

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT
ACT*,**

R.S.C. 1985, c. C-36, AS AMENDED

**AND IN THE MATTER OF YRC FREIGHT CANADA COMPANY, YRC
LOGISTICS INC., USF HOLLAND INTERNATIONAL SALES
CORPORATION AND 1105481 ONTARIO INC.**

**APPLICATION OF YELLOW CORPORATION UNDER SECTION 46 OF
THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-
36, AS AMENDED**

**SECOND REPORT OF THE INFORMATION OFFICER
ALVAREZ & MARSAL CANADA INC.**

November 6, 2023

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1.0 INTRODUCTION

- 1.1 On August 6, 2023 (the “**Petition Date**”), Yellow Corporation (“**Yellow Parent**”) and certain of its subsidiaries and affiliates (collectively, the “**Debtors**”) commenced cases in the United States Bankruptcy Court for the District of Delaware (the “**U.S. Bankruptcy Court**”) by filing voluntary petitions for relief under Chapter 11 of Title 11 of the United States Code (the “**Chapter 11 Cases**”).
- 1.2 The purpose of the Chapter 11 Cases is to facilitate an orderly wind-down of the Debtors’ operations and the liquidation of their assets, including the assets of their Canadian subsidiaries, YRC Freight Canada Company (“**YRC Freight Canada**”), YRC Logistics Inc. (“**YRC Logistics**”), USF Holland International Sales Corporation (“**USF**”) and 1105481 Ontario Inc. (“**1105481**”) (collectively, the “**Canadian Debtors**”). Each of the Canadian Debtors are also Debtors in the Chapter 11 Cases.
- 1.3 On August 8, 2023, upon the application of the Yellow Parent in its capacity as the proposed foreign representative in the Chapter 11 Cases (the “**Foreign Representative**”), the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) granted an order pursuant to Part IV of the *Companies’ Creditors Arrangement Act* (the “**CCAA**”) and Section 106 of the *Courts of Justice Act*, providing for an interim stay of proceedings in respect of the Canadian Debtors and the Yellow Parent, and their respective directors and officers, in Canada.

- 1.4 The proceedings commenced by the Yellow Parent under the CCAA are referred to herein as the “**CCAA Recognition Proceedings**”, and together with the Chapter 11 Cases, the “**Restructuring Proceedings**”.
- 1.5 On August 9, 2023, the U.S. Bankruptcy Court granted certain orders (the “**First Day Orders**”), including the Foreign Representative Order authorizing Yellow Parent to act as the Foreign Representative of the Debtors. Following the First Day Hearing, the U.S. Bankruptcy Court also granted certain additional interim orders.¹
- 1.6 On August 29, 2023, this Court made two orders (the “**Initial Recognition Order**” and the “**Supplemental Order**”) that, among other things: (a) recognized the Chapter 11 Cases as a “foreign main proceeding” under the CCAA; (b) recognized Yellow Parent as the “foreign representative” of the Canadian Debtors; (c) stayed all proceedings in respect of the Canadian Debtors and the Yellow Parent, and their respective directors and officers, in Canada; (d) appointed Alvarez & Marsal Canada Inc. (“**A&M Canada**”) as the information officer (the “**Information Officer**”); (e) recognized and gave effect in Canada to certain of the First Day Orders and second interim orders issued by the U.S. Bankruptcy Court; and (f) granted the Administration Charge, the D&O Charge, and the DIP Charge (each as defined in the Supplemental Order).

¹ Copies of orders granted in the Chapter 11 Cases and other documents related to such proceedings are available at the website maintained by Epiq: <https://dm.epiq11.com/case/yellowcorporation>.

- 1.7 On September 29, 2023, this Court granted an order (the “**Second Supplemental Order**”) that, among other things: (a) recognized and gave effect in Canada to certain final First Day Orders including the Final DIP Order (as defined in the Second Supplemental Order); and (b) recognized and gave effect in Canada to certain additional orders such as the Bidding Procedures Order, the Omnibus Rejection Order, the Bar Date Order and the Real Estate Stalking Horse APA Order (each as defined in the Second Supplemental Order).
- 1.8 A&M Canada, in its capacity as Information Officer, provided to this Court its First Report of the Information Officer dated September 27, 2023 (the “**First Report**”). A&M Canada has also, in its capacity as Proposed Information Officer, filed with this Court a report dated August 25, 2023 (the “**Report of the Proposed Information Officer**”), and together with the First Report, the “**Prior Reports**”). The Prior Reports and other Court-filed documents, orders and notices in these proceedings are available on the Information Officer’s case website at: www.alvarezandmarsal.com/YRCFreightCanada (the “**Case Website**”).
- 1.9 A copy of each of the Report of the Proposed Information Officer and the First Report (each without Appendices) are attached hereto as **Appendices “A”** and “**B**”, respectively.

2.0 TERMS OF REFERENCE AND DISCLAIMER

- 2.1 In preparing this report (the “**Second Report**”), the Information Officer has relied solely on information and documents provided by the Foreign Representative and other Debtors, as well as their Canadian legal counsel, their US financial advisors, and publicly available documents filed with the U.S. Bankruptcy Court (collectively the “**Information**”). Except as otherwise described in this Second Report:

- (a) the Information Officer has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Information Officer has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Canadian Auditing Standards (“CASs”) pursuant to the *Chartered Professional Accountants of Canada Handbook* (the “**Handbook**”) and accordingly, the Information Officer expresses no opinion or other form of assurance contemplated under CASs in respect of the Information; and
- (b) some of the information referred to in this Second Report consists of forecasts and projections. An examination or review of the financial forecasts and projections, as outlined in the Handbook, has not been performed.

2.2 This Second Report should be read in conjunction with the Affidavit of Brennan Caldwell sworn on November 2, 2023 (the “**Caldwell Affidavit**”). Capitalized terms used but not defined herein shall have the meanings ascribed to them in the in the Caldwell Affidavit or the Affidavit of Matthew A. Doheny sworn September 22, 2023 (attached thereto, without exhibits, as Exhibit “D”), as applicable.

2.3 Unless otherwise stated, all monetary amounts contained herein are expressed in United States dollars.

3.0 PURPOSE OF THIS REPORT

3.1 The purpose of this Second Report is to provide this Court with:

- (a) information regarding the Foreign Representative's motion for an order (the "**Third Supplemental Order**") recognizing and giving effect in Canada by this Court pursuant to the CCAA, the Rolling Stock Sale Order (as defined below) and granting certain related relief; and
- (b) a summary of the activities of the Information Officer since the date of its appointment.

4.0 ORDER FOR WHICH RECOGNITION IS BEING SOUGHT

- 4.1 In connection with a hearing before the U.S. Bankruptcy Court on October 27, 2023, the Debtors sought and obtained an order approving: (a) the agency agreement (the "**Agency Agreement**") with Nations Capital LLC, Richie Bros. Auctioneers (America) Inc., IronPlanet, Inc., Ritchie Bros. Auctioneers (Canada) Ltd., and IronPlanet Canada Ltd. (collectively the "**Agent**") as auctioneer, broker, and exclusive marketing agent of the Rolling Stock Assets (as defined in the Agency Agreement) and for related services to be provided by the Agent relating to the Rolling Stock Assets; (b) authorizing the sale by the Agent (on behalf of the Debtors) of the Rolling Stock Assets free and clear of any liens, claims, interests and encumbrances; and (c) granting related relief (collectively, the "**Rolling Stock Sale Order**"). Although there were objections from the Office of the United States Trustee with respect to conflict disclosures to be made by the Agent, the U.S. Bankruptcy Court granted the Rolling Stock Sale Order.
- 4.2 Pursuant to the Agency Agreement, the Agent will ready the Debtors' Rolling Stock Assets for sale and disposition through private treaty, online, webcast, or unreserved public

auctions to maximize the value of the Rolling Stock Assets. These marketing and sale strategies are subject to the consent of the Debtors and in consultation with the Consultation Parties (as defined in the Bidding Procedures Order) including, in certain circumstances, the Information Officer for the sale of the Canadian Rolling Stock Assets.²

4.3 A copy of the Agency Agreement without exhibits is attached as Exhibit A to the Rolling Stock Sale Order, which is attached hereto as **Appendix “C”**. Key terms and components of the Agency Agreement are summarized below:

Summary of Key Terms of Agency Agreement ³	
Agent’s Services	<ul style="list-style-type: none"> • Develop an advertising, removal, transportation, storage, disposition, and marketing plan (the “Disposition Plan”) within 45 days of the entry of the Rolling Stock Sale Order in consultation with Consultation Parties • Implement the Disposition Plan and provide the Debtors and Consultation Parties with weekly updates • Prepare for the sale of the Rolling Stock Assets, including gathering specifications and photographs, arranging, and refurbishing the Rolling Stock Assets in order to enhance the net recovery • Provide fully qualified and experienced personnel who will advertise, market, prepare for sale and sell the Rolling Stock Assets and promptly account for the proceeds thereof • Provide additional staffing to handle all auction related accounting tasks • Organize, oversee, staff, and facilitate all aspects of the removal of Rolling Stock Assets from the Company Properties within 6 months of entry of Rolling Stock Sale Order (which date may be extended) either by on-site sale and removal by buyer or removal and transportation by the Agent • Recommend and manage refurbishment of certain of the Rolling Stock Assets to prepare for sales, in each case where value maximizing • Sell the Rolling Stock Assets for cash or other immediately available funds at live, internet or internet-assisted auctions or by private treaty to the highest bidder on an ‘as is, where is’ basis

² Pursuant to the Rolling Stock Sale Order, “Canadian Rolling Stock Assets” shall mean Rolling Stock Assets located in Canada and/or owned by YRC Freight Canada Company, YRC Logistics Inc., USF Holland International Sales Corporation, and/or 1105481 Ontario Inc.

³ Capitalized terms used and not defined herein have the meanings given to them in the Agency Agreement.

Summary of Key Terms of Agency Agreement ³																					
	<ul style="list-style-type: none">• Charge and collect on behalf of Debtors from all purchasers any purchase price together with all applicable taxes and manage and administer the processing of all Debtors’ certificates of title associated with Rolling Stock Assets• Assist the Debtors as necessary to obtain all required approvals and authorizations from the Bankruptcy Court or the Canadian Court with respect to any sale of Rolling Stock Assets• Work with the Debtors to prepare reports, statements, affidavits, or similar documents required under the Bankruptcy Rules or any applicable local rule (including as part of the Canadian Recognition Procedures)• Collect Gross Proceeds generated by sale of the Rolling Stock Assets and account and remit net proceeds (Gross Proceeds less any amounts due to the Agent) to the Debtors by transferring the Net Proceeds to an account as directed by the Debtors on the schedule set out in the Agency Agreement• If required and requested by Debtors, procure, and provide insurance coverage on the Debtors’ behalf at rates lower than rates paid by Debtors• Submit to Debtors and its advisors bi-weekly sales report and a final and complete report 14 days after the term																				
Term	<ul style="list-style-type: none">• Eighteen (18) months following the Effective Date																				
Sale Format	<ul style="list-style-type: none">• Agent shall market and sell the Rolling Stock Assets during the Term substantially consistent with the Disposition Plan																				
Compensation & Fees	<ul style="list-style-type: none">• Rolling Stock Services Fee shall be a percentage of the Gross Proceeds collected and payable on sales of owned Rolling Stock Assets calculated pursuant to the table below:<table><tr><th>Tier</th><th>Start</th><th>End</th><th>Fee</th></tr><tr><td>1</td><td>\$0</td><td>\$475,000,000</td><td>9.25%</td></tr><tr><td>2</td><td>\$475,000,001</td><td>\$600,000,000</td><td>10.0%</td></tr><tr><td>3</td><td>\$600,000,001</td><td>\$800,000,000</td><td>12.5%</td></tr><tr><td>4</td><td>\$800,000,001</td><td>Above \$800,000,001</td><td>15.5%</td></tr></table>• With respect to Rolling Stock Assets that are missing or in unsaleable condition, the Gross Proceeds ranges will be adjusted downward based on the orderly liquidation values provided to and accepted by the Agent• The Debtors will share with the Agent a list of potential buyers who have expressed an interest in purchasing a sub-set of the Rolling Stock Assets. The Agent and the Debtors (in consultation with the Consultation Parties, to the extent required under the Bidding Procedures Order) will assess these expressions of interest and determine whether or not to negotiate and execute any such sales. In the event that binding transaction documentation for any such sales is executed within 60 days of the entry of the Rolling Stock Sale Order (such sales, “Strategic Bulk Sales”), the Agent will reduce its commission rate to 5.0% for those applicable Rolling Stock Assets sold pursuant to Strategic Bulk Sales.	Tier	Start	End	Fee	1	\$0	\$475,000,000	9.25%	2	\$475,000,001	\$600,000,000	10.0%	3	\$600,000,001	\$800,000,000	12.5%	4	\$800,000,001	Above \$800,000,001	15.5%
Tier	Start	End	Fee																		
1	\$0	\$475,000,000	9.25%																		
2	\$475,000,001	\$600,000,000	10.0%																		
3	\$600,000,001	\$800,000,000	12.5%																		
4	\$800,000,001	Above \$800,000,001	15.5%																		

Summary of Key Terms of Agency Agreement ³	
Expenses	<ul style="list-style-type: none"> • Agent shall advance (up to the agreed Rolling Stock Services Expenses budget) and shall be entitled to reimbursement by the Debtors for all expenses on a cost basis, regardless of whether any Rolling Stock Assets are sold, and which expenses shall be recovered from collected Gross Proceeds of sale. Expenses shall mean commercially reasonable and documented out-of-pocket expenses • If the total budgeted amounts of Rolling Stock Services Expenses (excluding title transfer fees) and Transportation Fees exceeds \$38.4 million, each of the Gross Proceeds ranges shown above will be adjusted upward by the dollar amount that the total budgeted amounts exceed \$38.4 million
Indemnification	<ul style="list-style-type: none"> • Rolling Stock Assets will be sold as is and where is, without representation or warranty of any nature of kind whatsoever, and the Debtors do not make any representations or warranties with respect to the Rolling Stock Assets except for specifically stated under Section VI of the Agency Agreement • Debtors will indemnify the Agent in connection with the representation and warranties, its performance under the Agency Agreement, the Debtors' failure to pay personal property taxes, fraud, negligence, gross negligence (or omissions) or willful misconduct of Debtors, their officers, directors, employees, agents or representatives. Debtors agree to indemnify Agent from any and all claims of any kind arising from any misrepresentations concerning the Rolling Stock Assets made by Debtors to Agent • Agent will indemnify Company Indemnified Parties from claims related to the Agent's breach of the representations and warranties; its performance under the Agency Agreement; the fraud, negligence, gross negligence (including omissions) or willful misconduct of Agent, its officers, directors, employees, agents, Third Parties, affiliates, contractors or representatives; or any liability asserted by Agent's consultants, members, employees, representatives, affiliates, contractors and principals (excluding Company Indemnified Parties) against a Company Indemnified Party arising out of or related to Agent's conduct of the sale of the Rolling Stock Assets, except claims arising from the Debtors' gross negligence, willful misconduct or unlawful behavior

4.4 The Information Officer understands that the Debtors determined to pursue sales of the Rolling Stock Assets under the Agency Agreement rather than as originally intended by the Debtors in the Bidding Procedures Order for the following reasons: (a) the Agent possesses market-leading expertise, experience and relationships for marketing and selling the Rolling Stock Assets in a value maximizing manner; (b) the Agent has the ability (including manpower and storage space) to remove the Rolling Stock Assets from the

Debtors' real property on the timelines requested by the Debtors, which is anticipated to provide an economic benefit to the Debtors' estate; (c) the Agent will reasonably refurbish the Rolling Stock Assets, if needed, to best position them for value-maximizing sales; (d) the Agent will execute the sales as promptly as commercially practicable, including by "clearing" the Debtors' real property of the Rolling Stock Assets within six months' following entry of the Rolling Stock Sale Order (a capability the Debtors currently lack) which will allow for rent savings and ability for purchasers of the real property to enter and utilize the premises which should maximize the value of those asset sales; and (e) the key stakeholders in the Chapter 11 Cases support the process described in the Agency Agreement.

4.5 The Rolling Stock Sale Order provides that all liens, claims, encumbrances, and interests of which the Rolling Stock Assets are sold free and clear pursuant to the Agency Agreement and the Rolling Stock Sale Order shall attach to the Net Proceeds of the applicable sale in the order of priority of such liens, claims, encumbrances, and interests, with the same validity, force, and effect which they had against the applicable Rolling Stock Asset(s) prior to the entry of the Rolling Stock Sale Order. In addition, upon the sale of any Canadian Rolling Stock Assets, the Rolling Stock Sale Order requires the Debtors to provide a statement to the Information Officer that indicates the relative lien priorities of each secured party on each Canadian Rolling Stock Asset sold and the Net Proceeds attributable to the sale of each Canadian Rolling Stock Asset.

4.6 The Information Officer further understands that the Rolling Stock Sale Order provides for the distribution of the Net Proceeds (as defined therein) of sales of Rolling Stock Assets in

accordance with the order of priorities of liens on the Rolling Stock Assets existing prior to the entry of the Rolling Stock Sale Order. The Foreign Representative has confirmed that the distributions of Net Proceeds to be made under the Rolling Stock Sale Order will be made in accordance with such existing order(s) of lien priority and, with respect to Canadian Rolling Stock Assets, subject to the entry of the Third Supplemental Order. Accordingly, the Foreign Representative expects that Canadian lienholders holding valid and existing liens on the Rolling Stock Assets which rank senior to the liens on Rolling Stock Assets held by the Prepetition Secured Parties, the Prepetition UST Secured Parties, and the DIP Secured Parties (each as defined in the Final DIP Order) will receive payment priority (as and to the extent applicable) vis-à-vis such parties with respect to the distribution of Net Proceeds.

- 4.7 As noted in the Pre-Filing Report, the Information Officer requested that its independent counsel conduct a review of the security granted to the prepetition secured lenders. The reports and opinions note that registrations under, among other acts, *the Repair and Storage Lien Act*, may have priority over the security granted to the prepetition secured lenders.
- 4.8 The Information Officer understands that the Foreign Representative, through its counsel, has served its motion record in respect of the recognition of the Rolling Stock Sale Order on all parties with registrations in the Canadian personal property registries based on the searches of the relevant provincial personal property registries performed by the Foreign Representative's counsel.

4.9 The Foreign Representative is seeking recognition by this Court of the Rolling Stock Sale Order. The Information Officer considered the following in assessing the reasonableness of the Rolling Stock Sale Order:

- (a) in the Information Officer's view, the Agent has extensive experience and expertise and marketing and selling the Rolling Stock Assets including in Canada;
- (b) the Agent was selected by the Debtors, with the assistance of their advisors and in consultation with the Consultation Parties (as defined in the Bidding Procedures Order);
- (c) the Agency Agreement is anticipated to provide for the best realization of the Rolling Stock Assets;
- (d) the Information Officer has been advised by Ducera Partners LLC ("**Ducera**"), investment banker to the Debtors, that the fees provided for in the Agency Agreement are relatively consistent with the proposed fees of other bidders in the process and with Ducera's prior experience with businesses in the transportation and logistics sector;
- (e) the fees under the Agency Agreement have been approved by the US Bankruptcy Court and, under the circumstances, are reasonable and appropriate when taking into account the size and complexity of the Rolling Stock Sales;
- (f) the Agency Agreement considers the interests of all stakeholders and encompasses the assets of the Canadian Debtors, and the Information Officer will be kept

apprised of the sale of Canadian assets and any modifications the Agency Agreement with respect to Canadian assets; and

- (g) the Information Officer does not believe the creditors of the Canadian Debtors would be materially prejudiced by the Agency Agreement and believes that creditors of the Canadian Debtors will benefit from the Agency Agreement, which as noted above, is expected to provide the best available realization for the Rolling Stock Assets, including the Canadian Rolling Stock Assets.

4.10 Based on the foregoing, the Information Officer believes the Rolling Stock Sale Order is fair and reasonable and recommends that this Court recognize the Rolling Stock Sale Order.

5.0 UPDATE ON THE CANADIAN DEBTORS

5.1 Since the granting of the Second Supplemental Order, the Canadian Debtors, with the assistance of their advisors have continued to advance an orderly wind-down of their business.

5.2 YRC Freight Canada continues to work towards exiting its 11 leased locations and wind-down operations at its three owned locations. Since the granting of the Second Supplemental Order, no further leased locations have been exited as part of the Canadian Debtors' wind-down efforts.

- 5.3 The Debtors have now cleared all remaining shipments in Canada and either have or are in the process of disposing of certain redundant or non-material assets pursuant to the orders recognized in the Second Supplemental Order.
- 5.4 The Bar Date Order, as recognized and made enforceable in Canada pursuant to the the Second Supplemental Order, established November 13, 2023 at 11:59 p.m. (ET) as the General Bar Date for claims against the Debtors, including the Canadian Debtors. The Information Officer will provide an update to the Court regarding claims filed against the Canadian Debtors in due course following the General Bar Date.
- 5.5 As discussed in the Report of the Proposed Information Officer, all of YRC Freight Canada's unionized employees were placed on lay-off prior to the Petition Date and all but approximately 65 non-unionized employees remained to assist with wind-down matters.
- 5.6 Since the First Report, approximately 47 of the remaining non-unionized Canadian employees have been terminated or have received notice of termination. At this time, approximately 18 employees continue to be employed by the Canadian Debtors to assist with further remaining wind-down efforts in Canada.
- 5.7 As described in the Prior Reports, pursuant to the Final DIP Order, the Debtors are not permitted to make payments in respect of accrued vacation obligations on account of employees terminated prior to the Petition Date until all of the Debtors' secured funded debt obligations (including the pre-filing secured debt obligations) have been fully repaid in cash. In Canada, the accrued vacation obligations on account of employees terminated or laid off prior to the Petition Date totaled approximately CAD\$2.45 million. The

Information Officer understands that such amounts were specifically contemplated when calculating the D&O Charge granted in the Supplemental Order.

5.8 The Information Officer understands that legal counsel to Teamsters Local Union 938, Teamsters Local Union No. 879, General Teamsters Local Union No. 979, Teamsters Local Union No. 362, and Unifor Canada and its Local 4209 (the “**Unions**”) representing the employees and former employees of the Canadian Debtors expressed concerns with respect to the foregoing restrictions, including whether such restrictions are consistent with the CCAA. At the hearing for the Second Supplemental Order, counsel to the Foreign Representative advised the Court that the Debtors and the Unions agreed to a reservation of rights by the Unions with respect to unpaid prepetition vacation pay.

5.9 The Canadian Debtors have proposed a form of Third Supplemental Order that provides for a holdback from the Net Proceeds of Canadian Rolling Stock Assets in an amount equal to the Administration Charge (CAD\$700,000) and the D&O Charge (CAD\$3,500,000) which will ensure that funds in excess of CAD\$2.45 million are held in Canada in cash, pending a further order of the Court.

6.0 ACTIVITIES OF THE INFORMATION OFFICER

6.1 The activities of the Information Officer since the First Report have included:

- (a) updating the Case Website with the orders granted in the CCAA Recognition Proceedings and other relevant motion materials and reports;
- (b) monitoring the Epiq website for activity in the Chapter 11 Cases;

- (c) responding to stakeholder inquiries regarding the Restructuring Proceedings;
- (d) discussions with Debtors' Canadian legal counsel and advisors, including A&M U.S., regarding matters relevant to the Chapter 11 Cases;
- (e) providing such assistance to the Foreign Representative in the performance of its duties as the Foreign Representative may reasonably request;
- (f) reviewing and commenting on the Debtors' draft motions and orders in the Chapter 11 Cases; and
- (g) preparing this Second Report and reviewing draft materials of the Foreign Representative in connection with the CCAA Recognition Proceedings.

7.0 RECOMMENDATIONS


- 7.1 The Information Officer understands that the recognition of the Rolling Stock Sale Order and the other relief sought in the Third Supplemental Order are necessary to advance the Restructuring Proceedings, including the Debtors' efforts to maximize the value of their estate via the wind-down and liquidation of their assets.
- 7.2 The Information Officer and its legal counsel have reviewed the Rolling Stock Sale Order and believe that the recognition of the Rolling Stock Sale Order is reasonable and appropriate in the circumstances. Based on the foregoing, the Information Officer respectfully recommends that this Court grant the relief requested by the Foreign Representative.

All of which is respectfully submitted to the Court this 6th day of November, 2023

**ALVAREZ & MARSAL CANADA INC.,
Information Officer of the Canadian Debtors
and not in its personal or corporate capacity**

Per: 

Alan J. Hutchens
Senior Vice-President

Per: 

Josh Nevsky
Senior Vice-President

APPENDIX A

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF YRC FREIGHT CANADA COMPANY, YRC LOGISTICS
INC., USE HOLLAND INTERNATIONAL SALES CORPORATION AND 1105481
ONTARIO INC.**

**APPLICATION OF YELLOW CORPORATION UNDER SECTION 46 OF THE
COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS
AMENDED**

**REPORT OF THE PROPOSED INFORMATION OFFICER
ALVAREZ & MARSAL CANADA INC.**

AUGUST 25, 2023

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APPENDICES

Appendix “A” – Summary of DIP Facilities

1.0 INTRODUCTION

- 1.1 On August 6, 2023 (the “**Petition Date**”), Yellow Corporation (“**Yellow Parent**”) and certain of its subsidiaries and affiliates (collectively, the “**Debtors**”) commenced cases in the United States Bankruptcy Court for the District of Delaware (the “**U.S. Bankruptcy Court**”) by filing voluntary petitions for relief under Chapter 11 of Title 11 of the United States Code (the “**Chapter 11 Cases**”).
- 1.2 The purpose of the Chapter 11 Cases is to facilitate an orderly wind-down of the Debtors’ operations and the liquidation of their assets, including their Canadian subsidiaries, YRC Freight Canada Company (“**YRC Freight Canada**”), YRC Logistics Inc. (“**YRC Logistics**”), USF Holland International Sales Corporation (“**USF**”) and 1105481 Ontario Inc. (“**1105481**”) (collectively, the “**Canadian Debtors**”). Each of the Canadian Debtors are also Debtors in the Chapter 11 Cases.
- 1.3 On August 8, 2023, upon the application of Yellow Parent in its capacity as the proposed foreign representative in respect of the Chapter 11 Cases (the “**Foreign Representative**”), the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) granted an order (the “**Interim Stay Order**”) pursuant to Part IV of the *Companies’ Creditors Arrangement Act* (the “**CCAA**”) and Section 106 of the *Courts of Justice Act*, providing for an interim stay of proceedings in respect of the Canadian Debtors and Yellow Parent, and their respective directors and officers, in Canada.

- 1.4 The proceedings commenced by Yellow Parent under the CCAA are referred to herein as the “**CCAA Recognition Proceedings**”, and together with the Chapter 11 Cases, the “**Restructuring Proceedings**”. Other than the Chapter 11 Cases and these CCAA Recognition Proceedings, there are currently no other foreign proceedings in respect of the Debtors.
- 1.5 On August 9, 2023, following a hearing in respect of the first day motions filed by the Debtors (the “**First Day Hearing**”), the U.S. Bankruptcy Court granted certain orders (the “**First Day Orders**”), including the Foreign Representative Order authorizing Yellow Parent to act as the Foreign Representative of the Debtors. Following the First Day Hearing, the U.S. Bankruptcy Court also granted certain additional interim orders, including the Interim DIP and Cash Collateral Order (as discussed below) (collectively with the First Day Orders, the “**U.S. Orders**”).¹
- 1.6 The purpose of this Report of the Proposed Information Officer (the “**Pre-Filing Report**”) is to provide this Court with background information with respect to the Debtors and the Restructuring Proceedings, and to assist the Court in considering the Foreign Representative’s request for the following relief:

¹ Copies of each of the Chapter 11 Orders and other documents related to the Chapter 11 Cases are available at the website maintained by Epiq: <https://dm.epiq11.com/case/yellowcorporation>.

- (a) an order, among other things, recognizing the Chapter 11 Cases as “foreign main proceedings” in respect of the Canadian Debtors (the “**Initial Recognition Order**”); and
- (b) an order, among other things: (i) recognizing certain of the U.S. Orders entered in the Chapter 11 Cases; (ii) granting a stay of proceedings in respect of the Canadian Debtors and the Yellow Parent, and their respective directors and officers, in Canada; (iii) appointing Alvarez & Marsal Canada Inc. (“**A&M Canada**”) as information officer in respect of these proceedings (in such capacity, the “**Information Officer**”); and (iii) granting the Administration Charge, the D&O Charge and the DIP Charge (each as defined below) (the “**Supplemental Order**”).

2.0 TERMS OF REFERENCE AND DISCLAIMER

2.1 In preparing this Pre-Filing Report, A&M Canada has relied solely on information and documents provided by the Foreign Representative and other Debtors, as well as their Canadian legal counsel and publicly available documents filed with the U.S. Bankruptcy Court (collectively the “**Information**”). Except as otherwise described in this Pre-Filing Report:

- (a) the Proposed Information Officer has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Proposed Information Officer has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Canadian Auditing Standards (“**CASs**”) pursuant to the

Chartered Professional Accountants of Canada Handbook (the “**Handbook**”) and accordingly, the Proposed Information Officer expresses no opinion or other form of assurance contemplated under CASs in respect of the Information; and

- (b) some of the information referred to in this Pre-Filing Report consists of forecasts and projections. An examination or review of the financial forecasts and projections, as outlined in the Handbook, has not been performed.

2.2 Future-oriented financial information referred to in this Pre-Filing Report was prepared based on estimates and assumptions made by Yellow Parent’s management. Readers are cautioned that, since projections are based upon assumptions about future events and conditions that are not ascertainable, the actual results will vary from the projections, and the variations could be significant.

2.3 This Pre-Filing Report should be read in conjunction with the initial Affidavit of Matthew A. Doheny, sworn on August 7, 2023 (the “**Initial Doheny Affidavit**”), and the Affidavit of Matthew A. Doheny, sworn on August 24, 2023 (the “**Second Doheny Affidavit**”). Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Initial Doheny Affidavit or the Second Doheny Affidavit, as applicable.

2.4 Unless otherwise stated, all monetary amounts contained herein are expressed in United States dollars.

3.0 A&M’S QUALIFICATIONS TO ACT AS INFORMATION OFFICER

- 3.1 Alvarez & Marsal North America, LLC (“**A&M US**”) was engaged to act as consultant to Yellow Parent and its subsidiaries in July 2023. A&M US’s activities have included assisting Yellow Parent with financial planning and analysis, preparation of cash flow forecasts, and assisting with contingency and restructuring planning, including with respect to the commencement of the Chapter 11 Cases.
- 3.2 A&M Canada and A&M US are related to Alvarez & Marsal Holdings, LLC. Alvarez & Marsal Holdings, LLC is an independent international professional services firm, providing, among other things, bankruptcy, insolvency and restructuring services. A&M Canada became involved with Yellow Parent as it became clearer that CCAA Recognition Proceedings would be necessary. The personnel of A&M Canada had not previously been involved in the activities of A&M US in respect of its engagement by Yellow Parent.
- 3.3 Through its recent engagement, the Proposed Information Officer has become familiar with the business and operations of the Canadian Debtors, and the key issues and stakeholders in the CCAA Recognition Proceedings. This familiarity will enhance the efficiency of the CCAA Recognition Proceedings.
- 3.4 A&M Canada is a trustee within the meaning of section 2 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, and has significant experience in connection with proceedings under the CCAA, including acting as Information Officer in recognition proceedings of Sungard Availability Services, Knotel Canada, Brooks Brothers Canada,

Pier 1 Imports, Jack Cooper Ventures, Payless Shoes, Modular Space Holdings, LightSquared, Durabla Canada and others.

- 3.5 The senior A&M Canada professional personnel with carriage of this matter include experienced insolvency and restructuring practitioners who are Chartered Professional Accountants, Chartered Insolvency and Restructuring Professionals and Licensed Insolvency Trustees, who have acted in cross-border restructurings and CCAA matters of a similar nature in Canada.
- 3.6 The Proposed Information Officer has retained Cassels Brock & Blackwell LLP (“**Cassels**”) to act as its independent legal counsel.
- 3.7 A&M Canada has consented to act as Information Officer should this Court approve the requested Initial Recognition Order and the Supplemental Order. A copy of the consent is attached as Tab 4 to the Yellow Parent’s Application Record.

4.0 BACKGROUND

Company Overview

- 4.1 The Debtors, including the Canadian Debtors, are part of a 100-year-old trucking and logistics company (the “**Company**”), with one of the largest less-than-truckload (“**LTL**”) networks in North America that provided customers with regional, national and international shipping and LTL services. In 2022, the Company transported approximately 14.2 million shipments, for approximately 250,000 customers and generated more than \$5.2 billion in operating revenue.

- 4.2 Prior to the Petition Date, the Company employed nearly 30,000 people, of which approximately two thirds are members of the International Brotherhood of Teamsters, primarily comprised of drivers and dock, maintenance and clerical workers.
- 4.3 The Canadian Debtors were a relatively small part of the broader integrated corporate group. For the year ended December 31, 2022, the Canadian Debtors represented approximately 2% of the Company's consolidated revenue and approximately 2% of its workforce.
- 4.4 Prior to the commencement of the Chapter 11 Cases, the Canadian Debtors had 584 employees (563 full-time and 21 part-time), approximately 420 of which are unionized. In the days leading to the Chapter 11 Cases, the Debtors either terminated or placed on lay-off the majority of its workforce. In Canada, all of the unionized employees were placed on lay-off and all but approximately 65 non-unionized employees were terminated. Prior to the Petition Date, the Debtors paid approximately CAD\$4 million in respect of severance and statutory termination pay to the former Canadian employees.
- 4.5 The Canadian Debtors own three transportation service centres, two in Ontario and one in Quebec, and lease 13 additional transportation service centres in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario and Quebec. The Canadian Debtors' other assets consist primarily of cash, accounts receivable, operating leases, equipment and certain intercompany balances as between other Debtors. A summary balance sheet for the Canadian Debtors is attached to the Second Doheny Affidavit as Exhibit I.

4.6 Based on the Canadian Debtors' books and records, on or around the Petition Date, approximately CAD\$3.5 million was payable to unsecured trade creditors, primarily comprised of: (a) approximately CAD\$2.5 million payable to vendors, including parts suppliers, mechanics, landlords, logistics and service providers, and others; and (b) approximately CAD\$1.0 million payable to third-party owner/operators performing shipments on behalf of the Canadian Debtors.

4.7 A detailed discussion of the Debtors' business, including the events leading up to the Restructuring Proceedings, is provided in the Initial Doheny Affidavit.

Secured Credit Facilities

4.8 As of the Petition Date, the Debtors owed approximately \$1.2 billion in aggregate outstanding secured debt as summarized below. The Canadian Debtors have guaranteed the obligations under each of the facilities.

Facility	Approximate Outstanding Principal Amount
B-2 Term Loan Facility	\$485.3 million
UST Tranche A	\$337.0 million
UST Tranche B	\$400.0 million
ABL Facility	\$0.9 million
Total	\$1,223.2 million

4.9 Each of the Credit Facilities (as defined below) is described in detail in the Initial Doheny Affidavit. Key terms and components of the facilities include the following:

Yellow's Prepetition Secured Credit Facilities	
B-2 Term Loan Facility	
Borrower	<ul style="list-style-type: none"> Yellow Parent
Lender/Agent	<ul style="list-style-type: none"> Alter Domus, as administrative agent and collateral agent. Apollo Global Management, LLC, as lead lender. As described below, Citadel Credit Master Fund LLC has acquired this position.
Principal Outstanding	<ul style="list-style-type: none"> \$485.3 million
Security & Guarantors	<ul style="list-style-type: none"> Perfected first-priority security interest in certain assets of the Company, including, but not limited to, all of the Company's wholly owned terminals and tractors and trailers (other than those certain tractors and trailers funded by the UST Tranche B loan, subject to limited exceptions). The Canadian Debtors are guarantors of and have granted security in respect of the B-2 Term Loan agreements.
UST Tranche A & UST Tranche B	
Borrower	<ul style="list-style-type: none"> Yellow Parent
Lender/Agent	<ul style="list-style-type: none"> United States Treasury The Bank of New York Mellon, as administrative agent and collateral agent.
Principal Outstanding	<ul style="list-style-type: none"> UST Tranche A: \$337.0 million UST Tranche B: \$400.0 million
Security & Guarantors	<ul style="list-style-type: none"> The obligations under the UST Tranche A and UST Tranche B agreement are secured by: (a) perfected first-priority security interest in the controlled escrow or accounts supporting the respective UST Credit Facility; (b) a perfected junior priority security interest in substantially all other assets of the Company and guarantors; and (c) solely in the case of the UST Tranche B credit agreement, a perfected first priority interest in certain tractors and trailers that were funded with the proceeds of the UST Tranche B facility. The Canadian Debtors are guarantors of and have granted security in respect of the UST Tranche A and UST Tranche B obligations.
ABL Facility	
Borrowers	<ul style="list-style-type: none"> Yellow Parent, YRC Inc., USF Reddaway Inc., USF Holland Inc., New Penn Motor Express, Inc.
Lender	<ul style="list-style-type: none"> Citizens Business Capital, as administrative and collateral agent.
Balance Outstanding	<ul style="list-style-type: none"> \$0.9 million; plus \$359 million of undrawn Letters of Credit issued and outstanding.

Security & Guarantors	<ul style="list-style-type: none"> • Perfected first-priority security interest in accounts receivable, cash, deposit accounts and other assets related to accounts receivable of the loan parties. • Second-priority security interest in substantially all remaining assets of the borrowers and guarantors. • The Canadian Debtors are guarantors of and have granted security in respect of the ABL Facility obligations.
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Security Review

4.10 The Proposed Information Officer requested that Cassels, as counsel for the Proposed Information Officer, conduct a review of the Canadian law governed security delivered by the Canadian Debtors to the applicable agents (collectively “**Agents**”) in connection with each of the credit facilities described above (the “**Credit Facilities**”). For the security documents governed by the laws of the Province of Quebec and Quebec lien filings, Cassels retained Lapointe Rosenstein to conduct a review of such matters. Subject to customary qualifications and assumptions set out therein, Cassels and Lapointe Rosenstein delivered written reports and opinions to the Proposed Information Officer which confirmed the matters below. A copy of the reports will be made available to the Court upon request.

- (a) the real property charges against YRC Freight Canada’s owned real property in Ontario (which attach demand debentures which are governed by Ontario law) create valid charges of YRC Freight Canada’s interest in such owned real properties in favour of the Agents, and such charges have been registered against title to each of such owned real properties;

- (b) the personal property security agreements (which are governed by Ontario law) delivered by the Canadian Debtors to the Agents create valid security interests in the personal property collateral of the Canadian Debtors described therein and in respect of which the applicable PPSA applies in each of Ontario, Alberta and British Columbia, and subject to the immediately following sentence, such security interests have been perfected by the filing of PPSA financing statements by each applicable Agent in each of Ontario, Alberta and British Columbia. The agent for the ABL Facility (the “**ABL Agent**”) did not file an Ontario PPSA financing statement against USF, and accordingly, does not have a perfected security interest in the tangible assets of USF located in the Province of Ontario. USF is a dormant company with no operations, employees or assets, and accordingly, the non-filing has no practical effect; and²
- (c) the security documents delivered to the Agents and governed by the laws of the Province of Quebec (collectively, the “**Quebec Security Documents**”) create valid movable hypothecs by YRC Freight Canada and USF in favour of each Agent and each Agent filed registrations in the Quebec Movable Register (Quebec’s movable/personal property lien register) against the correct names of YRC Freight

² Cassels is not licensed to practice law in the Provinces of Saskatchewan, Manitoba or Nova Scotia and did not deliver any opinions regarding the creation of valid security interests or the perfection of same in such provinces. However, Cassels did confirm that each Agent filed an “all asset” financing statements against each Canadian Debtor which correctly list the applicable Canadian Debtor’s name as the debtor, in the provinces in which the applicable Canadian Debtor is organized or in which the security documents indicate that such Canadian Debtor has assets.

Canada and USF to render the hypothecs opposable to third parties. The Quebec Security Documents create valid immovable (real property) hypothecs against the real property municipally known as 930 Route 147, Dixville Quebec (the “**Quebec Owned Real Property**”), and the Quebec real property search for the Quebec Owned Real Property current to August 11, 2023, confirmed that the Quebec Security Documents were registered against title to the Quebec Owned Real Property in favour of the Agents to render those hypothecs opposable to third parties.

Cash Management Systems

- 4.11 As described in the Initial Doheny Affidavit, the Debtors maintain two cash management systems (the “**USA Cash Management System**” and the “**Canada Cash Management System**”, collectively, the “**Cash Management Systems**”).
- 4.12 The Canada Cash Management System is comprised of fourteen bank accounts that handle the primary collection and disbursement of funds throughout the Canada Cash Management System (the “**Canada Bank Accounts**”). The Canada Bank Accounts are administered by the Debtors’ treasury department in the United States.
- 4.13 As at the Petition Date, the Canada Bank Accounts held a total of approximately \$1.8 million.

5.0 CENTRE OF MAIN INTEREST

- 5.1 The Debtors, including the Canadian Debtors, are managed in the United States as an integrated group from a corporate, strategic and management perspective.
- 5.2 The Initial Doheny Affidavit describes the Debtors' integrated business. The Canadian Debtors are wholly dependent on Yellow Parent and other Debtors located in the United States for key leadership and managerial, accounting, finance and other critical functions typically performed by a corporate head office. The Initial Doheny Affidavit confirms that payroll for employees of YRC Freight Canada is processed in the United States and that the most significant creditors of each of the Canadian Debtors – being the prepetition secured creditors—are common creditors with the U.S. based-debtors.
- 5.3 Based on the foregoing, the Proposed Information Officer is of the view that it would be appropriate to recognize the Chapter 11 Cases as “foreign main proceedings” pursuant to the CCAA.

6.0 DIP FACILITIES

- 6.1 During the period immediately leading to the commencement of the Chapter 11 Cases, the Debtors negotiated a DIP financing arrangement with certain of the lenders under the prepetition B-2 Term Loan Facility. The proposed DIP financing would have provided the Debtors with access to an aggregate amount of \$142.5 million of new money.
- 6.2 As discussed further in the Second Doheny Affidavit, in advance of the First Day Hearing the Debtors received two unsolicited, and in certain respects more favourable, alternative

DIP financing proposals from: (a) MFN Partners, L.P. (“**MFN Partners**”), Yellow Parent’s largest existing shareholder; and (b) Estes Express Lines (“**Estes**”), a third-party competitor to the Company. To further explore and consider these alternatives, the Debtors adjourned the scheduled DIP Motion hearing.

6.3 On August 17, 2023, a status conference was held before the U.S. Bankruptcy Court, at which, the Debtors advised that Citadel Credit Master Fund LLC (“**Citadel**”) had acquired all of the outstanding obligations under the B-2 Term Loan Facility, and that the Debtors had reached agreement in principle on a further revised DIP financing that was supported by all of the Debtors’ prepetition lenders. Debtors’ counsel advised that Citadel and MFN Partners had agreed to provide DIP financing on improved terms and that the Debtors had reached an agreement with a third party to act as a stalking horse purchaser for certain assets.

6.4 On August 18, 2023, after further negotiation, the Debtors filed under certification of counsel, and the U.S. Bankruptcy Court entered, the Interim DIP and Cash Collateral Order and the Interim UST Cash Collateral Order (each as discussed below). The DIP Term Sheet attached to the Interim DIP and Cash Collateral Order also contemplates that the Debtors will enter into a stalking horse purchase agreement with a different third-party for certain of the Debtors’ real property, but no relief is currently being sought from this Court in respect of any stalking horse purchase agreement.

Interim DIP and Cash Collateral Order

6.5 A copy of the Interim DIP and Cash Collateral Order is attached as Exhibit M to the Second Doheny Affidavit.

6.6 Pursuant to the Interim DIP and Cash Collateral Order, the Debtors are authorized, on an interim basis, to obtain \$142.5 million in new money DIP financing pursuant to the DIP Term Sheet. The DIP financing consists of the following:

Facility	Postpetition B-2 Facility	Junior DIP Facility	Total DIP Facility
Initial draw funded August 21	\$42.1 million	\$17.9 million	\$60 million
Second draw	\$26.3 million	\$11.2 million	\$37.5 million
Third draw	\$31.6 million	\$13.4 million	\$45 million
Total	\$100 million	\$42.5 million	\$142.5 million

6.7 The funding of the DIP financing is contemplated as follows:

- (a) the initial draw of \$60 million was funded on August 21, 2023, following the U.S. Bankruptcy Court’s entry of the Interim DIP and Cash Collateral Order;
- (b) the second draw of \$37.5 million can be borrowed following: (i) the Debtors filing an order approving bidding procedures for one or more sales of all or substantially all of the Debtors’ assets, such order to be acceptable to the DIP lenders; and (ii) the parties entering into final DIP Loan Documents; and
- (c) the third draw of \$45 million can be borrowed following a final order (the “**Final DIP Order**”) approving the DIP Facilities.

6.8 The DIP Term Sheet also provides for incremental financing of up to \$70 million under the Junior DIP Facility if such funding is required. Such incremental financing would be junior to all of the Debtors' existing prepetition secured debt.

6.9 The DIP Term Sheet is described in further detail in the Second Doheny Affidavit, and certain key terms and components are summarized and attached hereto in **Appendix "A"**. The DIP Term Sheet requires that the Foreign Representative obtain an order of this Court recognizing the Interim DIP and Cash Collateral Order within 15 days of the entry by the U.S. Bankruptcy Court.

Interim DIP and Cash Collateral Order

6.10 The Interim DIP and Cash Collateral Order, among other things: (a) authorizes the Debtors to use all Cash Collateral in accordance with the DIP Loan Documents and Approved Budget (each as defined in the Interim DIP and Cash Collateral Order); and (b) directs the Debtors to, on a daily basis, deliver 80% of the proceeds collected from the ABL Cash Collateral (as defined in the Interim DIP and Cash Collateral Order) to the Prepetition ABL Agent. The Interim DIP and Cash Collateral Order also authorizes the \$16.5 million paydown previously made by the Debtors to the Prepetition ABL Agent following the U.S. Bankruptcy Court's entry of the Interim Cash Collateral Order (which contemplated such paydown). As noted in the Second Doheny Affidavit, to date, all of the adequate protection payments to the Prepetition ABL Agent have been made by Debtors other than the Canadian Debtors.

6.11 As further discussed in the Second Doheny Affidavit, pursuant to the Interim DIP and Cash Collateral Order, the Debtors are not permitted to make payments in respect of accrued paid time off obligations on account of employees terminated prior to the Petition Date until all of the funded debt obligations, have been indefeasibly paid in full in cash. In Canada, the accrued vacation pay obligations on account of employees terminated or laid off prior to the Petition Date totaled approximately CAD\$2.45 million as of July 24, 2023.

DIP Charge

6.12 The DIP Term Sheet contemplates the granting of a court-ordered charge in favour of the DIP Secured Parties (as defined in the Interim DIP and Cash Collateral Order) on the Canadian Collateral, other than the UST Tranche B Priority Collateral (as defined in the DIP Term Sheet) (the “**DIP Charge**”), to secure the obligations outstanding from time to time under the DIP Facilities.

6.13 Accordingly, the Foreign Representative, requests the Court grant the DIP Charge over the Canadian Collateral (other than the UST Tranche B Priority Collateral), which would be subordinate to the proposed Administration Charge and the D&O Charge (each as defined below), and rank in priority to all other encumbrances, except: (a) to the extent of any encumbrances in favour of any person that did not receive notice of the application for the Supplemental Order; and (b) to the extent the Interim DIP and Cash Collateral Order provides that any such encumbrance ranks in priority to or *pari passu* with the liens granted in favour of the DIP Secured Parties pursuant to the Interim DIP and Cash Collateral Order.

7.0 ADDITIONAL ORDERS FOR WHICH RECOGNITION IS BEING SOUGHT

7.1 In addition to the Interim DIP and Cash Collateral Order, the Foreign Representative is seeking recognition by this Court of several of the other U.S. Orders, each of which are, for the most part, common in Chapter 11 proceedings.

7.2 The Proposed Information Officer and its legal counsel have reviewed the terms of each of the U.S. Orders that the Foreign Representative is seeking recognition of and supports the recognition of such U.S. Orders by this Court.

7.3 Each of the orders for which recognition is being sought in the CCAA Recognition Proceedings is defined and further described in the Second Doheny Affidavit and copies are attached as Exhibits thereto.

8.0 COURT ORDERED CHARGES SOUGHT IN THE SUPPLEMENTAL ORDER

8.1 In addition to the DIP Charge discussed above, through the Supplemental Order the Debtors are also seeking to establish an Administration Charge and the D&O Charge.

8.2 The priorities of the Charges are proposed to be as follows:

- (a) First – Administration Charge (to the maximum amount of CAD\$700,000);
- (b) Second – D&O Charge (to the maximum amount of CAD\$3.5 million); and
- (c) Third – DIP Charge.

Administration Charge

- 8.3 The proposed Supplemental Order provides for the Administration Charge in the maximum amount of CAD\$700,000, securing the professional fees of Canadian counsel to the Debtors, the Information Officer and legal counsel to the Information Officer.
- 8.4 The Administration Charge is a customary protection provided to professionals assisting with insolvency proceedings. The Proposed Information Officer has reviewed the quantum of the proposed Administration Charge in this case and believes it is reasonable and appropriate in the circumstances.

D&O Charge

- 8.5 The proposed Supplemental Order provides that the Canadian Debtors will indemnify their directors and officers against obligations and liabilities that they may incur in their capacity as directors and officers of the Canadian Debtors from the commencement of these CCAA Recognition Proceedings, which includes any obligations and liabilities for wages, vacation pay or termination or severance pay due to employees of the Canadian Debtors under the *Canada Labour Code* R.S.C., 1985, c. L-2, whether or not any such employee was terminated prior to or after the commencement of the Restructuring Proceedings except to the extent that any obligation or liability was incurred as a result of gross negligence or willful misconduct, and provides for a charge on the Canadian Collateral (as defined in the Second Doheny Affidavit) in the amount of CAD\$3.5 million in favour of the Canadian Debtors' directors and officers as security for any such obligations or

liabilities arising after the commencement of these CCAA Recognition Proceedings (the “D&O Charge”).

- 8.6 The Proposed Information Officer assisted the Canadian Debtors in the calculation of the D&O Charge, taking into consideration the amount of the Canadian Debtors’ payroll and vacation pay, statutory termination and severance obligations and HST. The Proposed Information Officer is of the view that the D&O Charge is required and reasonable in the circumstances.

9.0 PROPOSED INITIAL ACTIVITIES OF THE INFORMATION OFFICER

- 9.1 The Supplemental Order proposes that following its appointment, the initial activities of the Information Officer will include:

- (a) establishing a website at <https://www.alvarezandmarsal.com/YRCFreightCanada> to make available copies of the Orders granted in the CCAA Recognition Proceedings as well as other relevant motion materials, reports and information;
- (b) coordinating publication of the notice of the Chapter 11 Cases and CCAA Recognition Proceedings in *The Globe & Mail (National Edition)* newspaper, commencing within five business days from the date of the Initial Recognition Order, once a week for two consecutive weeks;
- (c) responding to creditor inquiries regarding the Restructuring Proceedings;

- (d) providing such assistance to the Foreign Representative in the performance of its duties as the Foreign Representative may reasonably request;
- (e) providing the Court with periodic reports on the status of the Chapter 11 Cases, which reports may include information relating to the property and the business of the Debtors or such other matters as may be relevant to these proceedings; and
- (f) engaging independent legal counsel in respect of the exercise of its powers and the performance of its obligations.

10.0 RECOMMENDATIONS

10.1 The Proposed Information Officer and its legal counsel have reviewed the terms of the Initial Recognition Order and the Supplemental Order, and believe that the relief sought by Yellow Parent, as set out in the form of orders submitted to the Court for approval, are fair and reasonable in the circumstances, having regard to the current status of the Canadian Debtors. The Proposed Information Officer believes that the terms of the Supplemental Order relating to its role as information officer are fair and reasonable, and consistent with the terms of appointments of information officers in other recognition proceedings under the CCAA.

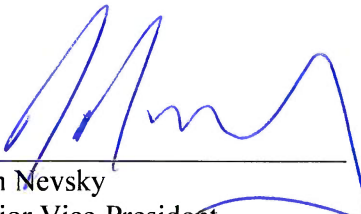
10.2 Based on the foregoing, the Proposed Information Officer respectfully recommends that this Court grant the relief requested by Yellow Parent in the Initial Recognition Order and the Supplemental Recognition Order.

All of which is respectfully submitted to the Court this 25th day of August, 2023.

**ALVAREZ & MARSAL CANADA INC.,
Proposed Information Officer of the Canadian Debtors
and not in its personal or corporate capacity**

Per: 

Alan J. Hutchens
Senior Vice-President

Per: 

Josh Nevsky
Senior Vice-President

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED
AND IN THE MATTER OF YRC FREIGHT CANADA COMPANY, YRC LOGISTICS INC., USF HOLLAND INTERNATIONAL SALES CORPORATION
AND 1105481 ONTARIO INC.
APPLICATION OF YELLOW CORPORATION UNDER SECTION 46 OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36,
AS AMENDED

Court File No. CV-23-00704038-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT
TORONTO

REPORT OF THE PROPOSED INFORMATION OFFICER

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Counsel to the Proposed Information Officer

APPENDIX B

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF YRC FREIGHT CANADA COMPANY, YRC LOGISTICS
INC., USF HOLLAND INTERNATIONAL SALES CORPORATION AND 1105481
ONTARIO INC.**

**APPLICATION OF YELLOW CORPORATION UNDER SECTION 46 OF THE
COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS
AMENDED**

**FIRST REPORT OF THE INFORMATION OFFICER
ALVAREZ & MARSAL CANADA INC.**

SEPTEMBER 27, 2023

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APPENDICES

Appendix “A” – Pre-Filing Report

1.0 INTRODUCTION

- 1.1 On August 6, 2023 (the “**Petition Date**”), Yellow Corporation (“**Yellow Parent**”) and certain of its subsidiaries and affiliates (collectively, the “**Debtors**”) commenced cases in the United States Bankruptcy Court for the District of Delaware (the “**U.S. Bankruptcy Court**”) by filing voluntary petitions for relief under Chapter 11 of Title 11 of the United States Code (the “**Chapter 11 Cases**”).
- 1.2 The purpose of the Chapter 11 Cases is to facilitate an orderly wind-down of the Debtors’ operations and the liquidation of their assets, including the assets of their Canadian subsidiaries, YRC Freight Canada Company (“**YRC Freight Canada**”), YRC Logistics Inc. (“**YRC Logistics**”), USF Holland International Sales Corporation (“**USF**”) and 1105481 Ontario Inc. (“**1105481**”) (collectively, the “**Canadian Debtors**”). Each of the Canadian Debtors are also Debtors in the Chapter 11 Cases.
- 1.3 On August 8, 2023, upon the application of the Yellow Parent in its capacity as the proposed foreign representative of the Chapter 11 Cases (the “**Foreign Representative**”), the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) granted an order (the “**Interim Stay Order**”) pursuant to Part IV of the *Companies’ Creditors Arrangement Act* (the “**CCAA**”) and Section 106 of the *Courts of Justice Act*, providing for an interim stay of proceedings in respect of the Canadian Debtors and the Yellow Parent, and their respective directors and officers, in Canada.

- 1.4 The proceedings commenced by the Yellow Parent under the CCAA are referred to herein as the “**CCAA Recognition Proceedings**”, and together with the Chapter 11 Cases, the “**Restructuring Proceedings**”.
- 1.5 On August 9, 2023, the U.S. Bankruptcy Court granted certain orders (the “**First Day Orders**”), including the Foreign Representative Order authorizing Yellow Parent to act as the Foreign Representative of the Debtors. Following the First Day Hearing, the U.S. Bankruptcy Court also granted certain additional interim orders.¹
- 1.6 On August 29, 2023, this Court made two orders (the “**Initial Recognition Order**” and the “**Supplemental Order**”) that, among other things: (a) recognized the Chapter 11 Cases as a “foreign main proceeding” under the CCAA; (b) recognized Yellow Parent as the “foreign representative” of the Canadian Debtors; (c) stayed all proceedings in respect of the Canadian Debtors and the Yellow Parent, and their respective directors and officers, in Canada; (d) appointed Alvarez & Marsal Canada Inc. (“**A&M Canada**”) as the information officer (the “**Information Officer**”); (e) recognized and gave effect in Canada to certain of the First Day Orders and second interim orders issued by the U.S. Bankruptcy Court; and (f) granted the Administration Charge, the D&O Charge, and the DIP Charge (each as defined in the Supplemental Order).

¹ Copies of orders granted in the Chapter 11 Cases and other documents related to such proceedings are available at the website maintained by Epiq: <https://dm.epiq11.com/case/yellowcorporation>.

1.7 A&M Canada, in its capacity as Proposed Information Officer, filed with this Court a report dated August 25, 2023 (the “**Pre-Filing Report**”) to provide this Court with, among other things, certain background information with respect to the Canadian Debtors and the Chapter 11 Cases. A copy of the Pre-Filing Report is attached hereto as **Appendix “A”** and is available on the Information Officer’s case website at: www.alvarezandmarsal.com/YRCFreightCanada (the “**Case Website**”).

2.0 TERMS OF REFERENCE AND DISCLAIMER

2.1 In preparing this report (the “**First Report**”), A&M Canada has relied solely on information and documents provided by the Foreign Representative and other Debtors, as well as their Canadian legal counsel and publicly available documents filed with the U.S. Bankruptcy Court (collectively the “**Information**”). Except as otherwise described in this First Report:

- (a) the Information Officer has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Information Officer has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Canadian Auditing Standards (“**CASs**”) pursuant to the *Chartered Professional Accountants of Canada Handbook* (the “**Handbook**”) and accordingly, the Information Officer expresses no opinion or other form of assurance contemplated under CASs in respect of the Information; and

- (b) some of the information referred to in this First Report consists of forecasts and projections. An examination or review of the financial forecasts and projections, as outlined in the Handbook, has not been performed.

2.2 This First Report should be read in conjunction with the Affidavit of Matthew A. Doheny sworn on September 22, 2023 (the “**Third Doheny Affidavit**”). Capitalized terms used but not defined herein shall have the meanings ascribed to them in the in the Third Doheny Affidavit, as applicable.

2.3 Unless otherwise stated, all monetary amounts contained herein are expressed in United States dollars.

3.0 PURPOSE OF THIS REPORT

3.1 The purpose of this First Report is to provide this Court with information regarding the following:

- (a) the Foreign Representative’s motion for an order (the “**Second Supplemental Order**”) recognizing and giving effect in Canada by this Court pursuant to the CCAA certain orders that have been granted by the U.S. Bankruptcy Court as discussed below; and
- (b) a summary of the activities of the Information Officer since the date of its appointment.

4.0 ORDERS FOR WHICH RECOGNITION IS BEING SOUGHT

- 4.1 In connection with a hearing before the U.S. Bankruptcy Court (the “**Final First Day Hearing**”) on September 15, 2023, the Debtors sought and obtained: (a) final versions of the various interim orders previously granted (the “**Final First Day Orders**”); and (b) certain additional orders (the “**Additional Orders**,” and collectively, the “**U.S. Orders**”). The Foreign Representative is now seeking recognition of certain of U.S. Orders by this Court, and a hearing before this Court has been scheduled for September 29, 2023 for this purpose.
- 4.2 The Information Officer and its legal counsel have reviewed the terms of each of the U.S. Orders that the Foreign Representative is seeking recognition of and supports the recognition of such U.S. Orders by this Court.
- 4.3 Each of the U.S. Orders for which recognition of this Court is being sought is defined and further described in the Third Doheny Affidavit and copies are attached as schedules thereto.
- 4.4 The Information Officer notes that the Final First Day Orders for which the Foreign Representative is seeking recognition are, for the most part, common in Chapter 11 proceedings and are substantially consistent with the interim orders previously recognized by this Court pursuant to the Supplemental Order.
- 4.5 This First Report includes pertinent information regarding the Final DIP Order as well as certain of the Additional Orders for which the Foreign Representative is seeking

recognition, including the Bar Date Order, Omnibus Rejection Order, Bidding Procedures Order and Real Estate Stalking Horse Order.

Final DIP Order

- 4.6 A summary of the DIP Facilities and the Interim DIP and Cash Collateral Order, including the Information Officer’s assessment of their reasonableness and the basis on which the Information Officer recommended that this Court recognize the Interim DIP and Cash Collateral Order, was provided in the Pre-Filing Report.
- 4.7 The Final DIP Order, which is substantially similar to the Interim DIP Order, was granted by the U.S. Bankruptcy Court on September 15, 2023 and authorizes the Debtors to utilize the DIP Facilities on a final basis, including certain additional amounts that could only be drawn following the granting of the Final DIP Order. While four responses/objections were filed in respect of the Final DIP Order, each response or objection was resolved prior to the hearing. None of the responsive pleadings were filed by Canadian stakeholders or addressed issues specific to the Canadian Debtors.
- 4.8 As described in the Pre-Filing Report, the DIP Facilities provide for up to \$212.5 million in new money DIP financing, consisting of:
- (a) a \$100 million senior secured facility (the “**Postpetition B-2 Facility**”);
 - (b) a \$42.5 million junior secured facility (the “**Junior DIP Facility**”); and

- (c) incremental financing of \$70 million under the Junior DIP Facility if such funding is required. Such incremental financing would rank junior to all of the Debtors' existing prepetition secured debt.

- 4.9 As at the date of this First Report, the Information Officer understands that the Debtors have drawn the full amount of \$142.5 million provided under the Postpetition B-2 Facility and the Junior DIP Facility, and the \$70 million incremental amount is forecast to be drawn in late October or early November, as required by the Debtors.
- 4.10 As described in the Pre-Filing Report, pursuant to the Final DIP Order, the Debtors are not permitted to make payments in respect of accrued vacation obligations on account of employees terminated prior to the Petition Date until all of the Debtors' secured funded debt obligations (including the pre-filing secured debt obligations) have been fully repaid in cash. In Canada, the accrued vacation pay obligations on account of employees terminated or laid off prior to the Petition Date totaled approximately CAD\$2.45 million.
- 4.11 As discussed in the Third Doheny Affidavit, legal counsel to Teamsters Local Union 938, Teamsters Local Union No. 879, General Teamsters Local Union No. 979, Teamsters Local Union No. 362, and Unifor Canada and its Local 4209 (the "**Unions**") representing the employees and former employees of the Canadian Debtors expressed concerns with respect to the foregoing restrictions, including whether such restrictions are consistent with the CCAA.
- 4.12 The Debtors' Canadian counsel, together with the Information Officer and its counsel, have been engaged in active discussions with counsel to the Unions and the lenders under the

DIP Agreements (the “**DIP Lenders**”) in respect of the Final DIP Order to address the Unions’ concerns. The Information Officer understands that the parties are in discussions regarding a reservation of rights with respect to unpaid prepetition vacation pay as a means of addressing the concerns for purposes of recognition of the Final DIP Order.

- 4.13 The Information Officer understands that the Debtors will provide a further update to the Court at the hearing.

Bar Date Order

- 4.14 The Bar Date Order is described in the Third Doheny Affidavit and is attached thereto as Exhibit “P”. The Bar Date Order sets out the categories of claimants holding a claim against any of the Debtors that must file a Proof of Claim, along with applicable deadlines for each category, as set out below. Key dates and terms include the following:

- (a) Proofs of Claim must be submitted on or before November 13, 2023 (the “**General Bar Date**”);
- (b) governmental agencies and authorities must file Proofs of Claim on or before February 5, 2024 (the “**Governmental Bar Date**”);
- (c) if the Debtors amend or supplement the schedules of assets and liabilities filed in the Chapter 11 Cases (the “**Schedules**”) which results in a reduction in the amount of a claim, a change in the nature or classification of a claim, or adds a new claim, affected creditors must file Proofs of Claim on the later of: (i) the General Bar Date or the Governmental Bar Date, as applicable; and (ii) 21 days from the date on

which the Debtors provide notice of the amendment to Schedules (the “**Amended Schedules Bar Date**”);

- (d) unless ordered otherwise, entities with claims arising from the rejection of executory contracts and unexpired leases must file a Proof of Claim on the later of:
 - (i) the General Bar Date; and (ii) the date that is 30 days after the later of: (A) entry of an order approving the rejection; or (B) the effective date of a rejection (the “**Rejection Damages Bar Date**”); and
- (e) under the Bar Date Order, the Debtors are required to send the Bar Date Notice to all known creditors, including creditors of the Canadian Debtors.

4.15 The Information Officer notes:

- (a) to ensure that Canadian domiciled creditors have notice of the Bar Date Order, the Information Officer has posted notice of the General Bar Date and Governmental Bar Date, as well as the Proof of Claim form, Bar Date Order, and Bar Date notice material (the “**Bar Date Package**”), to its Case Website;
- (b) in Order to avoid confusion that may arise from the Recognition Proceedings, the Bar Date Order specifically provides that Canadian creditors are required to comply with the Bar Date Order;
- (c) the Bar Date is approximately 6 weeks after the date of the hearing on the recognition motion;

- (d) the Bar Date Order does not provide for a process for determination of claims, but does provide that any party failing to file a proof of claim will be barred from receiving a distribution on account of such claim; and
- (e) the Debtors have already provided notice to all known creditors, including Canadian creditors.

Omnibus Rejection Order

- 4.16 On September 14, 2023, the U.S. Bankruptcy Court entered the Omnibus Rejection Order authorizing the Debtors to: (a) reject certain executory contracts; (b) reject certain unexpired leases; and (c) abandon certain equipment and other assets that may be located at the surrendered property. A copy of the Omnibus Rejection Order is attached as Exhibit “Q” to the Third Doheny Affidavit.
- 4.17 The Omnibus Rejection Order includes the rejection of 95 contracts and 37 leases, including one Canadian contract and four Canadian leases.
- 4.18 The single Canadian contract which the Debtors rejected is in respect of a software provider. The four Canadian rejected leases include three where YRC Freight Canada was the tenant, and one where YRC Inc. (a U.S. Debtor) was the tenant. As of August 31, 2023, the Debtors have surrendered and exited each of the four rejected Canadian leases.
- 4.19 As described in the Third Doheny Affidavit, the rejected contracts and rejected leases were determined by the Debtors, in consultation with their advisors, to be burdensome, to

provide no economic value to the Debtors' estates and to be unnecessary to the Debtors' wind-down efforts.

- 4.20 The Information Officer understands that the landlords and counterparties to the contracts received notice of the Debtors' intention to reject the contracts and leases through the initial motion in respect of the Omnibus Rejection Order filed on August 31, 2023 and that the Debtors contacted the landlords to provide a courtesy notice that such rejection materials had been filed. Although the notice period provided to the counterparties to the contracts and landlords was less than the 30-days' notice required when disclaiming pursuant to section 32 of the CCAA, the Information Officer understands that there is no prescribed notice period in Chapter 11 proceedings. In addition, the Canadian counterparty and the Canadian landlords are being treated in the same manner as the Debtors' U.S.-based counterparties and landlords whose leases and contracts are being rejected.

5.0 BIDDING PROCEDURES ORDER

- 5.1 As described above, the purposes of the Restructuring Proceedings are to allow the Debtors to facilitate an orderly wind-down of their operations and the liquidation of their assets. In this regard, prior to the Petition Date, the Debtors, together with their investment banker, Ducera Partners LLC, commenced a process to market all of the Debtors' assets, comprised of significant real estate holdings, rolling stock assets, intellectual property and certain other assets.
- 5.2 As part of this sale process, the Debtors have developed bidding procedures designed to maximize the value of their assets through a competitive sale process (the "**Bidding**

Procedures”). As described further below, these Bidding Procedures include a stalking horse purchase agreement for the Debtors’ real estate holdings (the “**Real Estate Stalking Horse APA**”).

Bidding Procedures

- 5.3 The Bidding Procedures Order, among other things: (a) approves the Bidding Procedures and the associated dates and deadlines; (b) approves the Bid Protections (as defined in the Bidding Procedures) for the stalking horse bidder under the Real Estate Stalking Horse APA; (c) schedules an auction (if one is required) and approves the form and manner of notice thereof; (d) approves the procedures regarding the assumption and assignment of executory contracts and leases; (e) schedules a sale hearing and approves the form and manner of notice thereof; and (f) approves that any sale of the Debtors’ assets would be free and clear of any liens, claims, interests and encumbrances.
- 5.4 The Bidding Procedures Order is described in the Third Doheny Affidavit and a copy is attached thereto as Exhibit “V”. The timeline and key processes contemplated by the Bidding Procedures are summarized as follows:

Bidding Procedures Order – Key Dates	
Rolling Stock Timeline	
October 11, 2023	Cure Notice Deadline for Rolling Stock
October 13, 2023 at 5:00 p.m. Eastern Time	Bid Deadline for Rolling Stock
October 18, 2023 at 10:00 p.m. Eastern Time	Auction(s) (if required) for Rolling Stock begin
October 23, 2023	Notice of Winning Bidder(s) for Rolling Stock
October 25, 2023 at 5:00 p.m. Eastern Time	Sale Objection Deadline and Cure Objection Deadline for Winning Bid(s) for Rolling Stock

October 31, 2023	Sale Hearing as to Winning Bid(s) for Rolling Stock
As soon as practicable following Sale Hearing but no later than November 3, 2023	Sale Consummation for UST Rolling Stock
As soon as practicable following Sale Hearing	Sale Consummation for B-2 Rolling Stock
Real Estate and all Other Assets Timeline	
October 26, 2023	Cure Notice Deadline for Non-Rolling Stock Assets
November 9, 2023 at 5:00 p.m. Eastern Time	Bid Deadline for Non-Rolling Stock Assets (including Real Property Assets, Intellectual Property, and Other Assets)
November 9, 2023 at 5:00 p.m. Eastern Time	Cure Objection Deadline for Leased Properties
November 28, 2023 at 9:00 a.m. Eastern Time	Auction(s) (if required) for Non-Rolling Stock Assets
December 1, 2023	Notice of Winning Bidder(s) for Non-Rolling Stock Assets
December 8, 2023 at 5:00 p.m. (E.T.)	Sale Objection and Adequate Assurance Objection Deadline for Winning Bid(s) (or Back-Up Bid(s), as applicable) for Non-Rolling Stock Assets
December 12, 2023 at 10:00 a.m. (E.T.)	Sale Hearing as to Winning Bid(s) (or Back-Up Bid(s), as applicable) for Non-Rolling Stock Assets
As soon as practicable following Sale Hearing	Sale Consummation for Non-Rolling Stock Assets

5.5 The Foreign Representative is seeking recognition by this Court of the Bidding Procedures Order. The Information Officer considered the following in assessing the reasonableness of the Bidding Procedures Order:

- (a) in the Information Officer’s view, the contemplated sale process and the Bidding Procedures are commercially reasonable, consistent with procedures approved by this Court in both Canadian-only and cross-border insolvency proceedings, and have been designed to maximize value through a competitive sale process while also mitigating against downside risk for stakeholders by setting a meaningful price floor for the Debtors’ real estate holdings pursuant to the Real Estate Stalking Horse APA;

- (b) the Bid Deadlines provide sufficient time to ensure potential bidders are able to perform diligence and prepare and submit their bids;
- (c) the Bidding Procedures encompass the assets of the Canadian Debtors and the Information Officer will be kept apprised of bids related to the Canadian assets; and
- (d) the Information Officer does not believe the creditors of the Canadian Debtors would be materially prejudiced by the Bidding Procedures.

5.6 Based on the foregoing, the Information Officer believes the Bidding Procedures Order is fair and reasonable and recommends that this Court recognize the Bidding Procedures Order.

Real Estate Stalking Horse APA

5.7 As described above, the sale process governed Bidding Procedures, as it relates to the owned real property of the Debtors, will be conducted with the benefit of the Real Estate Stalking Horse APA, which was entered into by the Debtors and Estes Express Lines (the “**Real Estate Stalking Horse Bidder**”) on September 15, 2023, following a number of discussions and negotiations the Debtors held with various other bidders.

5.8 The Real Estate Stalking Horse APA is described in the Third Doheny Affidavit. A copy of the Real Estate Stalking Horse APA is attached as Exhibit A to the Real Estate Stalking Horse Order, which is attached to the Third Doheny Affidavit as Exhibit “Z”. Key terms and components of the Real Estate Stalking Horse APA include the following:

- (a) cash purchase price of \$1.525 billion, subject to certain potential adjustments;
- (b) acquired assets include: (i) all of the Debtors' 174 owned real property assets, including three properties located in Canada; and (ii) certain additional contracts and interests as scheduled in the Real Estate Stalking Horse APA;
- (c) assumed liabilities include: (i) all cure costs required to be paid; and (ii) certain other additional liabilities and obligations that the Real Estate Stalking Horse Bidder has agreed to assume including certain environmental liabilities; and
- (d) the Real Estate Stalking Horse Bidder is not acquiring any employees and has excluded all employee claims, former employee claims, pension claims, or claims from or related to any collective bargaining agreements.

5.9 The closing of the transactions contemplated in the Real Estate Stalking Horse APA are conditional on, among other things, the Court having granted an Order pursuant to the CCAA, recognizing and giving effect in Canada to the Sale Order. Depending on the results of the sale process, the Canadian Debtors will return to Court at the appropriate time to seek an order or orders of the Court in respect of the applicable transactions.

6.0 ACTIVITIES OF THE INFORMATION OFFICER

6.1 The activities of the Information Officer since being appointed have included:

- (a) establishing a website at <https://www.alvarezandmarsal.com/YRCFreightCanada> to make available copies of the Orders granted in the CCAA Recognition

Proceedings as well as other relevant motion materials, reports, and information. In addition, there is a link on the Information Officer's website to the Debtors' restructuring website maintained by Epiq that includes copies of all U.S. Court materials and orders, petitions, notices, and other materials;

- (b) coordinating publication of the notice of the Chapter 11 Cases and CCAA Recognition Proceedings in *The Globe & Mail (National Edition)* newspaper, on September 1 and September 8, 2023;
- (c) monitoring the Epiq website for activity in the Chapter 11 Cases;
- (d) responding to stakeholder inquiries regarding the Restructuring Proceedings;
- (e) discussions with Debtors' Canadian legal counsel and advisors, including A&M U.S., regarding matters relevant to the Chapter 11 Cases;
- (f) together with Debtors' Canadian legal counsel, responding to inquiries from various legal counsel to employee unions regarding concerns raised over vacation pay outstanding and related issues;
- (g) providing assistance to the Foreign Representative in respect of employee related matters;
- (h) providing other such assistance to the Foreign Representative in the performance of its duties as the Foreign Representative may reasonably request;

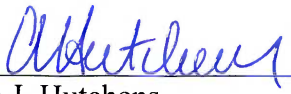
- (i) reviewing and commenting on the Debtors' draft motions and orders in the Chapter 11 Cases; and
- (j) preparing this First Report and reviewing draft materials of the Foreign Representative in connection with the CCAA Recognition Proceedings.

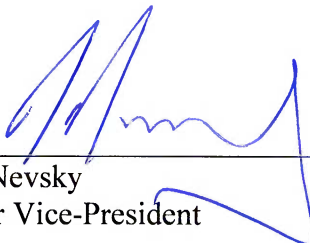
7.0 RECOMMENDATIONS

- 7.1 The Information Officer understands that the recognition of the U.S. Orders and the other relief sought in the Second Supplemental Order are necessary to advance the Restructuring Proceedings, including the Debtors' efforts to maximize the value of their estate via the wind-down and liquidation of their assets.
- 7.2 The Information Officer and its legal counsel have reviewed each of the U.S. Orders and believe that the recognition of the U.S. Orders is reasonable and appropriate in the circumstances. Based on the foregoing, the Information Officer respectfully recommends that this Court grant the relief requested by the Foreign Representative.

All of which is respectfully submitted to the Court this 27th day of September, 2023.

**ALVAREZ & MARSAL CANADA INC.,
Information Officer of the Canadian Debtors
and not in its personal or corporate capacity**

Per: 
Alan J. Hutchens
Senior Vice-President

Per: 
Josh Nevsky
Senior Vice-President

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED
AND IN THE MATTER OF YRC FREIGHT CANADA COMPANY, YRC LOGISTICS INC., USF HOLLAND INTERNATIONAL SALES CORPORATION
AND 1105481 ONTARIO INC.
APPLICATION OF YELLOW CORPORATION UNDER SECTION 46 OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36,
AS AMENDED

Court File No. CV-23-00704038-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

PROCEEDING COMMENCED AT
TORONTO

FIRST REPORT OF THE INFORMATION OFFICER

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Counsel to the Information Officer

APPENDIX C

NCI – RITCHIE BROS. AGENCY AGREEMENT

This Agency Agreement (this “Agreement”) is dated as of the 16th day of October, 2023 (the “Effective Date”), by and between Nations Capital, LLC, Ritchie Bros. Auctioneers (America) Inc., IronPlanet, Inc., Ritchie Bros. Auctioneers (Canada) Ltd. and IronPlanet Canada Ltd. (collectively, the “Agent”), and Yellow Corporation and its affiliated debtors and debtors-in-possession (collectively, the “Company” or the “Debtors”). Agent is in the business of marketing and selling assets on behalf of its clients. The Company is the owner, lessee and possessor of the Rolling Stock Assets (as defined below) and desires to engage Agent as its exclusive agent to sell such assets as more fully described herein. Therefore, in consideration of the covenants contained herein, Agent and the Company (individually, each a “Party,” and together, the “Parties”) do hereby agree as follows:

I. Engagement and Agreement to Market Rolling Stock Assets

A. The Company hereby engages Agent as its exclusive marketing and sales agent, and Agent hereby accepts such engagement, with respect to the marketing, sale, and disposition of the Company’s rolling stock, machinery and equipment (the “Rolling Stock Assets”) located at, in, or in the vicinity of the properties owned or leased by the Company (the “Company Properties”), which Rolling Stock Assets are specifically identified in **Exhibit A** attached hereto and by this reference incorporated herein.¹

B. For purposes of marketing and selling the Rolling Stock Assets, Agent shall market and sell the Rolling Stock Assets during the Term (defined below) of this Agreement substantially consistent with the Disposition Plan (defined below) utilizing private treaty, online, webcast, or unreserved public auctions, and such other sale strategies as the Company (in consultation with the Consultation Parties (as defined in the Bidding Procedures Order) (as defined below)) and Agent mutually agree.²

C. The Company and its advisors, in consultation with the Consultation Parties, shall work with Agent promptly to identify any Rolling Stock Assets that are subject to an executory contract or unexpired lease, and Agent shall, within thirty (30) days following the entry of the Retention Order (defined below), evaluate whether assumption and assignment or rejection of such contracts or leases will maximize value for the Debtors and their estates. The Company shall cooperate with Agent in connection with Agent’s review of executory contracts and unexpired leases. Agent will also, within thirty (30) days following the entry of the Retention Order, recommend which contracts and leases shall be assumed or develop an alternate strategy with respect to all or any of such contracts and leases subject to the Company’s input in consultation with the Consultation Parties. Any assumption of an executory contract or lease, the sale by the

¹ Unless otherwise set forth herein, any Assets (as defined in the Bidding Procedures Order) not specifically set forth at **Exhibit A** attached hereto shall not be considered Rolling Stock Assets for purposes of this Agreement. Assets that are in the possession or under the control of third parties may become Rolling Stock Assets and added to **Exhibit A** once possession is obtained by the Debtors. The Parties reserve the right to amend **Exhibit A** by mutual written agreement during the Term.

² For the avoidance of doubt, any reference herein to the consultation rights of the Consultation Parties shall mean the Company’s (not Agent’s) obligation to consult with the Consultation Parties in each applicable case.

Agent of any leased Assets listed at **Exhibit B** hereto, or alternative strategy with respect to such contracts and leases, shall be subject to the Company's consent in consultation with the Consultation Parties. A schedule of the Company's leased or financed Rolling Stock Assets, which may be marketed and sold by the Agent pursuant to this Agreement, and exclusive of the Rolling Stock Assets that are the subject of leases or financings as to which the Debtors have stipulated as of the Effective Date to stay relief, is shown in **Exhibit B**.³

D. Rolling Stock Assets comprise the property identified in **Exhibit A** hereto, together with (in each case only if and to the extent currently in the Company's possession and/or readily available/accessible to the Company) manuals, certificates of title, certificates of origin, bills of sale, machinery history documentation (including usage, maintenance and repair records), manufacturer and other warranties, and keys associated with or related to such Rolling Stock Assets, wherever located, including at the Company Properties; *provided* that, unless agreed in writing between the Agent and the Company, Agent shall not be responsible for the maintenance, removal, disposal, or other disposition of Assets (as defined in the Bidding Procedures Order) not constituting Rolling Stock Assets from the Company Properties. Assets that, if and to the extent known, contain unusually dangerous or environmentally hazardous substances shall not be considered Rolling Stock Assets even if they are listed on **Exhibit A**.

II. Exclusivity and Cooperation

In order to permit the successful marketing, disposition and sale of the Rolling Stock Assets, the Company grants to Agent the exclusive right to sell the Rolling Stock Assets for a period beginning on the Effective Date and continuing for a period of eighteen (18) months thereafter (such period, the "**Term**"), which Term may be extended by mutual agreement of the Company (in consultation with the Consultation Parties) and Agent. The Company acknowledges that Agent, its members or its affiliated entities may be engaged to sell or market similar assets by other persons or entities during the Term, and that any such engagement shall not constitute or be deemed to be a violation of this Agreement. All inquiries regarding the Rolling Stock Assets made to the Company or its representatives shall be redirected to Agent, and Company shall, on or as soon as reasonably practicable following the Effective Date, share with Agent all indications of interest, offers and proposals to purchase or remarket and sell any of the Rolling Stock Assets.

Agent understands that the Company is conducting the sale of the Company's Assets in accordance with the *Order (I)(A) Approving Bidding Procedures for the Sale or Sales of the Debtors' Assets; (B) Scheduling Auctions and Approving the Form and Manner of Notice Thereof; (C) Approving Assumption and Assignment Procedures; (D) Scheduling Sale Hearings and Approving the Form and Manner of Notice Thereof; (II)(A) Approving the Sale of the Debtors' Assets Free and Clear of Liens, Claims, Interests and Encumbrances, and (B) Approving the Assumption and Assignment of Executory Contracts and Unexpired Leases; and (III) Granting Related Relief* [Docket No. 575] (the "**Bidding Procedures Order**"). Agent agrees to coordinate and work in consultation with the Company's advisors in accordance with the Bidding Procedures Order to maximize the value of the Rolling Stock Assets and in consultation with (as required by the Bidding Procedures Order or herein) the Consultation Parties.

³ The Parties reserve the right to amend **Exhibit B** by mutual written agreement during the Term.

III. Rolling Stock Services

A. Rolling Stock Services. In connection with the marketing, disposition and sale (including removal, transportation, and storage of, as applicable) of the Rolling Stock Assets (the “Rolling Stock Services”), Agent will:

- (i) develop an advertising, removal, transportation, storage, disposition and marketing plan (including the timing, sale modality and location) for the marketing, removal, transportation, storage, and sale of the Rolling Stock Assets (the “Disposition Plan”) within forty-five (45) days of the entry of the Retention Order designed to maximize the net recovery on the Rolling Stock Assets and consult with Company (in consultation with the Consultation Parties) with respect to the foregoing plan;
- (ii) implement the advertising, removal, transportation, storage, disposition and marketing plan as deemed necessary or appropriate by Agent and provide the Company (which shall, in turn, provide the Consultation Parties) with weekly updates on the implementation of such plan;
- (iii) prepare for the sale of the Rolling Stock Assets, including gathering specifications and photographs for pictorial brochures or other advertising means and arranging (including removing and transporting to Agent Properties (as applicable) and refurbishing (as applicable)) the Rolling Stock Assets in a manner, which in Agent’s commercially reasonable judgment is designed to enhance the net recovery on the Rolling Stock Assets;
- (iv) provide fully qualified and experienced personnel who will advertise, market, prepare for sale and sell the Rolling Stock Assets and promptly account for the proceeds thereof in accordance with the terms of this Agreement;
- (v) provide additional staffing to handle all auction-related accounting tasks, including a complete auction crew to handle computerized accounting functions necessary to provide auction buyers with invoices and the Company with a complete accounting of all Rolling Stock Assets sold at any auction or otherwise;
- (vi) (A) organize, oversee, staff, and facilitate all aspects of purchasers’ removal of Rolling Stock Assets from the Company Properties and (B) organize and provide fully qualified and experienced drivers, towing services, and other necessary and specialized personnel and services necessary on a commercially best efforts basis to remove (by either (a) on-site sale and removal by buyer or (b) removal and transportation by Agent) from Company Properties any and all Rolling Stock Assets within six (6) months of entry of the Retention Order (the “Removal Date”) and to transport any such Rolling Stock Assets to commercially appropriate facilities owned or

possessed by the entities comprising the Agent or their affiliates (“Agent Properties”), where Agent will store such Rolling Stock Assets in a commercially reasonable manner; *provided* that the Company agrees to coordinate with Agent to provide the minimum level of Company staffing (but not less than one) necessary to ensure Agent’s access to Company Properties and ability to execute its obligations hereunder; *provided further* that Agent acknowledges and agrees it will provide substantially all staffing related to and necessary for the marketing, sale, removal, transportation, and storage of the Rolling Stock Assets during the Term as contemplated by this Agreement; *provided further* that Agent agrees to use commercially best efforts to remove all Rolling Stock Assets from all Company Properties by the Removal Date, including its commercially best efforts to remove all Rolling Stock Assets from Priority Company Properties (defined below)⁴ within three (3) months after the date of the entry of the Retention Order; *provided further* that Agent acknowledges and agrees that the Removal Date (*i.e.*, the date that is six (6) months from the date of entry of the Retention Order) shall not be extended except in Company’s sole, exclusive, and reasonable discretion (in consultation with the Consultation Parties); *provided further*, however, if Company determines to not extend the Removal Date, Agent shall have the right to cure by continuing to use commercially best efforts to remove and transport remaining Rolling Stock Assets from Company Properties during the three (3) months following the Removal Date (the “Cure Period”), with any occupancy costs incurred by the Company during such Cure Period added to the Gross Proceeds tiered ranges set forth below; and *provided further* that Agent’s failure to remove all Rolling Stock Assets (without Company’s consent in consultation with the Consultation Parties) from Company Properties by the Removal Date (as may be extended or during any Cure Period) shall result only in a Gross Proceeds range upward adjustment as provided in Section III.B.(i) below, and Agent shall, following any cure period, unless agreed otherwise with the Company (in consultation with the Consultation Parties), use commercially best efforts to dispose of any remaining Rolling Stock Assets (y) at Company Properties “AS IS” “WHERE IS” and (z) at Agent Properties in Agent’s commercially reasonable discretion either (1) “AS IS” “WHERE IS” or (2) if any Rolling Stock Services Expenses budget remains, refurbished in an effort to maximize the Gross Proceeds of such Rolling Stock Assets at Agent Properties, as promptly as commercially practicable, with any additional occupancy costs incurred by the Company adjusting the Gross Proceeds tiers upwards by such costs incurred following the Removal Date. For the avoidance of doubt, (m) the Company’s sole and exclusive remedy for the Agent’s failure to remove all Rolling Stock Assets

⁴ “Priority Company Properties” shall mean those Company Properties provided in a list by the Company to Agent within two (2) business days following entry of the Retention Order which (a) Agent shall use its commercially best efforts to clear of Rolling Stock Assets within three (3) months after the date of the entry of the Retention Order and (b) amount to no more than fifty (50%) of the Company Properties. Company and Agent may adjust the list of Priority Company Properties thereafter to the extent agreed and commercially practicable.

from Company Properties by the Removal Date, as may be extended by agreement or by the expiration of the Cure Period, or by the expiration of the Term, shall be an increase in the Gross Proceeds range upward adjustment as provided in Section III.B.(i) below and (n) Agent shall not be liable for any actual, special, consequential or punitive damages; *provided* that nothing in this Section III(A)(vi) shall remove or otherwise limit the Company's termination rights under this Agreement, including but not limited to, for cause.

- (vii) as part of the Disposition Plan, recommend (and consult with the Company (in consultation with the Consultation Parties)) and manage refurbishment (including, *e.g.*, cleaning, topping off fluids, replacement of tires and batteries, etc.) of certain of the Rolling Stock Assets to prepare for sales, in each case where appropriate and value-maximizing, and arrange for, oversee, and execute all other tasks in connection with same;
- (viii) sell the Rolling Stock Assets for cash or other immediately available funds at live, internet or internet-assisted auctions or by private treaty to the highest bidder(s) pursuant to standard buyer terms and conditions and on an "AS IS," "WHERE IS" and "all sales are final" bases. Only sales by private treaty and Strategic Bulk Sales (as defined below) shall be subject to approval by the Company (not to be unreasonably withheld or delayed) in consultation with and following notice to the Consultation Parties and their advisors). Sales of Rolling Stock Assets at live, internet, or internet-assisted auctions shall not be subject to the Company's consent; *provided*, however, for the avoidance of doubt, the approximate timing of such auctions and the scope of Rolling Stock Assets included therein shall be subject to the Company's consent (not to be unreasonably withheld or delayed) in consultation with the Consultation Parties;
- (ix) charge and collect on behalf of Company from all purchasers any purchase price together with all applicable taxes in connection therewith and manage and administer the processing of all Company certificates of title associated with titled Rolling Stock Assets;
- (x) assist the Company and/or its advisors as necessary to obtain all required approvals and authorizations from the Bankruptcy Court or the Canadian Court (as defined in the Bidding Procedures Order) with respect to any sale of Rolling Stock Assets contemplated herein, which assistance may include, without limitation, testimony at hearings before the Bankruptcy Court or the Canadian Court, attendance at depositions and/or the provision of declarations or affidavits in support of Rolling Stock Asset sales (provided that Agent shall not be responsible for the costs of such assistance); provided, however, time spent preparing to deliver testimony (whether in court or for purposes of a deposition), attending court proceedings, and delivering any testimony in court or during a deposition will be charged on a time and materials basis based on Agent's then prevailing hourly rates

(“Testimony Fees”), which Testimony Fees are not otherwise included in Agent’s compensation set forth herein, and Agent shall be reimbursed for reasonable attorney’s fees and expenses incurred in connection therewith; *provided*, however, Agent’s legal fees in connection with the foregoing (which shall be limited to those of one law firm) and Testimony Fees shall not be subject to the limitation on expenses in Section III.B.(i);

- (xi) work with the Company and/or its advisors to prepare reports, statements, affidavits or similar documents required under Rule 6004 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) or any applicable local rule (including, if necessary, as part of the Canadian Recognition Proceeding (as defined in the Bidding Procedures Order));
- (xii) collect Gross Proceeds generated by the sale of the Rolling Stock Assets and account and remit net proceeds (Gross Proceeds less any amounts due to Agent hereunder, the “Net Proceeds”) to the Company by transferring the Net Proceeds to an account as directed by the Company (the “Client Account”), provided that the Agent shall remit all collected Net Proceeds to the Client Account together with a settlement statement (a) with respect to any sale to a single purchaser generating Gross Proceeds in excess of \$10,000,000, within five (5) business days following Agent’s receipt of good funds on account of such Gross Proceeds from any such purchaser and (b) with respect to all other sales, on a rolling basis in each case as promptly as commercially practicable (and at least every fourteen (14) calendar days following the commencement of the Rolling Stock Assets sales), subject to a periodic true up and audit procedures to be agreed between the Agent and the Company (in consultation with the Consultation Parties) to reflect the actual calculation of the Rolling Stock Services Fees (defined below) earned by the Agent during such period (if such amounts have not already been earned and withheld by Agent) and reimbursement of Rolling Stock Services Expenses (defined below) and Transportation Fees (defined below). The Company shall provide a copy of each settlement statement to the Consultation Parties. In connection with any true up and/or audit of the Net Proceeds, Rolling Stock Services Fees, Rolling Stock Services Expenses and Transportation Fees, the Company shall be granted access to all accounting and information necessary to complete the audit/true up (and the Consultation Parties shall have access to such accounting and information from the Company, once provided to the Company). “Gross Proceeds” shall be defined as cumulative collected gross receipts from the sale of the Rolling Stock Assets, exclusive of sales taxes and Transaction Fees (defined below) charged to purchasers;
- (xiii) only if and to the extent required and requested by the Company, procure or provide insurance coverage on the Company’s behalf at rates lower (if available) than the rates paid by the Company for Rolling Stock Assets only once such assets are delivered to certain of the Agent Properties;

- (xiv) submit to the Company and its advisors (which shall provide the same, upon receipt, to the Consultation Parties and their advisors) (a) bi-weekly sales reports and (b) a final and complete sales report no later than fourteen (14) calendar days after the end of the Term.

B. Rolling Stock Services Fees.

- (i) In consideration of its performance of the Rolling Stock Services, the Rolling Stock Services Fee shall be a percentage of the Gross Proceeds collected and payable on sales of owned Rolling Stock Assets, in accordance with the table below:

Tier	Start	End	Fee
1	\$0	\$475,000,000	9.25%
2	\$475,000,001	\$600,000,000	10.0%
3	\$600,000,001	\$800,000,000	12.5%
4	\$800,000,001	Above \$800,000,001	15.5%

With respect to Rolling Stock Assets that are missing or are in unsalable condition only (as reasonably determined by Agent, “Unsaleable Assets”), the Gross Proceeds ranges shown above will be adjusted downward based on existing orderly liquidation values provided to and accepted by the Agent. Agent acknowledges it has reviewed and accepted such orderly liquidation values of the Rolling Stock Assets provided by the Company to Agent in the Company’s data room in advance of entering this Agreement. In the event adjustment(s) are required pursuant to this provision, each tier of Gross Proceeds shown above will be adjusted downward ratably based on the contribution of the Unsalable Assets to the total orderly liquidation values provided to and accepted by the Agent. The Gross Proceeds ranges shown above will be adjusted downward based on Strategic Bulk Sales.

Pursuant to Section III.C of this Agreement, Agent will work with Company to mutually agree upon budgeted amounts for Rolling Stock Services Expenses and Transportation Fees (each as defined herein). In the event that total budgeted amounts of Rolling Stock Services Expenses (excluding title transfer fees) and Transportation Fees exceeds \$38.4 million, each of the Gross Proceeds ranges shown above will be adjusted upward by the dollar amount that the total budgeted amounts exceed \$38.4 million. Further, in the event the Company incurs occupancy costs after the Removal Date solely on account of Rolling Stock Assets remaining on such properties, each of the Gross Proceeds ranges shown above will be adjusted upward by the dollar amount of such occupancy costs pursuant to Section III.A(vi); *provided*, however, if the Company (in consultation with the Consultation Parties) and Agent agree to extend the Removal Date (including by amendment to the Disposition Plan) in order to maximize the Gross Proceeds, then the Gross Proceeds ranges shown above will not be adjusted upwards unless additional costs are

incurred beyond such extended Removal Date; *provided further* that Agent acknowledges and agrees that the Removal Date (*i.e.*, the date that is six (6) months from the date of entry of the Retention Order) shall not be extended except in the Company's sole and exclusive discretion.

For the avoidance of doubt, the above ranges apply marginally, *i.e.*, the next fee tier only applies to each dollar of Gross Proceeds in excess of the cutoff for the prior tier.

With respect to leased Rolling Stock Assets, the Rolling Stock Services Fee shall be 10% for any amount of Gross Proceeds therefrom.

- (ii) The Company has indicated that it will share with Agent a list of potential buyers who have each expressed an interest in purchasing a sub-set of the Rolling Stock Assets. Any lists provided must be from specific buyers on a specific list of the Rolling Stock Assets. Agent and the Company's representatives (in consultation with the Consultation Parties, to the extent required under the Bidding Procedures Order) will assess these expressions of interest and mutually determine whether or not to negotiate and execute any such sales. In the event that binding transaction documentation for any such sales is executed within sixty (60) days of the entry of the Retention Order (such sales, "Strategic Bulk Sales"), which such transaction documentation shall set forth the purchase price for each Rolling Stock Asset and across categories of Rolling Stock Assets, Agent will reduce its commission rate to 5.0% for those applicable Rolling Stock Assets sold pursuant to Strategic Bulk Sales; *provided*, however, Agent shall be entitled to the full commission rate for any portion of the Gross Proceeds of such Strategic Bulk Sales for Rolling Stock Assets that were not initially included in the specific list provided by the Company and that are directly attributable to Agent's services and efforts that resulted in increased Gross Proceeds generated on account of such increase in units sold or pricing. For the avoidance of doubt, any Strategic Bulk Sales at the reduced commission rate shall cause a downward adjustment of the Gross Proceeds tiers described in Section III.B(i) above based on existing orderly liquidation values provided to and accepted by the Agent.

C. Rolling Stock Services Expenses. Agent shall market and sell the Rolling Stock Assets in a commercially practical and prompt manner, including in various phases if commercially reasonable to do so, consistent with the Disposition Plan and this Agreement. Agent shall advance (up to the agreed Rolling Stock Services Expenses budget)⁵, and shall be entitled to reimbursement by the Company for all Rolling Stock Services Expenses on a cost basis, regardless of whether or not any Rolling Stock Assets are sold, and which expenses shall be recovered from the collected Gross Proceeds of the sale of Rolling Stock Assets only. "Rolling Stock Services Expenses" mean the Agent's commercially reasonable and documented

⁵ The Parties will discuss and agree to the Rolling Stock Expenses budget as promptly as practicable following the Effective Date.

out-of-pocket expenses for repair and refurbishment costs to be incurred solely to maximize the Net Proceeds to the Company and title transfer fees equal to or less than (if applicable) \$50.00 per title. Agent will not charge the Company for storage of any Rolling Stock Assets following their removal of such Rolling Stock Assets from the Company Properties. Notwithstanding anything to the contrary provided herein, Agent shall not be obligated to advance payment of Rolling Stock Services Expenses or Transportation Fees in excess of the Rolling Stock Services Expenses budget or the Transportation Fees budget, respectively, and shall thereafter use commercially best efforts, unless agreed otherwise with the Company, to dispose of the remaining Rolling Stock Assets “AS IS” “WHERE IS” during the duration of the Term, with any additional costs incurred by the Company for occupancy adjusting the Gross Proceeds tiers upwards by such costs incurred following the Removal Date; *provided* that if the aggregate of Rolling Stock Services Expenses and Transportation Fees incurred exceed \$38.4 million (not to be exceeded without Company’s prior written consent in consultation with the Consultation Parties), then the Gross Proceeds ranges in Section III.B.(i) above shall be adjusted upwards by such amount in excess of \$38.4 million.

D. Transportation Fees. Agent shall advance (up to the agreed Transportation Fees budget)⁶ and shall be entitled to reimbursement of its expenses on a cost basis for (a) removing all Rolling Stock Assets from off the Company Properties’ premises consistent with the Disposition Plan and this Agreement and (b) transporting such Rolling Stock Assets to Agent Locations in a commercially practicable and economical manner (such fees and costs, the “Transportation Fees”). In addition to the Rolling Stock Services Fees, the Company shall be responsible for Transportation Fees, both of which shall be recovered from the collected Gross Proceeds derived from the sale of Rolling Stock Assets only. Notwithstanding anything to the contrary provided herein, Agent shall not be obligated to advance payment of Rolling Stock Services Expenses or Transportation Fees in excess of the Rolling Stock Services Expenses budget or the Transportation Fees budget, respectively, and shall thereafter use commercially best efforts, unless agreed otherwise with the Company, to dispose of the remaining Rolling Stock Assets “AS IS” “WHERE IS” during the duration of the Term, with any additional costs incurred by the Company for occupancy adjusting the Gross Proceeds tiers upwards by such costs incurred; *provided* that if the aggregate of Rolling Stock Services Expenses and Transportation Fees incurred exceed \$38.4 million (not to be exceeded without Company’s prior written consent in consultation with the Consultation Parties), then the Gross Proceeds ranges in Section III.B.(i) above shall be adjusted upwards by such amount in excess of \$38.4 million.

Agent shall provide the Company (which shall in turn provide to the Consultation Parties) an updated Rolling Stock Services Expenses budget and an updated Transportation Fees budget as promptly as practicable (and no event later than fourteen (14) days) following Agent’s incurrence of eighty (80) percent, or \$30.7 million, of the abovementioned \$38.4 million budget for Rolling Stock Services Expenses and Transportation Fees.

E. Transaction Fee. Agent is authorized to charge purchasers a transaction fee (the “Transaction Fee”). With respect to Rolling Stock Assets sold at a public auction run by Ritchie Bros. Auctioneers (America) Inc. or its affiliates, any Transaction Fee collected shall not exceed the following: (a) 10% on all lots selling for USD 12,000 or less, with a minimum fee of

⁶ The Parties will discuss and agree to the Transportation Fees budget as promptly as practicable following the Effective Date.

USD 100 per lot,⁷ (b) 4.85% on all lots selling for over USD 12,000 up to USD 75,000, with a minimum fee of USD 1,200 per lot or, (c) USD 3,638 on all lots selling for over USD 75,000. For the avoidance of doubt, any Rolling Stock Assets sold through a private treaty or other mutually agreeable sales platforms that are not sold via public unreserved auction shall not be subject to the Transaction Fee. The Transaction Fee shall not be considered Gross Proceeds for the purpose of calculating the Rolling Stock Services Fees hereunder. Agent agrees that fifty (50) percent of each Transaction Fee shall be credited against the Rolling Stock Service Fee earned and owing to Agent in connection with the applicable sale.

IV. Termination for Cause

Company may terminate this Agreement at any time for cause (including Agent's fraud, gross negligence, willful misconduct or abdication of responsibility in fulfilling the Agreement), but not as a result of the aggregate of Rolling Stock Services Expenses and Transportation Fees exceeding \$38.4 million with the Company's prior written consent in consultation with the Consultation Parties. In the event of a termination for cause, no fees shall be paid to Agent other than any undisputed fees already earned and payable (including any related reimbursable expenses).

Each Party shall have the right to terminate this Agreement upon not less than thirty (30) days' written notice in the event that a Force Majeure Event occurs and is continuing for a period in excess of three (3) consecutive months and materially interferes with or delays either Party's ability to perform under this Agreement or materially increases the cost of the Rolling Stock Services or transportation services. "Force Majeure Event" means any act, event, circumstance or condition that (i) is beyond the commercially reasonable control of and unforeseeable by, or which, if foreseeable, could not be avoided in whole or in material part by the exercise of due diligence by, either the Company or Agent who is relying on such act, event, circumstance or condition as justification for not performing an obligation under this Agreement and (ii) materially interferes with, or materially increases the cost of, performing such Party's obligations under this Agreement, to the extent that such act, event, circumstance or condition is not the result of the willful or negligent act, error or omission or breach of this Agreement by such Party.

EACH PARTY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT EITHER MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY PROCEEDING BROUGHT UNDER THIS AGREEMENT.

V. Company Undertakings

A. In connection with the Rolling Stock Services to be provided by Agent hereunder, the Company shall and hereby grants to Agent the following rights and authority:

- (i) The Company hereby grants Agent a limited license to use the name "Yellow Corporation" and similar derivations thereof, and any marks and logos related thereto, but solely to the extent reasonably required for use in

⁷ For purposes of this Agreement, a "lot" shall be defined as a single Rolling Stock Asset.

advertising and promotional materials related to Agent's marketing and selling of the Rolling Stock Assets under this Agreement. Agent's license to use such name, marks, and logos for such marketing and sale purpose shall continue until the end of the Term of this Agreement.

- (ii) The Company shall assist Agent to directly coordinate with Vintek to assemble and deliver to Agent a title for each Rolling Stock Asset that is a titled Rolling Stock Asset, together with a power of attorney to permit Agent to transfer and register title to such Rolling Stock Assets.
- (iii) The Company shall endeavor to cause all liens and encumbrances, including adverse possession of any Rolling Stock Asset, to be removed from title to the Rolling Stock Assets (effective upon the sale thereof) pursuant to the Retention Order. Any Rolling Stock Asset that cannot be sold free and clear of liens and encumbrances following entry of the Retention Order shall not constitute Rolling Stock Assets under this Agreement.
- (iv) The Company will permit Agent and its employees and consultants (in each case commercially licensed, qualified, and experienced in such operations) to operate the Rolling Stock Assets and other equipment, garages, and on-site filling stations necessary or appropriate to arrange the Rolling Stock Assets for sale, including, as applicable, removal from the Company Properties and transportation to the agreed Agent Properties. Nothing herein or in the course of conduct under this Agreement shall be or shall be deemed to be Agent's control or operation of Company's business or Company Properties.
- (v) The Company hereby agrees to use commercially reasonable efforts to provide Agent with reasonable access to the Company's books and records related to the Rolling Stock Services, including service and maintenance logs and records, and all related systems, to assist Agent with efficiently and effectively performing the Rolling Stock Services.
- (vi) The Company hereby grants Agent a license to allow Agent to enter and use the Company Properties for the purposes set forth in this Agreement through the Removal Date (unless extended by the Company in consultation with the Consultation Parties). Company shall provide Agent with the contact information of Company personnel with whom to coordinate Agent's access to the Company Properties. Specifically, Agent shall have the right to enter and use the Company Properties during the Term (through the Removal Date unless extended by the Company in consultation with the Consultation Parties) solely for the purposes of performing its obligations under this Agreement, including (without limitation) taking photographs and preparing the marketing materials for the Rolling Stock Assets, removing, transporting or arranging the Rolling Stock Assets for marketing and sale, conducting virtual or live auctions, allowing potential buyers access for inspections of the Rolling Stock Assets prior to sale and selling

and overseeing and administering all aspects of the removal and transportation of the Rolling Stock Assets pursuant to the terms of this Agreement. Agent shall have quiet enjoyment of the Company Properties through the Removal Date with no interference from any labor unions or any other third parties. Agent will use the Company Properties as licensee and shall not be obligated to pay any rent, taxes, utilities, insurance (except as provided herein) or other charges (except as provided herein) therefor. The Company agrees to continue to provide and pay for all utilities and other costs and expenses authorized by the Bankruptcy Court's "first day" and "second day" orders (including pursuant to the Approved Budget) relating to the use and occupancy of the Company Properties during the course of Agent's use. The Company agrees to maintain and bear the cost of any existing security personnel on the Company Properties during the term of this Agreement (or for so long as the Company has any rights to any such Company Property). The Company acknowledges that Agent is not an insurer of the Company's personal property but shall obtain and maintain the insurance coverage as required by this Agreement during the Term. Agent shall have the right, in consultation with the Company (in consultation with the Consultation Parties), to abandon (prior to removal) any Rolling Stock Asset that Agent deems unsalable in its commercially reasonable discretion. Following removal of any Rolling Stock Assets from the Company Properties, Agent shall have the right, in consultation with the Company (in consultation with the Consultation Parties), to abandon any Rolling Stock Asset at Agent's sole cost and expense. In the event that the Company incurs rent or other occupancy costs solely on account of Rolling Stock Assets remaining at Company Properties after the Removal Date, the Gross Proceeds ranges applicable to the Rolling Stock Services Fee pursuant to Section B(i) shall be adjusted upward by the dollar amount of occupancy costs incurred by the Company.

- (vii) The parties hereto agree, and the Company hereby expressly acknowledges, that Agent shall not be responsible for the removal or disposition of any environmentally hazardous chemicals, pollutants, waste, solvents or substances howsoever occurring, except for spillage or contamination as is negligently caused or created by Agent or third parties acting at the direction, or on behalf of, Agent, found at the Company Properties or in the Rolling Stock Assets or obtaining or maintaining any Environmental Permits.⁸ The Company shall be responsible for ensuring that the Company possesses and is in compliance with all Environmental Permits that are required for the operation of the Company's business. As used in this Agreement, "Environmental Laws" means all domestic, federal, provincial, state and local statutes, regulations, ordinances, rules, regulations and policies, all court orders and decrees and arbitration awards, and the common law, which pertain to environmental matters or contamination of any type

⁸ Oil, fuel, diesel, batteries, antifreeze, brake fluid and other chemicals or products normally contained in or relating to the Rolling Stock Assets at the Company Properties shall not be considered "unusually dangerous" or "environmentally hazardous" for purposes of this Agreement.

whatsoever; and “Environmental Permits” means licenses, permits, registrations, governmental approvals, agreements and consents which are required under or are issued pursuant to Environmental Laws. The Company hereby agrees to defend, indemnify and hold Agent harmless from any and all claims, losses, damages and liabilities of any kind whatsoever which arise from or are in connection with any hazardous chemicals, pollutants, waste, solvents, or substances howsoever occurring found at the Company Properties or in the Rolling Stock Assets, Environmental Laws or Environmental Permits; *provided* that, for the avoidance of doubt, the foregoing indemnification shall not apply in the case of negligence by Agent or any person or entity acting at the direction, or on behalf of, Agent. Any Rolling Stock Asset that, if and to the extent known, contains any unusually dangerous or environmentally hazardous chemicals, pollutants, waste, solvents, or substances shall be deemed an Unsalable Asset. Company shall promptly, if and to the extent known, identify for Agent any Rolling Stock Asset containing such unusually dangerous or environmentally hazardous chemicals, pollutants, waste, solvents, or substances.

- (viii) With respect to the sale of any Rolling Stock Assets located in the United States, the Company acknowledges that with respect to any export transaction involving any of the Rolling Stock Assets sold hereunder, and unless the Company and the applicable purchaser agree otherwise, Yellow Corporation shall be the United States principal party in interest. Accordingly, the Company authorizes Agent to provide Yellow Corporation’s federal employer identification number (“EIN”) to purchasers, their agents, customs officials, or similar parties for the purposes of completing a Shipper’s Export Declaration form or any documentation necessary to facilitate the respective purchaser’s export of the purchased Rolling Stock Assets.
- (ix) With respect to the sale of any Rolling Stock Assets located in Canada, the Company acknowledges that with respect to any export transaction involving any of the Canadian Rolling Stock Assets sold hereunder, and unless the Company and the applicable purchaser agree otherwise, YRC Freight Canada Company shall be the Canadian principal party in interest. Accordingly, the Company authorizes Agent to provide YRC Freight Canada Company’s business identification number (“BIN”) to purchasers, their agents, customs officials or similar parties for the purposes of completing a bill of lading, commercial invoice, USMCA Certificate of Origin, Import/Export License or customs bond, or any other information or documentation necessary to facilitate the respective purchaser’s export of the purchased Rolling Stock Assets.

VI. Representations and Covenants of the Company and Agent

A. The Company represents and warrants to Agent and covenants that, subject to entry of the Retention Order (as defined below) and entry of a Bankruptcy Court order approving the

sale of the Rolling Stock Assets free and clear of all claims, liens, encumbrances and interests: (i) the Company has all legal right and authority to sell the Rolling Stock Assets; (ii) the Company has taken all necessary actions required to authorize the execution, delivery and performance of this Agreement and the related documents contemplated hereby, and no further consent or approval is required for the Company to enter into and deliver the Agreement and to perform its obligations under the Agreement; (iii) other than the Retention Order, no court order or decree of any domestic, federal, provincial, state or local governmental authority or regulatory body is in effect that would prevent or impair, or is required for the Company's consummation of, the transactions contemplated by this Agreement, and no consent of any third party which has not been obtained is required therefore; (iv) Company has the authority to grant the limited license to Agent to utilize the Company Properties and to use the name "Yellow Corporation" as well as commercial marks and logos related thereto as provided for under this Agreement; (v) Agent shall have access to the Rolling Stock Assets and the Company Properties in accordance with this Agreement (*provided that*, if any Rolling Stock Asset listed on **Exhibit A** is not present on the Company Property as represented by Company, Company shall assist Agent to locate and gain possession of such Rolling Stock Asset. Agent is not obligated to locate, gain possession of, or expend any funds in connection with repossessing any such Rolling Stock Asset before the Removal Date or the expiration of the Term, but once such Rolling Stock Asset is located and available for transportation by Agent, Agent will include the transportation of such Rolling Stock Asset as part of Agent's transportation services and within the remaining Transportation Fees budget; (vi) the Company's representations and descriptions of the Rolling Stock Assets on **Exhibit A** are, to the best of the Company's knowledge, materially accurate, true and complete; and (vii) all Rolling Stock Assets to be marketed and sold by Agent are, or will be at the time of sale (subject to entry of the Retention Order providing the same) free and clear of all liens, claims, and encumbrances of any kind whatsoever. The Company further represents and warrants to Agent that any amounts due and payable hereunder to Agent shall be free and clear of any liens, claims, or encumbrances of any kind whatsoever.

B. Agent represents and warrants to Company that (i) Agent and each of the entities comprising Agent is duly organized, validly existing and in good standing under the laws of the province or state of its formation and (ii) Agent has taken all necessary actions required to authorize the execution, delivery and performance of this Agreement and the related documents contemplated hereby, and no further consent or approval is required for Agent to enter into and deliver the Agreement and to perform its obligations under the Agreement.

VII. Indemnification

A. Agent understands that the Rolling Stock Assets will be sold AS IS and WHERE IS, without representation or warranty of any nature of kind whatsoever, and the Company does not make any representations or warranties with respect to the Rolling Stock Assets, except for specifically stated under Section VI of this Agreement (provided, however, any existing or remaining manufacturer's warranty shall remain and be transferred to the extent permissible and practicable to any buyer). The Company hereby agrees to indemnify and hold Agent harmless from any and all claims, causes of actions, damages, losses, or liabilities (including, without limitation, reasonable and documented attorney's fees) of any kind arising from or related to (i) the Company's material breach of any of its obligations, representations and warranties hereunder, (ii) its performance or failure to perform hereunder, (iii) the Company's failure to pay

any personal property taxes associated with the Rolling Stock Assets, and (iv) the fraud, negligence, gross negligence (including omissions) or willful misconduct of the Company, its officers, directors, employees, agents or representatives. The Company further agrees to indemnify and hold Agent harmless from any and all claims, causes of actions, damages, losses, or liabilities (including, without limitation, reasonable attorney's fees) of any kind arising from any misrepresentations concerning the Rolling Stock Assets made by the Company to Agent. Notwithstanding the foregoing, the Company shall not in any circumstances indemnify Agent from any claims or causes of action arising from any fraud, negligence, gross negligence (including omissions) or willful misconduct of Agent or its respective officers, directors, employees, agents, contractors, consultants or representatives.

B. Agent hereby agrees to indemnify and hold the Company and its affiliates and their officers, directors, principals, shareholders, affiliates, members, consultants, attorneys, advisors, and employees (collectively, "Company Indemnified Parties") harmless from any and all claims, causes of actions, damages, losses, or liabilities (including, without limitation, reasonable attorney's fees), including those asserted by any buyer or prospective buyer, arising from or related to (i) Agent's material breach of any of its obligations, representations and warranties hereunder, (ii) its performance or failure to perform hereunder, (iii) the fraud, negligence, gross negligence (including omissions) or willful misconduct of Agent, its officers, directors, employees, agents, Third Parties, affiliates, contractors or representatives, or (iv) any liability or other claims asserted by Agent's consultants, members, employees, representatives, affiliates, contractors and principals (excluding Company Indemnified Parties) against a Company Indemnified Party arising out of or related to Agent's conduct of the sale of the Rolling Stock Assets, except claims arising from the Company's gross negligence, willful misconduct or unlawful behavior. Notwithstanding the foregoing, Agent shall not in any circumstances indemnify Company from any claims or causes of action arising from any fraud, negligence, gross negligence (including omissions) or willful misconduct of the Company or its respective officers, directors, employees, agents, contractors, consultants or representatives.

VIII. Insurance

The Company agrees to procure and/or maintain, at least for the duration of the Term, insurance in appropriate amounts in respect of all Rolling Stock Assets (including, without limitation, commercial general liability, property damage, fire and other perils insurance) until sold and no longer in the care, custody, or control of the Company or its agents. Such coverage shall be on at least an actual cash value (market value) basis and subject to no more than a commercially reasonable deductible.

At all times during the Term of this Agreement, Agent shall maintain, at its sole cost and expense, general liability insurance, including: (a) contractual liability, with minimum limits of \$1,000,000 per occurrence; (b) automobile liability insurance with minimum limits of not less than \$1,000,000 per occurrence combined with single limit for bodily injury and property damage; and (c) workers' compensation insurance (including employer's liability) in an amount not less than such amount required by applicable law. Commercial general liability and automobile liability shall be endorsed to include the Company as an additional insured. Coverage shall be primary and receive no contribution from any insurance available to the additional insureds. Policies shall be issued by insurance companies having an A.M. Best rating of at least A-VII. Agent agrees to be

responsible for loss or damage arising during the Term as a result of the negligence of Agent, its agents or employees. Other than the foregoing, risk of loss or damage to the Rolling Stock Assets remains with the Company regardless of whether located on Company Property or Agent Property, including in the event Agent procures less expensive insurance for Company.

On behalf of themselves and their respective insurers, to the fullest extent allowed by applicable law, the Company and the Agent and their respective affiliates each waive and release the right to pursue the other party or its affiliates, whether in subrogation or otherwise, for any loss, liability, or damage of any kind or nature to the extent covered by their own insurance.

Agent shall promptly provide certificates of insurance to the Company evidencing required insurance and shall promptly provide notice to Company upon receipt of any notice of cancellation, non-renewal, or material change in coverage from its insurers. If Agent utilizes subcontractors in Agent's performance of this Agreement, Agent shall require and warrant that said subcontractors possess the requisite type and amounts of insurance as required by contract and law. It is specifically agreed that the types and amounts of insurance required herein shall not limit or otherwise affect Agent's liability or obligation to indemnify and hold the additional insureds harmless as provided by the indemnification provisions of this Agreement.

IX. Personal Property Taxes

Agent and the Company understand and agree that Agent shall not take title to any Rolling Stock Assets and, unless agreed by the Company and Agent for Agent to remit such taxes to the applicable taxing authorities from Gross Proceeds, shall not be responsible or liable for the remittance, withholding and payment of any federal, state, local, and/or provincial sales taxes (including any retail sales taxes, HST, GST, and land transfer taxes) and all other taxes, duties, fees or other like charges of any jurisdiction properly payable in connection with the sale and transfer of the Rolling Stock Assets.

X. Bankruptcy Approval

The Company agrees to as promptly as reasonably practicable request entry of an order, under sections 363, 327, and 328 of chapter 11 of title 11, United States Code (the "Bankruptcy Code") in the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court"), in form and substance acceptable to Agent and to the Consultation Parties, each in their reasonable discretion, authorizing the Company's retention of Agent under this Agreement, which the Company agrees to use the Company's best efforts to obtain (the "Retention Order"). The Company will provide Agent and the Consultation Parties with a draft of the motion seeking such Retention Order and a draft of the proposed Retention Order at least two (2) business days (or otherwise as soon as reasonably practicable) before filing them with the Bankruptcy Court. The Company will use reasonable efforts to ensure that the Retention Order specifically provides that: (i) Agent is being retained pursuant to sections 327 and 328 of the Bankruptcy Code by the Company and the Agreement is authorized pursuant to section 363 of the Bankruptcy Code; (ii) the payment of all fees and reimbursement of expenses hereunder to Agent is approved under section 328 of the Bankruptcy Code and shall be free and clear of all liens, claims, and encumbrances; (iii) all such payments of fees and reimbursement of expenses shall be made without further order of the Bankruptcy Court and in accordance with this Agreement;

(iv) Agent shall not be required to comply with any licensing restrictions; (v) Agent is authorized to employ Third Parties (defined below) in connection with the performance of its Rolling Stock Services as set forth herein; and (vi) Agent is not required to maintain time records or file interim or final fee applications. The Agent acknowledges that the Company's obligations under this Agreement are only enforceable in the event, and to the extent, this Agreement is approved by the Bankruptcy Court pursuant to the Retention Order. Company's proposed Retention Order shall provide that Agent's fees and reimbursement of expenses provided for hereunder shall not be subject to review by any party in interest, the Office of the United States Trustee, or the Bankruptcy Court.

XI. General Provisions

A. Agent shall not subcontract the whole of its obligations under this Agreement, but shall be permitted to utilize independent contractors and subcontractors for performing various obligations. Any cooperating brokers, sub-brokers, sub-agents, independent contractors or other third parties enlisted by Agent in connection with its performance of the Rolling Stock Services and not otherwise employed by Agent (any such third party, a "Third Party") may be engaged upon such terms as are commercially reasonable in the market(s) in which such Third Parties are engaged or as otherwise provided herein. Agent shall be responsible for any fees or commissions payable to any such Third Parties in connection with its performance of the Rolling Stock Services. The Parties agree that their relationship is one of principal and agent and no partnership or joint venture is created by or through the performance of this Agreement. Agent is not a fiduciary of the Company and is not assuming any fiduciary duty to the Company or their bankruptcy estates. Agent shall provide the Company with monthly notice of material contractual engagements entered into with Third Party(ies) for the fulfillment of its duties and obligations under this Agreement, which notice the Company shall deliver to the Consultation Parties and their advisors.

B. This Agreement constitutes the entire agreement between the Parties and supersedes all prior agreements and understandings, both written and oral, among the parties with respect to the subject matter hereof.

C. Agent shall be entitled to compensation and reimbursement of expenses for Rolling Stock Services rendered under this Agreement and this Agreement shall be binding upon the Company or any successor or assignee, including any trustee appointed in Company's chapter 11 cases or any successor case.

D. The Parties hereto agree, and the Company hereby expressly acknowledges, that Agent has not guaranteed the Company any recovery or return from the sale of the Rolling Stock Assets.

E. The Company and Agent shall deal with each other fairly and in good faith so as to allow each Party to perform its duties and earn the benefits of this Agreement.

F. THE COMPANY AND AGENT AGREE THAT THE ROLLING STOCK ASSETS WILL BE OFFERED FOR SALE AND WILL BE SOLD WITHOUT REGARD TO RACE, COLOR, RELIGIOUS CREED, ANCESTRY, AGE, NATIONAL ORIGIN, DISABILITY, SEX, GENDER, OR FAMILIAL STATUS.

G. TECHNOLOGY DISCLAIMER: AGENT DOES NOT WARRANT THAT THE FUNCTIONS, FEATURES, OR CONTENT CONTAINED IN ANY WEBSITE USED IN CONNECTION WITH THE SALE OF THE ROLLING STOCK ASSETS, INCLUDING ANY THIRD-PARTY SOFTWARE, PRODUCTS OR OTHER MATERIALS USED IN CONNECTION WITH ANY SUCH WEBSITE, WILL BE TIMELY, SECURE, UNINTERRUPTED, OR THAT DEFECTS WILL BE CORRECTED; PROVIDED AGENT AGREES TO USE BEST EFFORTS TO PROMPTLY CORRECT ANY SUCH INTERRUPTIONS AND/OR DEFECTS.

H. The Company recognizes and acknowledges that the services to be provided by Agent pursuant to this Agreement are, in general, transactional in nature, and Agent will not be billing the Company by the hour nor maintaining time records unless required pursuant to Bankruptcy Court order. It is agreed that Agent is not requested by the Company to maintain such time records and that its compensation will be fixed on the terms and conditions, including percentages, set forth herein. Agent represents and warrants that it has the expertise in performing the Rolling Stock Services under this Agreement.

I. Any correspondence or required notice shall be addressed as follows:

If to Agent:

Ritchie Bros. Auctioneers (America) Inc.
4000 Pine Lake Road
Lincoln, NE 68516
Tel: (402) 420-3711
Fax: (402) 420-3721
Email: legal@ritchiebros.com
Attn: Legal Affairs

With a copy to:

Nations Capital, LLC
16125 Armour St NE
Alliance, OH 44601
Email: jburke@nationscapitalinc.com
Attn: Jim Burke

With a copy to:

DLA Piper LLP (US)
1201 N. Market Street, Suite 2100
Wilmington, DE 19810
Tel.: 302-468-5700
Email: stuart.brown@us.dlapiper.com
Attn: Stuart M. Brown, Esq.

If to the Company: Yellow Corporation
11500 Outlook Street, Suite 400
Overland Park, Kansas 66211
Attn: Leah Dawson
Email: Leah.Dawson@myYellow.com

With a copy to: Kirkland & Ellis LLP
300 N. La Salle Dr.
Chicago, IL 60654
Attn: Patrick J. Nash, Jr., P.C.; Whitney C. Fogelberg
Tel: (312) 862-2000
Email: patrick.nash@kirkland.com
Email: whitney.fogelberg@kirkland.com

Kirkland & Ellis LLP
601 Lexington Avenue
New York, NY 10022
Attn: Allyson B. Smith; Aaron Metviner
Tel: (212) 446-4800
Email: allyson.smith@kirkland.com
Email: aaron.metviner@kirkland.com

J. This Agreement shall be deemed drafted by the parties hereto, and there shall be no presumption against either party in the interpretation of this Agreement.

K. By executing or otherwise accepting this Agreement, the Company and Agent acknowledge and represent that they are represented by and have consulted with independent legal counsel with respect to the terms and conditions contained herein.

L. This Agreement may be executed in original counterparts, and if executed and delivered via facsimile or other electronic signature shall be deemed the equivalent of an original.

M. This Agreement creates no third-party beneficiaries, subject to the rights of the Consultation Parties as set forth in this Agreement. In the event that a Consultation Party forecloses on Rolling Stock Assets that are its collateral, Agent agrees to continue to market and sell such assets on terms substantially similar to those contained in this Agreement for the benefit of such Consultation Party, with such Consultation Party bearing any and all costs which would have otherwise been incurred by the Company under this Agreement with respect to such Rolling Stock Assets.

N. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, without giving effect to conflict of laws provisions. The Parties consent to the exclusive jurisdiction of the Bankruptcy Court to hear and determine all disputes arising out of or in relation to this Agreement.

O. Agent recognizes that it may come into possession of information relating to the business of the Company that is not available to the general public or that reasonably or logically

may be considered to be confidential or proprietary (“Confidential Information”). Agent shall hold confidential and not use (except as necessary to perform its obligations under this Agreement) or disclose (unless required by a court of competent jurisdiction), and shall cause its employees, agents, contractors, directors, and other representatives to hold confidential all Confidential Information. Upon the Company’s request, all such information shall be destroyed, deleted or returned to the Company in any physical medium. Confidential Information shall not include information that is or becomes publicly available through no wrongful act of Agent, is furnished to others by the Company without similar restrictions on their right to use or disclose, is known by Agent without any proprietary restrictions at the time of receipt of such information from the Company or becomes rightfully known to Agent without proprietary restrictions from a source other than the Company, is independently developed by Agent by persons who did not have access, directly or indirectly, to the Confidential Information, or that is provided by Agent to Company in a report disclosed by the Company.

XII. Miscellaneous

This Agreement may not be transferred or assigned without the express written consent of the other Parties (the Company, in each case, in consultation with the Consultation Parties), provided that Agent shall be permitted to engage or retain, and utilize, contractors and subcontractors to assist in the performance of the Rolling Stock Services. This Agreement does not create, and shall not be construed as creating, any rights enforceable by any person not a Party to this Agreement, subject to the rights of the Consultation Parties under this Agreement. The Parties hereto are acting as independent contractors and nothing contained herein shall be deemed to create any other type of partnership, joint venture or other relationship. This Agreement may not be modified or amended except by an instrument in writing executed by an authorized representative of each of the Parties to this Agreement (the Company, in each case, in consultation with the Consultation Parties) (and which may not be amended or modified in any manner which adversely affects a Consultation Party’s rights hereunder without the written consent of such adversely affected Consultation Party). If any part or subpart of this agreement is found or held to be invalid, that invalidity shall not affect the enforceability and binding nature of any other part of this Agreement. No Party shall be considered in default hereunder to the extent that performance by such Party is prevented or delayed by any unforeseeable cause, existing or future, which is beyond the commercially reasonable control of such Party. The Parties do hereby agree that this Agreement and related documents be drawn up in the English language only.

XIII. Power of Attorney

The Company hereby appoints Agent as its attorney-in-fact with a limited power of attorney (“LPOA”) to execute on the Company’s behalf, all documents necessary and required to transfer title to, and permit registration of ownership of, any portion of the Rolling Stock Assets to any buyer; provided, however, if original titles or a notarized LPOA are required by federal, state, provincial or local regulation to transfer title, the Company will provide Agent with either, as applicable, (i) signed original titles, or (ii) a notarized LPOA and unsigned original titles at least two weeks prior to any auction or private treaty disposition of any of the Rolling Stock Assets. Failure to provide title(s) and/or an LPOA as required may prevent the Rolling Stock Assets being made available for sale until such documentation is provided. Agent agrees to exercise the LPOA in good faith.

IN WITNESS WHEREOF, the Parties hereto have duly executed this Agreement as of the date written below.

YELLOW CORPORATION



By: Daniel L. Olivier
Title: Authorized Signatory
Date: October 16, 2023

YRC FREIGHT CANADA COMPANY



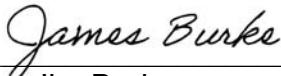
By: Daniel L. Olivier
Title: Authorized Signatory
Date: October 16, 2023

**RITCHIE BROS. AUCTIONEERS (AMERICA) INC.
IRONPLANET, INC.
RITCHIE BROS. AUCTIONEERS (CANADA) LTD.
IRONPLANET CANADA, LTD.**



By: Jake Lawson
Title: Authorized Signatory
Date: October 15, 2023

NATIONS CAPITAL, LLC



By: Jim Burke
Title: Authorized Signatory
Date: October 15, 2023

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED
AND IN THE MATTER OF YRC FREIGHT CANADA COMPANY, YRC LOGISTICS INC., USF HOLLAND INTERNATIONAL SALES CORPORATION
AND 1105481 ONTARIO INC.
APPLICATION OF YELLOW CORPORATION UNDER SECTION 46 OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36,
AS AMENDED

Court File No. CV-23-00704038-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT
TORONTO

SECOND REPORT OF THE INFORMATION OFFICER

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Toronto, ON M5H 0B4

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Counsel to the Information Officer