

**YRC WORLDWIDE INC.  
GUIDELINES ON CORPORATE GOVERNANCE**

(Amended and Restated August 30, 2011)

Delaware law states that the business and affairs of YRC Worldwide Inc. (the "Company") shall be managed by or under the direction of the Board of Directors (the "Board," and individually, each member, a "Director"). Within that broad grant of authority, the principal responsibility of the Board is exercising governance as representative of the Company's stockholders so as to promote the successful performance of the Company. The Board has five primary functions:

- (i) to select, compensate and evaluate the chief executive and other officers and review succession planning;
- (ii) to oversee the formation of and review the Company's major strategies, plans and actions, and to review and evaluate the Company's performance against broad financial objectives and the Company's major strategies, plans and actions;
- (iii) to provide direction, advice and counsel to senior management;
- (iv) to select appropriate candidates for election as Directors; and
- (v) to review the Company's systems and practices designed to bring about compliance with applicable laws and regulations, including its accounting and financial reporting obligations.

The Board has established the following Guidelines, which it intends to review, and reserves the right to change, from time to time. The Guidelines are to assist the Board in the exercise of its responsibilities. These Guidelines are not intended to change or interpret any federal or state law or regulation, the rules or regulations of any exchange or listing service upon which the securities of the Company are listed, or the Certificate of Incorporation or Bylaws of the Company.

**I. FUNCTIONING OF THE BOARD**

**Size of the Board:** The Board shall be comprised of the number of Directors provided for in the Company's Certificate of Incorporation or Bylaws, as applicable, the majority of whom shall be determined by the Board, with the guidance from the Governance Committee, to be "independent" in accordance with applicable law, the rules or regulations of any exchange or listing service upon which the securities of the Company are listed and the Director Independence Standards of YRC Worldwide Inc., which are attached hereto as an Addendum. The size may vary from time to time, depending on the availability of qualified candidates, retirements and other factors. The size will be set based on the Board's ability to function efficiently, but also to assure adequate representation for the work of its Committees of independent Directors.

**Mix of Outside and Inside Directors:** The Board shall maintain a substantial degree of independence from management. It is the Board's intention that no more than one Director shall be currently or previously employed as an executive officer of the Company. The Company's Chief Executive Officer will be expected to serve as a Director.

**Executive Sessions of Independent Directors:** The independent Directors of the Company, as they are affirmatively determined by the Board from time to time, in accordance with applicable law, the rules or regulations of any exchange or listing service upon which the securities of the Company are listed, and the Director Independence Standards of YRC Worldwide Inc., shall meet in executive session at least twice annually in conjunction with regularly scheduled board meetings for such reasons as they desire and set. The Chairman of the Board shall preside at such executive sessions of the independent Directors. If the Chairman of the Board is not present for an executive session, the independent Directors shall select from among themselves an independent Director who will preside at such executive sessions of the independent Directors.

**Assessing Board Procedures:** The Board, with the input and guidance of the Governance Committee, shall review from time to time its procedures and processes, including these Guidelines.

**Director Compensation Review:** Annually, the Board shall receive a recommendation of the Compensation Committee of the Board regarding compensation of Directors. The Compensation Committee's recommendation shall consider, among other things, these Guidelines, surveys of director compensation at other similar public companies in terms of market capitalization, revenue and industry segment and legal principles and the rules or regulations as to the independence of directors of any exchange or listing service upon which the securities of the Company are listed.

**Board Leadership:** The Chairman of the Board shall be an independent Director. The Chairman shall serve as a liaison between the Chief Executive Officer and the independent Directors, see that Directors receive appropriate and timely information, assist the Chairpersons of the committees of the Board, as needed, be available in appropriate circumstances to speak on behalf of the Board, and perform such other functions and responsibilities as set forth in these Guidelines, the Company's Certificate of Incorporation and Bylaws, or as requested by the Board from time to time. The Chairman shall encourage direct dialogue between all Directors and management.

## **II. BOARD MEMBERSHIP**

**Director Composition:** Recognizing that the contribution of the Board shall depend not only on the character and capacities of the Directors taken individually but also on their collective strengths, the Governance Committee of the Board shall seek out possible candidates that bring experience and judgment to the Company and otherwise aid in attracting highly qualified candidates as Directors.

**Selection Criteria:** The benefit to stockholders of having independent Directors is derived from their ability, judgment, objectivity and diverse experience and background. In

considering possible candidates for election as independent Directors, including those submitted by stockholders (other than those directors appointed by the holder of the Series A Preferred Stock, if applicable), the Governance Committee and the Board shall be guided in general by the composition guidelines established above and in particular by the following:

1. Each Director should be an individual of the highest character and integrity and have an inquiring mind, experience at a strategy/policy-setting level or otherwise at a senior executive level of experience, and the ability to work well with others;

2. Each Director should have sufficient time available to devote to the affairs of the Company to carry out the responsibilities of a Director. Directors are not qualified for service on the Board unless they are able to make a commitment to prepare for, and attend, meetings of the Board and its committees on a reasonably regular basis. Each Director should strive to attend at least 75% of the meetings of the Board and each Committee on which he or she serves;

3. Each independent Director should be free of any conflict of interest that would interfere with the independence and proper performance of the responsibilities of a Director;

4. Directors should utilize his or her unique experience and background to represent and act in the best interests of all stockholders as a group; and

5. In general, Directors should have an equity ownership in the Company. Toward that end each outside Director shall be paid a portion of his or her Director compensation in Company Common Stock to the extent, and with such exceptions, as determined by the Board.

#### **Continuation of Service:**

1. At the time the Governance Committee develops its annual slate of Directors for recommendation for election or reelection it shall review and consider all factors, including individual performance, related to continuation of service for each Director; and

2. All Directors will be elected annually each year (other than those directors appointed by the holder of the Series A Preferred Stock, if applicable).

### **III. DIRECTOR COMMITTEES**

**The Nature of Committees:** The purpose of Board Committees is to help the Directors effectively and efficiently fulfill their responsibilities. The Board has established four standing Committees and may establish ad hoc committees for specific purposes from time to time.

1. **Audit/Ethics Committee:** Each member of the Audit/Ethics Committee shall be determined by the Board, with guidance from the Governance Committee, to be “independent” as independence is determined in accordance with the rules or regulations of any exchange or listing service upon which the securities of the Company are listed, the Director Independence Standards of YRC Worldwide Inc. and applicable law, considering any special rules thereunder applicable to audit committee members specifically. At least one member of the Committee shall meet the definition of “audit committee financial expert” as set forth in the Sarbanes-Oxley Act of 2002 and the rules promulgated thereunder, and should have employment experience in

finance or accounting, requisite professional certification in accounting, or other comparable experience which results in the individual's financial sophistication, including being or having been a chief executive officer, chief financial officer or other senior officer with financial oversight responsibilities. The Audit/Ethics Committee charter adopted by the Board shall govern the responsibilities and activities of the Audit/Ethics Committee.

2. **Compensation Committee:** Each member of the Compensation Committee shall be determined by the Board, with guidance from the Governance Committee, to be "independent" as independence is determined in accordance with the rules or regulations of any exchange or listing service upon which the securities of the Company are listed, the Director Independence Standards of YRC Worldwide Inc. and applicable law. The Compensation Committee charter adopted by the Board shall govern the responsibilities and activities of the Compensation Committee.

3. **Governance Committee:** Each member of the Governance Committee shall be determined by the Board, with guidance from the Governance Committee, to be "independent" as independence is determined in accordance with the rules or regulations of any exchange or listing service upon which the securities of the Company are listed, the Director Independence Standards of YRC Worldwide Inc. and applicable law. The Governance Committee charter adopted by the Board shall govern the responsibilities of and activities of the Governance Committee.

4. **Finance Committee:** At least a majority of the members of the Finance Committee shall be determined by the Board, with guidance from the Governance Committee, to be "independent" as independence is determined in accordance with the rules or regulations of any exchange or listing service upon which the securities of the Company are listed, the Director Independence Standards of YRC Worldwide Inc. and applicable law. The Finance Committee charter adopted by the Board shall govern the responsibilities of and activities of the Finance Committee.

**Ad Hoc Committees:** Ad Hoc Committees may be established from time to time by the Board with responsibility for a particular matter of business or specific issue.

#### IV. BOARD MEETINGS

**Scheduling Meetings:** The Chairman of the Board and Chief Executive Officer, in consultation with other Directors, will determine the timing and length of Board meetings.

**Agenda:** The Chairman of the Board and Chief Executive Officer, in consultation with the Secretary of the Company, shall establish the agenda for each meeting of the Board. Directors are free to suggest the inclusion of additional items. The Board will meet at least once each calendar quarter and at least five times during a year.

**Board Meeting Materials Distributed in Advance:** Information and materials shall be distributed in advance of Board meetings on a regular basis or where otherwise useful to the Directors' understanding or to facilitate discussion.

**Confidentiality:** The proceedings and deliberations of the Board and its committees and advisers are confidential. Each Board member is expected to maintain the confidentiality of all information received in connection with his or her service as a Director. In addition, the Board believes that it is Company management's responsibility to speak for the Company. If comments from the Board are appropriate, they should, in most circumstances, come from the Chairman of the Board or Chief Executive Officer. In those instances in which it is necessary for an individual Board member to speak with outside constituencies, it is expected that he or she will do so only with the knowledge of, and, absent unusual circumstances, only at the request of, the Chairman of the Board, Chief Executive Officer or the Company's General Counsel.

## **V. BOARD OVERSIGHT OF CORPORATE MANAGEMENT**

**Selection of Officers:** The Board is responsible for the selection of the Chairman of the Board and the Chief Executive Officer of the Company, as well as other elected officers, and also for the members of its Committees (subject to the rights of the holder of the Series A Preferred Stock, if applicable).

**Evaluation of Chief Executive Officer Performance and Compensation:** The Compensation Committee shall annually review and recommend for consideration by the independent members of the full Board the compensation and benefits of the Chief Executive Officer of the Company and shall annually evaluate the performance of the Chief Executive Officer based on established goals and objectives.

**Management Development and Succession Planning:** The Chief Executive Officer shall review with the Compensation Committee management development and succession planning and shall make an annual report to an executive session of the independent Directors. The Board shall annually consider such matters.

**Self-Evaluation:** The Board, with the input and guidance of the Governance Committee, shall annually conduct a self-evaluation, focusing on whether it and its Committees are functioning effectively and on any other matters that it may determine are appropriate.

**Director Education:** The Board shall develop procedures for orientation and continuing education of its members and may request representatives of any Committee to assist therewith.

**Outside Advisors:** The Board and each Committee may obtain advice from external or internal legal, accounting or other advisors. The Board and each Committee shall have the sole authority, and shall have appropriate funding from the Company, to select, retain, terminate and approve outside consultants, experts and other advisors as it deems appropriate to assist it in the performance of its responsibilities. The Board and each Committee shall have the sole authority to determine the terms of the engagement and the compensation of its advisors.

**Access to Management and Information:** Directors shall have reasonable access to management, and information therefrom, as may be necessary or appropriate for the purpose of carrying out their duties and activities with respect to the Company.

**Board Risk Oversight.** The Board has ultimate responsibility for risk oversight. While management has day-to-day responsibility for assessing and managing the Company's risk

exposure, the Board and its committees provide oversight in connection with those efforts, with particular focus on ensuring that the Company's risk management practices are adequate and regularly reviewing the most significant risks facing the Company. The Board has delegated to each of its committees responsibility for the oversight of specific risks that fall within the committee's areas of responsibility.

## **VI. RELATIONSHIPS WITH STOCKHOLDERS**

**Role:** The Directors (including the Directors elected by the holder of the Series A Preferred Stock, if applicable) serve as representatives and act on behalf of all the stockholders of the Company.

**Nominating Directors:** The stockholders are encouraged to submit recommendations for Directors to the Governance Committee in accordance with the provisions of the Company's Bylaws, and the Governance Committee will consider such recommendations using the criteria set forth herein. Recommendations for Directors may be submitted by writing to the Secretary of the Company, who shall assure that the Chairman of the Governance Committee receives this correspondence.

**Correspondence with Directors:** Stockholders who desire to communicate to the Directors with respect to their views and concerns are encouraged to do so by writing to the Secretary of the Company, who shall assure that the Chairman of the Governance Committee receives such correspondence.

**Director Attendance at Annual Meeting:** Board members are expected to attend annual meetings of the Company's stockholders in person or by telephone or other electronic means.

## ADDENDUM

### DIRECTOR INDEPENDENCE STANDARDS OF YRC WORLDWIDE INC. (Amended and Restated August 30, 2011)

No director of YRC Worldwide Inc. (the "Company") qualifies as "independent" unless the Board of Directors (the "Board") affirmatively determines that the director has no relationship with the Company that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.

The following persons shall not, in any event, be considered independent:

(A) a director who is, or at any time during the past three years was, employed by the Company or by any subsidiary of the Company;

(B) a director who accepted or who has a Family Member<sup>1</sup> who accepted any payments from the Company or any subsidiary of the Company in excess of \$120,000 during any period of twelve consecutive months within the past three years preceding the determination of independence, other than the following:

(i) compensation for Board or Board committee service;

(ii) compensation paid to a Family Member who is a non-executive employee of the Company or a subsidiary of the Company; or

(iii) benefits under a tax-qualified retirement plan, or non-discretionary compensation;

(C) a director who is a Family Member of an individual who is, or at any time during the past three years was, employed by the Company or by any subsidiary of the Company as an executive officer;

(D) a director who is, or has a Family Member who is, a partner in, or a controlling shareholder or an executive officer of, any organization to which the Company, or any subsidiary of the Company, made, or from which the Company, or any subsidiary of the Company, received, payments for property or services in the current or any of the past three fiscal years that exceeded 5% of the recipient's consolidated gross revenues for that year, or \$200,000, whichever is more, other than the following:

(i) payments arising solely from investments in the Company's securities; or

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<sup>1</sup> "Family Member" means a person's spouse, parents, children and siblings, whether by blood, marriage or adoption (including a person's mother-in-law, father-in-law, brother-in-law, sister-in-law, son-in-law and daughter-in-law), or anyone residing in such person's home.

(ii) payments under non-discretionary charitable contribution matching programs.

(E) a director of the Company who is, or has a Family Member who is, employed as an executive officer of another entity where at any time during the past three years any of the executive officers of the Company served on the compensation committee of such other entity; or

(F) a director who is, or has a Family Member who is, a current partner of the Company's outside auditor, or was a partner or employee of the Company's outside auditor who worked on the Company's audit at any time during any of the past three years.

Note: A director who is a member of the Audit/Ethics Committee must meet, in addition to the foregoing, the stringent requirements that apply to directors serving on audit committees, as specified in the rules or regulations of any exchange or listing service upon which the securities of the Company are listed and the Securities Exchange Act of 1934, as amended, and the rules promulgated thereunder, including Rule 10a-3.