA rate for the applicable job classification after the agreed upon wage reduction.

11. **Employee Stock Option Plan.** Upon the Effective Date, a stock option plan (the "New Stock Option Plan") shall be established to provide eligible employees with options to purchase the common stock of Employer's parent company, YRC Worldwide Inc. ("YRCW") equal to 20% of YRCW's outstanding shares on a fully diluted basis as if all outstanding stock option were exercised as of the Effective Date. The stock option plan shall have substantially similar terms to the Union Employee Option Plan dated February 12, 2009 (the "Prior Option Plan") and shall be in addition to the Prior Option Plan. Any such options shall not be issued until any applicable vote of YRCW's shareholders to approve the stock option plan is obtained. If such vote is not obtained within one year, a stock appreciation rights plan shall be established with substantially similar terms as the Union Employee Stock Appreciation Rights Plan dated February 12, 2009, which would be in addition to the Prior Option Plan but in lieu of the

#### New Stock Option Plan.

12. **Access to Employer Financial Records.** The Employer shall submit an annual financial statement in the format of the BTS report to the Subcommittee, and TNFINC reserves the right on an annual basis to examine records of the Employer reasonably required to monitor Employer compliance with this Revised Plan or utilize an independent auditor of its choice to do the same. Notwithstanding any request to the contrary, given applicable privacy laws and policies and for the protection of its bargaining and non-bargaining unit employees alike, the Employer will not share employee specific compensation information with the Subcommittee, TNFINC, the Union or any auditor other than the compensation information that Employer is required to publicly provide pursuant to Securities and Exchange Commission regulation. As a condition of being provided such statements, books and audit, TNFINC and the Subcommittee (and any accountant or auditor engaged on its behalf) must agree to maintain the confidentiality of any Employer financial statements and reports for the protection of the Employer, and to execute a reasonable confidentiality agreement if the Employer requests in such form as the Employer may reasonably require. Additionally, the Employer shall provide to TNFINC and any advisor designated by TNFINC, subject to a reasonable confidentiality agreement that the Employers require, all information required under Sections 5.01(a)-(j), (l) of the Credit Agreement dated August 17, 2007 among YRC Worldwide Inc., JP Morgan Chase, National Association as administrative agent, the lenders that are a party thereto, and the additional borrowers that are a party thereto, as amended and modified from time to time within the delivery timeframes required under such agreement until the expiration of the NMFA.

13. **Subcommittee to Monitor and Maintain Compliance.** For purposes of monitoring and maintaining compliance with the terms of this Revised Plan (and for prior periods, the Prior Plan), the parties will continue the four person Subcommittee that the Prior Plan established consisting of the Chairman of TNFINC or his designee, the Co-Chairman of TNFINC or his designee, the Employer's President or his designee and another officer of Employer or his designee. The Subcommittee shall meet quarterly or more frequently if necessary, to exchange and discuss pertinent data, including relevant payroll and related information, the reinvestment of capital into the Employer and any and all subjects related to the financial operations of the Employer. The Subcommittee's decision regarding the interpretation of this Revised Plan (and for prior periods, the Prior Plan) shall be final and binding. The Subcommittee may retain financial consultants to assist them in performing their obligations under their Agreement.

#### 14. **Work Preservation.**

(a) The Employers agree not to establish or buy any new non-union regular route common carrier entity without the prior approval of the Union. The Employer agrees that it will not use any of the savings and other economic benefits derived from this Revised Plan or the Prior Plan to provide capital to its parent for the purposes of significantly expanding the domestic and Canadian operations of YRC Logistics or any operations of the Employer that are not located in the U.S. or Canada. This Section 14 does not apply to the maintenance of existing operations or any existing contractual commitments.

(b) In recognition of allegations that the Employers have diverted work to YRC Logistics, the parties agree the Subcommittee (described in Section 13) shall review such allegations, address violations, and, where cost effective and permitted by the customer, transfer work from YRC Logistics to the Employers. Any disputes regarding YRC Logistics shall be referred to the Subcommittee established in Section 13 for resolution. In addition, YRC Logistics will not perform or use subcontractors to provide city-to-city LTL carrier services.

(c) The Employer agrees that it will not transfer payroll or other bargaining unit work to India or any other country and will return any payroll work performed by the bargaining unit beginning upon ratification and shall be concluded within four (4) months thereafter. The Subcommittee will review the Employers' compliance with this Section 14(c) during the first quarter of 2010.

15. **Termination.** If this Revised Plan is not ratified by those employees of Employers that are covered by the NMFA by August 1, 2009, or if Funds representing 90% of the Employers' collective monthly contributions to the Funds do not enter into a Non-Permanent Pension Contribution Termination Period arrangement with the Employers as described in Section 2(a) by August 1, 2009, each Employer may terminate this Plan and any unvested stock options (or stock appreciation rights) in Section 11 shall be cancelled and forfeited. Each Employer agrees not to terminate the Revised Plan before August 1, 2009 without approval of the Union. However, if prior to August 1, 2009, the Revised Plan is terminated with approval of the Union, wage levels will revert or snap back to the NMFA as modified by the Prior Plan on a prospective basis, any unvested stock options (or stock appreciation rights) pursuant to Section 11 shall be cancelled and forfeited and all other provisions of this Plan shall be null and void on a prospective basis, including Section 3.

16. **Bankruptcy Protection.** The purpose of this Revised Plan is to make a financial accommodation for the benefit of the Employer, within the meaning of section 365(e)(2) of the Bankruptcy Code. Accordingly, if the Employer files a Chapter 7 or 11 bankruptcy petition or is placed in an involuntary bankruptcy proceeding, this Revised Plan is automatically terminated and wages reverted to full NMFA on a prospective basis, unless the Union agrees in writing to continue the Plan, any unvested stock options (or stock appreciation rights) pursuant to Section 11 shall be cancelled and forfeited and all other provisions of this Revised Plan shall be null and void on a prospective basis, including Section 3.

17. **Type of Agreement.** This Revised Plan shall be applicable to the NMFA and its supplements that have been agreed to by the Employer and TNFNC.

18. **Card Check and Neutrality.** As to any non-union common carrier freight entity that the Employer, its parent or holding company or subsidiaries of the Employer buys, establishes or maintains, the parties to this Revised Plan agree that, as soon as a Teamster Local Union shows the entity authorization cards signed by the majority of employees in the bargaining unit, the Local Union will be recognized as the exclusive bargaining representative for those employees. The Employer or its affiliated companies will remain neutral if the Local Union seeks to represent unrepresented employees for this new entity. Neutrality means that the new entity will not make

statements or take other actions opposing or advocating unionization. The new entity shall not demean the Union as an organization or its representatives as individuals. The new entity will inform all managerial employees and supervisors of their obligation under this neutrality agreement and will take prompt action to correct any violation of this Section 18. Disputes regarding the application of this Section 18 shall be resolved on an expedited basis by the Subcommittee.

19. **Leave of Absence.** During the Non-Permanent Pension Contribution Termination Period, bargaining unit employees who are participating in this Revised Plan will be permitted to take a leave of absence without pay.

20. **Representations/Warranties.** The effectiveness of the Revised Plan shall be conditioned upon the delivery from each of the chief executive officer and chief financial officer of YRCW of a compliance certificate to TNFINC on the Effective Date containing the following:

To my knowledge, based on due and reasonable inquiry, including a detailed review of the financial condition of YRC Worldwide Inc., after giving effect to this Revised Plan, on the date of this certificate, there exists no event or condition which constitutes a default (as defined in the Credit Agreement dated August 17, 2007, as amended, among YRC Worldwide Inc., JP Morgan Chase, National Association, as administrative agent, the lenders a party thereto, the additional borrowers a party thereto) or which upon notice, lapse of time or both would, unless cured or waived, become or lead to such a default. The foregoing representation is based solely upon the facts on the date this certificate is made.

The parties agree that there shall be no cause of action against the officers who give this certificate or YRCW for punitive or consequential damages as a result of the inaccuracy of the representation in such certificate, except in the case of intentional fraud, willful misconduct or gross negligence.

21. **Current Ownership.** If a Change of Control of Employer (as defined below) occurs other than through a confirmation of a plan of reorganization in a Chapter 11 proceeding, this Revised Plan is automatically terminated and wages reverted to full NMFA on a prospective basis unless the Union agrees in writing to continue the Revised Plan, any unvested stock options (or stock appreciation rights) pursuant to Section 11 shall be cancelled and forfeited and all other provisions of this Revised Plan shall be null and void on a prospective basis, including Section 3. For the purposes of this Section 21, a "Change of Control," shall be deemed to have taken place if a third person, including a "group" as defined in Section 13(d)(3) of the Securities Exchange Act of 1934, as amended, purchases or otherwise acquires shares of YRCW after the date of this Agreement that, together with stock held by such person or group, constitutes more than 50 percent of the total voting power of the stock of YRCW where the current directors of YRCW (or directors that they nominate or their nominees nominate) no longer continue to hold more than 50% of the voting power of the board of directors).



22. **Severability.** The invalidity or unenforceability of any provision of this Revised Plan shall not affect the validity or enforceability of any other provisions of this Revised Plan, which shall remain in full force and effect.

23. **Ratification.** For the purposes of ratification, YRC Inc. and USF Holland Inc. shall be treated as one voting unit, and New Penn Motor Express, Inc. shall be treated as a separate voting unit.

24. **Relationship to Banking Facilities.** YRCW has entered into a Credit Agreement dated August 17, 2007 (as amended, the "Credit Agreement"), with JP Morgan Chase, National Association, as administrative agent, certain other YRCW subsidiaries, including the Employers, and the other lenders and parties to that agreement. The continued effectiveness of this Revised Plan is entirely dependent upon YRCW entering into an effective amendment to the Credit Agreement that is satisfactory to TNINC.

25. **Relationship to YRCW Bonds.** The effectiveness of this Revised Plan is subject to YRCW refinancing or repurchasing or otherwise extinguishing a material portion of its obligations to holders of YRCW's outstanding 5.0% contingent convertible senior notes due 2023 and 5.0% contingent convertible net share settled senior notes due 2023 on or before July 1, 2010 and USF's 8<sup>1/2</sup>% Guaranteed Notes due 2010 on or before March 1, 2010 (or, in each case, such later date as the Subcommittee may determine). However, if the required refinancing, repurchasing or extinguishment does not occur and if the Subcommittee does not waive compliance with the condition in this Section 25, then this Revised Plan is terminated, compensation levels will revert to the full NMFA on a prospective basis, any unvested stock options (or stock appreciation rights) issued pursuant to Section 11 shall be cancelled and forfeited and all other provisions of this Revised Plan shall be null and void on a prospective basis, including Section 4.

26. **References.** As used in this Revised Plan, unless the context expressly requires the contrary, references to "Sections" means the sections and subsections of this Revised Plan; references to a "party" mean an Employer or the Union; references to the plural mean the singular, and *vice versa*; references to the masculine include the feminine and neutral, and *vice versa*; and references to an "Exhibit" mean an exhibit to this Revised Plan, which shall become an integral part of this Revised Plan.

27. **Designated Officer.** Within 30 days of ratification of this Revised Plan and subject to the approval of the Board of Directors of YRCW (the "Board"), the Employers must exercise best commercial efforts to cause to appoint, subject to the approval of TNFNC and YRCW's bank group, in each case, which approval shall not be unreasonably withheld, a officer with authority to coordinate and oversee YRCW's turnaround (a "Designated Officer") who reports only to the YRCW Chief Executive Officer. Subject to the approval of the Board, the Designated Officer will have the authority to make changes in the operations of YRCW and its subsidiaries, including personnel and financial decisions.

28. **Appointment of Additional Director.** Subject to the approval of the Board, the Employers shall cause YRCW's Board of Directors (the "Board") to take action prior to the Effective Date to cause the number of directors comprising the full Board immediately following the Effective Date to be increased by one person, and cause a person that TNFINC selects and the Board approves (such approval not to be unreasonably withheld) to be appointed as a Board member to hold office from the period commencing one business day after the Effective Time until the shareholders re-elect the person as a director or until his or her successor is duly elected or appointed and qualified, in each case, in the manner provided in the certificate of incorporation and bylaws of YRCW or as applicable law otherwise provides. During the Non-Permanent Pension Suspension Termination Period, if the person who TNFINC selects resigns, is not elected by the shareholders or is otherwise no longer serving as a director, TNFINC may select a replacement director, subject to the approval of the Board (which approval shall not be unreasonably withheld), and the Board shall appoint the selected person as a director to hold office until the shareholders re-elect the person as a director or until his or her successor is duly elected or appointed and qualified, in each case, in the manner provided in the certificate of incorporation and bylaws of YRCW or as applicable law otherwise provides. YRCW shall provide the same payments to, and expenses incurred by, the TNFINC selected director as provided to other members of the Board, and such TNFINC selected director shall be subject to those policies and procedures as applicable to the other members of the Board or as may be established by the Board from time to time.

29 **Impact on Prior Plan.** This Revised Plan shall amend and restate the provisions of the November 25, 2008 Memorandum of Understanding ("Prior Plan") in its entirety on a prospective basis. If there are any inconsistency between this Revised Plan and the NMFA, this Revised Plan shall govern.

In Witness of the foregoing Revised Plan, the parties hereby acknowledge the Revised Plan as a tentative agreement pending Employer and YRCW board approval and two-man/membership ratification:

**YRC Inc., USF Holland, Inc., and New Penn Motor Express, Inc.:**

By: \_\_\_\_\_

Date: \_\_\_\_\_

**Teamsters National Freight Industry Negotiating Committee:**

By: \_\_\_\_\_

Date: \_\_\_\_\_

**AGREEMENT FOR THE RESTRUCTURING  
OF THE YRC WORLDWIDE, INC. OPERATING COMPANIES**

YRC Inc., USF Holland, Inc. and New Penn Motor Express, Inc. (each "the Employer") and the Teamsters National Freight Industry Negotiating Committee ("TNFINC") of the International Brotherhood of Teamsters (the "IBT", the "Teamsters" or the "Union") hereby establish this Agreement for the Restructuring of the YRC Worldwide, Inc. Operating Companies (hereinafter "the Restructuring Plan" or "the Plan") for the benefit of all of their employees. This Restructuring Plan has been developed for the express purpose of providing job security for the Employer's Teamster bargaining unit employees by creating the opportunity to engage in a complete financial restructuring of the Employer by reducing both its level of debt and its labor cost; thereby attracting additional investors. Such restructuring will significantly improve the Employer's ability to compete and provide job security for Teamsters. This Restructuring Plan is not, and is not intended to be, a plan that the Employee Retirement Income Security Act of 1974, as amended, governs; rather, this Restructuring Plan is an amendment to the NMFA (defined below) that the parties have referred to as the Restructuring Plan. As used in this Restructuring Plan, "NMFA" means collectively the 2008-2013 National Master Freight Agreement and its applicable supplemental agreements.

1. **Employee Participation.** During the period in which this Restructuring Plan is effective (as set forth in Section 10), each Teamster bargaining unit, full-time employee of the Employer shall participate in the Restructuring Plan. For purposes of the Plan, unless expressly stated to the contrary, the term "employee" means a Teamster bargaining unit employee who is on the seniority list and is scheduled to perform work for the Employer when called, including a probationary employee, a regular employee on lay off status and casuals, and including employees who work on a percentage basis less than 40 hours per week.

2. **Financial Restructuring of YRC Worldwide, Inc.** A Term Sheet/Proposal governing the process for the financial restructuring of YRC Worldwide, Inc., the parent company of the Employer, is attached hereto as Exhibit 1 (the "Term Sheet"). The financial restructuring of YRC Worldwide shall include, among other things, the reduction of the parent company's debt in form and substance satisfactory to TNFINC as the Term Sheet provides; the modifications to the NMFA and its applicable supplemental agreements to create labor cost savings; and the attraction of additional investors to support the recapitalization of YRC Worldwide. TNFINC has specifically advised the Employer of the terms of an agreement which would satisfy the reduction of debt requirement that the Term Sheet provides. To the extent the Term Sheet provides, TNFINC representatives and advisors will be directly involved in the process of restructuring and recapitalizing YRC Worldwide with no final decisions being made on the issues without TNFINC's approval. The involvement of TNFINC in the restructuring process will ensure that the Teamster bargaining unit members' interests are protected and that there is equal sacrifice by the lenders, managers, and nonunion employees and

that any transactions with financial investors do not adversely impact Teamster members. When the restructuring process involves the consideration of the lenders converting their debt to equity and/or when new investors are considering investing in YRC Worldwide, Inc., TNFINC reserves the right to determine whether the job security and long-term interest of the members are better served by adjusting the performance triggers, terms and conditions (see Sections 4(c)) for recouping pension and wage relief contained in this Restructuring Plan.

3. **Extension of the NMFA and Supplemental Agreements.** This Restructuring Plan modifies and extends the current NMFA and Supplemental Agreements for a two year period, resulting in an expiration date of March 31, 2015.

4. **Re-Entry into the Teamster Pension Funds.**

(a) Effective June 1, 2011, the Employer shall commence making contributions to the Teamster Pension Funds covered by the NMFA ("Funds"). In view of the financial condition of the Employer, the pension contribution rate, effective June 1, 2011, shall be at the rate of 25% of the contribution rate in effect on July 1, 2009 when the Non-Permanent Pension Contribution Termination and Deferral went into effect. TNFINC and each Employer agree to use their reasonable best efforts and to cooperate to encourage the applicable pension Funds to approve the resumption of participation and contributions as of June 1, 2011. It is understood that pension benefit accrual rates and the other terms and conditions under which the Employer resumes participation shall be determined by each Fund; *provided* that each Fund shall adopt benefit schedules for the Employers that fully fund the normal cost of any new accruals out of the contributions to be made under this Memorandum and provide for a portion of contributions to be contributed to any underfunding of the Fund. It is further understood that the benefit accruals will necessarily be lower than those provided to participants before July 1, 2009. The Subcommittee created by this Restructuring Plan shall have the authority to address any issues arising out of this Section including (without limitation) the authority to vary the contributions that this Section describes or any of the other terms of the Fund re-entry. If the Fund has not approved the applicable Employer's resumption of participation in the Fund by June 1, 2011, then each such Fund may elect to either: (1) apply the amounts due under this Section to the Deferred Amounts due to such Fund for delinquent contributions relating to the period prior to July 1, 2009, or (2) have the amounts due under this Section forwarded to an Escrow Agent satisfactory to the Subcommittee until such time as the Fund approves the terms of the Employer's re-entry. If a Fund does not accept an Employer's participation under the terms and conditions of this Section, the Subcommittee shall have the authority to work with the Fund to alter the terms and conditions of the Employer's re-entry into the Fund, to the extent that the Subcommittee finds it necessary or desirable. Each Fund will have the opportunity to perform financial due diligence with respect to the Employers' ability to make contributions and remain a viable enterprise.

(b) Consistent with this Restructuring Plan, the Non-Permanent Pension Cessation Period shall end effective May 31, 2011; *provided* the applicable pension Funds shall extend the Non-Permanent Pension Cessation Period until May 31, 2011.

(c) In determining whether the restructuring 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 YRCW which requirements have been communicated to YRCW and may be altered by TNFINC in its sole discretion.

**5. Non-Permanent Pension Contribution Termination and Deferral.**

(a) As provided by the Amended and Restated Memorandum of Understanding on the Job Security Plan that went into effect on July 1, 2009, the obligation of the Employers to contribute to the Pension Funds ceased effective July 1, 2009 and was to continue through December 31, 2010 ("Non-Permanent Pension Contribution Termination Period"). However, because of the financial circumstances experienced by the Employer, this Restructuring Plan extends the Non-Permanent Pension Contribution Termination Period through May 31, 2011. During the extended Non-Permanent Pension Contribution Termination Period, each Employer may continue its termination of its participation in the Funds (in which it participates; it being understood that such termination shall result in the cessation of any accruals of benefits for the months in the Non-Permanent Pension Contribution Termination Period; it being further understood that the Employers shall not be required to provide contributions to these Funds for the Non-Permanent Pension Contribution Termination Period. At the end of the Non-Permanent Pension Contribution Termination Period on May 31, 2011, each Employer shall resume its participation in those Funds by resuming pension contributions as outlined in Section 4 above, effective June 1, 2011. The parties agree that on this basis, the Employer intends to continue their participation in each Fund. To the extent consent is necessary, TNFINC and each Employer consent to actions by Fund trustees to reduce pension accruals to zero during the Non-Permanent Pension Contribution Termination Period. TNFINC and each Employer agree to use their respective reasonable best efforts to encourage the trustees of each Fund to continue its Non-Permanent Pension Contribution Termination Period Agreement, which shall avoid any debt or accumulated pension obligations of the Employers. The obligation of the Employers to contribute to the Funds shall resume effective June 1, 2011.

(b) It is hereby acknowledged that the Employer has deferred contributions to Funds and expect to defer such contributions with respect to hours worked until immediately prior to the beginning of the Non-Permanent Pension Contribution Termination Period. To the extent any of those deferrals occurred before or occur after the Effective Date and the respective applicable Funds and Employer enter into deferral agreements, the Employers shall not be in breach of the NMFA (as amended by this Restructuring Plan), and no legal, strike (pursuant to Article 8, Section 3(b) of the NMFA) or other action shall be taken against Employers so long as Employers are not materially in default of the deferral agreements and related documents (as they may be amended from time to time). If an Employer is in material default of a deferral agreement or related document, before any legal, strike or other action is taken against Employer, the Subcommittee (defined in Section 17) must provide written notice to the Employer, and the Employer shall have 30 days to cure the default. If the default is cured, any applicable legal, strike or other action shall be rescinded or dismissed, and TNFINC shall use its reasonable best efforts to ensure that any such action is rescinded or

dismissed. If prior to the Effective Date, a Fund terminated an Employer, the Employer shall have no obligation to provide contributions to the Fund for the period between such termination and the Effective Date.

6. **Wage Increases.** This Restructuring Plan provides for hourly rate increases and equivalent mileage rate increase of \$0.40 per hour on April 1, 2011, \$0.45 per hour on April 1, 2012, \$0.40 per hour on April 1, 2013 and \$0.40 per hour on April 1, 2014.

7. **Wage Reduction.** The Employer shall reduce by 15% employees' gross wages or earnings paid per the NMFA, including the increases to wages described above in this Section 6 and the reduced wages in Section 15. Such wage reductions and/or reduced earnings shall include overtime and any premium pay, vacation, sick pay, holiday pay, funeral leave, jury duty, and other paid for time not worked. Wage and mileage rate increases outlined in Article 33 of the NMFA, effective April 1, 2011, April 1, 2012, April 1, 2013, and April 1, 2014 shall also be reduced by 15%. This wage reduction will apply to the NMFA bargaining unit as modified by the General Executive Board of the International Brotherhood of Teamsters on November 24, 2009. The cost of living adjustment provisions of Article 33 of the NMFA shall be suspended for the duration of this Restructuring Plan.

8. **Contract Modifications Included in the National Portion of the NMFA.** The following modifications to the 2008-13 NMFA and Supplemental Agreements are to be included as part of the first 39 Articles of the NMFA and cover the entire NMFA bargaining unit, as modified by the General Executive Board of the International Brotherhood of Teamsters in its Resolution of November 24, 2009:

(a) **Four Hour Guaranteed Local Cartage Employee:** The parties recognize the need for the Employers to create job opportunities and efficient operations during this period of financial restructuring and recession. For these reasons, there is established a four hour guarantee local cartage employee classification. This local cartage classification will enhance the Employers' ability to compete and provide work for the substantial number of laid-off employees. The four hour guaranteed local cartage worker shall have no impact on regular straight time work opportunities of active fulltime employees, unassigned and /or 10%ers or shapes as defined by the 2008-13 NMFA and Supplemental Agreements.

Work performed by this new classification shall be offered daily first to laid off local cartage workers. The four hour guaranteed local cartage classification shall be paid the applicable fulltime rate of pay minus the wage reduction (15%). Pension and health & welfare benefits shall be paid consistent with those for regular employees, but laid-off four (4) hour employees shall have contributions paid for hours rather than days worked. In the event that employees in this classification work more than 6 hours, they shall be guaranteed 8 hours. There will be no back-to-back 4 hour shifts or 4 hour overlapping shifts. Laid-off employees may be started within bids at their respective domicile locations.

At each terminal, the number of workers in this four hour guaranteed local cartage

classification shall be limited to 10% of the active city cartage seniority roster with a minimum of two (2) positions. It is a violation of this provision for the Employer to lay-off fulltime employees in order to convert them to four hour guaranteed local cartage employees. No regular fulltime active or inactive employee may be forced to work as a four hour guaranteed local cartage worker. The use of the four hour guaranteed local cartage employees will not negatively impact the guarantees of regular fulltime employees. In the event that laid-off employees do not accept four hour work opportunities or no laid-off employees are available, the Supplement shall apply. Replacement of fulltime regular employees or an 8 hour vacancy will be filled in accordance with the Supplement.

(b) **Drop & Hooks and Spotting Trailers:** At the end of the line terminals/or dark terminals, a road driver that comes into the terminal may drop & hook his/her trailer or trailers and spot trailers to the dock or pull trailers from the dock even though there are local cartage/dock people on duty. This does not apply to the distribution centers or breakbulk terminals.

(c) **Sunday thru Saturday Flex Work Week:** In all Supplements, the Employer is permitted to have Sunday thru Saturday start times, using the following language:

(a) The work week shall be scheduled for five (5) consecutive days. In addition to and in conjunction with the Monday through Friday work week, the employer shall be entitled to establish bids over the weekend, with the following limitations:

- One (1) to ten (10) employees will equal two (2) bids
- Eleven (11) to twenty (20) will equal three (3) bids
- Twenty-one (21) to forty (40) will equal four (4) bids
- Forty-one (41) or more will equal ten percent (10%) of the roster.

In the event business levels over the weekend increase, additional bids may be added according to the following formula. Use of a premium pay employee for five (5) consecutive weekends will trigger the posting of one (1) additional bid at the discretion of the Employer. This will be applied to pick up and delivery and dock operations at end-of-line locations and pick up and delivery operations at distribution centers and breakbulks.

Weekend bid work shall be paid at the straight time rate. Any vacancy of one week or greater may be offered on a voluntary hold down basis at the straight time rate. All other weekend absences may be filled in accordance with the applicable supplement

(d) **Pre-Stringing Trailers:** At end of the line and dark terminals, pre-stringing sets will continue as it is presently performed, if equipment and freight are

available. If equipment and freight are not available the road driver will be instructed to hook his/her own set. In accordance with the Supplement, penalty pay will apply if this is not followed.

- (e) **Drop & Pick:** Road drivers will be permitted to make one pickup or delivery en-route to his/her destination terminal and he/she is also able to make one pickup or delivery en-route on his/her return trip. This applies to all road supplemental operations.
- (f) **Road Casuals:** All Supplemental areas will allow casual road drivers. In those Supplements which do not currently have road casuals, they shall use the method of 12 tours in 60 days for adding to the seniority board. If a supplemental area currently has casual road drivers, the current application for adding drivers to the seniority board shall continue to apply. With respect to boundaries of the Supplemental areas, meet and turns will be permitted. The meet and turn point will be as equitable as possible for each of the drivers.
- (g) **Start Times:** Start times in effect today will remain the same. In addition to the existing start times, the Company will be allowed to add three (3) additional start times in a 24-hour period. (There shall be no more than 12 total start times unless they currently have them.)

Example: If you currently have 5 start times you would be allowed to have 8 start times. 6 start times could go to 9. 10 start times currently, would go to 12. These start times include all local cartage, dock, hostler classifications.

- (h) **Lunch Breaks:** Dock employees shall be required to take a 30 minute lunch break between the fourth (4<sup>th</sup>) and sixth (6<sup>th</sup>) hours of his/her shift. P&D employees shall be entitled to either a 30 minute or 60 minute lunch break, as determined daily at the Employer's discretion, between the fourth (4<sup>th</sup>) and sixth (6<sup>th</sup>) hours of his/her shift.
- (i) **Hostling Across Job Classifications:** When someone bids or is assigned a hostling job, he/she would be required to do any type of hostling required.

Example: Hook road units, city units and trailers to and from dock.

- (j) **Reduced Break Time:** All locations that currently have two (2) fifteen-minute breaks will be reduced to two (2) ten (10) minute breaks, unless otherwise required by law. Exceptions are straight 8's and 4-10 hour shifts, which will remain the same.

There will be an additional ten (10) minute break after the tenth (10<sup>th</sup>) hour and once every two (2) hours thereafter.

- (k) **Vacation:** Reduce vacation by one week for all employees with 4 or more weeks of vacation, using the current method for computing vacation pay.



**9. Equal Sacrifice of Non-Bargaining Unit Employees and their Participation.**

(a) All non-bargaining unit employees (including management) will participate equally in the Restructuring Plan, and the Employer will share the burden of sacrifices among all IBT bargaining unit and non-bargaining unit employees (including management), in each case, as described in this **Section 9(a)**. The Employer must reduce the total compensation (defined as wages plus health and welfare and pension or retirement benefits) of all non-bargaining unit employees (including management) by the same percentage reduction (an "Equal Reduction") in total compensation as is being applied to IBT bargaining unit employees consistent with the Prior Plan.

As of the Effective Date, each Employer will have made permanent the wage reductions originally in the Prior Plan. During the Non-Permanent Pension Contribution Termination Period, the Employer will be prohibited from making any contributions to Employer provided retirement or pension plans, 401(k) accounts or other retirement vehicles including any defined contribution or defined benefit plans for non-bargaining unit employees (including management), to the extent applicable law permits and subject to fiduciary obligations. The Employer agrees not to increase wages (including bonuses) and benefits of current non-bargaining unit employees (including management) as an overall percentage beyond the effective overall total compensation percentage increases to be received by the bargaining unit employees. This shall not prevent the Employer from paying variable, performance based compensation as the Employer has paid in past practice. This shall also not prevent the Employer from providing targeted increases to individual employees if necessary, in Employer's judgment, to operate the business so long as the overall total compensation increases are within the effective overall total compensation percentage increases to be received by the bargaining unit employees. If it becomes necessary to exceed this overall percentage increase limit to retain employees for the efficient continued operation of the business, the Employer would request approval from the Subcommittee.

In addition to the nonunion employees' sacrifices mentioned above, the Employer shall have reduced the nonunion employees' headcount and other costs to have created at least \$160 million in annualized savings related to this Restructuring Plan.

(b) All remaining non-Teamsters union represented employees of YRC, Reddaway, YRC Glen Moore, and YRC Reimer shall share equal sacrifice in total compensation as those employees covered by NMFA collective bargaining agreements. To that end, it is agreed that immediately upon the Teamster-represented employees of these respective bargaining units voting to accept the conditions in this Restructuring Plan, to achieve such equal sacrifice, the equivalent equal sacrifice reductions shall be imposed on non-Teamster represented union employees of those same operating companies. The Employer and TNFINC shall cooperate in achieving the equal sacrifice among Canadian employees of Reimer, and recognize such efforts must be in compliance with applicable Canadian federal and provincial law.

(c) The Employer and TNFINC agree to use their reasonable best efforts to achieve equal sacrifice in total compensation of the employees covered by non-Teamster and non-NMFA collective bargaining agreements.

10. **Effective Dates; Relation to Collective Bargaining Agreement.** This Restructuring Plan will be mandatory for all employees, since job security is the number one asset the Employer, the Union and the employees all hope to share equally. This Restructuring Plan will be submitted for secret ballot vote of all bargaining unit employees, and shall be put into effect if 50% plus one of the bargaining unit employees voting, vote to adopt the Restructuring Plan. The Restructuring Plan will be effective on the first day of the first payroll period commencing after the date of ratification of the Restructuring Plan (the "Effective Date"). This Restructuring Plan terminates on March 31, 2015. This Restructuring Plan is incorporated by reference into and shall be a part of the NMFA.

11. **Health & Welfare Contributions.**

(a) The increase in Employer contributions to health and welfare shall be (i) on August 1, 2011: \$0.35 per hour; (ii) on August 1, 2012: \$0.35 per hour; (iii) on August 1, 2013: \$0.35 per hour; and (iv) on August 1, 2014: \$0.35 per hour. The trigger in all Supplements for qualifying for a week's health and welfare contribution will be three (3) days. Those Supplements on an hourly contribution will continue their respective practices. The contractual provision in the NMFA supplemental agreements authorizing the Supplemental Negotiating Committee to determine the allocation of the health, welfare and pension contribution increases shall be suspended during the Non-Permanent Pension Contribution Termination Period and during the term of this Restructuring Plan. The contribution increases made during the Non-Permanent Pension Contribution Termination Period shall be made only to health and welfare funds.

(b) At the end of the Non-Permanent Pension Contribution Termination Period on May 31, 2011, the Employer will commence contributing the contribution for health, welfare and pension required by the NMFA (as modified by this Restructuring Plan).

12. **Extension of Recall for Laid off Teamsters.** The NMFA is amended to increase the recall rights of laid off bargaining unit employees from five (5) years to ten (10) years. Accordingly, Article 5, Section 1(b) of the NMFA is amended to read: "Seniority shall be broken only by discharge, voluntary quit, retirement, or more than ten (10) -year layoff."

13. **Dispute Settlement.** Unless otherwise provided by the Term Sheet attached hereto, disputes pertaining to this Restructuring Plan are subject to the grievance procedure contained in the NMFA. However, any grievance filed hereunder, by either party, shall be referred initially to the Subcommittee referenced in Section 17 for disposition. If the Subcommittee fails to reach agreement, the matter will be referred to the Chairman of TNFINC and the President of the Employer in accordance with Article 8, Section 2(b)(2) of the NMFA. If the Chairman of TNFINC and the President of the Employer are unable to resolve the matter, the 30 additional days provided in Article 8, Section 2(b)(2) of the NMFA shall be considered as exhausted and the remaining provisions of Article 8, Section 2 shall govern.

14. **Participation.** An employee begins or continues participation in this

Revised Plan on the Effective Date of Restructuring Plan or the first day of the pay period following his/her first day of regular and/or probationary employment.

15. **New Hire.**

(a) **Non-CDL Qualified Employees**

Non-CDL qualified employees (excluding mechanics) hired after the Effective Date begin participation in the Revised Plan on their first day of employment at the following wage progression:

<u>Time of Service</u>	<u>Maximum Wage Reduction from New Hire Rate Prior to Reduction in Section 3 Above</u>
Effective First Day of Employment	Receive 70% of NMFA Wages
Effective First Day plus One (1) Year	Receive 75% of NMFA Wages
Effective First Day plus Two (2) Years	Receive 80% of NMFA Wages
Effective First Day plus Three (3) Years	Receive 100 % of NMFA Wages

"NMFA Wages" means 100% of the full NMFA rate for the applicable job classification after the agreed upon wage reduction.

(b) **CDL Qualified or Mechanics**

CDL qualified employees and mechanics hired after the Effective Date begin participation in the Restructuring Plan on their first day of employment at the following wage progression:

<u>Time of Service</u>	<u>Maximum Wage Reduction from New Hire Rate Prior to Reduction in Section 3 Above</u>
Effective First Day of Employment	Receive 85% of NMFA Wages
Effective First Day plus One (1) Year	Receive 90% of NMFA Wages
Effective First Day plus Two (2) Years	Receive 95% of NMFA Wages
Effective First Day plus Three (3) Years	Receive 100 % of NMFA Wages

"NMFA Wages" means 100% of the full NMFA rate for the applicable job classification after the agreed upon wage reduction.

16. **Access to Employer Financial Records.** The Employer shall submit an annual financial statement in the format of the BTS report to the Subcommittee, and TNFINC reserves the right on an annual basis to examine records of the Employer reasonably required to monitor Employer compliance with this Restructuring Plan or utilize an independent auditor of its choice to do the same. Notwithstanding any request to the contrary, given applicable privacy laws and policies and for the protection of its bargaining and non-bargaining unit employees alike, the Employer will not share employee specific compensation information with the Subcommittee, TNFINC, the Union or any auditor other than the compensation information that Employer is required to publicly provide pursuant to Securities and Exchange Commission regulation. As a

condition of being provided such statements, books and audit, TNFINC and the Subcommittee (and any accountant or auditor engaged on its behalf) must agree to maintain the confidentiality of any Employer financial statements and reports for the protection of the Employer, and to execute a reasonable confidentiality agreement if the Employer requests in such form as the Employer may reasonably require. The information provided in this Section 16 is supplemented by that provided in the Term Sheet.

17. **Subcommittee to Monitor and Maintain Compliance.** For purposes of monitoring and maintaining compliance with the terms of this Restructuring Plan (and for prior periods, the Prior Plan), the parties will continue the four person Subcommittee that the Prior Plan established consisting of the Chairman of TNFINC or his designee, the Co-Chairman of TNFINC or his designee, the Employer's President or his designee and another officer of Employer or his designee. The Subcommittee shall meet quarterly or more frequently if necessary, to exchange and discuss pertinent data, including relevant payroll and related information, the reinvestment of capital into the Employer and any and all subjects related to the financial operations of the Employer. The Subcommittee's decision regarding the interpretation of this Restructuring Plan (and for prior periods, the Prior Plan) shall be final and binding other than provided in the Term Sheet. The Subcommittee may retain financial consultants to assist them in performing their obligations under their Agreement.

18. **Work Preservation.**

(a) The Employers agree not to establish or buy any new non-union regular route common carrier entity without the prior approval of the Union. The Employer agrees that it will not use any of the savings and other economic benefits derived from this Restructuring Plan or the Prior Plan to provide capital to its parent for the purposes of significantly expanding the domestic and Canadian operations or any operations of the Employer that are not located in the U.S. or Canada. This Section 18 does not apply to the maintenance of existing operations or any existing contractual commitments.

(b) The Employer agrees that it will not transfer any bargaining unit work to India or any other country and will return any payroll work performed by the bargaining unit beginning upon ratification and shall be concluded within four (4) months thereafter. The Subcommittee will review the Employer's compliance with this paragraph during the first quarter.

19. **Termination.** If this Restructuring Plan is not ratified by those employees of Employers that are covered by the NMFA by November 1, 2010, or if Funds representing 90% of the Employers' collective monthly contributions to the Funds have not approved the applicable Employer's resumption of participation to the Fund by June 1, 2011, each Employer may terminate this Plan. Each Employer agrees not to terminate the Restructuring Plan before November 1, 2010 without approval of the Union. However, if prior to November 1, 2010, the Restructuring Plan is terminated with approval of the Union, wage levels will revert or snap back to the full NMFA.

20. **Bankruptcy Protection.** The purpose of this Restructuring Plan is to make a financial accommodation for the benefit of the Employer, within the meaning of section 365(e)(2) of the Bankruptcy Code. Accordingly, if the Employer files a

Chapter 7 or 11 bankruptcy petition or is placed in an involuntary bankruptcy proceeding, this Restructuring Plan may be terminated and wages reverted to full NMFA on a prospective basis, if the Union so elects in writing. If the Union does not exercise its option hereunder, the Employer agrees not to file any motion under Sections 1113 or 1114 of the Bankruptcy Code without TNFINC approval.

21. **Type of Agreement.** This Restructuring Plan shall be applicable to the NMFA and its supplements that have been agreed to by the Employer and TNFINC.

22. **Card Check and Neutrality.** As to any non-union common carrier freight entity that the Employer, its parent or holding company or subsidiaries of the Employer buys, establishes or maintains, the parties to this Restructuring Plan agree that, as soon as a Teamster Local Union shows the entity authorization cards signed by the majority of employees in the bargaining unit, the Local Union will be recognized as the exclusive bargaining representative for those employees. The Employer or its affiliated companies will remain neutral if the Local Union seeks to represent unrepresented employees for this new entity. Neutrality means that the new entity will not make statements or take other actions opposing or advocating unionization. The new entity shall not demean the Union as an organization or its representatives as individuals. The new entity will inform all managerial employees and supervisors of their obligation under this neutrality agreement and will take prompt action to correct any violation of this Section 22. Disputes regarding the application of this Section 22 shall be resolved on an expedited basis by the Subcommittee.

23. **Leave of Absence.** During the Non-Permanent Pension Contribution Termination Period, bargaining unit employees who are participating in this Restructuring Plan will be permitted to start a leave of absence without pay to work for another Teamster employer until December 31, 2010. All leaves of absence under this Section shall terminate with the cessation of the Non-Permanent Pension Contribution Termination Period on June 1, 2011.

24. **Current Ownership.** If a Change of Control of YRC Worldwide Inc., including all domestic or Canadian subsidiaries but excluding Chinese businesses (collectively "YRCW") occurs, this Restructuring Plan may be terminated and wages reverted to full NMFA on a prospective basis if the Union so elects in writing and all other provisions of this Revised Plan shall be null and void on a prospective basis; *provided* that in the case of the sale of a business unit of YRCW, whether through the sale of assets or stock or through a merger, the election shall only apply to the business unit that is the subject of the sale. Union approval for any Change of Control is required. For the purposes of this Section 24, a "Change of Control," shall be deemed to have taken place if a third person, including a "group" as defined in Section 13(d)(3) of the Securities Exchange Act of 1934, as amended,

- (a) purchases or otherwise acquires shares of YRCW after the date of this Agreement that, together with stock held by such person or group, constitutes more than 50 percent of the total voting power of the stock of YRCW where the current directors of YRCW (or directors that they nominate or their nominees nominate) no longer continue to hold more than 50% of the voting power of the board of directors);

(b) acquires a material portion of the assets of a business unit of YRCW that is subject to a Union collective bargaining agreement.

25. **Severability.** The invalidity or unenforceability of any provision of this Restructuring Plan shall not affect the validity or enforceability of any other provisions of this Restructuring Plan, which shall remain in full force and effect.

26. **Ratification.** For the purposes of ratification, YRC Inc. and USF Holland Inc. shall be treated as one voting unit and New Penn Motor Express, Inc. shall be treated as a separate voting unit.

27. **References.** As used in this Restructuring Plan, unless the context expressly requires the contrary, references to "Sections" means the sections and subsections of this Restructuring Plan; references to a "party" mean an Employer or the Union; references to the plural mean the singular, and *vice versa*; references to the masculine include the feminine and neutral, and *vice versa*; and references to an "Exhibit" mean an exhibit to this Restructuring Plan, which shall become an integral part of this Restructuring Plan.

28. **Impact on Prior Plan.** This Restructuring Plan shall amend and restate the provisions of the July 9, 2009 Memorandum of Understanding ("Prior Plan") in its entirety on a prospective basis. If there are any inconsistencies between this Restructuring Plan and the NMFA, this Restructuring Plan shall govern.

In Witness of the foregoing Restructuring Plan, the parties hereby acknowledge the Restructuring Plan:

**YRC Inc., USF Holland, Inc., and New Penn Motor Express, Inc.:**

By: \_\_\_\_\_

Date: \_\_\_\_\_

**Teamsters National Freight Industry Negotiating Committee:**

By: \_\_\_\_\_

Date: \_\_\_\_\_

**EXTENSION OF THE AGREEMENT FOR THE RESTRUCTURING  
OF THE YRC WORLDWIDE INC. OPERATING COMPANIES**

YRC Inc. (d/b/a YRC Freight), USF Holland Inc., New Penn Motor Express, Inc., and USF Reddaway Inc. (collectively the "Employer") have provided this Extension of the Agreement for the Restructuring of the YRC Worldwide Inc. Operating Companies (hereinafter the "Extension Agreement") to the Teamsters National Freight Industry Negotiating Committee ("TNFINC") of the International Brotherhood of Teamsters (the "IBT", the "Teamsters" or the "Union"). This Extension Agreement is for the express purpose of providing job security for the Employer's Teamster bargaining unit employees by creating the opportunity to continue the financial restructuring of the Employer.

1. **Term.** The Agreement for the Restructuring of the YRC Worldwide Inc. Operating Companies (the "Restructuring Agreement"), the 2008-2013 National Master Freight Agreement and applicable Supplements (the "NMFA"), and the USF Reddaway Western Contract and Northwest Agreement ("Reddaway Agreements") shall be extended from March 31, 2015 until March 31, 2019, subject to the modifications set forth below.

2. **Ratification Bonus & Lump Sum Payment.** The Employer shall pay a bonus of \$750.00 in the event this Extension Agreement becomes effective. The ratification bonus will be payable within thirty (30) days of the Effective Date to all regular employees on the seniority list at the time of ratification, provided the employee was active within ninety (90) days of December 31, 2013 and still is employed by the Employer at the time of payment. The Employer also shall pay a lump sum payment of \$750.00 on April 1, 2015 to all regular full-time employees on the seniority list who have been actively working for the prior twelve (12) months. Regular full-time employees who have been subject to seasonal layoff between April 1, 2014 and March 31, 2015 will not be disqualified from receiving the \$750 Lump Sum Payment. Employees laid off for other reasons will not be eligible for the Lump Sum Payment. The \$750.00 bonus and payment shall not be subject to the 15% reduction.

3. **Wage Increases.** This Extension Agreement provides for hourly rate increases and equivalent mileage rate increases for all classifications, as follows:

April 1, 2016	\$ .40/hr
April 1, 2017	\$ .40/hr
April 1, 2018	\$ .40/hr

All wage and mileage increases will be subject to the 15% reduction outlined in the Restructuring Agreement. There shall be no hourly or equivalent mileage rate increase in 2014 or 2015. Any wage increase paid in 2014 prior to the effective date shall remain in effect only until payment of the ratification bonus and the Company may not seek repayment for that portion of the 2014 wage increase earned prior to the payment of the bonus.

4. **Health & Welfare Contributions.** The Employer shall maintain health and welfare benefit levels by increasing health and welfare contribution rates up to the following amounts, based on the rates determined by the applicable health and welfare fund to maintain the current benefits.

January 1, 2015	\$ .35/hr
August 1, 2015	\$ .50/hr
August 1, 2016	\$1.00/hr
August 1, 2017	\$1.00/hr
August 1, 2018	\$1.00/hr

There shall be no increase payable on August 1, 2014.

5. **Pension Contributions.** The Employer shall continue to make contributions to the applicable pension funds or 401(k) plan at 25% of the 2009 rate, consistent with the Restructuring Agreement. To the extent any health and welfare fund needs less than \$.60/hr on August 1, 2016, \$.70/hr on August 1, 2017, or \$.75/hr on August 1, 2018, the amount less than \$.60/hr, \$.70/hr, or \$.75/hr (as applicable) may be directed by the applicable Supplemental Negotiating Committee to increase the contribution rate for the corresponding pension fund or 401(k) plan.

6. **Profit Sharing Bonuses.**

(a) Profit sharing bonuses will be payable according to the following schedules beginning in 2016 (based on 2015 performance), provided the applicable annual published operating ratio is within the specified ranges for any full calendar year. Bonus calculations and payments will be separate for YRC Freight and the Regional Carriers (Holland, New Penn, and Reddaway), with the operating ratio for the Regional Carriers being calculated on a combined basis:

<u>YRC Freight Operating Ratio</u>	<u>Bonus Amount</u>
96.1 to 97.0	1%
93.1 to 96.0	2%
93.0 and below	3%

<u>Regional Carrier Combined Operating Ratio</u>	<u>Bonus Amount</u>
94.1 to 95.0	1%
92.1 to 94.0	2%
92.0 and below	3%

Bonus amounts shall be calculated based on each individual employee's W-2 earnings (excluding any profit sharing bonuses) for the year in which the qualifying operating ratio was achieved. Profit sharing bonuses will not be subject to the 15% reduction.



(b) Profit sharing bonuses will be distributed to the employees by separate check within ninety (90) days of the end of the calendar year. An employee must be on the seniority list for the entire calendar year during which the qualifying operating ratio was achieved to be eligible for a bonus. Any employee who resigns or retires or whose employment otherwise terminates, whether voluntary or involuntary, during the year in question shall not be eligible for a bonus.

(c) The Employer will not initiate inter-company charges or change accounting assumptions or practices (GAAP), except as required to conform to governmental regulation, for the purpose of avoiding the payment of a profit sharing bonus.

7. **Contract Modifications.** The following modifications to the NMFA are to be included as part of the first 39 Articles of the NMFA and cover the entire NMFA bargaining unit, as modified by the General Executive Board of the International Brotherhood of Teamsters in its Resolution of November 24, 2009. Where applicable, these same modifications shall apply to the Reddaway Agreements. Nothing in this Section 7 of this Extension Agreement is intended, however, to further restrict the Employer's operations, eliminate existing Employer flexibilities, or result in less favorable conditions for the Employer.

(a) **National Uniform Attendance Policy:** The parties recognize that the vast majority of employees report for work when scheduled and do not have an attendance problem. The parties further recognize, however, that absenteeism among even a small group of employees is detrimental to the Employer's operations. For this reason, the parties adopt the National Uniform Attendance Policy attached as Exhibit A. This Policy shall not apply to USF Reddaway.

All employees will receive a "fresh start" under the Policy, including those in the Western Region. Reddaway employees will continue in their existing progression under their existing policy.

(b) **Paid Vacation:** Vacation currently paid at more than forty (40) hours will be paid as follows: forty (40) hours for vacation earned in 2014; forty (40) hours for vacation earned in 2015; forty (40) hours for vacation earned in 2016; forty-two and one half (42.5) hours for vacation earned in 2017; and forty-five (45) hours for vacation earned in 2018. Vacation currently calculated at 1/52 will be based on 1/58 in 2014; 1/58 in 2015; 1/58 in 2016; 1/55 in 2017; and 1/52 in 2018. Daily vacation will be paid accordingly. These changes only apply to vacation earned after the Effective Date. Between the months of March and October, employees shall have the option of receiving pay in lieu of vacation. The payout of accrued vacation during this period will be in one (1) week increments.

- (c) **Mandatory Direct Deposit:** Where not prohibited by State Law, all employees are required to use electronic deposit of their paychecks. If the employee is enrolled on Direct Deposit and the employee's pay is not deposited to their bank accounts on payday due to Employer error, the employee's pay will be deposited to the employee's account by means of Electronic Funds Transfer or the employee will be paid by station draft that same day. If an employee is unable to obtain a bank account, he/she will be paid electronically using a pay card/debit card. If for reasons beyond the Employer's control, such as weather delays, express mail failure, etc. an employee's "paycheck" or debit card does not arrive at the employee's facility by payday, a replacement check will be issued and mailed to the employee's facility by the end of the business day.
- (d) **Non-CDL Rate:** Clerical employees, non-CDL dock employees, maintenance employees, janitors, and porters hired after the Effective Date shall have a top rate of \$18.00 per hour, subject to the following progression:

Effective First Day of Employment:	\$14.00/hr
Effective First Day Plus One (1) Year:	\$15.00/hr
Effective First Day Plus Two (2) Years:	\$16.00/hr
Effective First Day Plus Three (3) Years:	\$17.00/hr
Effective First Day Plus Four (4) Years:	\$18.00/hr

These rates are not subject to the 15% reduction or the increases outlined in Section 3. In addition, these rates do not apply to shop mechanics.

- (e) **Purchased Transportation:** The parties recognize the competitive nature of the LTL trucking industry and the importance of customer service. To that end, YRC Freight shall be permitted to use Purchased Transportation Service (PTS) in certain circumstances. The intention of the parties with the use of PTS is to generate growth and additional job opportunities for bargaining unit personnel by enhancing YRC Freight's ability to compete in the marketplace. Prior to using PTS at any location, YRC Freight will send a certified letter to the affected Local Union and TNFINC.

The following shall cover YRC Freight's use of PTS and outline employee protections in connection with PTS. This provision shall not apply to Holland, New Penn or Reddaway. YRC Freight shall be permitted to use a limited amount of PTS for over-the-road transportation only and in connection with the movement of freight between distribution centers. The use of PTS will not, however, result in a layoff for active road drivers as of the Effective Date at those locations where PTS is used. The use of PTS also will not result in a loss of earnings for active road drivers at locations where PTS is used. These protections are described in more detail below.

Nothing in this Section 7(e) is intended to permit the use of PTS for any other operation (i.e., P&D, Local Cartage, drayage, or shuttle operations). The use

of PTS under this Section 7(e) is for direct, closed-door service from distribution center to distribution center only. A PTS provider will not VIA to a YRC Freight customer or another YRC Freight terminal location. Article 29 of the NMFA remains in effect, except as specifically provided for in this Section 7(e).

i) YRC Freight will not begin the use of PTS at any location where road drivers are laid off for economic reasons. Instead, YRC Freight will recall laid off road drivers before it begins the use of PTS. Road drivers who are on layoff because they were offered but declined a transfer opportunity in connection with a Change of Operations are not considered "laid off" for purposes of this provision.

ii) YRC Freight shall red circle by name all the active road drivers at each location as of the Effective Date. The red-circled drivers at those locations where PTS is used shall be protected from layoff directly caused by the use of PTS. This protection does not apply to a road driver who has been offered but declined a transfer pursuant to any Change of Operations.

iii) YRC Freight also shall protect by red circle the number of active road drivers as of the Effective Date at each terminal location where PTS is used. The number of active road drivers at a location shall not be reduced below the red circle number as a direct result of the use of purchased transportation. The red circle number itself shall not be changed other than as may be provided for in an approved Change of Operations.

iv) Notwithstanding anything in the NMFA to the contrary, YRC Freight shall be permitted to utilize companies for over-the-road purchased transportation substitute service. The maximum amount of over-the-road purchased transportation shall be limited to 6% (starting with Calendar Year 2014) of YRC Freight's total miles as reported on line 301 of Schedule 300 of the DOT/FMCSA Annual Report during any calendar year. In conjunction with using over-the-road purchase transportation providers, YRC Freight's total combined intermodal rail miles and purchased transportation miles shall not exceed 26% of YRC Freight's total miles during any calendar year.

v) At those locations where PTS is utilized, YRC Freight shall provide protection for all active bid road drivers during each dispatch day that PTS service is used and all active extra board road drivers during each dispatch week that PTS service is used. For purposes of determining the weekly protection for active extra board drivers, the affected driver's weekly earnings during the previous four (4) week period in which the driver had normal earnings shall be considered the weekly protection when PTS is utilized in the dispatch week.

vi) The protection for boards at intermediate relay locations will be weekly earnings, calculated using the four (4) week average method. As an example,

if PTS is dispatched from Kansas City destined for Atlanta, the board at the intermediate relay in Nashville will have earnings protected in that week.

vii) In the event a Union carrier becomes available to YRC Freight and said carrier is cost competitive and equally qualified, YRC Freight will give such carrier first and preferred opportunity to bid on purchased transportation business. YRC Freight shall provide to the Union an up-to-date list of purchased transportation providers utilized within thirty (30) days of the end of each calendar quarter. In the event a PTS provider repeatedly violates the conditions established under this Extension Agreement, the Union shall have the ability to remove the carrier from future PTS utilization.

viii) YRC Freight will designate a specific area on the terminal yard where a PTS provider may slide his or her own power when dropping and/or picking a trailer. The PTS provider shall not be permitted to perform any other hostling duties, including pushing or pulling trailers from the dock.

ix) YRC Freight shall report in writing on a monthly basis to each Local Union affected and to the Freight Division, the number of trailers tendered to any purchased transportation provider. YRC Freight also shall report the carrier's name (including DOT number), origin, destination, trailer/load number, trailer weight and the time the trailer/load leaves YRC Freight's yard. In addition, YRC Freight shall, on a quarterly basis, unless otherwise required, send to the office of the National Freight Director a report containing all of the above indicated information in addition to the total number of miles YRC Freight utilized with purchased transportation, inclusive of the type of PTS utilized, including whether the purpose was for avoiding empty miles, overflow or one-time business opportunities such as product launches.

x) To preserve and/or grow existing road boards, each time YRC Freight uses purchased transportation providers to run over the top of linehaul domicile terminal locations and/or relay domiciles, said dispatches shall be counted as supplemental or replacement runs, as applicable, for purposes of calculating the requirement to add new employees to the road board. The formula for recalling or adding employees to the affected road board shall be thirty (30) supplemental runs in a sixty (60) day period. The only exceptions to this condition are one-time business opportunities (such as product launches).

(xi) Any disputes regarding PTS will be referred to the National PTS Committee consisting of an equal number of representatives from the Union and YRC Freight for resolution. Any disputes not resolved by the National PTS Committee will be referred to the National Grievance Committee.

(f) **Service Area:** There are certain geographic areas where YRC Freight historically has had low shipment density and/or driver shortages, which prevents YRC Freight from providing consistent levels of service and maintaining a profitable operation. YRC Freight must address these areas

through the use of interline carriers while providing maximum protection and alternative work opportunities to employees.

Notwithstanding any other subcontracting restriction in the NMFA, YRC Freight shall be permitted to close terminals and/or discontinue specific terminal operations and thereafter continue servicing that geographic area by use of an interlining subcontractor, subject to the following:

- Where a terminal is closed and/or specific operations are discontinued, the Company may interline unprofitable runs previously operated from that terminal, but profitable runs shall continue to be run by bargaining unit employees.
- All pick-up and delivery work that is within a fifty (50) mile radius of a terminal and currently performed by that terminal will continue to be performed by bargaining unit employees.
- Employees at affected locations will not be laid off as a direct result of this provision. This layoff protection will not apply to those employees who are offered but decline a transfer opportunity in an approved Change of Operations.

Any terminal closures, partial terminal closures, or the discontinuation of specific terminal operations under this provision shall be subject to an approved Change of Operations. Affected employees at the terminal operations subject to this provision shall receive all protections afforded under the Change of Operations procedure and offered work opportunities at the closest terminal with demonstrated need for employees in the relevant classifications. Moving expenses shall be paid in accordance with established Change of Operations practices.

YRC Freight shall monitor those geographic areas where it is using interline subcontractors. YRC Freight will discontinue the use of interline subcontractors in those areas where sustained business levels and/or the number of YRC Freight drivers in the relevant locations establish a long-term business case for resuming operations.

**8. Equal Sacrifice of Non-Bargaining Unit Employees and their Participation.** For the avoidance of doubt, the equal sacrifice provisions of the Restructuring Agreement will continue to apply for the term of this Extension Agreement. The new hire rate for clerical employees, non-CDL dock employees, maintenance employees, janitors, and porters will be applied equally to equivalent non-union positions.

**9. Work Preservation.** For the avoidance of doubt, the work preservation provisions of the Restructuring Agreement will continue to apply for the term of this Extension Agreement. In addition, the Employer agrees not to buy any union or non-union regular route common carrier entity without the prior approval of TNFINC.

10. **Subcommittee to Monitor and Maintain Compliance.** For purposes of monitoring and maintaining compliance with the terms of this Extension Agreement and the Restructuring Agreement, the parties will continue the four person Subcommittee previously established consisting of the Chairman of TNFINC or his designee, the Co-Chairman of TNFINC or his designee, the Employer's President or his designee and another officer of Employer or his designee. The Subcommittee shall meet quarterly or more frequently if necessary, to exchange and discuss pertinent data, including relevant payroll and related information, the reinvestment of capital into the Employer and any and all subjects related to the financial operations of the Employer. The Subcommittee's decision regarding the interpretation of this Extension Agreement and the Restructuring Agreement shall be final and binding, unless otherwise provided in this Extension Agreement or the Restructuring Agreement. The Subcommittee may retain financial consultants to assist them in performing their obligations under this Agreement.

11. **Access to Employer Financial Records.** Within 75 days following the completion of each of YRC Worldwide Inc.'s fiscal years beginning in 2014, the Employer shall submit annual consolidating financial statements for such fiscal year, with a comparison to the prior fiscal year, in the format consistent with the detailed long term financial model reviewed in connection with negotiation of this Extension Agreement and which reconcile to YRC Worldwide Inc.'s Form 10-K for such fiscal year to the Subcommittee described in Section 10, and TNFINC reserves the right on an annual basis to examine records of the Employer reasonably required to monitor Employer compliance with this Extension Agreement and the Restructuring Agreement or utilize an independent auditor or financial consultant of its choice to do the same. Notwithstanding any request to the contrary, given applicable privacy laws and policies and for the protection of its bargaining and non-bargaining unit employees alike, the Employer will not share employee specific compensation information with the Subcommittee, TNFINC, the Union or any auditor or financial consultant other than the compensation information that Employer is required to publicly provide pursuant to Securities and Exchange Commission regulation. As a condition of being provided such statements, books and audit, TNFINC and the Subcommittee (and any accountant, auditor or financial consultant engaged on its behalf) must agree to maintain the confidentiality of any Employer financial statements and reports for the protection of the Employer, and to execute a reasonable confidentiality agreement if the Employer requests in such form as the Employer may reasonably require.

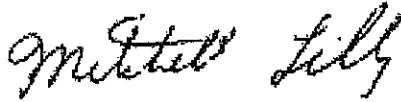
12. **Effective Date.** If this Extension Agreement is submitted for secret ballot vote of all bargaining unit employees, it shall be put into effect if (a) 50% plus one of the bargaining unit employees voting, vote to adopt the Extension Agreement; (b) YRC Worldwide Inc. addresses at least 90% of the aggregate outstanding principal amount of the Series A Notes and Series B Notes (the "Series A and B Notes") through any combination of the following options: (i) by converting to equity, (ii) by retiring through the proceeds of one or more equity offerings or (iii) by setting aside a sufficient amount of cash to redeem at maturity; (c) YRC Worldwide has made reasonable efforts to refinance both the existing Credit Agreement and Asset Based Loan facilities on terms that are better taken as a whole than are currently in existence; and (d) TNFINC shall be satisfied with the final terms and conditions of the provisions of the transactions contemplated in (b) and (c) above and the efforts with respect to (c) above and shall

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notify YRC Worldwide Inc. accordingly in writing. Such written notification of satisfaction shall not be unreasonably withheld. The Extension will be effective on the first day of the first payroll period commencing after the later of the date of ratification, the refinancing described in (b) and (c) above, and the written notification described in (d) above (the "Effective Date").

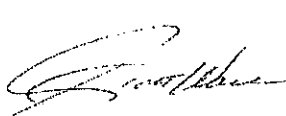
In Witness of the foregoing, the parties hereby acknowledge this Extension Agreement:

**YRC Inc.:**

By: 

Date: 2/7/14

**USF Holland Inc.:**

By: 

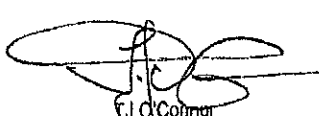
Date: 2/7/14

**New Penn Motor Express, Inc.:**

By: 

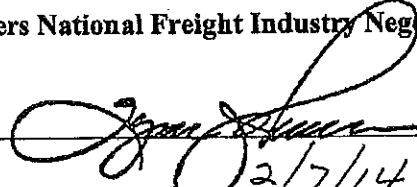
Date: 2/7/14

**USF Reddaway Inc.:**

By:   
F.J. Collins

Date: 2/7/14

**Teamsters National Freight Industry Negotiating Committee:**

By: 

Date: 2/7/14

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### **Exhibit A**

#### **National Uniform Attendance Policy All Regions and Supplements of the NMFA**

The parties agree that the purpose of attendance disciplinary action is to correct an employee's behavior. Continued disregard of attendance obligation will result in discharge if the employee fails to change the behavior.

#### **Disciplinary Progressions for Absenteeism or Tardiness:**

First Offense:	Verbal Warning
Second Offense:	Warning Letter
Third Offense:	One (1) Day Suspension
Fourth Offense:	Three (3) Day Suspension
Fifth Offense:	Discharge

Progressions will be followed in all instances unless extraordinary circumstances dictate an accelerated or decelerated progression. Examples of an accelerated progression would be No Call/No Shows or blatant abuse of time off. An example of decelerated progression would be a long time period between absences.

Discipline may be issued on all unexcused absences. Committees may consider timely, bona fide, verifiable doctors excuses in determining the validity of disciplinary action. Proper communication on all absences is the employee's responsibility.

The Employer may discharge an employee who has received two letters of suspension as long as the letters resulted in agreed to or a committee's action discipline.