

**L. B. FOSTER COMPANY**

**CORPORATE GOVERNANCE GUIDELINES**

**1. STATEMENT OF GOVERNANCE**

The Board of Directors represents the shareholders' interest in perpetuating a successful business. The primary focus of the Board of Directors is on policy and strategic direction of the Company. The Board of Directors has delegated to management the responsibility to manage the day-to-day operations of the Company, with the Board overseeing the effectiveness of management's policies and decisions.

The Board has adopted these guidelines to promote the interests of the Company and its shareholders.

**2. RESPONSIBILITIES OF THE BOARD**

In addition to the duties of care and loyalty imposed by law, each director has the following responsibilities:

- (a) It is expected that each director will make every effort to attend Board and applicable Committee meetings, except in unavoidable circumstances. Each director will ensure that other commitments do not materially interfere with the director's service as a director.
- (b) A meeting agenda and materials related to agenda items will be provided prior to all meetings and each director will carefully review these materials before the relevant meeting and actively participate in each meeting.
- (c) Each director will hold in confidence non-public information obtained as a director.
- (d) The Board believes that management speaks for the Company. Individual Board members may, from time to time, meet or otherwise communicate with various constituencies that are involved with the Company and coordinate such communications with management as and where appropriate. Nothing herein, however, shall be deemed to limit directors' access to the Company's officers or independent professional advisors under Section 6 of these Guidelines.
- (e) The Board shall also perform the following specific functions:

- select, evaluate, and compensate the Chief Executive Officer of the Company and oversee Chief Executive Officer succession planning;
- provide counsel, guidance, and oversight regarding the selection, evaluation, development, and compensation of senior management;
- review the process for assessment of major risks facing the Company and strategies for risk mitigation;
- review, approve, and monitor fundamental financial and business strategies and major corporate activities and initiatives; and
- confirm that processes are in place that are reasonably designed to maintain the integrity of the Company's financial statements and to promote compliance with laws and regulations.

### 3. COMMITTEES

The Board currently maintains the following standing committees: an Audit Committee, a Compensation Committee, and a Nomination and Governance Committee.

- (a) **Audit Committee**. All members of the Audit Committee shall be independent Directors and must comply with all SEC and NASDAQ qualification requirements for audit committee members.

The Audit Committee's duties are set forth in its Charter.

- (b) **Compensation Committee**. At least two (2) members of the Compensation Committee must be independent directors and must comply with all SEC, NASDAQ, and Internal Revenue Code qualification requirements.

The Compensation Committee's duties are set forth in its Charter.

- (c) **Nomination and Governance Committee**. All members of the Nomination and Governance Committee must be independent directors and must comply with all SEC and NASDAQ qualification requirements.

The Nomination and Governance Committee's duties are set forth in its Charter.

In addition, in 2016, the Board created a special Strategy Committee, whose duties are set forth in its Charter.

#### 4. **BOARD COMPOSITION**

- (a) **Director Selection and Qualification.** The Board seeks candidates who possess the background, skills, expertise and time to make a significant contribution to the Board, to the Company and its stockholders. The Nomination and Governance Committee reviews the skill needs of the Company and the qualifications, backgrounds, personal characteristics, and business experience of the directors, as well as the overall composition of the Board, and recommends to the full Board the slate of directors to be nominated for election at the annual meeting of shareholders or individual directors to be elected to fill vacancies between such annual meetings, consistent with the Company's Bylaws.

Nominees for director will be proposed by the Nomination and Governance Committee for approval by the Board, in accordance with the policies and principles in its charter.

A director should not serve on more than six public company boards. In evaluating participation on other boards, consideration shall be given to the number of audit committees on which an individual participates, particularly if it is anticipated that the individual may serve on the company's Audit Committee.

Before joining the board of directors of any other "for profit" corporation, a director shall notify the Chairman of the Board, the Chair of the Nomination and Governance Committee, and the Chief Executive Officer so as to enable the Nomination and Governance Committee to make, in a timely manner, a determination as to whether there is an "interlocking directorate" issue or other conflict and to communicate such determination and any related recommendation to such director and to the Board.

- (b) **Majority Independence.** The majority of the directors will be "independent directors," as such term is defined under applicable NASDAQ rules. The Board shall annually determine which directors are "independent directors."
- (c) **Tenure.** The Board does not believe it should establish term limits since term limits could deprive the Company of directors who have developed insight into the Company and its operations. As an alternative to term limits, the Nomination and Governance Committee periodically will review each director's tenure on the Board.
- (d) **Retirement Age and Resignation.** Except for special circumstances as determined by the Board, upon recommendation of the Nomination and Governance Committee, no director may be nominated for re-election or reappointment to the Board if he or she would be age seventy-five (75) or older at the time of such election or appointment. Any director who

determines to retire, resign, or not stand for re-election shall give immediate written notice of such determination to the Chairman of the Board, the Chair of the Nomination and Governance Committee, and the Chief Executive Officer.

- (e) **Employment Status.** A management director will offer to resign from the Board upon his or her resignation, removal, or retirement as an officer of the Company. The Board will, in its sole discretion, determine whether to accept such resignation.
- (f) **Change in Occupation or Responsibilities.** Any director who anticipates or experiences a substantial change in such occupation, employment, or scope of responsibilities shall give notice to the Chairman of the Board, the Chair of the Nomination and Governance Committee, and the Chief Executive Officer as early as practicable or appropriate.

## 5. **DIRECTOR COMPENSATION GUIDELINES**

- (a) The Nomination and Governance Committee shall annually review directors' compensation, after consultation with the Company's human resources department and any consultant that the Nomination and Governance Committee wishes to retain.
- (b) Compensation should consist of an appropriate mix of cash and equity.
- (c) Audit Committee members may not receive any remuneration from the Company other than compensation for board and committee service.

## 6. **BOARD ACCESS TO MANAGEMENT AND PROFESSIONAL ADVISORS**

- (a) Directors shall have full access to the Company's officers.
- (b) The directors may, in their discretion, retain independent professional advisors.

## 7. **CEO SELECTION, EVALUATION AND SUCCESSION**

- (a) The Chief Executive Officer's performance will be reviewed by the Board of Directors at least annually. Such review will follow recommendations from the Compensation Committee with respect to long and short term corporate goals and the Chief Executive Officer's performance.
- (b) The Chief Executive Officer will report annually to the Board on the Company's program for succession and management development.

## 8. **BOARD AND COMMITTEE MEETINGS**

- (a) Once a year, the Chief Executive Officer will prepare, and the Board will receive, a schedule of agenda subjects to be considered during the year. The Chairman of the Board, working with the Chief Executive Officer, will establish the agenda for each Board meeting. Each director is free to suggest the inclusion of items on the agenda. Each director is free to raise at any Board meeting subjects that are not on the agenda for that meeting.
- (b) The chair of each committee, in consultation with the appropriate members of management and staff, will develop the committee's agenda. Once a year, each committee will establish a schedule of agenda subjects to be discussed during the year. The schedule for each committee will be furnished to all directors.
- (c) Non-management directors will hold regular "executive sessions" at least annually without management present in order to promote open discussion among such directors. "Independent directors" will similarly hold regular executive sessions without management and non-independent directors present, at least on an annual basis. "Executive sessions" will be held more often as deemed necessary and appropriate by the directors.
- (d) It is expected that all members of the Board of Directors then serving will attend the Annual Meeting of Shareholders.

## **9. LEGAL AND ETHICAL CONDUCT POLICY.**

Each director will be familiar and will comply with the Company's Legal and Ethical Conduct Policy. If actual or potential conflicts of interest arise, the director shall promptly notify the Company's General Counsel and the Audit Committee. All directors shall recuse themselves from any discussions and decisions regarding their personal, business, or professional interests. The Audit Committee shall resolve any conflict of interest involving a director, the Chief Executive Officer, or other executive officer.

## **10. DIRECTOR CONTINUING EDUCATION.**

The Company is committed to providing to directors opportunities and resources for continuing education for corporate governance and business related issues as may be appropriate.

## **11. BOARD ASSESSMENT.**

The Board shall annually assess the effectiveness of the Board and its committees.

## **12. STOCK OWNERSHIP GUIDELINES.**

Within five (5) years of first being elected to the Board, each of the Company's non-management directors are expected to own Company common stock or stock units representing Company common stock deferred under the Deferred Compensation Plan for Non-Employee Directors with a value of at least three times such director's annual cash compensation for services as a director.

**13. COMMUNICATIONS WITH DIRECTORS.**

Shareholders and other parties interested in communicating directly with the Chairman of the Board or with other non-management directors as a group may do so in writing to L. B. Foster Company, 415 Holiday Drive, Pittsburgh, PA 15220, to the attention of the Chairman of the Board or Non-Management Directors; such parties may also email the Corporate Secretary at [corporatesecretary@lbfoster.com](mailto:corporatesecretary@lbfoster.com). The Corporate Secretary will review all such correspondence and shall regularly forward to the Board a summary of all such correspondence and copies thereof that, in the opinion of the Corporate Secretary, deal with the functions of the Board or its committees or otherwise require the Board's attention. Directors may at any time review a log of all correspondence received by the Company that is addressed to members of the Board and request copies of such correspondence. Concerns relating to accounting, internal controls, or auditing are directed to the Company's internal audit department and handled in accordance with procedures established by the Audit Committee for such matters.