

**EXHIBIT A**  
**RETENTION PLAN**

**ALLIED SYSTEMS HOLDINGS, INC.**  
**2012 KEY EMPLOYEE RETENTION PLAN**

**INTRODUCTION**

This Allied Systems Holdings, Inc. 2012 Key Employee Retention Plan (the "Plan") is hereby established in order to aid in the retention of designated key employees of Allied Systems Holdings, Inc. (the "Company") and its Subsidiaries (as defined below) who will be involved in the restructuring of the Company and its Subsidiaries through bankruptcy and/or Company and Subsidiary operations during the restructuring, and will contribute to maximizing the value of the Company and its Subsidiaries. This Plan will provide a financial incentive by offering a Retention Bonus to designated key employees in consideration of their continued employment with the Company and its Subsidiaries during the restructuring of the Company and its Subsidiaries, subject to the terms and conditions of this Plan.

**ARTICLE I**

**EFFECTIVE DATE OF PLAN; TERMINATION OF PLAN; SURVIVAL OF PROVISIONS**

1.01 **Effective Date**

The effective date of the Plan (the "Effective Date") shall be the date that the Plan is approved by the Bankruptcy Court. In the event the Plan is not approved by the Bankruptcy Court, the Plan shall be null and void ab initio, and the Company shall have no obligation to make, and shall not make, any payments hereunder.

1.02 **Termination of the Plan**

The Plan shall terminate upon the Effective Date of the Chapter 11 Plan.

1.03 **Survival of Provisions**

The provisions of the Plan shall survive to the extent necessary to provide for the payment and administration of Retention Bonuses that are awarded on or before the date of termination of the Plan.

**ARTICLE II**

**DEFINITIONS**

2.01 **Administrative Committee**

Administrative Committee means the Board, or any person, committee or other entity designated from time to time by the Board to administer the Plan and determine benefit eligibility hereunder, in whole or in part.

## 2.02 **Annual Base Salary**

Annual Base Salary means the annualized rate of all regular cash compensation, excluding bonus payments and other items of extraordinary compensation, but including any regular cash compensation which is contributed to a Company or Subsidiary sponsored benefit plan pursuant to a salary deferral or reduction agreement (including, without limitation, an arrangement described in Sections 401(k) and 125 of the Code or the Registered Retirement Savings Plan as defined in the Income Tax Act (R.S.C. 1987, e.1 (5<sup>th</sup> Supp.))), as shown on the payroll records of the applicable Company or Subsidiary as of the date of participation under the Plan. In the case of a non-exempt employee or an employee entitled to overtime pay, Annual Base Salary shall be determined by multiplying the regular hourly rate of pay of the Participant at the applicable time by the standard number of hours for which the Participant is regularly scheduled to work per week by fifty two (52).

## 2.03 **Bankruptcy Code**

Bankruptcy Code means Title 11 of the United States Code, as amended from time to time, as applicable to the Company's Chapter 11 Case.

## 2.04 **Bankruptcy Court**

Bankruptcy Court means the United States Bankruptcy Court for the District of Delaware or such other court as may have jurisdiction over the Company's Chapter 11 Case and, to the extent of any reference under Section 157 of Title 28 of the United States Code, the unit of such District Court under Section 157 of Title 28 of the United States Code.

## 2.05 **Cause**

Cause shall mean (i) the Participant's willful misconduct or gross negligence in connection with the performance of the Participant's duties; (ii) the Participant's embezzlement of funds or property of the Company or any of its Subsidiaries; (iii) the Participant's fraud or dishonesty with respect to the Company or any of its Subsidiaries; (iv) the Participant's indictment or entering of a guilty plea or plea of no contest with respect to any felony or any other crime involving moral turpitude; (v) the Participant's material neglect of job duties in the course of the Participant's employment (and for purposes of this Plan "neglect" shall be defined as not using efforts and devoting time to job duties consistent with past practices in all material respects), which is not cured within ten (10) days of receipt of written notice from the Company or any of its Subsidiaries; (vi) the Participant's willful failure to perform the duties and responsibilities assigned to the Participant from time to time or to act in accordance with any specific instructions or policies of the Company or Subsidiary which employs the Participant; or (vii) anything that would constitute Cause under an employment or similar agreement between the Participant and the Company or any of its Subsidiaries, if applicable, regardless of whether such employment or similar agreement is subsequently approved or rejected by the Bankruptcy Court.

2.06 **Chapter 11 Case**

Chapter 11 Case means the Company's and its Subsidiaries' pending bankruptcy case in the United States Bankruptcy Court for the District of Delaware filed on June 10, 2012 (Case No. 12-11564).

2.07 **Chapter 11 Plan**

Chapter 11 Plan means any plan of reorganization or liquidation for the Company and its Subsidiaries under Chapter 11 of the Bankruptcy Code, proposed and/or supported by the Company and its Subsidiaries in the Chapter 11 Case.

2.08 **Code**

Code means the Internal Revenue Code of 1986, as amended from time to time.

2.09 **Company**

Company means Allied Systems Holdings, Inc., a Delaware corporation.

2.10 **Disability**

Disability shall have the meaning set forth in any long-term disability plan of the Company or any Subsidiary which covers the Participant, as in effect as of the Effective Date. If there is no such long-term disability plan, Disability shall mean (i) in the case of U.S. Participants, "permanent and total disability" as set forth in Section 22(e)(3) of the Code and (ii) in the case of Canadian Participants, the inability to perform the regular duties of the Participant's job for a period of ninety (90) days. Notwithstanding the foregoing, if any employment or similar agreement between the Participant and the Company or a Subsidiary, as in effect as of immediately prior to commencement of the Company's Chapter 11 Case, contains a different definition of "Disability," such other definition as in effect as of such time shall apply for purposes of this Plan, regardless whether such employment or similar agreement is subsequently approved or rejected by the Bankruptcy Court.

2.11 **Effective Date of the Chapter 11 Plan**

Effective Date of the Chapter 11 Plan means the entry of a Final Order by the Bankruptcy Court confirming the Company's Chapter 11 Plan pursuant to Section 1129 of the Bankruptcy Code. Final Order means an order of the Bankruptcy Court as to which the time to appeal, to petition for certiorari, or to move for reargument or rehearing has expired and as to which no appeal, petition for certiorari or other proceedings for reargument or rehearing shall then be pending or as to which any right to appeal, petition for certiorari, reargue or rehear shall have been waived in writing in form and substance satisfactory to the Company or, in the event an appeal, writ of certiorari, reargument or rehearing thereof has been sought, such order of the Bankruptcy Court shall have been affirmed by the highest court to which such order was appealed, or certiorari, reargument or rehearing shall have been denied and the time to take any further appeal, petition for certiorari, or move for reargument or rehearing shall have expired;

provided, however, that the possibility that a motion under Rule 59 or Rule 60 of the Federal Rules of Procedure, or any analogous rule under the Federal Rules of Bankruptcy Procedure, may be filed with respect to such order shall not cause such order not to be a Final Order.

2.12 **Employee**

Employee means a full-time employee of the Company or any Subsidiary as shown on the payroll records of the Company or applicable Subsidiary.

2.13 **Insider**

Insider means the same as the definition of “Insider” in Section 101(31) of the Bankruptcy Code which includes, but is not limited to, a director, officer, person in control, a partnership in which the Company is a general partner, a general partner of the Company, or a relative of a general partner, director, officer or person in control of the debtor.

2.14 **Notice of Participation**

Notice of Participation means a written or electronic notice provided to an Employee that the Employee has been designated as a Participant in the Plan and setting forth the terms and conditions of the Participant’s Retention Bonus under the Plan.

2.15 **Partial Sale of the Company’s Business**

Partial Sale of the Company’s Business means any lease, sale, transfer or other disposition of some portion of the Company’s business that does not constitute a Sale of the Company’s Assets.

2.16 **Participant**

Participant means any Employee designated on the attached Exhibit A as a Participant in the Plan.

2.17 **Plan**

Plan means this Allied Systems Holdings, Inc. 2012 Key Employee Retention Plan, as may be amended from time to time.

2.18 **Qualifying Termination of Employment**

Qualifying Termination of Employment means, with respect to any Participant, the termination of the Participant's employment with the Company and its Subsidiaries (i) by reason of the Participant's death or Disability; (ii) by reason of a Partial Sale of the Company’s Business or a Sale of the Company’s Assets, in each case as determined by the Administrative Committee; (iii) by the Company without Cause; or (iv) as otherwise specifically set forth in the Participant's Notice of Participation. Termination of a Participant's employment for any other reason shall not constitute a Qualifying Termination of Employment.

## 2.19 **Retention Bonus**

Retention Bonus means the bonus that a Participant would be eligible to receive upon satisfaction of the terms and conditions of the Plan and the Participant's Notice of Participation. For Canadian Participants, the Retention Bonus is inclusive of accrued vacation pay, so no separate vacation pay will be accrued or paid on such Retention Bonus for Canadian Participants.

## 2.20 **Sale of the Company's Assets**

Sale of the Company's Assets means the lease, sale or other disposition of all or substantially all of the assets of the Company unless the Board declares that a transaction involving the sale or other transfer of the securities of the Company or a Subsidiary or the lease, sale or other disposition of the assets of the Subsidiary constitute a sale of substantially all of the Company's assets, which determination may be made by the Board in its sole and absolute discretion and need not be determined for the purposes of all Participants but may be determined on a case-by-case basis for each individual Participant. Further, whether a transaction is a sale of substantially all of the assets of the Company need not be determined with reference to the Delaware General Corporation Law or cases decided thereunder.

## 2.21 **Subsidiary**

Subsidiary means any corporation during any period in which it is a "subsidiary corporation" (as that term is defined in Section 424(f) of the Code) with respect to the Company.

# **ARTICLE III**

## **ADMINISTRATION OF THE PLAN**

### 3.01 **Administrative Committee**

The Plan shall be administered by the Administrative Committee.

### 3.02 **Administrative Committee Action; Decisions Final**

A majority of the Administrative Committee may act by meeting (whether in person or by telephone) or by a writing executed without a meeting. The Administrative Committee shall have the discretionary authority to interpret and administer the provisions of the Plan, including, but not limited to, the terms and conditions of the Participant's Retention Bonus (to the extent not inconsistent with the Plan). The determination of the Administrative Committee shall be final and binding upon all parties.

### 3.03 **Rules and Regulations**

Subject to the limitations provided in this Article and Article V below, the Administrative Committee, from time to time, shall establish such supplemental rules and regulations for the administration of the Plan as it deems necessary.

### 3.04 **Indemnification of Members of Administrative Committee**

To the extent not insured against by an insurance company pursuant to the provisions of any applicable insurance policy and to the extent permitted by applicable laws, the Company shall indemnify and hold harmless each member of the Administrative Committee against any personal liability or expense incurred by him or her as a result of any act or omission in his or her capacity as a member of the Administrative Committee, except as a result of his or her own negligence or willful misconduct.

## **ARTICLE IV**

### **ELIGIBILITY**

#### 4.01 **Designation of Participants**

The Employees listed on the attached Exhibit A shall be Participants in the Plan and eligible to receive the Retention Bonuses set forth opposite their names. No other Employees will be designated as Participants in the Plan. The Administrative Committee shall have the sole and absolute discretion (to the extent not inconsistent with the Plan and subject to the prohibition of the award of Retention Bonuses to Insiders as set forth in Section 4.03 below) to determine (i) the terms and conditions of the Participant's Retention Bonus and (ii) what other events may be treated as a Qualifying Termination of Employment.

#### 4.02 **Notice of Participation**

The Administrative Committee shall provide a Notice of Participation to each Employee who is designated as a Participant. The Notice of Participation shall set forth the terms and conditions of the Participant's Retention Bonus. In the event that, through clerical error or otherwise, an individual Notice of Participation does not accurately reflect the determination of the Administrative Committee as provided above, the determination of the Administrative Committee shall control.

#### 4.03 **No Insiders**

Retention Bonuses will only be awarded to Employees who are not Insiders. Any Retention Bonus awarded to an Insider shall be null and void and no Retention Bonus will be earned by or payable to an Insider.

## **ARTICLE V**

### **RETENTION BONUS**

#### 5.01 **Amount of Retention Bonus**

The Retention Bonus for each Participant will be equal to fifteen percent (15%) of the Participant's Annual Base Salary.

## 5.02 **Retention Bonus**

The Retention Bonus will become payable if (i) the Participant remains employed by the Company or any Subsidiary from the date of award of the Retention Bonus through and including the Effective Date of the Chapter 11 Plan or such later date as the Administrative Committee may specify in the Participant's Notice of Participation or (ii) the Participant incurs a Qualifying Termination of Employment on or prior to the date set forth in clause (i) of this sentence.

## 5.03 **Payment of Retention Bonus**

A Participant need not file a claim in order to receive the Participant's Retention Bonus. The Participant's Retention Bonus will be paid in a lump sum by the Company or Subsidiary that employs the Participant within thirty (30) days following the date on which the Retention Bonus becomes payable as described above. Payment of a Retention Bonus under this Plan shall be subject to all applicable tax withholdings.

## 5.04 **Pro Rata Payment of Retention Bonus**

Participants taking a leave of absence approved by the Company or Subsidiary which employs the Participant shall have their Retention Bonus reduced pro rata for the period of the leave (other than with respect to a leave of absence under the Family and Medical Leave Act of 1993).

## 5.05 **Termination of Participation**

Participation in the Plan for any Participant shall automatically terminate, and all eligibility for further payment of any Retention Bonus under this Plan shall cease, without notice to or consent of such Participant, upon any termination of the Participant's employment with the Company and its Subsidiaries, prior to the date the Retention Bonus otherwise becomes payable, which is not a Qualifying Termination of Employment.

## **ARTICLE VI**

### **MISCELLANEOUS**

## 6.01 **Amendment and Termination of the Plan**

The Plan is completely voluntary on the part of the Company and, except as provided herein, neither its existence nor its continuation shall be construed as creating any contractual right or obligation for its continued existence. The Board shall have the right to amend or terminate the Plan from time to time in any manner provided that (i) such amendment or termination is consistent with the terms of any order of the Bankruptcy Court approving the Plan and (ii) no amendment or termination may, in the absence of written consent to the change by the affected Participant (or, if the Participant is not then living, the affected beneficiary), materially adversely affect the rights of any Participant or beneficiary under any award with respect to any Retention Bonus granted under the Plan, and no such amendment or termination shall have the



effect of retroactively changing or depriving Participants of payments already owed under the Plan.

#### 6.02 **Construction**

One gender includes the other, and the singular and plural include each other when the meaning would be appropriate. The Plan's headings and subheadings have been inserted for convenience of reference only and must be ignored in any construction of the provisions. If a provision of this Plan is illegal or invalid, that illegality or invalidity does not affect other provisions. Any term with an initial capital not expected by capitalization rules is a defined term according to Article II. This Plan must be construed according to applicable provisions of the Code and the Bankruptcy Code in a manner that assures that the Plan provides the benefits and tax consequences intended for Participants. Any terms defined in the Code and Bankruptcy Code that are not defined terms according to Article II are incorporated in this Plan by reference.

#### 6.03 **Governing Law**

This Plan shall be construed, enforced, and administered with (i) for U.S. Participants, the laws of the State of Delaware, except to the extent that those laws are superseded by the laws of the United States of America and (ii) for Canadian Participants, the laws of the Province of Ontario, Canada.

#### 6.04 **Plan Creates No Separate Rights**

Neither the creation, continuance, amendment or termination of the Plan and any Retention Bonus granted under the Plan gives any person a non-statutory legal or equitable right against the Company or any Subsidiaries or any of the Company's or Subsidiaries' officers, agents, or other persons. The Plan does not modify the terms of the Participant's employment. Notwithstanding any other provision of the Plan, nothing in this Plan shall confer upon any Participant the right to continue in the employment of the Company or any Subsidiary or affect any right of the Company or any Subsidiary to terminate the employment of such Participant at any time for any reason.

#### 6.05 **Non-Alienation of Benefits**

None of the payments, benefits or rights of a Participant under the Plan shall be subject to any claim of any creditor, and, to the fullest extent permitted by law, all such payments, benefits and rights shall be free from attachment, garnishment, levy, execution, trustee's process, or any other legal or equitable process available to any creditor of such Participant, other than through the laws of descent and distribution. Any attempt by a Participant to alienate, anticipate, sell, transfer, commute, pledge, encumber, assign or charge any payments, benefits or rights, contingent or otherwise, under this Plan, other than through the laws of descent and distribution, shall be null and void.

#### 6.06 **Successors**

No rights or obligations of any Participant under this Plan may be assigned or transferred by the Participant other than rights to any Retention Bonus payable hereunder, which may be transferred only by will or the laws of descent and distribution. Each Participant shall have the right to designate a Beneficiary to receive such Participant's unpaid Retention Bonus in the event of the Participant's death. If no designated Beneficiary survives the Participant or if the Participant fails to designate a Beneficiary, payment of the Participant's Retention Bonus shall be made to the Participant's Estate. In the event of a Participant's death or a judicial determination of his incompetence, reference in this Plan to the Participant shall be deemed, where appropriate, to refer to the Participant's Beneficiary or Beneficiaries, estate or other legal representative(s).

#### 6.07 **Unfunded Plan**

The Plan is intended to constitute an "unfunded" plan in regards to the payment of all Retention Bonuses. Except as may otherwise be provided by order of the Bankruptcy Court with respect to any Retention Bonus that is payable to a Participant, nothing contained herein shall give any Participant any rights that are greater than those of a general unsecured creditor of the Company and its Subsidiaries.

#### 6.08 **Omnibus Section 409A Provision**

It is intended that any Retention Bonus that is granted under the Plan shall be exempt from Section 409A of the Code as a short-term deferral within the meaning of Treas. Reg. §1.409A-1(b)(4). Towards that end, each Retention Bonus granted under the Plan shall be construed to contain such terms as will qualify the payments for such exemption from Section 409A of the Code. Notwithstanding the foregoing, however, neither the Company nor any Subsidiary shall be liable to any Participant or any beneficiary of a Participant if any Retention Bonus is subject to Section 409A of the Code or the Participant or any beneficiary of a Participant is otherwise subject to any additional tax, interest or penalty for failure to comply with Section 409A of the Code.