

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549
FORM 10-Q

(Mark One)

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
for the quarterly period ended March 31, 2021

Or

Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
for the transition period from _____ to _____

Commission File Number: 000-10436

L.B. Foster Company

(Exact name of registrant as specified in its charter)

Pennsylvania
(State of Incorporation)

25-1324733
(I. R. S. Employer Identification No.)

415 Holiday Drive, Suite 100, Pittsburgh, Pennsylvania
(Address of principal executive offices)

15220
(Zip Code)

(412) 928-3400
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, par value \$0.01	FSTR	NASDAQ Global Select Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (section 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of April 28, 2021, there were 10,805,003 shares of the registrant's common stock, par value \$0.01 per share, outstanding.

L.B. FOSTER COMPANY AND SUBSIDIARIES

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Part I. FINANCIAL INFORMATION
Item 1. Financial Statements

L.B. FOSTER COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except share data)

	March 31, 2021 (Unaudited)	December 31, 2020
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 5,015	\$ 7,564
Accounts receivable - net (Note 6)	65,660	58,298
Inventories - net (Note 7)	117,378	116,460
Other current assets	13,716	12,997
Total current assets	201,769	195,319
Property, plant, and equipment - net (Note 8)	61,583	62,085
Operating lease right-of-use assets - net (Note 9)	15,426	16,069
Other assets:		
Goodwill (Note 5)	20,373	20,340
Other intangibles - net (Note 5)	35,477	36,897
Deferred tax assets (Note 12)	38,770	38,481
Other assets	1,078	1,204
TOTAL ASSETS	\$ 374,476	\$ 370,395
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 66,398	\$ 54,787
Deferred revenue	15,359	7,144
Accrued payroll and employee benefits	5,701	9,182
Current portion of accrued settlement (Note 16)	8,000	8,000
Current maturities of long-term debt (Note 10)	129	119
Other accrued liabilities	12,597	15,740
Current liabilities of discontinued operations (Note 3)	146	330
Total current liabilities	108,330	95,302
Long-term debt (Note 10)	36,664	44,905
Deferred tax liabilities (Note 12)	4,046	4,085
Long-term portion of accrued settlement (Note 16)	24,000	24,000
Long-term operating lease liabilities (Note 9)	12,938	13,516
Other long-term liabilities	11,612	11,757
Stockholders' equity:		
Common stock, par value \$0.01, authorized 20,000,000 shares; shares issued at March 31, 2021 and December 31, 2020, 11,115,779; shares outstanding at March 31, 2021 and December 31, 2020, 10,607,435 and 10,563,290, respectively	111	111
Paid-in capital	43,943	44,583
Retained earnings	163,849	165,107
Treasury stock - at cost, 508,344 and 552,489 common stock shares at March 31, 2021 and December 31, 2020, respectively	(11,783)	(12,703)
Accumulated other comprehensive loss	(19,588)	(20,268)
Total L.B. Foster Company stockholders' equity	176,532	176,830
Noncontrolling interest	354	—
Total stockholders' equity	176,886	176,830
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 374,476	\$ 370,395

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

L.B. FOSTER COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)
(In thousands, except per share data)

	Three Months Ended March 31,	
	2021	2020
Sales of goods	\$ 100,546	\$ 96,388
Sales of services	15,534	25,519
Total net sales	116,080	121,907
Cost of goods sold	84,125	80,479
Cost of services sold	13,125	18,306
Total cost of sales	97,250	98,785
Gross profit	18,830	23,122
Selling and administrative expenses	18,026	20,337
Amortization expense	1,465	1,430
Interest expense - net	871	812
Other expense - net	59	606
Loss from continuing operations before income taxes	(1,591)	(63)
Income tax benefit from continuing operations	(321)	(58)
Loss from continuing operations	(1,270)	(5)
Net loss attributable to noncontrolling interest	(12)	—
Loss from continuing operations attributable to L.B. Foster Company	(1,258)	(5)
Discontinued operations:		
Loss from discontinued operations before income taxes	—	(2,631)
Income tax benefit from discontinued operations	—	(770)
Loss from discontinued operations	—	(1,861)
Net loss attributable to L.B. Foster Company	\$ (1,258)	\$ (1,866)
Basic loss per common share:		
From continuing operations	\$ (0.12)	\$ (0.00)
From discontinued operations	—	(0.18)
Basic loss per common share	\$ (0.12)	\$ (0.18)
Diluted loss per common share:		
From continuing operations	\$ (0.12)	\$ (0.00)
From discontinued operations	—	(0.18)
Diluted loss per common share	\$ (0.12)	\$ (0.18)

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

L.B. FOSTER COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(Unaudited)
(In thousands)

	Three Months Ended March 31,	
	2021	2020
Net loss	\$ (1,270)	\$ (1,866)
Other comprehensive income (loss), net of tax:		
Foreign currency translation adjustment	453	(3,707)
Unrealized loss on cash flow hedges, net of tax benefit of \$0 and \$296, respectively	—	(864)
Cash flow hedges reclassified to earnings, net of tax expense of \$98 and \$0, respectively	136	—
Reclassification of pension liability adjustments to earnings, net of tax expense of \$24 and \$24, respectively*	91	58
Total comprehensive loss	(590)	(6,379)
Less comprehensive loss attributable to noncontrolling interest:		
Net loss attributable to noncontrolling interest	(12)	—
Foreign currency translation adjustment	(30)	—
Amounts attributable to noncontrolling interest	(42)	—
Comprehensive loss attributable to L.B. Foster Company	\$ (548)	\$ (6,379)

* Reclassifications out of "Accumulated other comprehensive loss" for pension obligations are charged to "Selling and administrative expenses" within the Condensed Consolidated Statements of Operations.

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

L.B. FOSTER COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(In thousands)

	Three Months Ended March 31,	
	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss from continuing operations	\$ (1,270)	\$ (5)
Adjustments to reconcile net loss from continuing operations to cash provided by (used in) operating activities:		
Deferred income taxes	(712)	712
Depreciation	1,990	1,935
Amortization	1,465	1,430
Loss on sales and disposals of property, plant, and equipment	10	—
Stock-based compensation	827	680
Change in operating assets and liabilities:		
Accounts receivable	(7,213)	(1,221)
Inventories	(429)	3,611
Other current assets	(1,360)	(3,921)
Prepaid income tax	768	(2,258)
Other noncurrent assets	451	(4,939)
Accounts payable	11,435	1,080
Deferred revenue	8,152	2,262
Accrued payroll and employee benefits	(3,495)	(5,678)
Other current liabilities	(2,384)	(3,094)
Other long-term liabilities	(621)	4,504
Net cash provided by (used in) continuing operating activities	<u>7,614</u>	<u>(4,902)</u>
Net cash used in discontinued operating activities	<u>(184)</u>	<u>(1,988)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from the sale of property, plant, and equipment	—	1
Capital expenditures on property, plant, and equipment	(1,327)	(2,806)
Net cash used in continuing investing activities	<u>(1,327)</u>	<u>(2,805)</u>
Net cash used in discontinued investing activities	<u>—</u>	<u>(1,638)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayments of debt	(43,321)	(39,345)
Proceeds from debt	35,026	45,362
Treasury stock acquisitions	(547)	(1,657)
Investment of noncontrolling interest	396	—
Net cash (used in) provided by continuing financing activities	<u>(8,446)</u>	<u>4,360</u>
Net cash used in discontinued financing activities	<u>—</u>	<u>(15)</u>
Effect of exchange rate changes on cash and cash equivalents	(206)	(772)
Net decrease in cash and cash equivalents	(2,549)	(7,760)
Cash and cash equivalents at beginning of period	7,564	14,178
Cash and cash equivalents at end of period	<u>\$ 5,015</u>	<u>\$ 6,418</u>
Supplemental disclosure of cash flow information:		
Interest paid	<u>\$ 653</u>	<u>\$ 807</u>
Income taxes paid	<u>\$ 46</u>	<u>\$ 1,173</u>

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

L.B. FOSTER COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(Unaudited)
(Dollars in thousands)

Three Months Ended March 31, 2021

	Common Stock	Paid-in Capital	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Loss	Noncontrolling Interest	Total Stockholders' Equity
Balance, December 31, 2020	\$ 111	\$ 44,583	\$ 165,107	\$ (12,703)	\$ (20,268)	\$ —	\$ 176,830
Net loss	—	—	(1,258)	—	—	(12)	(1,270)
Other comprehensive income, net of tax:							
Pension liability adjustment	—	—	—	—	91	—	91
Foreign currency translation adjustment	—	—	—	—	453	(30)	423
Cash flow hedges reclassified to earnings	—	—	—	—	136	—	136
Issuance of 76,030 common shares, net of shares withheld for taxes	—	(1,467)	—	920	—	—	(547)
Stock-based compensation	—	827	—	—	—	—	827
Investment of noncontrolling interest	—	—	—	—	—	396	396
Balance, March 31, 2021	<u>\$ 111</u>	<u>\$ 43,943</u>	<u>\$ 163,849</u>	<u>\$ (11,783)</u>	<u>\$ (19,588)</u>	<u>\$ 354</u>	<u>\$ 176,886</u>

Three Months Ended March 31, 2020

	Common Stock	Paid-in Capital	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Loss	Noncontrolling Interest	Total Stockholders' Equity
Balance, December 31, 2019	\$ 111	\$ 49,204	\$ 157,525	\$ (16,795)	\$ (20,183)	\$ —	\$ 169,862
Net loss	—	—	(1,866)	—	—	—	(1,866)
Other comprehensive loss, net of tax:							
Pension liability adjustment	—	—	—	—	58	—	58
Foreign currency translation adjustment	—	—	—	—	(3,707)	—	(3,707)
Unrealized derivative loss on cash flow hedges	—	—	—	—	(864)	—	(864)
Issuance of 131,088 common shares, net of shares withheld for taxes	—	(5,556)	—	3,899	—	—	(1,657)
Stock-based compensation	—	680	—	—	—	—	680
Balance, March 31, 2020	\$ 111	\$ 44,328	\$ 155,659	\$ (12,896)	\$ (24,696)	\$ —	\$ 162,506

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

L.B. FOSTER COMPANY AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

(Dollars in thousands, except share data)

Note 1. Financial Statements*Basis of Presentation*

The accompanying unaudited Condensed Consolidated Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States (“GAAP”) for interim financial information and with the instructions to Form 10-Q and Article 8 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. In the opinion of management, all estimates and adjustments (consisting of normal recurring accruals, unless otherwise stated herein) considered necessary for a fair presentation of the financial position of L.B. Foster Company and subsidiaries as of March 31, 2021 and December 31, 2020 and its Condensed Consolidated Statements of Operations, Condensed Consolidated Statements of Comprehensive Loss, Condensed Consolidated Statements of Cash Flows, and Condensed Consolidated Statements of Stockholders’ Equity for the three months ended March 31, 2021 and 2020 have been included. However, actual results could differ from those estimates and changes in those estimates are recorded when known. The results of operations for interim periods are not necessarily indicative of the results that may be expected for the year ending December 31, 2021. The Condensed Consolidated Balance Sheet as of December 31, 2020 was derived from audited financial statements. This Quarterly Report on Form 10-Q should be read in conjunction with the consolidated financial statements and footnotes thereto included in L.B. Foster Company’s Annual Report on Form 10-K for the year ended December 31, 2020. In this Quarterly Report on Form 10-Q, references to “we,” “us,” “our,” and the “Company” refer collectively to L.B. Foster Company and its consolidated subsidiaries.

Reclassifications

Certain accounts in the prior year consolidated financial statements have been reclassified for comparative purposes principally to conform to the presentation of the current year period. Effective for the quarter ended September 30, 2020, the Company classified IOS Acquisitions, LLC and subsidiaries (“Test and Inspection Services”) as a discontinued operation. Effective for the quarter and year ended December 31, 2020, the Company implemented operational changes in how its Chief Operating Decision Maker (“CODM”) manages its businesses, including resource allocation and operating decisions. As a result of these changes, the Company now has two operating segments, representing the individual businesses that are run separately under the new structure. The Company has revised the information for all periods presented in this Quarterly Report on Form 10-Q to reflect these reclassifications.

Recently Issued Accounting Standards

In March 2020 and as clarified in January 2021, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update No. (“ASU”) 2020-04, “Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting” (“ASU 2020-04”), which provides optional expedients and exceptions for applying GAAP to contracts, hedging relationships, and other transactions affected by the discontinuation of the London Interbank Offered Rate (“LIBOR”) or by another reference rate expected to be discontinued. The amendments are effective for all entities as of March 12, 2020 through December 31, 2022. The Company is currently evaluating the impacts of the provisions of ASU 2020-04 on its financial condition, results of operations, and cash flows.

Note 2. Business Segments

The Company provides products and services for the rail industry and solutions to support critical infrastructure projects. The Company’s innovative engineering and product development solutions inspire the safety, reliability, and performance of its customers’ challenging requirements. The Company maintains locations in North America, South America, Europe, and Asia. The Company’s segments represent components of the Company (a) that engage in activities from which revenue is generated and expenses are incurred, (b) whose operating results are regularly reviewed by the Chief Operating Decision Maker (“CODM”), who uses such information to make decisions about resources to be allocated to the segments, and (c) for which discrete financial information is available. Operating segments are evaluated on their segment profit contribution to the Company’s consolidated results. Other income and expenses, interest, income taxes, and certain other items are managed on a consolidated basis. The Company’s segment accounting policies are described in Note 2 Business Segments of the Notes to the Company’s Consolidated Financial Statements contained in its Annual Report on Form 10-K for the year-ended December 31, 2020.

The following table illustrates the Company’s revenues and profit from operations by segment for the periods indicated:

	Three Months Ended March 31, 2021		Three Months Ended March 31, 2020	
	Net Sales	Segment Profit (Loss)	Net Sales	Segment Profit
Rail Technologies and Services	\$ 66,232	\$ 2,532	\$ 70,204	\$ 1,171
Infrastructure Solutions	49,848	(666)	51,703	1,604
Total	\$ 116,080	\$ 1,866	\$ 121,907	\$ 2,775

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Segment profit (loss) from operations, as shown above, includes allocated corporate operating expenses. Operating expenses related to corporate headquarter functions that directly support the segment activity are allocated based on segment headcount, revenue contribution, or activity of the business units within the segments, based on the corporate activity type provided to the segment. The expense allocation excludes certain corporate costs that are separately managed from the segments.

The following table provides a reconciliation of segment net profit from continuing operations to the Company's consolidated continuing operations total for the periods presented:

	Three Months Ended March 31,	
	2021	2020
Profit for reportable segments	\$ 1,866	\$ 2,775
Interest expense - net	(871)	(812)
Other expense - net	(59)	(606)
Unallocated corporate expenses and other unallocated charges	(2,527)	(1,420)
Loss before income taxes from continuing operations	\$ (1,591)	\$ (63)

The following table illustrates assets of the Company by segment for the periods presented:

	March 31, 2021	December 31, 2020
Rail Technologies and Services	\$ 174,782	\$ 161,485
Infrastructure Solutions	136,649	137,519
Unallocated corporate assets	63,045	71,391
Total	\$ 374,476	\$ 370,395

Note 3. Discontinued Operations

On September 4, 2020, the Company completed the sale of the issued and outstanding membership interests of its upstream oil and gas test and inspection business, Test and Inspection Services. Proceeds from the sale were \$4,000 and resulted in a loss of \$10,034, net of tax. The Company has reflected the results of operations of the Test and Inspection Services business as discontinued operations in the Condensed Consolidated Financial Statements for all periods presented. The Test and Inspection Services business was historically included in the legacy Tubular and Energy segment, whose remaining divisions are now included as part of the Infrastructure Solutions segment.

There was no activity regarding the Company's discontinued operations during the three months ended March 31, 2021. The following table provides the net sales and losses from discontinued operations for the three months ended March 31, 2020:

	Three Months Ended March 31, 2020
Net sales	\$ 6,868
Loss from discontinued operations	(2,631)
Income tax benefit	(770)
Loss from discontinued operations	\$ (3,401)

Note 4. Revenue

Revenue from products or services provided to customers over time accounted for 25.3% and 26.9% of revenue for the three months ended March 31, 2021 and 2020, respectively. The majority of revenue under these long-term agreements is recognized over time either using an input measure based upon the proportion of actual costs incurred to estimated total project costs or an input measure based upon actual labor costs as a percentage of estimated total labor costs, depending upon which measure the Company believes best depicts the Company's performance to date under the terms of the contract. Revenue recognized over time using an input measure was \$21,108 and \$24,432 for the three months ended March 31, 2021 and 2020, respectively. A certain portion of the Company's revenue recognized over time under these long-term agreements is recognized using an output method, specifically units delivered, based upon certain customer acceptance and delivery requirements. Revenue recognized over time using an output measure was \$8,264 and \$8,345 for the three months ended March 31, 2021 and 2020, respectively. As of March 31, 2021 and December 31, 2020, the Company had contract assets of \$37,673 and \$37,843, respectively, that were recorded in "Inventories - net" within the Condensed

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Consolidated Balance Sheets. As of March 31, 2021 and December 31, 2020, the Company had contract liabilities of \$6,030 and \$1,324, respectively, that were recorded in “Deferred revenue” within the Condensed Consolidated Balance Sheets.

The majority of the Company’s revenue is from products transferred and services rendered to customers at a point in time. Point in time revenue accounted for 74.7% and 73.1% of revenue for the three months ended March 31, 2021 and 2020, respectively. The Company recognizes revenue at the point in time at which the customer obtains control of the product or service, which is generally when the product title passes to the customer upon shipment or the service has been rendered to the customer. In limited cases, title does not transfer and revenue is not recognized until the customer has received the products at a physical location.

The following table summarizes the Company’s net sales by major product and service category for the periods presented:

	Three Months Ended March 31,	
	2021	2020
Rail Products	\$ 43,810	\$ 47,899
Rail Technologies	22,422	22,305
Rail Technologies and Services	66,232	70,204
Fabricated Steel Products	27,721	18,391
Precast Concrete Products	12,678	10,643
Coatings and Measurement	9,449	22,669
Infrastructure Solutions	49,848	51,703
Total net sales	\$ 116,080	\$ 121,907

Net sales by the timing of the transfer of products and services was as follows for the periods presented:

	Three Months Ended March 31, 2021		
	Rail Technologies and Services	Infrastructure Solutions	Total
Point in time	\$ 52,044	\$ 34,664	\$ 86,708
Over time	14,188	15,184	29,372
Total net sales	\$ 66,232	\$ 49,848	\$ 116,080

	Three Months Ended March 31, 2020		
	Rail Technologies and Services	Infrastructure Solutions	Total
Point in time	\$ 54,888	\$ 34,242	\$ 89,130
Over time	15,316	17,461	32,777
Total net sales	\$ 70,204	\$ 51,703	\$ 121,907

The timing of revenue recognition, billings, and cash collections results in billed receivables, costs in excess of billings (contract assets, included in “Inventories - net”), and billings in excess of costs (contract liabilities, included in “Deferred revenue”) within the Condensed Consolidated Balance Sheets.

Significant changes in contract assets during the three months ended March 31, 2021 resulted from transfers of \$11,310 from the contract assets balance as of December 31, 2020 to receivables. Significant changes in contract liabilities during the three months ended March 31, 2021 resulted from increases of \$5,425 due to billings in excess of costs, excluding amounts recognized as revenue during the period. Contract liabilities were reduced due to revenue recognized during the three months ended March 31, 2021 and 2020 of \$676 and \$2,614, respectively, which were included in contract liabilities at the beginning of each period.

As of March 31, 2021, the Company had approximately \$271,944 of obligations under new contracts and remaining performance obligations, which is also referred to as backlog. Approximately 13.0% of the March 31, 2021 backlog was related to projects that are anticipated to extend beyond March 31, 2022.

Note 5. Goodwill and Other Intangible Assets

The following table presents the goodwill balance by reportable segment:

	Rail Technologies and Services	Infrastructure Solutions	Total
Balance as of December 31, 2020	\$ 14,743	\$ 5,597	\$ 20,340
Foreign currency translation impact	33	—	33
Balance as of March 31, 2021	\$ 14,776	\$ 5,597	\$ 20,373

The Company performs goodwill impairment tests annually during the fourth quarter, and also performs interim goodwill impairment tests if it is determined that it is more likely than not that the fair value of a reporting unit is less than the carrying amount. Qualitative factors are assessed to determine whether it is more likely than not that the fair value of a reporting unit is less than the carrying amount, which included the impacts of COVID-19. However, the future impacts of COVID-19 are unpredictable and are subject to change. No interim goodwill impairment test was required as a result of the evaluation of qualitative factors as of March 31, 2021.

The components of the Company's intangible assets were as follows for the periods presented:

	March 31, 2021			
	Weighted Average Amortization Period In Years	Gross Carrying Value	Accumulated Amortization	Net Carrying Amount
Patents	10	389	(213)	176
Customer relationships	18	36,353	(16,568)	19,785
Trademarks and trade names	16	7,816	(4,283)	3,533
Technology	13	35,826	(23,843)	11,983
		\$ 80,384	\$ (44,907)	\$ 35,477

	December 31, 2020			
	Weighted Average Amortization Period In Years	Gross Carrying Value	Accumulated Amortization	Net Carrying Amount
Patents	10	383	(206)	177
Customer relationships	18	36,269	(15,914)	20,355
Trademarks and trade names	16	7,809	(4,135)	3,674
Technology	13	35,815	(23,124)	12,691
		\$ 80,276	\$ (43,379)	\$ 36,897

The Company amortizes intangible assets over their useful lives, which range from 5 to 25 years, with a total weighted average amortization period of approximately 16 years as of March 31, 2021. Amortization expense was \$1,465 and \$1,430 for the three months ended March 31, 2021 and 2020, respectively.

As of March 31, 2021, estimated amortization expense for the remainder of 2021 and thereafter was as follows:

	Amortization Expense
Remainder of 2021	\$ 4,393
2022	5,779
2023	5,308
2024	4,317
2025	2,453
2026 and thereafter	13,227
	\$ 35,477

Note 6. Accounts Receivable

The Company extends credit based upon an evaluation of the customer's financial condition and, while collateral is not required, the Company periodically receives surety bonds that guarantee payment. Credit terms are consistent with industry standards and practices. The amounts of trade accounts receivable as of March 31, 2021 and December 31, 2020 have been reduced by an allowance for

doubtful accounts of \$744 and \$944, respectively. Changes in reserves for uncollectible accounts, which are recorded as part of “Selling and administrative expenses” within the Condensed Consolidated Statements of Operations, resulted in income of \$22 and expense of \$86 for the three months ended March 31, 2021 and 2020, respectively.

The Company established the allowance for credit losses by calculating the amount to reserve based on the age of a given trade receivable and considering historical collection patterns and bad debt expense experience, in addition to any other relevant subjective adjustments to individual receivables made by management. The Company also considers current and expected future market and other conditions. Trade receivables are pooled within the calculation based on a range of ages, which appropriately groups receivables of similar credit risk together.

The established reserve thresholds to calculate the allowance for credit loss are based on and supported by historic collection patterns and bad debt expense incurred by the Company, as well as the expectation that collection patterns and bad debt expense will continue to adhere to patterns observed in recent years, which was formed based on trends observed as well as current and expected future conditions. Management maintains high-quality credit review practices as well as positive customer relationships that further mitigate credit risk.

The following table sets forth the Company’s allowance for doubtful accounts:

	Allowance for Doubtful Accounts
December 31, 2020	\$ 944
Current period provision (release)	(26)
Write-off against allowance	(174)
March 31, 2021	\$ 744

Note 7. Inventory

Inventories as of March 31, 2021 and December 31, 2020 are summarized in the following table:

	March 31, 2021	December 31, 2020
Finished goods	\$ 50,125	\$ 60,766
Contract assets	37,673	37,843
Work-in-process	7,651	5,143
Raw materials	21,929	12,708
Inventories - net	\$ 117,378	\$ 116,460

Inventories of the Company are valued at average cost or net realizable value, whichever is lower. Contract assets consist of costs and earnings in excess of billings, retainage, and other unbilled amounts generated when revenue recognized exceeds the amount billed to the customer.

The Company records appropriate provisions related to the allowance for credit losses associated with contract assets, as these assets held in inventory will convert to trade receivables once the customer is billed under the contract to which they pertain. Provisions are recorded based on the specific review of individual contracts as necessary, and a standard provision is recorded over any remaining contract assets pooled together based on similar low risk of credit loss.

The development of these provisions are based on historic collection trends, accuracy of estimates within contract margin reporting, as well as the expectation that collection patterns, margin reporting, and bad debt expense will continue to adhere to patterns observed in recent years. These expectations were formed based on trends observed as well as current and expected future conditions.

Note 8. Property, Plant, and Equipment

Property, plant, and equipment as of March 31, 2021 and December 31, 2020 consisted of the following:

	March 31, 2021	December 31, 2020
Land	\$ 6,632	\$ 6,627
Improvements to land and leaseholds	17,573	17,573
Buildings	27,487	27,348
Machinery and equipment, including equipment under finance leases	117,272	116,175
Construction in progress	1,287	915
Gross property, plant, and equipment	170,251	168,638
Less accumulated depreciation and amortization, including accumulated amortization of finance leases	(108,668)	(106,553)
Property, plant, and equipment - net	<u>\$ 61,583</u>	<u>\$ 62,085</u>

Depreciation expense was \$1,990 and \$1,935 for the three months ended March 31, 2021 and 2020, respectively. The Company reviews its property, plant, and equipment for recoverability whenever events or changes in circumstances indicate that carrying amounts may not be recoverable. The Company recognizes an impairment loss if it believes that the carrying amount of a long-lived asset is not recoverable and exceeds its fair value. There were no impairments of property, plant, and equipment during the three months ended March 31, 2021 and 2020.

Note 9. Leases

The Company determines if an arrangement is a lease at its inception. Operating leases are included in “Operating lease right-of-use assets - net,” “Other accrued liabilities,” and “Long-term operating lease liabilities” within the Condensed Consolidated Balance Sheets. Finance leases are included within “Property, plant, and equipment - net,” “Current maturities of long-term debt,” and “Long-term debt” in the Condensed Consolidated Balance Sheets.

The Company has operating and finance leases for manufacturing facilities, corporate offices, sales offices, vehicles, and certain equipment. As of March 31, 2021, the Company’s leases had remaining lease terms of 2 to 12 years, some of which include options to extend the leases for up to 12 years, and some of which include options to terminate the leases within 1 year.

The balance sheet components of the Company’s leases were as follows as of March 31, 2021 and December 31, 2020:

	March 31, 2021	December 31, 2020
Operating leases		
Operating lease right-of-use assets	\$ 15,426	\$ 16,069
Other accrued liabilities	\$ 2,488	\$ 2,553
Long-term operating lease liabilities	12,938	13,516
Total operating lease liabilities	<u>\$ 15,426</u>	<u>\$ 16,069</u>
Finance leases		
Property, plant, and equipment	\$ 1,163	\$ 1,116
Accumulated amortization	(908)	(869)
Property, plant, and equipment - net	<u>\$ 255</u>	<u>\$ 247</u>
Current maturities of long-term debt	\$ 129	\$ 119
Long-term debt	126	128
Total finance lease liabilities	<u>\$ 255</u>	<u>\$ 247</u>

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The components of lease expense within the Company's Condensed Consolidated Statements of Operations were as follows for the three months ended March 31, 2021 and 2020:

	Three Months Ended March 31,	
	2021	2020
Finance lease cost:		
Amortization of finance leases	\$ 51	\$ 177
Interest on lease liabilities	22	18
Operating lease cost	642	798
Sublease income	(50)	(17)
Total lease cost	\$ 665	\$ 976

The cash flow components of the Company's leases were as follows for the three months ended March 31, 2021 and 2020:

	Three Months Ended March 31,	
	2021	2020
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows related to operating leases	\$ (792)	\$ (1,009)
Financing cash flows related to finance leases	(55)	(184)
Right-of-use assets obtained in exchange for new lease liabilities:		
Operating leases	\$ —	\$ 5,981

The weighted-average remaining lease term (in years) and discount rate related to the operating leases were as follows for the periods presented:

	March 31,	
	2021	2020
Operating lease weighted-average remaining lease term	7	7
Operating lease weighted-average discount rate	5.2 %	5.2 %
Finance lease weighted-average remaining lease term	1	1
Finance lease weighted-average discount rate	4.2 %	4.3 %

As of March 31, 2021, estimated annual maturities of lease liabilities remaining for the year ending December 31, 2021 and thereafter were as follows:

	Operating Leases	Finance Leases
Remainder of 2021	\$ 2,456	\$ 142
2022	2,862	115
2023	2,636	42
2024	2,591	11
2025	2,389	—
2026 and thereafter	5,392	—
Total undiscounted lease payments	18,326	310
Interest	(2,900)	(55)
Total	\$ 15,426	\$ 255

Note 10. Long-term Debt and Related Matters

Long-term debt consisted of the following:

	March 31, 2021	December 31, 2020
Revolving credit facility	\$ 36,538	\$ 44,777
Finance leases and financing agreements	255	247
Total	36,793	45,024
Less current maturities	(129)	(119)
Long-term portion	\$ 36,664	\$ 44,905

On June 26, 2020, the Company, its domestic subsidiaries, and certain of its Canadian and United Kingdom subsidiaries (collectively, the “Borrowers”), entered into the First Amendment (the “First Amendment”) to its Third Amended and Restated Credit Agreement (the “Credit Agreement”) with PNC Bank, N.A., Bank of America, N.A., Wells Fargo Bank, N.A., Citizens Bank, N.A., and BMO Harris Bank, N.A. The First Amendment modified the Credit Agreement, which had a maximum revolving credit line of \$140,000 and provided for a \$25,000 term loan of which \$22,500 remained outstanding as of June 26, 2020. The First Amendment provides for a reduction in the revolving credit facility to permit aggregate borrowings of the Borrowers up to \$120,000 with a sublimit of the equivalent of \$25,000 U.S. dollars that is available to the Canadian and United Kingdom borrowers in the aggregate, and repaid and terminated the outstanding term loan by drawing funds on the revolving credit facility. The First Amendment provides additional \$5,000 annual reductions to the revolving credit facility beginning on December 31, 2020 through the maturity of the facility on April 30, 2024.

Borrowings under the First Amendment bear interest at rates based upon either the base rate or Euro-rate plus applicable margins. The applicable margins have been adjusted as part of the First Amendment and are dictated by the ratio of the Company’s total net indebtedness to the Company’s consolidated earnings before interest, taxes, depreciation, and amortization (“Consolidated EBITDA”) for four trailing quarters, as defined in the Credit Agreement. The base rate is the highest of (a) the Overnight Bank Funding Rate plus 50 basis points, (b) the Prime Rate, or (c) the Daily Euro-rate plus 100 basis points (each as defined in the Credit Agreement) and an increase to the interest rate floor to 100 basis points. The base rate and Euro-rate spreads range from 100 to 200 basis points and 200 to 300 basis points, respectively.

The First Amendment further provides for modifications to the financial covenants as defined in the Credit Agreement. The First Amendment modified three financial covenants in the Credit Agreement: (a) Maximum Gross Leverage Ratio, defined as the Company’s Consolidated Indebtedness divided by the Company’s Consolidated EBITDA, which must not exceed, other than during a period of four consecutive fiscal quarters of the Company beginning with a fiscal quarter during which the Company consummates a permitted acquisition, and including such fiscal quarter and the immediately three succeeding fiscal quarters (the “Acquisition Period”), (i) 3.25 to 1.00 for the testing period ended June 30, 2020, 3.00 to 1.00 for the testing periods ending September 30, 2020 through March 31, 2022, and 2.75 to 1.00 for the testing periods June 30, 2022 and thereafter, and (ii) 3.50 to 1.00 for the testing period ended June 30, 2020, 3.25 to 1.00 for the testing periods ending September 30, 2020 through March 31, 2022, and 3.00 to 1.00 for the testing periods ending June 30, 2022 and thereafter occurring during an Acquisition Period; (b) Minimum Consolidated Fixed Charge Coverage Ratio, defined as the Company’s Consolidated EBITDA divided by the Company’s Fixed Charges, which must be a minimum of 1.00 to 1.00 for the testing period ended June 30, 2020, 1.05 to 1.00 for the testing periods ending September 30, 2020 through June 30, 2021, 1.15 to 1.00 for the testing periods ending September 30, 2021 through June 30, 2022, and 1.25 to 1.00 for the testing periods ending September 30, 2022 and thereafter; and (c) Minimum Working Capital to Revolving Facility Usage Ratio, defined as the sum of 50% of the inventory and 85% of the accounts receivable of the Borrowers and certain other Guarantors divided by the dollar equivalent sum of the outstanding revolving credit loans, the outstanding swing loans, and the letter of credit obligations (the “Revolving Facility Usage”), which must not be less than 1.50 to 1.00. In addition, the First Amendment modifies the definition of Consolidated EBITDA to allow for certain additional adjustments. The First Amendment also includes changes to the non-financial covenants as defined in the Credit Agreement by increasing the basket for dispositions from \$25,000 to \$40,000. The Credit Agreement’s incremental loan feature permits the Company to increase the available revolving borrowings under the facility by up to an additional \$50,000 subject to the Company’s receipt of increased commitments from existing or new lenders and the satisfaction of certain conditions.

The Company’s and the domestic, Canadian, and United Kingdom guarantors’ (the “Guarantors”) obligations under the Credit Agreement are secured by the grant of a security interest by the Borrowers and Guarantors in substantially all of the personal property owned by such entities. Additionally, the equity interests in each of the loan parties, other than the Company, and the equity interests held by each loan party in its respective domestic subsidiaries, have been pledged to the lenders as collateral for the lending obligations.

The Credit Agreement permits the Company to pay dividends and make distributions and redemptions with respect to its stock provided no event of default or potential default (as defined in the Credit Agreement) has occurred prior to or after giving effect to the dividend, distribution, or redemption. Additionally, the Credit Agreement permits the Company to complete acquisitions so long as (a) no event of default or potential default has occurred prior to or as a result of such acquisition; (b) the liquidity of the Borrowers is not less than \$25,000 prior to and after giving effect to such acquisition; and (c) the aggregate consideration for the acquisition did not exceed: (i) \$50,000 per acquisition; (ii) \$50,000 in the aggregate for multiple acquisitions entered into during four consecutive quarters; and (iii) \$100,000 in the aggregate over the term of the Credit Agreement.

Other restrictions exist at all times including, but not limited to, limitations on the Company's sale of assets and the incurrence by either the Borrowers or the non-borrower subsidiaries of the Company of other indebtedness, guarantees, and liens.

On January 29, 2021, the Company and the Borrowers entered into the Second Amendment (the "Second Amendment") to the Credit Agreement, which permits the Company to incur indebtedness to finance insurance premiums in the ordinary course of business and allows for certain liens to secure the financing of insurance premiums. The Second Amendment also modifies the definition of Gross Leverage Ratio and Leverage Ratio in the Credit Agreement to exclude the Indebtedness permitted for the financing of insurance premiums in an aggregate amount not to exceed \$3,000.

As of March 31, 2021, the Company was in compliance with the covenants in the Credit Agreement, as amended.

As of March 31, 2021, the Company had outstanding letters of credit of approximately \$844 and had net available borrowing capacity of \$77,618. The maturity date of the facility is April 30, 2024.

Note 11. Earnings Per Common Share

(Share amounts in thousands)

The following table sets forth the computation of basic and diluted loss per common share for the periods indicated:

	Three Months Ended March 31,	
	2021	2020
Numerator for basic and diluted loss per common share:		
Loss from continuing operations	\$ (1,270)	\$ (5)
Loss from discontinued operations	—	(1,861)
Net loss	<u>\$ (1,270)</u>	<u>\$ (1,866)</u>
Denominator:		
Weighted average shares outstanding	10,583	10,478
Denominator for basic loss per common share	10,583	10,478
Effect of dilutive securities:		
Stock compensation plans	—	—
Dilutive potential common shares	—	—
Denominator for diluted loss per common share - adjusted weighted average shares outstanding	10,583	10,478
Continuing operations	\$ (0.12)	\$ (0.00)
Discontinued operations	—	(0.18)
Basic loss per common share	<u>\$ (0.12)</u>	<u>\$ (0.18)</u>
Continuing operations	\$ (0.12)	\$ (0.00)
Discontinued operations	—	(0.18)
Diluted loss per common share	<u>\$ (0.12)</u>	<u>\$ (0.18)</u>

There were 140 and 190 anti-dilutive shares during the three months ended March 31, 2021 and 2020, respectively.

Note 12. Income Taxes

For the three months ended March 31, 2021 and 2020, the Company recorded an income tax benefit of \$321 on pre-tax losses from continuing operations of \$1,591 and an income tax benefit of \$58 on pre-tax losses from continuing operations of \$63, respectively, for effective income tax rates of 20.2% and 92.1%, respectively. The Company's effective tax rate for the three months ended March 31, 2021 differed from the federal statutory rate of 21% primarily due to state income taxes, nondeductible expenses, and research tax credits.

Note 13. Stock-based Compensation

The Company applies the provisions of the FASB's Accounting Standards Codification ("ASC") Topic 718, "Compensation – Stock Compensation," to account for the Company's stock-based compensation. Stock-based compensation cost is measured at the grant date based on the calculated fair value of the award and is recognized over the employees' requisite service periods. The Company recorded stock-based compensation expense related to restricted stock awards and performance share units of \$827 and \$680 for the three months ended March 31, 2021 and 2020, respectively. As of March 31, 2021, unrecognized compensation expense for unvested awards approximated \$5,883. The Company expects to recognize this expense over the upcoming 4 years through February 2025.

Shares issued as a result of vested stock-based compensation awards generally will be from previously issued shares that have been reacquired by the Company and held as treasury stock or authorized and previously unissued common stock.

Restricted Stock Awards, Performance Share Units, and Performance-based Stock Awards

Under the 2006 Omnibus Plan, the Company grants eligible employees restricted stock and performance share units. The forfeitable restricted stock awards granted generally time-vest ratably over a three-year period, unless indicated otherwise by the underlying restricted stock agreement. Since May 2018, awards of restricted stock have been subject to a minimum one-year vesting period, including those granted to non-employee directors. Prior to May 2018, awards to non-employee directors were made in fully-vested shares. Performance share units are offered annually under separate three-year long-term incentive programs. Performance share units are subject to forfeiture and will be converted into common stock of the Company based upon the Company's performance relative to performance measures and conversion multiples, as defined in the underlying program. If the Company's estimate of the number of performance share units expected to vest changes in a subsequent accounting period, cumulative compensation expense could increase or decrease. The change will be recognized in the current period for the vested shares and would change future expense over the remaining vesting period.

Since May 1, 2017, non-employee directors have been permitted to defer receipt of annual stock awards and equity elected to be received in lieu of quarterly cash compensation. If so elected, these deferred stock units will be issued as common stock six months after separation from their service on the Board of Directors. Since May 2018, no non-employee directors have elected the option to receive deferred stock units of the Company's common stock in lieu of director cash compensation.

In February 2021, the Compensation Committee approved the 2021 Performance Share Unit Program and the Executive Annual Incentive Compensation Plan (consisting of cash and equity components). Also in February 2021, the Board of Directors approved a special performance-based stock retention program under the 2006 Omnibus Plan whereby eligible executives could earn shares of Company common stock provided that the Company's stock price achieves certain enumerated thirty-day average closing stock price hurdles over a five-year performance period. Any shares earned are payable no earlier than the third anniversary of the date of the grant. The program expires on February 28, 2026, after which date no shares may be earned or distributed.

The following table summarizes the restricted stock awards, deferred stock units, and performance share units activity for the three months ended March 31, 2021:

	Restricted Stock	Deferred Stock Units	Performance Share Units	Weighted Average Grant Date Fair Value
Outstanding as of December 31, 2020	171,934	66,136	150,022	\$ 18.05
Granted	81,859	—	141,471	16.13
Vested	(68,089)	—	(7,940)	19.08
Adjustment for incentive awards expected to vest	—	—	130	17.77
Outstanding as of March 31, 2021	185,704	66,136	283,684	\$ 17.46

Note 14. Fair Value Measurements

The Company determines the fair value of assets and liabilities based on the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants. The fair values are based on assumptions that market participants would use when pricing an asset or liability, including assumptions about risk and the risks inherent in valuation techniques and the inputs to valuations. The fair value hierarchy is based on whether the inputs to valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company's own assumptions of what market participants would use. The fair value hierarchy includes three levels of inputs that may be used to measure fair value as described below:

Level 1: Quoted market prices in active markets for identical assets or liabilities.

Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market data.

Level 3: Unobservable inputs that are not corroborated by market data.

The classification of a financial asset or liability within the hierarchy is determined based on the lowest level input that is significant to the fair value measurement.

Cash equivalents - Included in “Cash and cash equivalents” within the Condensed Consolidated Balance Sheets are investments in non-domestic term deposits. The carrying amounts approximate fair value because of the short maturity of the instruments.

LIBOR-based interest rate swaps - To reduce the impact of interest rate changes on outstanding variable-rate debt, the Company entered into forward starting LIBOR-based interest rate swaps with notional values totaling \$50,000. The fair value of the interest rate swaps is based on market-observable forward interest rates and represents the estimated amount that the Company would pay to terminate the agreements. As such, the swap agreements are classified as Level 2 within the fair value hierarchy. As of March 31, 2021 and December 31, 2020, the interest rate swaps were recorded in “Other accrued liabilities” within the Condensed Consolidated Balance Sheets.

	Fair Value Measurements at Reporting Date				Fair Value Measurements at Reporting Date			
	March 31, 2021	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	December 31, 2020	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Term deposits	\$ 18	\$ 18	\$ —	\$ —	\$ 18	\$ 18	\$ —	\$ —
Total assets	\$ 18	\$ 18	\$ —	\$ —	\$ 18	\$ 18	\$ —	\$ —
Interest rate swaps	\$ 863	\$ —	\$ 863	\$ —	\$ 1,097	\$ —	\$ 1,097	\$ —
Total liabilities	\$ 863	\$ —	\$ 863	\$ —	\$ 1,097	\$ —	\$ 1,097	\$ —

The Company had accounted for the interest rate swaps as cash flow hedges and the objective of the hedges is to offset the expected interest variability on payments associated with the interest rate on its debt. The Company de-designated its cash flow hedges and accounts for all existing and future interest rate swaps on a mark-to-market basis with changes in fair value recorded in current period earnings. In connection with this de-designation, the Company froze the balances recorded in “Accumulated other comprehensive loss” at June 30, 2020 and reclassifies balances to earnings as the underlying physical transactions occur, unless it is no longer probable that the physical transaction will occur at which time the related gains deferred in Other Comprehensive Income will be immediately recorded in earnings. The gains and losses related to the interest rate swaps are reclassified from “Accumulated other comprehensive loss” in the Condensed Consolidated Balance Sheets and included in “Interest expense - net” in the Condensed Consolidated Statements of Operations as the interest expense from the Company’s debt is recognized. For the three months ended March 31, 2021 and 2020, we recognized interest expense of \$235 and \$73, respectively, from interest rate swaps.

In accordance with the provisions of ASC Topic 820, “Fair Value Measurement,” the Company measures certain nonfinancial assets and liabilities at fair value, which are recognized and disclosed on a nonrecurring basis.

Note 15. Retirement Plans

Retirement Plans

The Company has three retirement plans that cover its hourly and salaried employees in the United States: one defined benefit plan, which is frozen, and two defined contribution plans. Employees are eligible to participate in the appropriate plan based on employment classification. The Company’s contributions to the defined benefit and defined contribution plans are governed by the Employee Retirement Income Security Act of 1974, as amended (“ERISA”) and the Company’s policy and investment guidelines applicable to each respective plan. The Company’s policy is to contribute at least the minimum in accordance with the funding standards of ERISA.

The Company maintains two defined contribution plans for its employees in Canada, as well as one post-retirement benefit plan. The Company also maintains two defined contribution plans and one defined benefit plan for its employees in the United Kingdom.

United States Defined Benefit Plan

Net periodic pension costs for the United States defined benefit pension plan for the three months ended March 31, 2021 and 2020 were as follows:

	Three Months Ended March 31,	
	2021	2020
Interest cost	\$ 43	\$ 56
Expected return on plan assets	(62)	(58)
Recognized net actuarial loss	25	13
Net periodic pension cost	<u>\$ 6</u>	<u>\$ 11</u>

The Company made contributions to its United States defined benefit pension plan of \$300 during the three months ended March 31, 2021 and expects to make total contributions of \$500 during 2021.

United Kingdom Defined Benefit Plan

Net periodic pension costs for the United Kingdom defined benefit pension plan for the three months ended March 31, 2021 and 2020 were as follows:

	Three Months Ended March 31,	
	2021	2020
Interest cost	\$ 28	\$ 44
Expected return on plan assets	(65)	(59)
Amortization of prior service costs and transition amount	7	6
Recognized net actuarial loss	83	64
Net periodic pension cost	<u>\$ 53</u>	<u>\$ 55</u>

United Kingdom regulations require trustees to adopt a prudent approach to funding required contributions to defined benefit pension plans. For the three months ended March 31, 2021, the Company contributed approximately \$85 to the plan. The Company anticipates total contributions of approximately \$340 to the United Kingdom pension plan during 2021.

Defined Contribution Plans

The Company sponsors six defined contribution plans for hourly and salaried employees across its domestic and international facilities. The following table summarizes the expense associated with the contributions made to these plans for the periods presented:

	Three Months Ended March 31,	
	2021	2020
United States	\$ 364	\$ (138)
Canada	46	39
United Kingdom	119	111
	<u>\$ 529</u>	<u>\$ 12</u>

Note 16. Commitments and Contingent Liabilities**Product Liability Claims**

The Company is subject to product warranty claims that arise in the ordinary course of its business. For certain manufactured products, the Company maintains a product warranty accrual, which is adjusted on a monthly basis as a percentage of cost of sales. In addition, the product warranty accrual is adjusted periodically based on the identification or resolution of known individual product warranty claims.

The following table sets forth the Company's product warranty accrual:

	Warranty Liability
Balance as of December 31, 2020	\$ 1,249
Additions to warranty liability	110
Warranty liability utilized	(92)
Balance as of March 31, 2021	\$ 1,267

Union Pacific Railroad ("UPRR") Concrete Tie Matter

On March 13, 2019, the Company and its subsidiary, CXT Incorporated ("CXT"), entered into a Settlement Agreement (the "Settlement Agreement") with UPRR to resolve the pending litigation in the matter of *Union Pacific Railroad Company v. L.B. Foster Company and CXT Incorporated*, Case No. CI 15-564, in the District Court for Douglas County, Nebraska.

Under the Settlement Agreement, the Company and CXT will pay UPRR the aggregate amount of \$50,000 without pre-judgment interest, which began with a \$2,000 immediate payment, and with the remaining \$48,000 paid in installments over a six-year period commencing on the effective date of the Settlement Agreement through December 2024 pursuant to a Promissory Note. Additionally, commencing in January 2019 and through December 2024, UPRR agreed to purchase and has been purchasing from the Company and its subsidiaries and affiliates, a cumulative total amount of \$48,000 of products and services, targeting \$8,000 of annual purchases per year beginning March 13, 2019 per letters of intent under the Settlement Agreement. The Settlement Agreement also includes a mutual release of all claims and liability regarding or relating to all CXT pre-stressed concrete railroad ties with no admission of liability and dismissal of the litigation with prejudice.

The expected payments under the UPRR Settlement Agreement for the remainder of the year ending December 31, 2021 and thereafter are as follows:

Year Ending December 31,	
Remainder of 2021	\$ 8,000
2022	8,000
2023	8,000
2024	8,000
Total	\$ 32,000

Environmental and Legal Proceedings

The Company is subject to national, state, foreign, provincial, and/or local laws and regulations relating to the protection of the environment. The Company's efforts to comply with environmental regulations may have an adverse effect on its future earnings.

On June 5, 2017, a General Notice Letter was received from the United States Environmental Protection Agency ("EPA") indicating that the Company may be a potentially responsible party ("PRP") regarding the Portland Harbor Superfund Site cleanup along with numerous other companies. More than 140 other companies received such a notice. The Company and a predecessor owned and operated a facility near the harbor site for a period prior to 1982. The net present value and undiscounted costs of the selected remedy throughout the harbor site are estimated by the EPA to be approximately \$1.1 billion and \$1.7 billion, respectively, and the remedial work is expected to take as long as 13 years to complete. The Company is reviewing the basis for its identification by the EPA and the nature of the historic operations of a Company predecessor near the site. Additionally, the Company executed a PRP agreement which provides for a private allocation process among almost 100 PRPs in a working group whose work is ongoing. On March 26, 2020, the EPA issued a Unilateral Administrative Order to two parties requiring them to perform remedial design work for that portion of the Harbor Superfund Site that includes the area closest to the facility; the Company was not a recipient of this Unilateral Administrative Order. The Company cannot predict the ultimate impact of these proceedings because of the large number of PRPs involved throughout the harbor site, the degree of contamination of various wastes, varying environmental impacts throughout the harbor site, the scarcity of data related to the facility once operated by the Company and a predecessor, and the speculative nature of the remediation costs. Based upon information currently available, management does not believe that the Company's alleged PRP status regarding the Portland Harbor Superfund Site or other compliance with the present environmental protection laws will have a material adverse effect on the financial condition, results of operations, cash flows, competitive position, or capital expenditures of the Company.

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As of March 31, 2021 and December 31, 2020, the Company maintained environmental reserves approximating \$2,545 and \$2,562, respectively. The following table sets forth the Company's environmental obligation:

	Environmental liability
Balance as of December 31, 2020	\$ 2,562
Environmental obligations utilized	(17)
Balance as of March 31, 2021	<u>\$ 2,545</u>

The Company is also subject to other legal proceedings and claims that arise in the ordinary course of its business. Legal actions are subject to inherent uncertainties, and future events could change management's assessment of the probability or estimated amount of potential losses from pending or threatened legal actions. Based on available information, it is the opinion of management that the ultimate resolution of pending or threatened legal actions, both individually and in the aggregate, will not result in losses having a material adverse effect on the Company's financial position or liquidity as of March 31, 2021.

If management believes that, based on available information, it is at least reasonably possible that a material loss (or additional material loss in excess of any accrual) will be incurred in connection with any legal actions, the Company discloses an estimate of the possible loss or range of loss, either individually or in the aggregate, as appropriate, if such an estimate can be made, or discloses that an estimate cannot be made. Based on the Company's assessment as of March 31, 2021, no such disclosures were considered necessary.

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations**(Dollars in thousands, except share data)****Forward-Looking Statements**

This Quarterly Report on Form 10-Q contains “forward-looking” statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, and Section 27A of the Securities Act of 1933, as amended. Many of the forward-looking statements are located in “Management’s Discussion and Analysis of Financial Condition and Results of Operations” (“MD&A”). Forward-looking statements provide management’s current expectations of future events based on certain assumptions and include any statement that does not directly relate to any historical or current fact. Sentences containing words such as “believe,” “intend,” “plan,” “may,” “expect,” “should,” “could,” “anticipate,” “estimate,” “predict,” “project,” or their negatives, or other similar expressions of a future or forward-looking nature generally should be considered forward-looking statements. Forward-looking statements in this Quarterly Report on Form 10-Q are based on management’s current expectations and assumptions about future events that involve inherent risks and uncertainties and may concern, among other things, the Company’s expectations relating to our strategy, goals, projections, and plans regarding our financial position, liquidity, capital resources, and results of operations and decisions regarding our strategic growth initiatives, market position, and product development. While the Company considers these expectations and assumptions to be reasonable, they are inherently subject to significant business, economic, competitive, regulatory, and other risks and uncertainties, most of which are difficult to predict and many of which are beyond the Company’s control. The Company cautions readers that various factors could cause the actual results of the Company to differ materially from those indicated by forward-looking statements. Accordingly, investors should not place undue reliance on forward-looking statements as a prediction of actual results. Among the factors that could cause the actual results to differ materially from those indicated in the forward-looking statements are risks and uncertainties related to: the COVID-19 pandemic, including the impact of any worsening of the pandemic on our financial condition or results of operations, and any future global health crises, and the related social, regulatory, and economic impacts and the response thereto by the Company, our employees, our customers, and national, state, or local governments; a continued deterioration in the prices of oil and natural gas and the related impact on the upstream and midstream energy markets; a continuation or worsening of the adverse economic conditions in the markets we serve, whether as a result of the current COVID-19 pandemic, including its impact on travel and demand for oil and gas, the continued deterioration in the prices for oil and gas, governmental travel restrictions, project delays, and budget shortfalls, or otherwise; volatility in the global capital markets, including interest rate fluctuations, which could adversely affect our ability to access the capital markets on terms that are favorable to us; restrictions on our ability to draw on our credit agreement, including as a result of any future inability to comply with restrictive covenants contained therein; a continuing decrease in freight or transit rail traffic, including as a result of the COVID-19 pandemic; environmental matters, including any costs associated with any remediation and monitoring; the risk of doing business in international markets, including compliance with anti-corruption and bribery laws, foreign currency fluctuations and inflation, and trade restrictions or embargoes; our ability to effectuate our strategy, including cost reduction initiatives, and our ability to effectively integrate acquired businesses or to divest businesses, such as the 2020 disposition of the IOS Test and Inspection Services business and acquisition of LarKen Precast, LLC and to realize anticipated benefits; costs of and impacts associated with shareholder activism; continued customer restrictions regarding the on-site presence of third party providers due to the COVID-19 pandemic; the timeliness and availability of materials from our major suppliers, including any continuation or worsening of the disruptions in the supply chain experienced as a result of the COVID-19 pandemic, as well as the impact on our access to supplies of customer preferences as to the origin of such supplies, such as customers’ concerns about conflict minerals; labor disputes; cyber-security risks such as data security breaches, malware, ransomware, “hacking,” and identity theft, including as experienced in 2020, which could disrupt our business and may result in misuse or misappropriation of confidential or proprietary information, and could result in the significant disruption or damage to our systems, increased costs and losses, or an adverse effect to our reputation; the effectiveness of our continued implementation of an enterprise resource planning system; changes in current accounting estimates and their ultimate outcomes; the adequacy of internal and external sources of funds to meet financing needs, including our ability to negotiate any additional necessary amendments to our credit agreement or the terms of any new credit agreement, and reforms regarding the use of LIBOR as a benchmark for establishing applicable interest rates; the Company’s ability to manage its working capital requirements and indebtedness; domestic and international taxes, including estimates that may impact taxes; domestic and foreign government regulations, including tariffs; economic conditions and regulatory changes caused by the United Kingdom’s exit from the European Union; a lack of state or federal funding for new infrastructure projects; an increase in manufacturing or material costs; the loss of future revenues from current customers; and risks inherent in litigation and the outcome of litigation and product warranty claims. Should one or more of these risks or uncertainties materialize, or should the assumptions underlying the forward-looking statements prove incorrect, actual outcomes could vary materially from those indicated. Significant risks and uncertainties that may affect the operations, performance, and results of the Company’s business and forward-looking statements include, but are not limited to, those set forth under Item 1A, “Risk Factors,” and elsewhere in our Annual Report on Form 10-K for the year ended December 31, 2020, or as updated and/or amended by other current or periodic filings with the Securities and Exchange Commission.

The forward-looking statements in this report are made as of the date of this report and we assume no obligation to update or revise any forward-looking statement, whether as a result of new information, future developments, or otherwise, except as required by the federal securities laws.

General Overview and Business Update

L.B. Foster Company provides products and services for the rail industry and solutions to support critical infrastructure projects. The Company's innovative engineering and product development solutions inspire the safety, reliability, and performance of its customers' challenging requirements. The Company maintains locations in North America, South America, Europe, and Asia. The Company is organized and operates in two business segments: Rail Technologies and Services ("Rail") and Infrastructure Solutions. The Rail segment is comprised of several manufacturing and distribution businesses that provide a variety of products and services for freight and passenger railroads and industrial companies throughout the world. The Infrastructure Solutions segment is composed of precast concrete products, piling, fabricated bridge, protective coating, threading, and precision measurement offerings across North America.

Results for the quarter ended March 31, 2021 reflect the continued deferral of projects by the midstream pipeline markets for protective coatings and measurement systems. In addition, the pandemic-related working restrictions imposed in certain areas, particularly in the United Kingdom, has kept the Company from converting more backlog to sales revenue during the quarter. Conversely, the Company did experience some favorable impacts from the dissipation of some pandemic restrictions, most notably in sales of friction management consumables, which benefited from increased rail traffic as COVID restrictions were eased. The Precast Concrete Products and Fabricated Steel Products businesses also experienced favorable sales results during the current quarter.

The first quarter has historically been the Company's weakest quarter due to the seasonality of several of its divisions. Net sales for the first quarter of 2021 were \$116,080, a \$5,827 decrease, or 4.8%, compared to the prior year quarter. The sales decrease was attributable to both of the Company's segments, with the Rail and Infrastructure Solutions segments declining by 5.7% and 3.6%, respectively, from the prior year quarter. The \$3,972 decline in the Rail segment was attributable to the Rail Products business unit due to the timing of deliveries and customer delays, including certain projects that did not ship due to poor weather. The \$1,855 decline in the Infrastructure Solutions segment was wholly attributable to the Coatings and Measurement business unit, which continues to face a challenging environment in the midstream energy market due to excess infrastructure capacity. The decrease in Infrastructure Solutions was partially offset by revenue increases in both its Precast Concrete Products and Fabricated Steel Products business units. These divisions have increased backlog as demand for their products and services was increasing with greater activity among general infrastructure projects.

Gross profit for the first quarter of 2021 was \$18,830, a \$4,292 decrease, or 18.6%, from the prior year quarter. The consolidated gross profit margin of 16.2% decreased by 280 basis points when compared to the prior year quarter, with the decline attributable to the Infrastructure Solutions segment. In the Infrastructure Solutions segment, gross profit declined from the prior year quarter by \$4,605, driven by the decline in revenues in the Coatings and Measurement business line. Infrastructure Solution's gross profit margin was down 850 basis points compared to last year's first quarter. Gross profit increased in the Rail segment by \$313, driven by the 150 basis point improvement in gross profit margin due primarily to increases in friction management consumable sales within the Rail Technologies business unit.

Selling and administrative expenses in the first quarter of 2021 decreased by \$2,311, or 11.4%, from the prior year quarter, primarily driven by decreases in personnel related costs, including travel expenses, of \$1,783. Selling and administrative expenses as a percent of net sales decreased to 15.5%, down 120 basis points from the prior year quarter.

Net loss from continuing operations for the first quarter of 2021 was \$1,270, or \$0.12 per diluted share, a reduction of \$1,265, or \$0.12 per diluted share, from the prior year quarter.

Backlog in the first quarter of 2021 increased by 16.5% for the Infrastructure Solutions segment and 12.4% for the Rail segment compared to the prior year period. This increase highlights the ongoing spending in the infrastructure markets served by these two segments despite pockets of weakness associated with traffic volume and delays in certain transportation related projects due to the pandemic, and the ongoing challenges experienced by the midstream energy market.

The Infrastructure Solutions segment backlog increase was driven by a strong quarter of order activity in the Precast Concrete Products business line coupled with steady order activity in the Fabricated Steel Products business. These business lines saw key projects drive growth in the segment's backlog, as it increased sequentially from December 31, 2020 by \$22,482, or 17.7%. The backlog for bridge decking is expected to continue to result in production rates at near capacity levels. The Precast Concrete Products business line continues to benefit from new infrastructure in the regions that the Company serves. While this business depends on municipal, state, and federal spending for certain programs that may experience budget pressures, these programs could benefit from continued government spending on infrastructure and economic stimulus efforts related to civil construction projects, including projects funded by the Great American Outdoors Act, which was signed into law on August 4, 2020. The Coatings and Measurement business line continues to be affected by the on-going deferral of infrastructure investment in the midstream pipeline markets. Due to a significant decline in order activity in the Coatings and Measurement business line, its backlog is down by \$19,553 compared to March 31, 2020, partially offsetting the aggregate increase in the Infrastructure Solutions backlog of \$21,153 year-over-year.

The primary driver of the year-over-year improvement of \$13,551 in backlog in the Rail segment was in the Rail Products business line, a portion of which is attributable to the timing of deliveries and customer delays. The Rail segment is anticipating further recovery in its Rail Technologies business line, particularly products and services related to its operations in the United Kingdom, barring any new COVID-19 restrictive measures. Also, while ridership levels and rail traffic volumes have not yet recovered to pre-pandemic levels, they have improved during the quarter. The Company expects this to result in an increase in the volume of its friction management consumable sales going forward if this trend continues. In addition, recently passed U.S. federal legislation includes significant funding for transit agencies, including Amtrak, that the Company serves; these measures should help to bridge substantial funding gaps that those entities were facing. The American Rescue Plan Act of 2021, which was signed into law on March 11, 2021, provides \$30.0 billion in support of transit agencies, with an incremental \$1.5 billion in funding for Amtrak.

The Company's consolidated backlog stood at \$271,944 as of March 31, 2021, an increase of \$23,712, or 9.6%, from December 31, 2020, and an increase of \$34,704, or 14.6%, over the prior year period. The Company expects that railway and general infrastructure projects to continue to move forward, and the Company expects less disruption from pandemic-related issues as the year progresses. Railway traffic volume and an increase in on-site service-related activity is expected to have a favorable impact on consumable sales and service-related revenue. The served midstream energy market has longer-term projects associated with it, and certain of these projects are expected to continue based on projected needs once the market returns to a more historically normalized volume level. However, the Coatings and Measurement business line is expected to remain weak for the foreseeable future, and still poses a significant challenge as the Company strives to reach pre-pandemic profit levels. There could be additional shutdowns or furlough periods in the Coatings and Measurement business line if order rates do not improve in the coming months. Despite the headwinds driven by the midstream market, the combination of a strong backlog and an improving macroeconomic outlook and operating environment support the Company's expectations for a strong sequential increase in sales from the first quarter to the second quarter of 2021 accompanied by increasing profitability. Gross profit margins are expected to improve as sales on certain consumables and service work return, and leverage on operating cost is realized. Selling and administrative expenses should leverage favorably with the increase in sales, although absolute spending levels are expected to increase over the first quarter as more normal commercial and operating activities return.

Results of the Quarter

	Three Months Ended March 31,		Percent Increase/ (Decrease)	Percent of Total Net Sales Three Months Ended March 31,	
	2021	2020		2021	2020
Net Sales:					
Rail Technologies and Services	\$ 66,232	\$ 70,204	(5.7)%	57.1 %	57.6 %
Infrastructure Solutions	49,848	51,703	(3.6)	42.9	42.4
Total net sales	<u>\$ 116,080</u>	<u>\$ 121,907</u>	(4.8)%	100.0 %	100.0 %
Gross Profit:					
Rail Technologies and Services	\$ 12,805	\$ 12,492	2.5 %	19.3 %	17.8 %
Infrastructure Solutions	6,025	10,630	(43.3)	12.1	20.6
Total gross profit	<u>\$ 18,830</u>	<u>\$ 23,122</u>	(18.6)%	16.2 %	19.0 %
Expenses:					
Selling and administrative expenses	\$ 18,026	\$ 20,337	(11.4)%	15.5 %	16.7 %
Amortization expense	1,465	1,430	2.4	1.3	1.2
Interest expense - net	871	812	7.3	0.8	0.7
Other expense - net	59	606	(90.3)	0.1	0.5
Loss from continuing operations before income taxes	\$ (1,591)	\$ (63)	**	(1.4)%	(0.1)%
Income tax benefit	(321)	(58)	**	(0.3)	0.0
Loss from continuing operations	\$ (1,270)	\$ (5)	**	(1.1)%	0.0 %
Net loss attributable to noncontrolling interest	(12)	—	**	0.0	—
Loss from continuing operations attributable to L.B. Foster Company	<u>\$ (1,258)</u>	<u>\$ (5)</u>	**	(1.1)%	0.0 %

** Results of the calculation are not considered meaningful for presentation purposes.

First Quarter 2021 Compared to First Quarter 2020 – Company Analysis

Net sales of \$116,080 for the three months ended March 31, 2021 decreased by \$5,827, or 4.8%, compared to the prior year quarter. The decline was attributable to reductions within both of the segments, due in part to disruptions, which include weather related delays and continued pandemic safety precautions across each of the segments. Sales for the Rail Technologies and Services segment decreased by 5.7% and the Infrastructure Solutions segment decreased by 3.6%.

Gross profit decreased by \$4,292 compared to the prior year quarter to \$18,830 for the three months ended March 31, 2021. The decline in gross profit was attributable to the Infrastructure Solutions segment, which decreased by 43.3%, driven primarily by the year-over-year decline in revenues in the Coatings and Measurement business line. This was partially offset by the Rail Technologies and Services segment's gross profit, which increased by 2.5%. Gross profit margin for the three months ended March 31, 2021 was 16.2%, or 280 basis points ("bps") lower than the prior year quarter, due to Infrastructure Solutions.

Selling and administrative expenses decreased by \$2,311, or 11.4%, compared to the prior year quarter. The decrease in expense was primarily driven by reductions in personnel related expenses, including travel expenses, of \$1,783, due in part to cost containment measures across the Company. As a percent of sales, selling and administrative expenses decreased 120 bps compared to the prior year quarter, despite the 4.8% reduction in sales. Other expenses - net was reduced by \$547, or 90.3%, compared to the prior year quarter primarily from non-routine relocation and restructuring charges of \$677 incurred in the prior year quarter.

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The Company's effective income tax rate for the three months ended March 31, 2021 was 20.2%, compared to 92.1% in the prior year quarter. The Company's effective income tax rate for the quarter ended March 31, 2021 differed from the federal statutory rate of 21% primarily due to state income taxes, nondeductible expenses, and research tax credits.

Net loss from continuing operations for the first quarter of 2021 was \$1,270, or \$0.12 per diluted share, compared to \$5, or less than \$0.01 per diluted share, in the prior year quarter.

The Company believes that March sales patterns as well as orders and backlog activity could be indicative of portions of the segment beginning to rebound from pandemic-related conditions. This potential rebound could be further supported by favorable anticipated infrastructure spending trends as well as new and prospective legislation that could drive positive conditions and increases in demand in markets served as 2021 continues to progress.

Results of Operations – Segment Analysis

Rail Technologies and Services

	Three Months Ended March 31,		(Decrease)/Increase 2021 vs. 2020	Percent (Decrease)/Increase 2021 vs. 2020
	2021	2020		
Net sales	\$ 66,232	\$ 70,204	\$ (3,972)	(5.7)%
Gross profit	\$ 12,805	\$ 12,492	\$ 313	2.5 %
Gross profit percentage	19.3 %	17.8 %	1.5 %	8.7 %
Segment profit	\$ 2,532	\$ 1,171	\$ 1,361	116.2 %
Segment profit percentage	3.8 %	1.7 %	2.1 %	123.5 %

First Quarter 2021 Compared to First Quarter 2020

The Rail Technologies and Services segment sales for the three months ended March 31, 2021 decreased by \$3,972, or 5.7%, compared to the prior year quarter. The sales decline was primarily driven by the Rail Products business unit, which decreased by \$4,091, or 8.5%, due primarily to the timing of deliveries and customer and weather-related delays. Partially offsetting the sales decline was the Rail Technologies business, which increased by \$117, or 0.5%, from the prior year. This was primarily related to the increase in demand for our friction management consumables and services resulting from increased rail traffic as certain COVID-19 restrictions were eased. The Company was pleased with the strong sales volumes in the month of March leading into the second quarter, which accounted for 48.0% of overall segment revenue for the first quarter.

The Rail Technologies and Services segment gross profit increased by \$313, or 2.5%, from the prior year quarter. The increase was primarily driven by increased sales volume from higher margin products within the Rail Technologies business. Segment gross profit margin increased by 150 bps as a result of increased sales and services of friction management consumables. Segment profit was \$2,532, a \$1,361 increase over the prior year quarter. Selling and administrative expenses incurred by the segment decreased by \$1,237 compared to the prior year quarter, primarily attributable to decreased personnel related costs, including travel expenses, and, to a lesser extent, third-party professional service costs, as cost containment remained a key focus given the challenging market conditions.

During the current quarter, the Rail Technologies and Services segment had a decrease in new orders of 8.9% compared to the prior year period. The decrease was primarily related to activity within the served North American transit market, including transit projects and concrete tie products. Backlog as of March 31, 2021 was \$122,461, an increase of \$13,551, or 12.4%, from March 31, 2020.

Infrastructure Solutions

	Three Months Ended March 31,		Decrease 2021 vs. 2020	Percent Decrease 2021 vs. 2020
	2021	2020		
Net sales	\$ 49,848	\$ 51,703	\$ (1,855)	(3.6)%
Gross profit	\$ 6,025	\$ 10,630	\$ (4,605)	(43.3)%
Gross profit percentage	12.1 %	20.6 %	(8.5)%	(41.2)%
Segment (loss) profit	\$ (666)	\$ 1,604	\$ (2,270)	(141.5)%
Segment (loss) profit percentage	(1.3)%	3.1 %	(4.4)%	(143.1)%

First Quarter 2021 Compared to First Quarter 2020

The Infrastructure Solutions segment sales for the three months ended March 31, 2021 decreased by \$1,855, or 3.6%, compared to the prior year quarter. The decline was wholly attributable to the Coatings and Measurement business unit, which experienced a sales reduction of \$13,220 compared to the quarter ended March 31, 2020, driven by unfavorable conditions in the midstream energy market, which has resulted in current excess capacity in U.S. pipeline infrastructure and general lack of pipeline infrastructure investment. Partially offsetting the overall segment sales decline, both Fabricated Steel Products and Precast Concrete Products had increases in sales compared to the prior year quarter of \$9,330 and \$2,035, respectively. Infrastructure Solutions revenue for the quarter was also driven by especially strong sales volumes in the month of March, which accounted for 45.0% of segment revenue for the quarter, including a notable increase in sales within piling products during the month of March.

Infrastructure Solutions gross profit decreased by \$4,605, or 43.3%, from the prior year quarter. The decrease was primarily attributable to decreases in sales volume in the Coatings and Measurement business unit, which accounted for a significant portion of the overall segment gross profit decline, and also served as the primary driver of segment gross profit margin decline of 850 bps for the first quarter of 2021 when compared to the prior year quarter. The segment loss of \$666 was a reduction of \$2,270 from the prior year quarter segment profit of \$1,604.

During the quarter, the Infrastructure Solutions segment had an increase in new orders of 20.7% compared to the prior year quarter, driven by increases in both the Fabricated Steel Products and Precast Concrete Products business units, which were partially offset by order declines in the Coatings and Measurement business unit. Backlog as of March 31, 2021 was \$149,483, an increase of 17.7% over December 31, 2020, due to increases in backlog across all business units. The March 31, 2021 backlog also increased \$21,153, or 16.5%, from March 31, 2020.

Other**Segment Backlog**

Total Company backlog is summarized by business segment in the following table for the periods indicated:

	March 31, 2021	December 31, 2020	March 31, 2020
Rail Technologies and Services	\$ 122,461	\$ 121,231	\$ 108,910
Infrastructure Solutions	149,483	127,001	128,330
Total backlog	\$ 271,944	\$ 248,232	\$ 237,240

The Company's backlog represents the sales price of received customer purchase orders and any contracts for which the performance obligations have not been met, and therefore are precluded from revenue recognition. Although the Company believes that the orders included in backlog are firm, customers may cancel or change their orders with limited advance notice; however, these instances have been rare. Backlog should not be considered a reliable indicator of the Company's ability to achieve any particular level of revenue or financial performance. While a considerable portion of the Company's business is backlog-driven, certain product lines within the Company are not driven by backlog as the orders are fulfilled shortly after they are received.

Liquidity and Capital Resources

The Company's principal sources of liquidity are its existing cash and cash equivalents, cash generated by operations, and the available capacity under the revolving credit facility, which provides for a total commitment of up to \$115,000. Its primary needs for liquidity relate to working capital requirements for operations, capital expenditures, debt service obligations, and payments related to the Union Pacific Railroad Settlement. The Company's total debt was \$36,793 and \$45,024 as of March 31, 2021 and December 31, 2020, respectively, and was primarily comprised of borrowings under its revolving credit facility.

The following table reflects available funding capacity as of March 31, 2021:

	March 31, 2021
Cash and cash equivalents	\$ 5,015
Credit agreement:	
Total availability under the credit agreement	115,000
Outstanding borrowings on revolving credit facility	(36,538)
Letters of credit outstanding	(844)
Net availability under the revolving credit facility	77,618
Total available funding capacity	\$ 82,633

The Company's cash flows are impacted from period to period by fluctuations in working capital. While the Company places an emphasis on working capital management in its operations, factors such as its contract mix, commercial terms, customer payment patterns, and market conditions as well as seasonality may impact its working capital. The Company regularly assesses its receivables for collectability, and provides allowances for doubtful accounts where appropriate. The Company believes that its reserves for doubtful accounts are appropriate as of March 31, 2021, but adverse changes in the economic environment and adverse financial conditions of its customers resulting from, among other things, the COVID-19 pandemic, may impact certain of its customers' ability to access capital and pay the Company for its products and services, as well as impact demand for its products and services.

The changes in cash and cash equivalents for the three months ended March 31, 2021 and 2020 were as follows:

	Three Months Ended March 31,	
	2021	2020
Net cash provided by (used in) continuing operating activities	\$ 7,614	\$ (4,902)
Net cash used in continuing investing activities	(1,327)	(2,805)
Net cash (used in) provided by continuing financing activities	(8,446)	4,360
Effect of exchange rate changes on cash and cash equivalents	(206)	(772)
Net cash used in discontinued operations	(184)	(3,641)
Net decrease in cash and cash equivalents	\$ (2,549)	\$ (7,760)

Cash Flow from Operating Activities

During the three months ended March 31, 2021, cash flows provided by continuing operating activities were \$7,614, compared to a use of \$4,902 during the prior year to date period. For the three months ended March 31, 2021, the net loss from continuing operations and adjustments to net loss from continuing operating activities provided \$2,310, compared to \$4,752 in the 2020 period. Working capital and other assets and liabilities provided \$5,304 in the current period, compared to a use of \$9,654 in the prior year period. During the three months ended March 31, 2021 and 2020, the Company was not required to make any payments under the terms of the concrete tie settlement agreement with Union Pacific Railroad.

The Company's calculation for days sales outstanding at March 31, 2021 and December 31, 2020 was 48 and 51 days, respectively, and we believe we have a high quality receivables portfolio.

Cash Flow from Investing Activities

Capital expenditures for the three months ended March 31, 2021 and 2020 were \$1,327 and \$2,806, respectively. The current period expenditures primarily relate to the expansion of the Precast Concrete Products business line in Texas. Expenditures for the three months ended March 31, 2020 related to the purchase of a continuous welded rail car and unloader within the Rail Technologies and Services segment, facility start-up expenditures within the Infrastructure Solutions segment, and general plant and operational improvements throughout the Company.

Cash Flow from Financing Activities

During the three months ended March 31, 2021, the Company had a reduction in outstanding debt of \$8,295, primarily attributable to the utilization of excess cash generated through operating activities. During the three months ended March 31, 2020, the Company had an increase in outstanding debt of \$6,017, primarily related to the increase in working capital for operations. Treasury stock acquisitions of \$547 and \$1,657 for the three months ended March 31, 2021 and 2020, respectively, represent income tax withholdings from employees in connection with the vesting of stock awards.

Financial Condition

As of March 31, 2021, the Company had \$5,015 in cash and cash equivalents. The Company's cash management priority continues to be short-term maturities and the preservation of its principal balances. As of March 31, 2021, approximately \$4,488 of the Company's cash and cash equivalents were held in non-domestic bank accounts. The Company principally maintains its cash and cash equivalents in accounts held by major banks and financial institutions.

The Company's principal uses of cash in recent years have been to fund its operations, including capital expenditures, and to service its indebtedness. The Company views its liquidity as being dependent on its results of operations, changes in working capital, and its borrowing capacity. As of March 31, 2021, its revolving credit facility had \$77,618 of net availability, while the Company had \$36,793 in total debt. The Company's current ratio as of March 31, 2021 was 1.86.

On June 26, 2020, the Company entered into the First Amendment that reduced the total commitments under the revolving credit facility to \$120,000 from \$140,000. The First Amendment requires additional \$5,000 annual reductions to the revolving credit facility

capacity beginning on December 31, 2020 through the maturity of the facility. As a result, the revolving credit facility has \$115,000 of total capacity as of March 31, 2021. In addition, the First Amendment terminated the existing term loan by drawing on the revolving credit facility. Borrowings under the First Amendment bear interest rates based upon either the base rate or Euro-rate plus applicable margins, and are subject to an interest rate floor of 100 basis points. The Company believes that the combination of its cash and cash equivalents, cash generated from operations, and the capacity under its revolving credit facility should provide the Company with sufficient liquidity to provide the flexibility to operate the business in a prudent manner and enable the Company to continue to service its outstanding debt. For a discussion of the terms and availability of the credit facilities, please refer to Note 10 of the Notes to Condensed Consolidated Financial Statements contained in this Quarterly Report on Form 10-Q.

To reduce the impact of interest rate changes on outstanding variable-rate debt, the Company entered into forward starting LIBOR-based interest rate swaps with notional values totaling \$50,000. The swaps became effective on February 28, 2017, at which point they effectively converted a portion of the debt from variable to fixed-rate borrowings during the term of the swap contract. During 2020, the Company de-designated its cash flow hedges and accounts for all existing and future interest rate swaps on a mark-to-market basis with changes in fair value recorded in current period earnings. As of March 31, 2021 and December 31, 2020, the swap liability was \$863 and \$1,097, respectively.

Critical Accounting Policies

The Condensed Consolidated Financial Statements have been prepared in conformity with accounting principles generally accepted in the United States. When more than one accounting principle, or method of its application, is generally accepted, management selects the principle or method that, in its opinion, is appropriate in the Company's specific circumstances. Application of these accounting principles requires management to reach opinions regarding estimates about the future resolution of existing uncertainties. As a result, actual results could differ from these estimates. In preparing these financial statements, management has reached its opinions regarding the best estimates and judgments of the amounts and disclosures included in the financial statements giving due regard to materiality. A summary of the Company's critical accounting policies and estimates is included in Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations - Critical Accounting Policies and Estimates in the Company's Annual Report on Form 10-K for the year ended December 31, 2020.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

This item is not applicable to a smaller reporting company.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

L.B. Foster Company carried out an evaluation, under the supervision and with the participation of the Company's management, including the Chief Executive Officer and the Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended) as of March 31, 2021. Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures were effective as of such date such that the information required to be disclosed by the Company in reports filed under the Exchange Act is (i) recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms and (ii) accumulated and communicated to management, including the chief executive officer, chief financial officer, or person performing such functions, as appropriate to allow timely decisions regarding disclosure.

Changes in Internal Control Over Financial Reporting

There were no changes to our "internal control over financial reporting" (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the three months ended March 31, 2021, and that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Limitations on Effectiveness of Controls and Procedures

In designing and evaluating disclosure controls and procedures and internal control over financial reporting, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures and internal control over financial reporting must reflect the fact that there are resource constraints and that management is required to apply judgment in evaluating the benefits of possible controls and procedures relative to their costs.

PART II. OTHER INFORMATION**(Dollars in thousands, except share data)****Item 1. Legal Proceedings**

See Note 16 of the Notes to Condensed Consolidated Financial Statements included in this Quarterly Report on Form 10-Q, which is incorporated herein by reference.

Item 1A. Risk Factors

This item is not applicable to a smaller reporting company.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

The Company's purchases of equity securities for the three months ended March 31, 2021 were as follows:

	Total number of shares purchased (1)	Average price paid per share	Total number of shares purchased as part of publicly announced plans or programs	Approximate dollar value of shares that may yet be purchased under the plans or programs
January 1, 2021 - January 31, 2021	—	\$ —	—	\$ —
February 1, 2021 - February 28, 2021	26,557	17.16	—	—
March 1, 2021 - March 31, 2021	5,328	17.08	—	—
Total	31,885	\$ 17.15	—	\$ —

(1) Shares withheld by the Company to pay taxes upon vesting of restricted stock awards.

Item 4. Mine Safety Disclosures

This item is not applicable to the Company.

Item 6. Exhibits

See Exhibit Index below.

Exhibit Index

<u>Exhibit Number</u>	<u>Description</u>
*10.1	2021 Executive Annual Incentive Compensation Plan.
*10.2	Form of Restricted Stock Award Agreement (2021).
*10.3	Long Term Incentive Performance Share Unit Program (2021-2023).
*10.4	Form of Performance Share Unit Award Agreement (2021-2023).
*10.5	Performance-Based Stock Award Retention Program (2021-2026).
*10.6	Amended and Restated Key Employee Separation Plan (February 17, 2021).
*10.7	Executive Recoupment Policy (January 1, 2021).
10.8	Second Amendment dated January 29, 2021 to the Third Amended and Restated Credit Agreement dated April 30, 2019 between Registrant and PNC Bank, N.A., Bank of America, N.A., Wells Fargo Bank, National Association, Citizens Bank, N.A., and BMO Harris Bank, National Association is incorporated herein by reference to Exhibit 10.3 to the Current Report on Form 8-K, File No. 0-10436, filed on February 4, 2021.
*31.1	Certification of Chief Executive Officer under Section 302 of the Sarbanes-Oxley Act of 2002.
*31.2	Certification of Chief Financial Officer under Section 302 of the Sarbanes-Oxley Act of 2002.
*32.0	Certification of Chief Executive Officer and Chief Financial Officer under Section 906 of the Sarbanes-Oxley Act of 2002.
*101.INS	XBRL Instance Document-the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
*101.SCH	XBRL Taxonomy Extension Schema Document.
*101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.
*101.DEF	XBRL Taxonomy Extension Definition Linkbase Document.
*101.LAB	XBRL Taxonomy Extension Label Linkbase Document.
*101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.
*104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)

* Exhibits marked with an asterisk are filed herewith.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

L.B. FOSTER COMPANY
(Registrant)

Date: **May 5, 2021**

By: /s/ William M. Thalman
William M. Thalman
Senior Vice President
and Chief Financial Officer
(Duly Authorized Officer of Registrant)

**L. B. FOSTER COMPANY
ANNUAL EXECUTIVE INCENTIVE COMPENSATION PROGRAM**

The purpose of this document is to establish in writing the performance goals and other terms applicable to cash financial performance awards for each fiscal year of the Company which constitutes a Performance Period (the "Program") as authorized under the L.B. Foster Company Executive Annual Incentive Compensation Plan ("ExIP").

I. DEFINITIONS

- a. Defined terms used but not defined herein shall have the meanings ascribed to them in the Executive Incentive Plan master document under which each annual Program is established.

II. TERMS AND CONDITIONS

- a. Unless otherwise determined by the Compensation Committee, the **Performance Period** shall be **one calendar year**.
- b. Each Participant shall receive a **cash award** in an amount equal to Participant's **base compensation multiplied by a target percentage** established by the Committee based upon the position held by the Participant as approved by the Compensation Committee and set forth on Exhibit A, on file with the Committee (the "Target Percentage") (an "Award"). The amount of any Award earned and payable is calculated with reference to the percentage achievement of certain Performance Measures established by the Committee and as described below.
- c. Participant's **base compensation** shall be the Participant's salary **on March 1**, rounded to the nearest whole dollar.
- d. **Participants** in the Program are listed on Exhibit A on file with the Committee, which identifies each Participant's title and Company operating unit, and Target Percentage for the applicable Performance Period.
- e. A Participant's **right**, if any, **to receive payout** of an Award, if earned, shall be **contingent upon Participant having executed a Confidentiality, Intellectual Property and Non-Compete Agreement** in a form satisfactory to the Committee. Further, in order to receive any payout of an Award, the Participant must have begun employment with the Company by October 1 of the Program's Performance Period.
- f. In the event a Participant **changes from one position to another** position or is promoted into one of the positions approved by the Committee during the Performance Period, the Target Percentage for such Participant shall be **pro-rated** between the Target Percentages applicable to each position held during the Performance Period, and such Award will be determined on the pro-rated basis based on the number of full months employed during the Performance Period.

- g. In order to be eligible to receive any payout of an Award, if earned, a Participant **must be actively employed by the Company on the date the Award is paid**. In no event is a Participant entitled to any pro-rata payment of an Award under the terms of this Program, **except** to the extent the Board has approved a Participant's **retirement** or termination from the Company, in which case the Committee may provide a pro-rata payment based on the Participant's active employment before the Board-approved retirement or termination.

III. CALCULATING PAYOUT OF AWARDS

The payout of Awards shall be calculated as set forth below:

- a. A Participant's **Award** shall be **determined** and allocated **by multiplying the Award by** the Company's **adjusted level of attainment of the financial Performance Measures** identified below, **weighted** as indicated:

	Performance Measure	CEO, COO, CFO; SVP, HR & Admin; SVP & General Counsel; and Controller & CAO	Executive SVPs or VPs Responsible for Operating Unit(s)
Financial Performance Awards	Operating Unit Adjusted EBITDA	--	50%
	Working Capital as a % of Sales	25%	20%
	Corporate Adjusted EBITDA	75%	30%

- b. The amount of an Award payout shall be calculated and **adjusted upward or downward based on the actual level of attainment** of the above Performance Measures, Adjusted EBITDA and Working Capital as a % of Sales (Corporate and Operating Unit), **utilizing the percentage multipliers** as set forth in the tables below. Straight-line interpolation will be used to determine the achievement between each level.

Adjusted EBITDA Multiplier

% of Target Adjusted EBITDA	Corporate or Operating Unit Multiplier
130% and over	200%
100%	100%
70%	50%
Less than 70%	0%

WIC as a % of Sales Multiplier

% of Target Average WIC as a % of Sales	Corporate or Operating Unit Multiplier
86.0% and under	200%
100%	100%
121.5%	50%
Greater than 121.5%	0%

- c. Definitions of the Performance Measures and possible adjustments are noted on Schedule 1.10 attached hereto.
- d. Payment of a cash Award under the ExIP will follow the Committee's determination of such incentive award and following the date the Company files its report on Form 10-K for the period ending on the last day of the Performance Period.

III. RECOUPMENT

All Awards granted hereunder are made **subject to the** L.B. Foster Executive **Recoupment Policy** which is incorporated herein by reference (the "Policy.") The Policy provides for the clawback by the Company and repayment by the Participant of cash awards paid hereunder in the event of an accounting restatement applicable to any financial reporting period within the Performance Period due to material noncompliance of the Company with any financial reporting requirement under the securities or other applicable laws.

IV. COMPENSATION COMMITTEE

As set forth in the ExIP document, the **Compensation Committee retains all rights and discretion to modify, eliminate, or replace the ExIP and the Program at any time.** The Committee will interpret and apply the ExIP and this Program at its discretion, and may adjust financial Performance Measures, weighting, and/or multipliers as it deems appropriate in its sole discretion, or increase, decrease, or eliminate any Award or payout hereunder. All determinations with respect to any Award shall be made by the Committee and shall be final, conclusive and binding on the Company, the Participant and any and all interested parties.

The undersigned Chairman of the Compensation Committee hereby certifies, on behalf of the Committee, that the performance goals and other material terms applicable have been determined and approved at the Committee meeting held in February of the Program's Performance Period.

Approved:

/s/ Robert S. Purgason

Robert S. Purgason

Chairman, Compensation Committee

3/4/2021

Date

PERFORMANCE MEASURES AND ADJUSTMENTS

Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization (Adjusted EBITDA): shall mean with respect to the Company or an Operating Unit, for the Fiscal Year (a) income from continuing operations; (b) plus income tax expense; (c) plus interest expense; (d) minus interest income; (e) plus depreciation expense; and (f) plus amortization expense; (g) plus and minus the adjustments below.

Working Capital as a Percentage of Sales ("W/C as a % of Sales"): shall mean with respect to the Company, or as applicable, for an Operating Unit, for the Fiscal Year, the average monthly balances of Inventory and Accounts Receivable less the average monthly balances of Accounts Payable and Deferred Revenue divided by annual net sales. Results shall be determined incorporating approved adjustments below.

The following adjustments are guidelines subject to board approval.

Adjustment Description	Adjusted EBITDA	W/C as a % of Sales
Unplanned reductions or add-backs to results for gains and losses		
Effects of changes in accounting or tax law	X	X
Divestitures of properties, businesses, investments, equity in affiliates or held for sale as discontinued operations	X	X
Costs of an acquisition or potential acquisition, purchase accounting and operating results of an acquisition completed during the year	X	X
Any significant or non-recurring item(s) (these items include, but are not limited to a restructuring, long-lived asset impairment, warranty costs, product liability, legal settlement, environmental charges) that in total exceed \$200,000 in EBITDA (favorable or unfavorable)	X	

**RESTRICTED STOCK AGREEMENT
(EXECUTIVE)**

(Section 5.1 Of The Omnibus Incentive Plan, as Amended and Restated)

This Restricted Stock Agreement set forth below (this “**Agreement**”) is dated as of **February 26, 2021** (the “**Issue Date**”) and is between L. B. Foster Company, a Pennsylvania corporation (“**Company**”), and _____ (the “**Stockholder**”).

The Company has established its 2006 Omnibus Incentive Plan, as Amended and Restated (the “**Plan**”), to advance the interests of the Company and its stockholders by providing incentives to certain eligible persons who contribute significantly to the strategic and long-term performance objectives and growth of the Company. All capitalized terms not otherwise defined in this Agreement have the same meaning given them in the Plan.

Pursuant to the provisions of the Plan, the Committee has full power and authority to direct the execution and delivery of this Agreement in the name and on behalf of the Company and has authorized the execution and delivery of this Agreement.

AGREEMENT

The parties, intending to be legally bound hereby, agree as follows:

Section 1. Issuance of Stock. Subject and pursuant to all terms and conditions stated in this Agreement and in the Plan, as of the Issue Date the Company hereby grants to **Stockholder** _____ shares of Company Common Stock, par value \$0.01 per share (the “**Common Stock**”) pursuant to Article V of the Plan. For purposes of this Agreement, the “**Shares**” shall include all of the shares of Common Stock issued to Stockholder pursuant to this Agreement or issued with respect to such shares of Common Stock, including, but not limited to, shares of Company capital stock issued by way of a stock dividend or stock split or in connection with a combination of shares, recapitalization, merger, consolidation or other reorganization.

Section 2. Vesting; Rights; Obligations; and Restrictions on Transfer.

(a) None of the Shares may be sold, transferred, pledged, hypothecated or otherwise encumbered or disposed of until they have vested in accordance with the terms of this Section 2. Except as set forth in this Section 2, effective at the close of business on the date Stockholder ceases to be employed by the Company or an affiliate of the Company, any Shares that are not vested in accordance with this Section 2, and any dividends accrued pursuant to Section 2(c) below, shall be automatically forfeited without any further obligation on the part of the Company. Stockholder hereby assigns and transfers any forfeited Shares and the stock certificate(s) or other evidence of ownership representing such Shares to the Company.

(b) **All of the Shares will vest 33 1/3% on each of the first, second, and third anniversaries.** However, if a Change of Control occurs prior to the end of the full vesting period and (i) Stockholder experiences an involuntary Separation from Service by the Company other than (A) a Termination for Cause, (B) death, or (C) Disability, or the Stockholder

terminates for Good Reason (as defined below) within the 90-day period immediately preceding a Change of Control, or on or within the two-year period immediately following a Change of Control, or (ii) the acquiring entity in a Change of Control does not assume this Agreement and convert the Shares into a substantially comparable award of capital stock or other equity incentive instrument in such acquiring entity as determined by the Board of Directors, any unvested Shares shall immediately vest. Vesting shall be tolled during any period in which Stockholder is on an approved leave of absence from employment with the Company or an affiliate of the Company.

(c) Subject to the foregoing provisions of this Section 2 and the provisions of the Plan, Stockholder shall have all rights of a shareholder with respect to the Shares, including the right to vote the Shares and to receive dividends, *provided, however*, that until such time as the Shares, or portion thereof, shall have vested, the Company shall accrue on its books and records for the benefit of the Stockholder an amount equal to the dividend payment that would otherwise have been received on the Shares but for this agreement to accrue the dividend payments. Dividends accrued for the benefit of the Stockholder shall be payable as the Shares vest with payment to be made by the Company, or its agent, within ten (10) business days after vesting. For purposes of clarity, if this Agreement provides that only a portion of the Shares vest on a given date, accrued dividends shall only be payable on that portion of Shares vesting and not on any Shares that remain unvested.

(d) For purposes of this Agreement, “Good Reason” means the Stockholder’s Separation from Service as a result of the occurrence, without the Stockholder’s written consent, of one of the following events:

(i) A material reduction in the Stockholder’s annual base salary (unless such reduction relates to an across-the-board reduction similarly affecting Stockholder and all or substantially all other executives of the Company and its affiliates);

(ii) The Company (or the Subsidiary employing Stockholder) makes or causes to be made a material adverse change in the Stockholder’s position, authority, duties or responsibilities which results in a significant diminution in the Stockholder’s position, authority, duties or responsibilities, excluding any change made in connection with (A) a reassignment to a New Job Position (as defined herein), or (B) a termination of Stockholder’s employment with the Company for Disability, Termination for Cause, death, or temporarily as a result of Participant’s incapacity or other absence for an extended period; (For purposes of this Agreement, “New Job Position” means a change in the Stockholder’s position, authority, duties or responsibilities with the Company or any affiliate due to the Stockholder’s demonstrated inadequate or unsatisfactory performance, provided the Stockholder had been notified of such inadequate performance and had been given at least 30 days to cure such inadequate performance.)

(iii) A relocation of the Company’s principal place of business, or of Stockholder’s own office as assigned to Stockholder by the Company or the Subsidiary employing Stockholder to a location that increases Stockholder’s normal work commute by more than 50 miles; or

(iv) Any other action by the Company or the Subsidiary employing Stockholder that constitutes a material breach of the employment agreement, if any, under which Stockholder's services are to be performed.

In order for Stockholder to terminate for Good Reason, (A) the Company must be notified by Stockholder in writing within 90 days of the event constituting Good Reason, (B) the event must remain uncorrected by the Company for 30 days following such notice (the "Notice Period"), and (C) such termination must occur within 60 days after the expiration of the Notice Period.

(e) The certificates, if any, representing unvested Shares will bear the following or similar legend:

"The securities represented by this certificate are subject to forfeiture and restrictions on transfer as set forth in the Restricted Stock Agreement between the issuer and the initial holder of these shares. A copy of that document may be obtained by the holder without charge at the issuer's principal place of business or upon written request."

Section 3. Investment Representation. Stockholder hereby acknowledges that the Shares cannot be sold, transferred, assigned, pledged or hypothecated in the absence of an effective registration statement for the shares under the Securities Act of 1933, as amended (the "**Securities Act**"), and applicable state securities laws or an applicable exemption from the registration requirements of the Securities Act and any applicable state securities laws or as otherwise provided herein or in the Plan. Stockholder also agrees that the Shares which Stockholder acquires pursuant to this Agreement will not be sold or otherwise disposed of in any manner which would constitute a violation of any applicable securities laws, whether federal or state.

Section 4. Book Entry Account. At the discretion of the Company, certificates for the shares may not be issued. In lieu of certificates, the Company may establish a book entry account for the Shares, until vested, in the name of the Stockholder with the Company's transfer agent for its Common Stock.

Section 5. Income Taxes. Stockholder acknowledges that any income for federal, state or local income tax purposes that Stockholder is required to recognize on account of the issuance of the Shares to Stockholder shall be subject to withholding of tax by the Company. In order to satisfy Stockholder's statutory withholding tax obligations, if any, on account of the vesting of Shares hereunder, the Company shall withhold a number of vested Shares issued hereunder equal to the applicable statutory withholding tax obligation for such Stockholder. Stockholder agrees further to notify the Company promptly if Stockholder files an election pursuant to Section 83(b) of the Internal Revenue Code of 1986, as amended (the "**Code**"), with respect to any Shares.

Section 6. No Right to Employment. Neither the Plan nor this Agreement shall be deemed to give Stockholder any right to continue to be employed by the Company, nor shall the Plan or the Agreement be deemed to limit in any way the Company's right to terminate the employment of the Stockholder at any time.

Section 7. Further Assistance. Stockholder will provide assistance reasonably requested by the Company in connection with actions taken by Stockholder while employed by the Company,

including but not limited to assistance in connection with any lawsuits or other claims against the Company arising from events during the period in which Stockholder was employed by the Company.

Section 8. *Binding Effect; No Third Party Beneficiaries.* This Agreement shall be binding upon and inure to the benefit of the Company and Stockholder and their respective heirs, representatives, successors and permitted assigns. This Agreement shall not confer any rights or remedies upon any person other than the Company and the Stockholder and their respective heirs, representatives, successors and permitted assigns. The parties agree that this Agreement shall survive the issuance of the Shares.

Section 9. *Agreement to Abide by Plan; Conflict between Plan and Agreement.* The Plan is hereby incorporated by reference into this Agreement and is made a part hereof as though fully set forth in this Agreement. Stockholder, by execution of this Agreement, represents that he or she is familiar with the terms and provisions of the Plan and agrees to abide by all of the terms and conditions of this Agreement and the Plan. Stockholder accepts as binding, conclusive and final all decisions or interpretations of the Committee upon any question arising under the Plan or this Agreement (including, without limitation, the date of any termination of Stockholder's employment with the Company). In the event of any conflict between the Plan and this Agreement, the Plan shall control and this Agreement shall be deemed to be modified accordingly, except to the extent that the Plan gives the Committee the express authority to vary the terms of the Plan by means of this Agreement, in which case this Agreement shall govern.

Section 10. *Entire Agreement.* Except as otherwise provided herein, this Agreement and the Plan, which Stockholder has reviewed and accepted in connection with the grant of the Shares reflected by this Agreement, constitute the entire agreement between the parties and supersede any prior understandings, agreements, or representations by or between the parties, written or oral, to the extent they related in any way to the subject matter of this Agreement.

Section 11. *Choice of Law.* To the extent not superseded by federal law, the laws of the Commonwealth of Pennsylvania (without regard to the conflicts laws thereof) shall control in all matters relating to this Agreement and any action relating to this Agreement must be brought in State or Federal Courts located in the Commonwealth of Pennsylvania.

Section 12. *Notice.* All notices, requests, demands, claims, and other communications under this Agreement shall be in writing. Any notice, request, demand, claim, or other communication under this Agreement shall be deemed duly given if (and then two business days after) it is sent by registered or certified mail, return receipt requested, postage prepaid, and addressed to the intended recipient at the following address: If to the Company, L. B. Foster Company, 415 Holiday Drive, Suite 100, Pittsburgh, PA 15220, Attn: Secretary; and if to the Stockholder, to his or her address as it appears on the Company's records. Either party to this Agreement may send any notice, request, demand, claim, or other communication under this Agreement to the intended recipient at such address using any other means (including personal delivery, expedited courier, messenger service, telecopy, ordinary mail, or electronic mail), but no such notice, request, demand, claim, or other communication shall be deemed to have been duly given unless and until it actually is received by the intended recipient. Either party to this Agreement may change the address to which notices, requests, demands, claims, and other communications hereunder are to be delivered by giving the other party notice in the manner set forth in this section.

Section 13. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

Section 14. Amendments. This Agreement may be amended or modified at any time by an instrument in writing signed by the parties hereto, or as otherwise provided under the Plan. Notwithstanding, the Company may, in its sole discretion and without the Stockholder's consent, modify or amend the terms of this Agreement, impose conditions on the timing and effectiveness of the issuance of the Shares, or take any other action it deems necessary or advisable, to cause this Award to be excepted from Section 409A of the Code (or to comply therewith to the extent the Company determines it is not excepted).

Section 15. Acknowledgments.

(a) By accepting the Shares, the Stockholder acknowledges receipt of a copy of the Plan and agrees to be bound by the terms and conditions set forth in the Plan and this Agreement, as in effect and/or amended from time to time.

(b) The Plan and related documents may be delivered to you electronically. Such means of delivery may include but do not necessarily include the delivery of a link to a Company intranet site or the internet site of a third party involved in administering the Plan, the delivery of the documents via e-mail or CD-ROM or such other delivery determined at the Committee's discretion. Both Internet Email and the World Wide Web are required in order to access documents electronically.

(c) This Award is intended to be excepted from coverage under Section 409A of the Code and the regulations promulgated thereunder and shall be interpreted and construed accordingly. Notwithstanding, Stockholder recognizes and acknowledges that Section 409A of the Code may impose upon the Stockholder certain taxes or interest charges for which the Stockholder is and shall remain solely responsible.

(d) Stockholder acknowledges that, by receipt of this Award, Stockholder has read this Section 15 and consents to the electronic delivery of the Plan and related documents, as described in this Section 15. Stockholder acknowledges that Stockholder may receive from the Company a paper copy of any documents delivered electronically at no cost if Stockholder contacts the Company's General Counsel by telephone at (412) 928-7829 or by mail to L.B. Foster Company, 415 Holiday Drive, Suite 100, Pittsburgh, PA 15220 ATTN: General Counsel. Stockholder further acknowledges that Stockholder will be provided with a paper copy of any documents delivered electronically if electronic delivery fails.

IN WITNESS WHEREOF, the Company has caused a duly authorized officer to execute this Agreement on its behalf, and the Stockholder has placed his/her signature hereon, effective as of the Issue Date.

L. B. FOSTER COMPANY

By:

Name: Robert S. Purgason

Title: Director and Chairman of the Compensation Committee

ACCEPTED AND AGREED TO:

_____, Stockholder

L. B. FOSTER COMPANY
2021 PERFORMANCE SHARE UNIT PROGRAM
(2021-2023)

L. B. FOSTER COMPANY, a Pennsylvania corporation (the "Company"), hereby establishes this L. B. FOSTER COMPANY 2021 PERFORMANCE SHARE UNIT PROGRAM (the "Program"), in accordance with the provisions of the L. B. FOSTER COMPANY 2006 Omnibus Incentive Plan, as amended (the "Plan"), and the terms and conditions provided herein.

WHEREAS, the Company maintains the Plan for the benefit of its and its Subsidiaries' key employees; and

WHEREAS, in order to align the interests of key employees with the interests of the Company's shareholders and to enhance the Company's ability to retain the employment of its key employees, the Company desires to provide long-term incentive compensation; and

WHEREAS, Article VI of the Plan authorizes the Company to make performance-based awards.

NOW, THEREFORE, the Compensation Committee of the Board of Directors of the Company ("Compensation Committee") hereby adopts the Program on the following terms and conditions:

1. Plan. In addition to the terms and conditions set forth herein, Awards under the Program are subject to, and governed by, the terms and conditions set forth in the Plan, which are hereby incorporated by reference. Unless the context otherwise requires, capitalized terms used in this Program and not otherwise defined herein shall have the meanings set forth in the Plan. In the event of any conflict between the provisions of the Program and the Plan, the Compensation Committee shall have full authority and discretion to resolve such conflict and any such determination shall be final, conclusive and binding on the Participant and all interested parties.

2. Effective Date. The effective date of this Program is January 1, 2021.

3. Eligibility. The Committee shall select those individuals who shall participate in the Program (the "Participants"). In the event that an employee is hired by the Company or a Subsidiary during the Performance Period, upon recommendation by the CEO, the Committee shall determine whether such employee will become a Participant in the Program, subject to such terms, conditions and adjustments as the Committee determines to be necessary or desirable.

4. Performance Share Unit Awards.

(a) The Committee shall determine the number of performance share units (the "Performance Share Units") to be awarded to each Participant. Each Performance Share Unit awarded under the Program shall represent a contingent right to receive up to two shares of the Company's common stock (the "Common Stock") as described more fully herein, to the extent such Performance Share Unit is earned and becomes payable pursuant to the terms of this Program. Performance Share Units have no independent economic value, but rather are mere units of measurement used for purpose of calculating the number of shares, if any, to be paid under the Program.

(b) Performance Share Units shall be increased and/or decreased in accordance with the terms of the Program as described more fully herein. Notwithstanding any provision of this Program to the contrary the Committee, in its sole discretion, may increase or reduce the amount of any Performance Share Units that would otherwise be earned by a Participant upon attainment of the Performance Conditions (as defined below) if it concludes that such reduction is necessary or appropriate.

5. Performance Conditions of the Performance Share Units. The total number of shares of the Company's Common Stock that may be earned by a Participant will be based on the Company's attainment of performance goals relating to the Company's return on invested capital ("ROIC") and Cumulative Earnings Before Interest, Taxes, Depreciation and Amortization ("Cumulative EBITDA") during the Performance Period (as defined below) as approved by (and in accordance with the procedures established by) the Committee on February 17, 2021 and on file with the Committee (the "Performance Conditions"), for the performance period of January 1, 2021 through December 31, 2023 (the "Performance Period"); provided, however, that except as otherwise specifically provided herein, the ability to earn shares of the Company's Common Stock and to receive payment thereon under the Program is expressly contingent upon achievement of the threshold for the Performance Conditions and otherwise satisfying all other terms and conditions of the Program.

6. Issuance and Distribution.

(a) After the end of the Performance Period, the Committee shall certify in writing the extent to which the applicable Performance Conditions and any other material terms of the Program have been achieved. For purposes of this provision, and for so long as the Code permits, the approved minutes of the Committee meeting in which the certification is made may be treated as written certification.

(b) Subject to the terms and conditions of this Program, Performance Share Units will be settled and paid in shares of the Company's common stock in the calendar year immediately following the end of the Performance Period on a date determined in the Company's discretion, but in no event later than March 15th of such calendar year (the "Payment Date").

(c) Notwithstanding any other provision of this Program, in the event of a Change of Control, the Committee may, in its sole discretion, terminate the Program and, unless otherwise determined by the Committee, the Participant shall be deemed to earn shares of the Company's Common Stock at the target level; provided, however, the Participant shall only be entitled to a prorated portion of such shares of the Company's Common Stock determined based on the ratio of the number of complete months the Participant is employed or serves during the Performance Period through the date of the change of control to the total number of originally scheduled months in the Performance Period (or the number of originally scheduled remaining months in the Performance Period if the Participant becomes an employee of the Company and/or its Subsidiaries after the start of the Performance Period). Any such earned shares of the Company's Common Stock shall be issued contemporaneous with the Change of Control on the closing date of the Change of Control; provided, further, in the event of a Change of Control, Performance Share Units may, in the Committee's discretion, be settled in cash and/or securities or other property.

7. Dividends. Performance Share Units will not be credited with dividends that are paid on the Company's Common Stock.

8. Change in Participant's Status. In the event a Participant's employment with the Company or any Subsidiary is terminated (i) by reason of Retirement on or after January 1, 2022 (or such earlier date as may be expressly authorized by the Committee), or (ii) on account of death or total and permanent Disability prior to the Payment Date, the Participant shall be entitled to retain the Performance Share Units and receive payment therefore to the extent earned and payable pursuant to the provisions of this Program; provided, however, the Participant shall only be entitled to retain a prorated portion of the Performance Share Units determined at the end of the Performance Period and based on the ratio of the number of complete months the Participant is employed or serves during the Performance Period to the total number of months in the Performance Period (or the number of remaining months in the Performance Period if the Participant becomes an employee of the Company and/or its Subsidiaries after the start of the Performance Period). In the event a Participant's employment with the Company or any Subsidiary is terminated for any other reason, including, but not limited to, by the Participant voluntarily, or by the Company on account of a Termination for Cause or without cause, prior to the Payment Date, the Performance Share Units awarded to the Participant shall be cancelled and forfeited, whether payable or not, without payment by the Company or any Subsidiary. Any payments due a deceased Participant shall be paid to his estate as provided herein after the end of the Performance Period.

9. Responsibilities of the Compensation Committee. In addition to the authority granted to the Compensation Committee under the Plan, the Compensation Committee has responsibility for all aspects of the Program's administration, including but not limited to: ensuring that the Program is administered in accordance with the provisions of the Program and the Plan; approving Participants; authorizing Performance Share Unit Awards to Participants; and adjusting Performance Share Units as authorized hereunder consistent with the terms of the Program and the Plan. All decisions of the Compensation Committee under the Program shall be final, conclusive and binding on all interest parties. No member of the Compensation Committee shall be liable for any action or determination made in good faith as to the Program or any Performance Share Units awarded thereunder.

10. Tax Consequences/Withholding.

(a) It is intended that: (i) a Participant's Performance Share Units shall be considered to be subject to a substantial risk of forfeiture in accordance with those terms as defined in Section 409A and 3121(v)(2) of the Code; and (ii) a Participant shall have merely an unfunded, unsecured promise to be paid a benefit, and such unfunded promise shall not consist of a transfer of "property," within the meaning of Code Section 83.

(b) Participant acknowledges that any income for foreign, federal, state or local income tax purposes, including payroll taxes, that the Participant is required to recognize on account of the vesting of the Performance Share Units and/or issuance of the shares of Common Stock under this Award to Participant shall be subject to withholding of tax by the Company. In accordance with administrative procedures established by the Company, in order to satisfy Participant's minimum statutory withholding tax obligations, if any, on account of the vesting of the Performance Share Units and/or issuance of shares of Common Stock under this Award, the Company will withhold from the Performance Share Units to be issued to the Participant a sufficient number of whole shares distributable in connection with this Award equal to the applicable minimum statutory withholding tax obligation.

(c) This Program is intended to be excepted from coverage under Section 409A and shall be construed accordingly. Notwithstanding any provision of this Program to the contrary, if any benefit provided under this Program is subject to the provisions of Section 409A, the provisions of the Program will be administered, interpreted and construed in a manner necessary to comply with Section

409A (or disregarded to the extent such provision cannot be so administered, interpreted or construed). Notwithstanding, Section 409A may impose upon the Participant certain taxes or other charges for which the Participant is and shall remain solely responsible, and nothing contained in this Program or the Plan shall be construed to obligate the Compensation Committee, the Company or any Subsidiary for any such taxes or other charges

11. Non-Competition.

(a) The Participants hereunder agree that this Section 11 is reasonable and necessary in order to protect the legitimate business interests and goodwill of the Company, including the Company's trade secrets, valuable confidential business and professional information, substantial relationships with prospective and existing customers and clients, and specialized training provided to Participants and other employees of the Company. The Participants acknowledge and recognize the highly competitive nature of the business of the Company and its Subsidiaries and accordingly agree that during the term of each of their employment and for a period of two (2) years after the termination thereof:

(i) The Participants will not directly or indirectly engage in any business substantially similar to any line of business conducted by the Company or any of its Subsidiaries, including, but not limited to, where such engagement is as an officer, director, proprietor, employee, partner, investor (other than as a holder of less than 1% of the outstanding capital stock of a publicly traded corporation), consultant, advisor, agent or sales representative, in any geographic region in which the Company or any of its Subsidiaries conducted business;

(ii) The Participants will not contact, solicit, perform services for, or accept business from any customer or prospective customer of the Company or any of its Subsidiaries in any line of business conducted by the Company or any of its subsidiaries;

(iii) The Participants will not directly or indirectly induce any employee of the Company or any of its Subsidiaries to: (1) engage in any activity or conduct which is prohibited pursuant to subparagraph 11(a)(i) or (2) terminate such employee's employment with the Company or any of its Subsidiaries. Moreover, the Participants will not directly or indirectly employ or offer employment (in connection with any business substantially similar to any line of business conducted by the Company or any of its Subsidiaries) to any person who was employed by the Company or any of its Subsidiaries unless such person shall have ceased to be employed by the Company or any of its Subsidiaries for a period of at least 12 months; and

(iv) The Participants will not directly or indirectly assist others in engaging in any of the activities, which are prohibited under subparagraphs (a)(i-iii) above.

(b) It is expressly understood and agreed that although the Participants and the Company consider the restrictions contained in this Section 11 to be reasonable, if a final judicial determination is made by a court of competent jurisdiction that the time or territory or any other restriction contained in this Program is an unenforceable restriction against any Participant, the provisions of this Program shall not be rendered void but shall be deemed amended to apply as to such maximum time and territory and to such maximum extent as such court may judicially determine or indicate to be enforceable against such Participant. Alternatively, if any court of competent jurisdiction finds that any restriction contained in this Program is unenforceable, and such restriction cannot be amended so as to

make it enforceable, such finding shall not affect the enforceability of any of the other restrictions contained herein. The restrictive covenants set forth in this Section 11 shall be extended by any amount of time that a Participant is in breach of such covenants, such that the Company receives the full benefit of the time duration set forth above.

12. Confidential Information and Trade Secrets. The Participants and the Company agree that certain materials, including, but not limited to, information, data and other materials relating to customers, development programs, costs, marketing, trading, investment, sales activities, promotion, credit and financial data, manufacturing processes, financing methods, plans or the business and affairs of the Company and its Subsidiaries, constitute proprietary confidential information and trade secrets. Accordingly, the Participants will not at any time during or after a Participant's employment with the Company (including any Subsidiary) disclose or use for such Participant's own benefit or purposes or the benefit or purposes of any other person, firm, partnership, joint venture, association, corporation or other business organization, entity or enterprise other than the Company and any of its affiliates, any proprietary confidential information or trade secrets, provided that the foregoing shall not apply to information which is not unique to the Company or any of its Subsidiaries or which is generally known to the industry or the public other than as a result of such Participant's breach of this covenant. The Participants agree that upon termination of employment with the Company (including any Subsidiary) for any reason, the Participants will immediately return to the Company all memoranda, books, papers, plans, information, letters and other data, and all copies thereof or therefrom, which in any way relate to the business of the Company and its Subsidiaries, except that the Participants may retain personal notes, notebooks and diaries. The Participants further agree that the Participants will not retain or use for their own account at any time any trade names, trademark or other proprietary business designation used or owned in connection with the business of the Company or any of its Subsidiaries.

13. Remedies/Forfeiture/Recoupment.

(a) The Participants acknowledge that a violation or attempted violation on a Participant's part of Sections 11 and 12 will cause irreparable damage to the Company and its Subsidiaries, and the Participants therefore agree that the Company and its Subsidiaries shall be entitled as a matter of right to an injunction, out of any court of competent jurisdiction, restraining any violation or further violation of such promises by the Participants or a Participant's employees, partners or agents. The Participants agree that such right to an injunction is cumulative and in addition to whatever other remedies the Company (including any Subsidiary) may have under law or equity, and the Participants' obligations to make timely payment to the Company as set forth in Section 13(b) of this Program. ***The Participants further acknowledge and agree that a Participant's Performance Share Units shall be cancelled and forfeited without payment by the Company if such Participant breaches any of his or her obligations set forth in Section 11 and 12 herein.***

(b) At any point after becoming aware of a breach of any obligation set forth in Sections 11 and/or 12 of this Program, the Company shall provide notice of such breach to a Participant. By agreeing to participate in this Program, the Participants agree that within ten (10) days after the date the Company provides such notice, a Participant shall pay to the Company in cash an amount equal to any and all distributions paid to or on behalf of such Participant under this Program within the six (6) months prior to the date of the earliest breach. The Participant agrees that failure to make such timely payment to the Company constitutes an independent and material breach of the terms and conditions of this Program, for which the Company may seek recovery of the unpaid amount as liquidated damages, in addition to all other rights and remedies the Company may have resulting from a Participant's breach of the obligations set forth in Sections 11 and 12. The Participants agree that timely payment to the Company as set forth in

this provision of the Program is reasonable and necessary because the compensatory damages that will result from breaches of Sections 11 and/or 12 cannot readily be ascertained. Further, the Participants agree that timely payment to the Company as set forth in this provision of the Program is not a penalty, and it does not preclude the Company from seeking all other remedies that may be available to the Company, including without limitation those set forth in this Section 13.

All Awards granted hereunder are made **subject to the L.B. Foster Executive Recoupment Policy** which is incorporated herein by reference (the "Policy.") The Policy provides for the clawback by the Company and repayment by the Participant of cash awards paid hereunder in the event of an accounting restatement applicable to any financial reporting period within the Performance Period due to material noncompliance of the Company with any financial reporting requirement under the securities or other applicable laws.

14. Assignment/Nonassignment.

(a) The Company shall have the right to assign this Program, including without limitation Section 11, and the Participants agree to remain obligated by all provisions of this Program that are assigned to any successor, assign or surviving entity. The obligations of the Company under the Program shall be binding upon the successors and assigns of the Company. Any successor to the Company is an intended third party beneficiary of this Program.

(b) The Performance Share Units shall not be sold, pledged, assigned, hypothecated, transferred or disposed of (a "Transfer") in any manner, other than by will or the laws of descent and distribution. Any attempt by a Participant to Transfer the Performance Share Units in violation of the terms of the Program shall render the Performance Share Units null and void, and result in the immediate forfeiture of such Performance Share Units, without payment by the Company or any Subsidiary.

15. Impact on Benefit Plans. Payments under the Program shall not be considered as earnings for purposes of the Company's and/or Affiliate's qualified retirement plans or any such retirement or benefit plan unless specifically provided for therein. Nothing herein shall prevent the Company or any Affiliate from maintaining additional compensation plans and arrangements for its employees.

16. Changes in Stock. In the event of a stock split, stock dividend, or similar event, the Performance Share Units and the shares of Company common stock on which the Performance Conditions are based shall be appropriately adjusted to prevent dilution or enlargement of the rights of Participants which would otherwise result from any such transaction, provided such adjustment shall be consistent with Code Section 409A. In the case of a Change of Control, any obligation under the Program shall be handled in accordance with the terms of Section 6(c) hereof.

17. Governing Law, Jurisdiction, and Venue.

(a) This Program shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania, without giving effect to the principles of conflicts of law.

(b) Participant hereby irrevocably submits to the personal and exclusive jurisdiction of the United States District Court for the Western District of Pennsylvania or the Court of Common Pleas of Allegheny County, Pennsylvania in any action or proceeding arising out of, or relating to, this Program (whether such action or proceeding arises under contract, tort, equity or otherwise). Participant hereby irrevocably waives any objection which Participant now or hereafter may have to the laying of venue or personal jurisdiction of any such action or proceeding brought in said courts.

(c) Jurisdiction over, and venue of, any such action or proceeding shall be exclusively vested in the United States District Court for the Western District of Pennsylvania or the Court of Common Pleas of Allegheny County, Pennsylvania.

(d) Provided that the Company commences any such action or proceeding in the courts identified in Section 17(b), Participant irrevocably waives Participant's right to object to or challenge the above selected forum on the basis of inconvenience or unfairness under 28 U.S.C. § 1404, 42 Pa. C.S. § 5322 or similar state or federal statutes. Participant agrees to reimburse the Company for all of the attorney fees and costs it incurs to oppose Participant's efforts to challenge or object to litigation proceeding in the courts identified in Section 17(b) with respect to actions arising out of or relating to this Program (whether such actions arise under contract, tort, equity or otherwise).

18. Failure to Enforce Not a Waiver. The failure of the Company to enforce at any time any provision of this Program shall in no way be construed to be a waiver of such provision or of any other provision hereof.

19. Severability. In the event that any one or more of the provisions of this Program shall be held to be invalid, illegal or unenforceable, the validity, legality or enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

20. Funding. The Program is not funded and all amounts payable hereunder, if any, shall be paid from the general assets of the Company or its Affiliate, as applicable. No provision contained in this Program or the Plan and no action taken pursuant to the provisions of this Program or the Plan shall create a trust of any kind or require the Company to maintain or set aside any specific funds to pay benefits hereunder. To the extent a Participant acquires a right to receive payments from the Company under the Program, such right shall be no greater than the right of any unsecured general creditor of the Company.

21. Headings. The descriptive headings of the Sections of this Program are inserted for convenience of reference only and shall not constitute a part of this Program.

22. Amendment or Termination of this Program. This Program may be modified, amended, suspended or terminated by the Committee at any time. Notwithstanding the foregoing or any provision of this Program to the contrary, the Committee may, in the sole discretion and without the Participants' consent, modify or amend the terms of the Program or a Performance Grant, or take any other action it deems necessary or advisable, to cause the Program to comply with Section 409A. Any modification, amendment, suspension or termination shall only be effective upon a writing issued by the Committee, and a Participant shall not offer evidence of any purported oral modifications or amendments to vary or contradict the terms of this Program document.

IN WITNESS WHEREOF, the undersigned has executed this Program on the day and year indicated below. This Program may be executed in more than one counterpart, each of which is deemed to be an original and all of which taken together constitute one and the same agreement.

Dated: _____

Robert S. Purgason
Chairman, Compensation Committee

L. B. Foster Company
2021 PERFORMANCE SHARE UNIT PROGRAM
(2021-2023)

[Date]

[Name and Address]

Dear _____:

Pursuant to the terms and conditions of the L. B. Foster Company 2021 Performance Share Unit Program (the "Program"), a component of the Long-Term Incentive Program, the Compensation Committee of the Board of Directors of L. B. Foster Company (the "Committee") has awarded you ____ Performance Share Units (the "Award"). The terms and conditions of your Award are governed by the provisions of the Program document attached hereto as Exhibit A, the terms of which are hereby incorporated by reference. Capitalized terms not otherwise defined herein shall each have the meaning assigned to them in the Program.

Name: Robert S. Purgason
Title: Director and Chairman of the Compensation Committee

I hereby acknowledge and accept the Award described above subject to all of the terms and conditions of the Program including, without limitation, the forfeiture and covenant provisions set forth in Sections 11, 12 and 13 of the Program, regardless of whether the Award ever results in a payment under the Program. I further acknowledge receipt of a copy of the Program document and the L. B. Foster Company 2006 Omnibus Incentive Plan, as amended (the "Plan"), and I agree to be bound by all the provisions of the Program and the Plan, as amended from time to time.

By signing below, I acknowledge that: (i) I have read and understand the Program including, without limitation, the provisions that require me to repay monies to the Company if (A) I breach Section 11 or 12 of the Program or (B) the Company is required to prepare an accounting restatement to the extent set forth in Section 13(c); (ii) the Performance Share Units that have been awarded to me have no independent economic value, but rather are mere units of measurement to be used in calculating benefits, if any, available under the Program; (iii) I agree to accept as binding, conclusive and final all decisions or interpretations of the Compensation Committee upon any questions arising under this Award, the Program or the Plan; and (iv) my decision to participate in the Program is completely voluntary and done with full knowledge of its terms. ***I further acknowledge and agree that, except as otherwise specifically provided in the Program, in the event I terminate employment prior to the Payment Date, the Performance Share Units awarded to me shall be cancelled and forfeited, whether payable or not, without payment by the Company or any Subsidiary.***

Signature: _____ Date: _____

L.B. FOSTER COMPANY
Performance-Based Stock Award Retention Program
March 1, 2021 to February 28, 2026

The following sets forth the terms and conditions of the L.B. Foster **Performance-Based Stock Award Retention Program** (the "Program"), as approved by the Compensation Committee of the Board of Directors at the meeting on February 26, 2021.

I. TERMS AND CONDITIONS

- a. All terms, unless defined herein, shall have the meanings ascribed to such terms in the L.B. Foster Company 2006 Omnibus Incentive Compensation Plan, as amended.
- b. The **Performance Period for this Program is a five-year period**, beginning March 1, 2021 and ending no later than February 28, 2026.
- c. All employees named in **Schedule 1.0 of this Program (the "Participants")** shall be eligible for a stock award of up to **3,333 shares**. A Participant who leaves the employ of the Company prior to any payout for any reason other than death or retirement shall not be eligible for any payout. Those Participants who retire or are deceased during the Performance Period of the Program shall be eligible for any payout earned during their active employment.
- d. The value of the shares awarded at the time of a payout will be determined using a Monte Carlo Methodology.
- e. Any changes to the terms and conditions of this Program, the Participants, or any other condition of the Program shall be at the sole discretion of the Board of Directors.

II. ACHIEVEMENT AND PAYOUT

- a. The first **50% (1,666) of the shares shall be earned** based on the achievement of a consecutive thirty (30) day average closing stock price of \$25.00 for Company common stock on the Nasdaq Stock Exchange.
- b. The remaining **50% (1,667) of the shares shall be earned** based on the achievement of a consecutive thirty (30) day average closing stock price of \$30.00 for Company common stock on the Nasdaq Stock Exchange.
- c. Any shares earned (50% or 100%) prior to the third anniversary of the grant (March 1, 2024) shall not be issued until the third anniversary of the date of this award. If earned before March 1, 2024, the shares earned shall be issued on that third anniversary date. If either tranche of shares is earned between the third anniversary and the expiration of this Plan, such shares earned shall be paid immediately upon achievement of the named stock price for the thirty (30) day period.

- d. The Performance period for this program will end on February 28, 2026. If the minimum level of achievement outlined in Section IIa above is not achieved, Participants will not be eligible for any payout.

III. OTHER TERMS AND CONDITIONS

The terms and conditions of the Program and awards made hereunder are set forth in Appendix A which is attached hereto and made a part hereof.

IN WITNESS WHEREOF, the undersigned hereby certifies that the foregoing Performance-Based Stock Award Retention Program was approved by the Compensation Committee of the Board of Directors.

Robert S. Purgason
Chairman, Compensation Committee

Date

Participant	Title
Patrick J. Guinee	SVP and General Counsel
John F. Kasel	SVP and Chief Operating Officer
Brian H. Kelly	SVP, HR & Administration
James M. Kempton	Controller and Chief Accounting Officer
Gregory W. Lippard	SVP, Rail Technology and Services
William M. Thalman	SVP and Chief Financial Officer
William F. Treacy	SVP, Infrastructure Solutions

APPENDIX A
TERMS AND CONDITIONS APPLICABLE TO
L.B. FOSTER COMPANY PERFORMANCE-BASED STOCK AWARD RETENTION PROGRAM

1. **Dividends.** Performance-based stock awards hereunder will not be credited with dividends that are paid on the Company's Common Stock.

2. **Tax Consequences/Withholding.**

i. It is intended that: (i) a Participant's performance-based stock award hereunder shall be considered to be subject to a substantial risk of forfeiture in accordance with those terms as defined in Section 409A and 3121(v)(2) of the Code; and (ii) a Participant shall have merely an unfunded, unsecured promise to be paid a benefit, and such unfunded promise shall not consist of a transfer of "property," within the meaning of Code Section 83.

ii. Participant acknowledges that any income for foreign, federal, state or local income tax purposes, including payroll taxes, that the Participant is required to recognize on account of the vesting of the performance-based stock award and/or issuance of the shares of Common Stock under this award to Participant shall be subject to withholding of tax by the Company. In accordance with administrative procedures established by the Company, in order to satisfy Participant's minimum statutory withholding tax obligations, if any, on account of the vesting of the performance-based stock award and/or issuance of shares of Common Stock under this award, the Company will withhold from the performance-based stock to be issued to the Participant a sufficient number of whole shares distributable in connection with this award equal to the applicable minimum statutory withholding tax obligation.

iii. This Program is intended to be excepted from coverage under Section 409A and shall be construed accordingly. Notwithstanding any provision of this Program to the contrary, if any benefit provided under this Program is subject to the provisions of Section 409A, the provisions of the Program will be administered, interpreted and construed in a manner necessary to comply with Section 409A (or disregarded to the extent such provision cannot be so administered, interpreted or construed). Notwithstanding, Section 409A may impose upon the Participant certain taxes or other charges for which the Participant is **and shall remain solely responsible, and nothing contained in this Program or the Plan shall be construed to obligate the Compensation Committee, the Company or any Subsidiary for any such taxes or other charges**

3. Non-Competition.

a. The Participants hereunder agree that this Section is reasonable and necessary in order to protect the legitimate business interests and goodwill of the Company, including the Company's trade secrets, valuable confidential business and professional information, substantial relationships with prospective and existing customers and clients, and specialized training provided to Participants and other employees of the Company. The Participants acknowledge and recognize the highly competitive nature of the business of the Company and its Subsidiaries and accordingly agree that during the term of each of their employment and for a period of two (2) years after the termination thereof:

- i. The Participants will not directly or indirectly engage in any business substantially similar to any line of business conducted by the Company or any of its Subsidiaries, including, but not limited to, where such engagement is as an officer, director, proprietor, employee, partner, investor (other than as a holder of less than 1% of the outstanding capital stock of a publicly traded corporation), consultant, advisor, agent or sales representative, in any geographic region in which the Company or any of its Subsidiaries conducted business;
- ii. The Participants will not contact, solicit, perform services for, or accept business from any customer or prospective customer of the Company or any of its Subsidiaries in any line of business conducted by the Company or any of its subsidiaries;
- iii. The Participants will not directly or indirectly induce any employee of the Company or any of its Subsidiaries to: (1) engage in any activity or conduct which is prohibited pursuant to subparagraph 11(a)(i) or (2) terminate such employee's employment with the Company or any of its Subsidiaries. Moreover, the Participants will not directly or indirectly employ or offer employment (in connection with any business substantially similar to any line of business conducted by the Company or any of its Subsidiaries) to any person who was employed by the Company or any of its Subsidiaries unless such person shall have ceased to be employed by the Company or any of its Subsidiaries for a period of at least 12 months; and
- iv. The Participants will not directly or indirectly assist others in engaging in any of the activities, which are prohibited under subparagraphs (a)(i-iii) above.

b. It is expressly understood and agreed that although the Participants and the Company consider the restrictions contained in this Section 11 to be reasonable, if a final judicial determination is made by a court of competent jurisdiction that the time or territory or any other restriction contained in this Program is an unenforceable restriction against any Participant, the provisions of this Program shall not be rendered void but shall be deemed amended to apply as to such maximum time and territory and to such maximum extent as such court may judicially determine or indicate to be enforceable against such Participant. Alternatively, if any court of competent jurisdiction finds that any restriction contained in this Program is unenforceable, and such restriction cannot be amended so as to make it enforceable, such finding shall not affect the enforceability of any of the other restrictions contained herein. The restrictive covenants set forth in this Section 11 shall be extended by any amount of time that a Participant is in breach of such covenants, such that the Company receives the full benefit of the time duration set forth above.

4. Confidential Information and Trade Secrets. The Participants and the Company agree that certain materials, including, but not limited to, information, data and other materials relating to customers, development programs, costs, marketing, trading, investment, sales activities, promotion, credit and financial data, manufacturing processes, financing methods, plans or the business and affairs of the Company and its Subsidiaries, constitute proprietary confidential information and trade secrets. Accordingly, the Participants will not at any time during or after a Participant's employment with the Company (including any

Subsidiary) disclose or use for such Participant's own benefit or purposes or the benefit or purposes of any other person, firm, partnership, joint venture, association, corporation or other business organization, entity or enterprise other than the Company and any of its affiliates, any proprietary confidential information or trade secrets, provided that the foregoing shall not apply to information which is not unique to the Company or any of its Subsidiaries or which is generally known to the industry or the public other than as a result of such Participant's breach of this covenant. The Participants agree that upon termination of employment with the Company (including any Subsidiary) for any reason, the Participants will immediately return to the Company all memoranda, books, papers, plans, information, letters and other data, and all copies thereof or therefrom, which in any way relate to the business of the Company and its Subsidiaries, except that the Participants may retain personal notes, notebooks and diaries. The Participants further agree that the Participants will not retain or use for their own account at any time any trade names, trademark or other proprietary business designation used or owned in connection with the business of the Company or any of its Subsidiaries.

5. Remedies; Forfeiture; Recoupment.

- a. The Participants acknowledge that a violation or attempted violation on a Participant's part of Non-Competition and Confidential Information and Trade Secrets covenants (the "Covenants") hereunder will cause irreparable damage to the Company and its Subsidiaries, and the Participants therefore agree that the Company and its Subsidiaries shall be entitled as a matter of right to an injunction, out of any court of competent jurisdiction, restraining any violation or further violation of such promises by the Participants or a Participant's employees, partners or agents. The Participants agree that such right to an injunction is cumulative and in addition to whatever other remedies the Company (including any Subsidiary) may have under law or equity, and the Participants' obligations to make timely payment to the Company as set forth in Section 13(b) of this Program. ***The Participants further acknowledge and agree that a Participant's award shall be cancelled and forfeited without payment by the Company if such Participant breaches any of his or her obligations contained in the Covenants set forth herein.***
- b. At any point after becoming aware of a breach of any obligation set forth in the Covenants of this Program, the Company shall provide notice of such breach to a Participant. By agreeing to participate in this Program, the Participants agree that within ten (10) days after the date the Company provides such notice, a Participant shall pay to the Company in cash an amount equal to any and all distributions paid to or on behalf of such Participant under this Program within the six (6) months prior to the date of the earliest breach. The Participant agrees that failure to make such timely payment to the Company constitutes an independent and material breach of the terms and conditions of this Program, for which the Company may seek recovery of the unpaid amount as liquidated damages, in addition to all other rights and remedies the Company may have resulting from a Participant's breach of the obligations set forth in Sections 11 and 12. The Participants agree that timely payment to the Company as set forth in this provision of the Program is reasonable and necessary because the compensatory damages that will result from breaches of the Covenants cannot readily be ascertained. Further, the Participants agree that timely payment to the Company as set forth in this provision of the Program is not a penalty, and it does not preclude the Company from seeking all other remedies that may be available to the Company, including without limitation those set forth in this Section 13.
- c. All awards granted hereunder are made subject to the L.B. Foster Executive Recoupment Policy which is incorporated herein by reference (the "Policy.") The Policy provides for the

clawback by the Company and repayment by the Participant of cash awards paid hereunder in the event of an accounting restatement applicable to any financial reporting period within the Performance Period due to material noncompliance of the Company with any financial reporting requirement under the securities or other applicable laws.

6. Assignment/Nonassignment.

- a. The Company shall have the right to assign this Program, and the Participants agree to remain obligated by all provisions of this Program that are assigned to any successor, assign or surviving entity. The obligations of the Company under the Program shall be binding upon the successors and assigns of the Company. Any successor to the Company is an intended third party beneficiary of this Program.
- b. The awards shall not be sold, pledged, assigned, hypothecated, transferred or disposed of (a "Transfer") in any manner, other than by will or the laws of descent and distribution. Any attempt by a Participant to Transfer the award in violation of the terms of the Program shall render the Performance Share Units null and void, and result in the immediate forfeiture of such award, without payment by the Company or any Subsidiary.

7. Impact on Benefit Plans. Issuances under the Program shall not be considered as earnings for purposes of the Company's and/or Affiliate's qualified retirement plans or any such retirement or benefit plan unless specifically provided for therein. Nothing herein shall prevent the Company or any Affiliate from maintaining additional compensation plans and arrangements for its employees.

8. Changes in Stock. In the event of a stock split, stock dividend, or similar event, the awards and the shares of Company common stock on which the average consecutive stock price targets are based shall be appropriately adjusted to prevent dilution or enlargement of the rights of Participants which would otherwise result from any such transaction, provided such adjustment shall be consistent with Code Section 409A.

9. Governing Law, Jurisdiction, and Venue.

- a. This Program shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania, without giving effect to the principles of conflicts of law.
- b. Participant hereby irrevocably submits to the personal and exclusive jurisdiction of the United States District Court for the Western District of Pennsylvania or the Court of Common Pleas of Allegheny County, Pennsylvania in any action or proceeding arising out of, or relating to, this Program (whether such action or proceeding arises under contract, tort, equity or otherwise). Participant hereby irrevocably waives any objection which Participant now or hereafter may have to the laying of venue or personal jurisdiction of any such action or proceeding brought in said courts.
- c. Jurisdiction over, and venue of, any such action or proceeding shall be exclusively vested in the United States District Court for the Western District of Pennsylvania or the Court of Common Pleas of Allegheny County, Pennsylvania.
- d. Provided that the Company commences any such action or proceeding in the courts identified hering, Participant irrevocably waives Participant's right to object to or challenge the above selected forum on the basis of inconvenience or unfairness under 28 U.S.C. § 1404, 42 Pa. C.S. § 5322 or similar state or federal statutes. Participant agrees to

reimburse the Company for all of the attorney fees and costs it incurs to oppose Participant's efforts to challenge or object to litigation proceeding in the courts identified in Section 17(b) with respect to actions arising out of or relating to this Program (whether such actions arise under contract, tort, equity or otherwise).

- 10. Failure to Enforce Not a Waiver.** The failure of the Company to enforce at any time any provision of this Program shall in no way be construed to be a waiver of such provision or of any other provision hereof.
- 11. Severability.** In the event that any one or more of the provisions of this Program shall be held to be invalid, illegal or unenforceable, the validity, legality or enforceability of the remaining provisions shall not in any way be affected or impaired thereby.
- 12. Funding.** The Program is not funded and all amounts payable hereunder, if any, shall be paid from the general assets of the Company or its Affiliate, as applicable. No provision contained in this Program or the Plan and no action taken pursuant to the provisions of this Program or the Plan shall create a trust of any kind or require the Company to maintain or set aside any specific funds to pay benefits hereunder. To the extent a Participant acquires a right to receive payments from the Company under the Program, such right shall be no greater than the right of any unsecured general creditor of the Company.
- 13. Headings.** The descriptive headings of the Sections of this Program are inserted for convenience of reference only and shall not constitute a part of this Program.
- 14. Amendment or Termination of this Program.** This Program may be modified, amended, suspended or terminated by the Board at any time. Notwithstanding the foregoing or any provision of this Program to the contrary, the Board may, in the sole discretion and without the Participants' consent, modify or amend the terms of the Program or a grant, or take any other action it deems necessary or advisable, to cause the Program to comply with Section 409A. Any modification, amendment, suspension or termination shall only be effective upon a writing issued by the Board, and a Participant shall not offer evidence of any purported oral modifications or amendments to vary or contradict the terms of this Program document.

**Plan Document
and
Summary Plan Description
of the
L. B. Foster Company
Key Employee Separation Plan**

**As Amended and Restated
Effective February 17, 2021**

**L. B. FOSTER COMPANY
KEY EMPLOYEE SEPARATION PLAN**

ARTICLE 1. INTRODUCTION

1.1 Purpose. The purposes of this L. B. Foster Company Key Employee Separation Plan is to assist the Company to retain the services of key employees by providing eligible employees of the Company and its Affiliates with certain severance and welfare benefits in the event their employment is involuntarily terminated (or constructively terminated) in connection with a Change in Control. This document is designed to serve as both the Plan document and the summary plan description for the Plan. The legal rights and obligations of any person having an interest in the Plan are determined solely by the provisions of the Plan, as interpreted by the Plan Administrator.

1.2 Term of the Plan. The Plan shall generally be effective as of the Effective Date, but subject to amendment from time to time in accordance with Article 7 hereof. The Plan shall continue until terminated pursuant to Article 7 hereof.

ARTICLE 2. DEFINITIONS

Except as may otherwise be specified or as the context may otherwise require, the following terms shall have the respective meanings set forth below whenever used herein:

(i)“Affiliate” shall mean any parent entities, affiliated Subsidiaries and/or divisions of the Company.

(ii)“Base Pay” shall mean the Participant’s annual base salary rate, exclusive of bonuses, commissions, employee benefits and other incentive and/or stock-based compensation, as in effect immediately preceding the Participant’s Date of Termination.

(iii)“Benefit Factor” shall mean the multiple which has been assigned to each Participant for purposes of determining the Participant’s benefit under Section 4.1(b).

(iv)“Benefit Plans” shall mean the insurance and health and welfare benefits plans and policies to which Participant is entitled to participate.

(v)“Board” shall mean the Board of Directors of the L. B. Foster Company.

(vi)“Cause” shall mean that by majority vote, the Board has determined in good faith that any of the following has occurred:

(1) Participant’s conduct, by act or omission, constitutes gross negligence or willful misconduct in the performance of the duties and services required of Participant;

(2) Participant has been convicted of, or has entered a plea of guilty or nolo contendere to, a felony, or Participant has engaged in fraudulent or criminal activity relating to the scope of Participant’s employment (whether or not prosecuted);

(3) Participant's conduct, by act or omission, constitutes a material violation of the Company's Legal and Ethical Conduct Policy Guide, as amended from time to time;

(4) Participant's conduct, by act or omission, constitutes a continuing or repeated failure to perform the duties as requested in writing by the Participant's supervisor(s) or the Board after Participant has been afforded a reasonable opportunity (not to exceed 30 days) to cure such breach;

(5) Participant has committed a felony or lesser crime involving moral turpitude; or

(6) Participant's conduct constitutes a foreseeable risk that the Company and/or its Affiliates may be brought into public disgrace or disrepute in any material respect.

(vii) "Change in Control" shall mean the first to occur, after the Effective Date, of any of the following:

i. the consummation of any merger, consolidation or business combination in which the shareholders of the L.B. Foster Company immediately prior to the merger, consolidation or business combination do not own at least a majority of the outstanding equity interests of the surviving parent entity;

ii. the sale of all or substantially all of the Company's assets in a single transaction or a series of related transactions;

iii. the acquisition of beneficial ownership or control, directly or indirectly, through one transaction or a series of transactions (including, without limitation, power to vote) of a majority of the outstanding common stock of the Company by any "person" as such term is defined under sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended, (but excluding the Company, any trustee or other fiduciary holding securities under an employee benefit plan of the Company, and any corporation or other entity owned, directly or indirectly, by the shareholders of the L. B. Foster Company in substantially the same proportions as their ownership of shares of L.B. Foster Company's common stock); or

iv. a contested election of directors of the Board, including with respect to directors elected under any proxy access procedures included in L.B. Foster Company's organizational documents, as a result of which or in connection with which the persons who were directors of the L.B. Foster Company before such election or nominees approved by the Board for election to the Board cease to constitute a majority of the Board.

Upon the occurrence of a Change in Control as provided above, no subsequent event or condition shall constitute a Change in Control for purposes of the Plan with the result that there can be no more than one Change in Control hereunder.

1. "COBRA" means the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended.

2. "COBRA Continuation Period" shall mean the continuation period for medical and dental insurance to be provided under the terms of this Plan which shall commence on the first day of the calendar month following the month in which the Date of Termination falls.

3. "Code" shall mean the Internal Revenue Code of 1986, as amended.

4. "Committee" shall mean the Compensation Committee of the Board, or any successor committee designated by the Board.

5. "Company" shall mean the L. B. Foster Company, a Pennsylvania corporation, and its parent entities, Subsidiaries and Affiliates as may employ a Participant from time to time; provided that a Subsidiary which ceases to be, directly or indirectly, through one or more intermediaries, controlling, controlled by or under common control with the L. B. Foster Company prior to a Change in Control (other than in connection with and as an integral part of a series of transactions resulting in a Change in Control) shall, automatically and without any further action, cease to be (or be a part of) the Company and its Affiliates for purposes hereof.

6. "Covered Change in Control Termination" shall mean, with respect to a Participant, if, during the 90-day period immediately preceding a Change in Control, or on or within the two-year period immediately following a Change in Control, the occurrence of an Involuntary Termination Associated with a Change in Control.

7. "Date of Termination" shall mean the date on which a Covered Change in Control Termination occurs.

8. "Disability" shall mean the Participant's physical or mental incapacity, with reasonable accommodation, to perform his or her usual duties with such condition likely to remain continuously and permanently as determined by the Committee.

9. "Effective Date" shall mean December 9, 2008.

10. "ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended.

11. "Good Reason" shall mean the Participant's Separation from Service by the Participant as a result of the occurrence, without the Participant's written consent, of one of the following events:

(i) A material reduction in the Participant's annual Base Pay (unless such reduction relates to an across-the-board reduction similarly affecting Participant and all or substantially all other executives of the Company and its Affiliates);

(ii) The Company makes or causes to be made a material adverse change in the Participant's position, authority, duties or responsibilities which results in a significant diminution in the Participant's position, authority, duties or responsibilities, excluding any change made in connection with (A) a reassignment to a New Job Position, or (B) a

termination of Participant's employment with the Company for Disability, Cause, death, or temporarily as a result of Participant's incapacity or other absence for an extended period;

(iii) A relocation of the Company's principal place of business, or of Participant's own office as assigned to Participant by the Company to a location that increases Participant's normal work commute by more than 50 miles; or

(iv) Any other action by the Company that constitutes a material breach of the employment agreement, if any, under which Participant's services are to be performed.

In order for Participant to terminate for Good Reason, (A) the Company must be notified by Participant in writing within 90 days of the event constituting Good Reason, (B) the event must remain uncorrected by the Company for 30 days following such notice (the "Notice Period"), and (C) such termination must occur within 60 days after the expiration of the Notice Period.

12. "Involuntary Termination Associated With a Change in Control" means the Participant's Separation from Service in connection with a Change in Control: (i) by the Company and any Affiliate for any reason other than (A) Cause, (B) the Participant's death, or (C) the Participant's Disability; or (ii) on account of the Participant's voluntary termination of employment for Good Reason.

13. "New Job Position" shall mean a change in the Participant's position, authority, duties or responsibilities with the Company or any Affiliate due to the Participant's demonstrated inadequate or unsatisfactory performance, provided the Participant had been notified of such inadequate performance and had been given at least 30 days to cure such inadequate performance.

14. "Notice of Termination" shall mean a notice given by the Company or Participant, as applicable, which shall indicate the specific termination provision in the Plan relied upon and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Participant's employment under the provisions so indicated.

15. "Participant" shall have the meaning ascribed by Article 3 hereof.

16. "Plan" shall mean this L. B. Foster Company Key Employee Separation Plan, as it may be amended from time to time in accordance with Article 7 hereof.

17. "Plan Administrator" shall have the meaning ascribed by Article 12 hereof.

18. "Release" shall have the meaning ascribed by Section 4.3.

19. "Securities Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

20. "Separation from Service" shall mean a Participant's termination of employment with the Company (including all persons treated as a single employer under Section 414(b) and 414(c) of the Code) that constitutes a "separation from service" within the meaning of

Section 409A of the Code and the regulations promulgated thereunder (“Section 409A”). For purposes hereof, the determination of controlled group members shall be made pursuant to the provisions of Section 414(b) and 414(c) of the Code; provided that the language “at least 50 percent” shall be used instead of “at least 80 percent” in each place it appears in Section 1563(a)(1), (2) and (3) of the Code and Treas. Reg. § 1.414(c)-2; provided, further, where legitimate business reasons exist (within the meaning of Treas. Reg. § 1.409A-1(h)(3)), the language “at least 20 percent” shall be used instead of “at least 80 percent” in each place it appears. Whether a Participant has experienced a Separation from Service will be determined based on all of the facts and circumstances and in accordance with the guidance issued under Section 409A. A Participant will be presumed to have experienced a Separation from Service when the level of bona fide services performed permanently decreases to a level less than twenty percent (20%) of the average level of bona fide services performed during the immediately preceding thirty-six (36)-month period or such other period as provided by regulation.

21. “Stock” shall mean the common stock, par value \$.01 per share, of the L. B. Foster Company.
22. “Subsidiary” shall mean any Company controlled entity.

ARTICLE 3. PARTICIPATION

3.1 Employees of the Company or any Affiliate who are selected for participation by the Committee, in its sole discretion, as provided in Article 5 hereof, shall be eligible to participate in the Plan. Any such employee selected to participate in the Plan shall be referred to herein as “Participant.” The initial Participants and their respective Benefit Factors shall be selected and approved by the Committee. The Committee, in its discretion, may add Participants to the Plan and assign and approve for each of them their respective Benefit Factors, from time to time, and shall periodically review and update the list of Participants.

3.2 Notwithstanding the foregoing and subject to Section 7.2, the Committee may terminate a Participant’s participation in the Plan at any time, in its sole and absolute discretion. Subject to Section 7.2, a termination of Participant’s employment with the Company and any Affiliate except under the circumstances described in Section 4.1, shall automatically, with no further act on the part of the Company or any Affiliate, terminate any right of such Participant to participate, or receive any benefits under, this Plan.

ARTICLE 4. BENEFITS

4.1 Compensation and Benefits. In the event a Covered Change in Control Termination occurs with respect to a Participant, the Company shall pay and provide to the Participant the following severance benefits; provided, however, that the benefits provided under Sections 4.1(b)-(d) shall be subject to Participant’s timely execution and non-revocation of the Release described in Section 4.3:

- (a) (i) any Base Pay earned, accrued or owing to him or her through the Date of Termination, (ii) any individual bonuses or individual incentive compensation not yet paid, but due and payable under the Company’s and/or its Affiliates’ plans for years prior to the year

of Participant's termination of employment, (iii) reimbursement for all reasonable and customary expenses incurred by Participant in performing services for the Company prior to the Date of Termination, subject to receipt by the Company of appropriate documentation in accordance with policies established from time to time and (iv) payment equal to the amount of accrued, but unused, vacation time in accordance with the Company's policies and practices with respect to vacation time.

(b) A lump sum cash payment equal to the applicable Benefit Factor multiplied by: (i) Participant's Base Pay in effect as of the Date of Termination; plus (ii) the Participant's target annual bonus opportunity under the L.B. Foster Company Executive Annual Incentive Compensation Plan, or any successor executive annual bonus plan thereto, for the year in which the Date of Termination occurs.

(c) To the extent permitted by applicable law and the Benefit Plans, the Company shall maintain Participant's paid coverage for medical, dental and vision insurance (through the payment of Participant's COBRA premiums) until the earlier to occur of: (i) Participant obtaining the age of 65, (ii) the date Participant is eligible for similar benefits to the benefits provided by the Benefit Plans from another employer (and Participant must provide prompt notice of eligibility with respect thereto to the Company), or (iii) the expiration of the COBRA Continuation Period (generally 18 months). During the applicable period of coverage described in the foregoing sentence, to the extent permitted by applicable law and the Benefit Plans, Participant shall be entitled to benefits, on substantially the same basis as would have otherwise been provided had Participant not been terminated and the Company will have no obligation to pay any benefits to, or premiums on behalf of, Participant after such period ends. To the extent that such benefits are available under the Benefit Plans and Participant had such coverage immediately prior to termination of employment, such continuation of benefits for Participant shall also cover Participant's dependents for so long as Participant is receiving such benefits under this Section 4.1(c). The COBRA Continuation Period for medical, dental and vision insurance under this Section 4.1(c) shall be deemed to run concurrent with the continuation period federally mandated by COBRA (generally 18 months), or any other legally mandated and applicable federal, state, or local coverage period for benefits provided to terminated employees under the health care plan(s).

(d) A lump sum cash payment of \$15,000 in order to cover the cost of outplacement assistance services for Participant and other expenses associated with seeking another employment position.

(e) All payments to be made pursuant to this Section 4.1 shall be made, in lump sum, no later than 60 days after the Date of Termination, subject, in the case of the benefits provided under Sections 4.1(b)-(d), to the execution, delivery and non-revocation of the release set forth in Section 4.3; provided, however, that all benefits due under Section 4.1(c) shall be provided as specified thereunder, and all payments due under Section 4.1(a)(ii) shall be paid no later than the time provided for under the applicable plan or arrangement in accordance with the applicable plan or arrangement terms.

4.2 Vesting of Equity. With respect to any equity awards or grants made by the Company or any Affiliate to a Participant under any applicable plan, program or award agreement, upon a termination of Participant's employment with the Company and any Affiliate pursuant to Section 4.1, the Participant's rights to any such awards will continue to be governed by and subject to the terms and conditions of the applicable plan, program or agreement, and related award agreement, if any.

4.3 Release. Notwithstanding any other provision of the Plan to the contrary, no payment or benefit otherwise provided for under or by virtue of this Article 4 of the Plan shall be paid or otherwise made available unless and until the Participant executes (no later than 45 days after the Company has provided estimates to the Participant relating to the payments to be made under the Plan) and does not revoke a general release, non-disparagement and non-competition agreement, in a form provided by the Company and substantially as attached as Exhibit A hereto (the "Release"); provided, however, the Company reserves the right to require a different or modified form of release if necessary under then applicable law to effectuate the intent of a full general release to the greatest extent permitted by law. The Company shall provide written notice to the Participant of the obligation to provide a signed Release. If the Company determines that the Participant has not fully complied with any of the terms of the Release, the Company and any Affiliate may withhold benefits described in this Article 4 of the Plan and/or discontinue the payment of such benefits and may require the Participant, by providing written notice of such repayment obligation to the Participant, to repay any portion or such benefits already received under the Plan. If the Company notifies a Participant that repayment of all or any portion of the benefits received under the Plan is required, such amounts shall be repaid within 30 calendar days of the date written notice is sent. Any remedy under this Section 4.3 shall be in addition to, and not in place of, any other remedy, including injunctive relief, that the Company and any Affiliate may have.

4.4 WARN. Notwithstanding any other provision of the Plan to the contrary, payments made pursuant to this Plan are not intended to be in addition to pay-in-lieu-of notice under the Worker Adjustment and Retraining Notification Act ("WARN"), Labor Code Section 1400 et seq., or any other applicable federal, state or local law or regulation. Should benefits under any such law or regulation become payable, payment of any benefit hereunder to a Participant as a consequence of the Participant's Covered Change in Control Termination shall be reduced accordingly or, alternatively, payments previously made under this Plan will be treated as having been paid to satisfy such other benefit obligations (other than state unemployment compensation if applicable).

4.5 Termination of Employment on Account of Disability, Cause or Death. Notwithstanding anything in this Plan to the contrary, if the Participant's employment with the Company and any Affiliate terminates on account of Disability, Cause or because of his or her death, the Participant shall not be considered to have terminated employment under Section 4.1 of this Plan and shall not receive benefits pursuant to this Article 4 of the Plan. Notwithstanding, the Participant shall be entitled to receive disability benefits under any disability program then maintained by the Company or any Affiliate that covers the Participant as provided under the terms of such disability program.

ARTICLE 5. ADMINISTRATION

ARTICLE 1. The Plan shall be administered by the Committee. The Committee shall be the “administrator” and a “named fiduciary” under the Plan for purposes of ERISA.

ARTICLE 2. The Committee shall have the full and absolute power, authority and sole discretion to construe, interpret and administer the Plan, to make factual determinations, to correct deficiencies therein, and to supply omissions, including resolving any ambiguity or uncertainty arising under or existing in the terms and provisions of the Plan, which determinations shall be final, conclusive, and binding on the Company, its Affiliates, the Participant and any and all interested parties.

ARTICLE 3. The Committee may delegate any and all of its powers and responsibilities hereunder to other persons. Any such delegation may be rescinded at any time by written notice from the Committee to the person to whom delegation is made.

ARTICLE 4. The Committee shall have the full and absolute authority to employ and rely on such legal counsel, actuaries and accountants (which may also be those of the Company and its Affiliates), and other agents, designees and delegates, as it may deem advisable to assist in the administration of the Plan.

ARTICLE 6. PARACHUTE TAX PROVISIONS

6.1 The provisions of this Article 6 shall apply notwithstanding anything in this Plan to the contrary. In the event that it shall be determined that any payment or distribution to or for the benefit of the Participant, whether paid or payable or distributed or distributable pursuant to the terms of this Plan or otherwise (a “Payment”), would constitute an “excess parachute payment” within the meaning of Section 280G of the Code, the Company and its Affiliates will apply a limitation on the Payment amount as specified in Section 6.2.

6.2 The aggregate present value of the Payments under Article 4 of this Plan (“Plan Payments”) shall be reduced (but not below zero) to the Reduced Amount. The “Reduced Amount” shall be an amount expressed in present value which maximizes the aggregate present value of Plan Payments without causing any Payment to be subject to the limitation of deduction under Section 280G of the Code. For purposes of this Article 6, “present value” shall be determined in accordance with Section 280G(d)(4) of the Code.

6.3 Except as set forth in the next sentence, all determinations to be made under this Article 6 shall be made by the nationally recognized independent public accounting firm used by the Company immediately prior to the Change in Control (“Accounting Firm”), which Accounting Firm shall provide its determinations and any supporting calculations to the Company and the Participant within ten (10) days of the Participant’s Date of Termination; provided, however, that, in the event the Accounting Firm will not or cannot make such a determination, the Company and its Affiliates shall select such other appropriate firm to make such determination. The value of the Participant’s non-competition covenant under Section 4 of the Release shall be determined by independent appraisal by a nationally-recognized business valuation firm, and a portion of the Plan Payments shall, to the extent of that appraised value, be

specifically allocated as reasonable compensation for such non-competition covenant and shall not be treated as a parachute payment.

6.4 All of the fees and expenses of the Accounting Firm in performing the determinations referred to in this Article 6 shall be borne solely by the Company and its Affiliates.

ARTICLE 7. AMENDMENT AND TERMINATION

7.1. Subject to Section 7.2, the Committee shall have the right in its discretion at any time to amend the Plan in any respect or to terminate the Plan prior to a Change in Control for any reason.

7.2. Notwithstanding any other provision of the Plan to the contrary, the Plan (including, without limitation, this Section 7.2) as applied to any particular Participant may not be amended or terminated at any time within the 90 day period immediately prior to, on or after the occurrence of a Change in Control in any manner adverse to the interests of such Participant, without the express written consent of such Participant, except in the event (a) of a termination of Participant's employment with the Company and its Affiliates under the circumstances described in Section 4.5 and/or (b) the Committee determines to amend the Plan in order to conform the provisions of the Plan with Section 409A, the regulations issued thereunder or an exception thereto, regardless of whether such modification, amendment, or termination of the Plan shall adversely affect the rights of a Participant under the Plan; and/or (c) of the Company's material noncompliance with any financial reporting requirement under the securities laws or other applicable law whereby the Company is required to prepare an accounting restatement applicable to any financial reporting period; and/or (d) a deterioration in the financial condition, revenues or profitability of the Company.

ARTICLE 8. EMPLOYMENT RIGHTS

Nothing expressed or implied in this Plan will create any right or duty on the part of the Company, any Affiliate or the Participant to have the Participant remain in the employment of the Company or any Affiliate.

ARTICLE 9. MISCELLANEOUS

9.1 (a) The Company and its Affiliates shall require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business or assets of the Company and its Affiliates (taken as a whole) expressly to assume and agree to perform under the terms of the Plan in the same manner and to the same extent that the Company and its Affiliates would be required to perform it if no such succession had taken place (provided that such a requirement to perform which arises by operation of law shall be deemed to satisfy the requirements for such an express assumption and agreement), and in such event the Company and its Affiliates (as constituted prior to such succession) shall have no further obligation under or with respect to the Plan. Failure of the Company and its Affiliates to obtain such assumption and agreement with respect to any particular Participant prior to the effectiveness of any such succession shall be a breach of the terms of the Plan with respect to

such Participant and shall constitute Good Reason for purposes of this Plan. Effective upon a transfer or assignment of this Plan, the term “Company” shall mean any successor to the Company’s business or assets as aforesaid which assumes and agrees (or is otherwise required) to perform the Plan. Nothing in this Section 9.1(a) shall be deemed to cause any event or condition which would otherwise constitute a Change in Control not to constitute a Change in Control.

(b) To the maximum extent permitted by law, the right of any Participant or other person to any amount under the Plan may not be subject to voluntary or involuntary anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, attachment or garnishment by creditors of the Participant or such other person.

(c) The terms of the Plan shall inure to the benefit of and be enforceable by the personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees of each Participant. If a Participant shall die while an amount would still be payable to the Participant hereunder if he or she had continued to live, all such amounts, unless otherwise provided herein, shall be paid in accordance with the terms of the Plan to the Participant’s devisee, legatee or other designee or, if there is no such designee, their estate.

9.2 Except as expressly provided in Article 4 hereof, Participants shall not be required to mitigate damages or the amount of any payment or benefit provided for under the Plan by seeking other employment or otherwise, nor will any payments or benefits hereunder be subject to offset in the event a Participant does mitigate.

9.3 Payments to be made under this Plan are intended to comply with, or be excepted from coverage under, Section 409A and shall be construed accordingly. Notwithstanding any provision of this Plan to the contrary, if any benefit provided under this Plan is subject to the provisions of Section 409A (and not excepted therefrom), the provisions of the Plan shall be administered, interpreted and construed in a manner necessary to comply with Section 409A (or disregarded to the extent such provision cannot be so administered, interpreted, or construed). Accordingly, if a Participant is a “specified employee” for purposes of Section 409A (as such term is defined in Section 409A, and determined in accordance with the procedures established by the Company) and a payment subject to Section 409A to the Participant is due upon Separation from Service, such payment shall be delayed for a period of six months after the date the Participant experiences a Separation from Service (or, if earlier, the death of the Participant). Each payment under the Plan shall be treated as a separate payment for purposes of Section 409A. In no event may a Participant directly or indirectly designate the calendar year of any payment to be made under the Plan. If the maximum period during which a Participant has the ability to consider and revoke a Release hereunder would span two taxable years then, regardless of when the Participant signs the Release and the revocation period expires, payment of the severance benefits hereunder that are subject to Section 409A will be made or commence no earlier than the beginning of the second of such taxable years. The Company reserves the right to accelerate, delay or modify distributions to the extent permitted under Section 409A and other binding guidance promulgated thereunder.

9.4 Notwithstanding any provision of this Plan to the contrary, the Company shall not be liable for, and nothing provided or contained in this Plan will be construed to obligate or

cause the Company to be liable for, any tax, interest or penalties imposed on a Participant related to, or arising with respect to, any violation of Section 409A.

9.5 All notices under the Plan shall be in writing, and if to the Company or the Committee, shall be delivered to the General Counsel of the L. B. Foster Company, or mailed to the L. B. Foster Company's principal office, addressed to the attention of the General Counsel of the L. B. Foster Company; and if to a Participant (or the estate or beneficiary thereof), shall be delivered personally or mailed to the Participant at the address appearing in the records of the Company and its Affiliates.

9.6 Unless otherwise determined by the Company in an applicable plan or arrangement, no amounts payable hereunder shall be deemed salary or compensation for the purpose of computing benefits under any employee benefit plan or other arrangement of the Company and/or any Affiliate for the benefit of employees unless the Company shall determine otherwise.

9.7 Participation in the Plan shall not limit any right of a Participant to receive any payments or benefits under any employee benefit or executive compensation plan of the Company and/or its Affiliates; provided that in no event shall any Participant be entitled to any payment or benefit under the Plan which duplicates a payment or benefit received or receivable by the Participant under any severance or similar plan or policy of the Company and/or its Affiliates.

9.8 Any payments hereunder shall be made out of the general assets of the Company. Each Participant shall have the status of general unsecured creditors of the Company, and the Plan constitutes a mere promise by the Company to make payments under the Plan in the future as and to the extent provided herein.

9.9 The Company shall be entitled to withhold from any payments or deemed payments any amount of tax withholding required by law.

9.10 The invalidity or unenforceability of any provision of the Plan shall not affect the validity or enforceability of any other provision of the Plan which shall remain in full force and effect.

9.11 The use of captions in the Plan is for convenience. The captions are not intended to, and do not, provide substantive rights.

9.12 Except as otherwise preempted by the laws of the United States, the Plan shall be construed, administered and enforced according to the laws of the Commonwealth of Pennsylvania, without regard to principles of conflicts of law, and any action relating to this Plan must be brought in state and federal courts located in the Commonwealth of Pennsylvania.

ARTICLE 10. CLAIMS PROCEDURE

Adverse Benefit Determinations

Each terminated Participant may contest the administration of the benefits (but not the level of benefits) by completing and filing a written claim for reconsideration with the Plan Administrator within 90 days (or 45 days in the case of a claim necessitating a determination of Disability) of the time that the Participant has knowledge of the relevant facts constituting the basis for the Participant's claim. If the Plan Administrator denies a claim in whole or in part, the Plan Administrator will provide notice to the Participant, in writing, within 90 days after the claim is filed, unless the Plan Administrator determines that an extension of time for processing is required. In the event that the Plan Administrator determines that such an extension is required, written notice of the extension shall be furnished to the Participant prior to the termination of the initial 90-day period. The extension shall not exceed a period of 90 days from the end of the initial period of time and the extension notice shall indicate the special circumstances requiring an extension of time and the date by which the Plan Administrator expects to render the benefit decision. Notwithstanding the foregoing, in the case of a claim necessitating a determination of Disability, the Plan Administrator may notify the terminated employee within the initial 45-day period that the Plan Administrator needs up to an additional 30 days to review the claim. If the Plan Administrator determines that additional time is necessary to review the claim, the Plan Administrator will notify the terminated employee of an additional 30-day extension.

The written notice of a denial of a claim shall set forth, in a manner calculated to be understood by the terminated employee:

- the specific reason(s) for the denial;
- specific reference to the specific Plan provisions on which the denial is based;
- a description of any additional material or information which must be submitted for the Participant to perfect the claim, and an explanation of why such material or information is necessary;
- in the case of any claim necessitating a determination of Disability, a copy of any internal rule, guideline, protocol, or other similar criterion relied upon in making the initial determination or a statement that such a rule, guideline, protocol, or other criterion was relied upon in making the determination and that a copy of such rule will be provided to the terminated employee upon request and free of charge or a statement that such rules, guidelines, protocols, standards or other similar criteria do not exist; and
- an explanation of the Plans claims review procedure and the time limits applicable to such procedures, including a statement of the Participant's

right to bring a civil action under section 502(a) of ERISA following an adverse benefit determination on appeal.

Appeal of Adverse Benefit Determinations

The Participant or the Participant's duly authorized representative shall have an opportunity to appeal a claim denial to the "Named Appeals Fiduciary" (as described below) for a full and fair review. The Participant or the Participant's duly authorized representative may:

1. request a review upon written notice to the Plan Administrator within 60 days (or 180 days in the case of a claim necessitating a determination of Disability) after receipt of a notice of the denial of a claim for benefits;
2. submit written comments, documents, records, and other information relating to the claim for benefits; and
3. examine the Plan and obtain, upon request and without charge, copies of all documents, records, and other information relevant to the Participant's claim for benefits.

The Named Appeals Fiduciary's review shall take into account all comments, documents, records, and other information submitted by the terminated employee relating to the claim, without regard to whether such information was submitted or considered by the Plan Administrator in the initial benefit determination. A determination on the review by the Named Appeals Fiduciary will be made not later than 60 days (or 45 days in the case of a claim necessitating a determination of Disability) after receipt of a request for review, unless the Named Appeals Fiduciary determines that an extension of time for processing is required. In the event that the Named Appeals Fiduciary determines that such an extension is required, written notice of the extension shall be furnished to the terminated employee prior to the termination of the initial review period. The extension shall not exceed a period of 120 days (or 90 days in the case of a claim necessitating a determination of Disability) from the receipt of the terminated employee's notice of appeal, and the extension notice shall indicate the special circumstances requiring an extension of time and the date on which the Named Appeals Fiduciary expects to render the determination on review.

The written determination of the Named Appeals Fiduciary shall set forth, in a manner calculated to be understood by the terminated employee:

1. the specific reason or reasons for the decision;
2. specific reference to the specific Plan provisions on which the decision is based;
3. the terminated employee's right to receive, upon request and without charge, reasonable access to, and copies of, all documents, records and other information relevant to the claim for benefits;

4. in the case of any claim necessitating a determination of Disability, a copy of any internal rule, guideline, protocol, standards or other similar criterion relied upon in making the initial determination or a statement that such a rule, guideline, protocol, or other criterion was relied upon in making the determination and that a copy of such rule will be provided to the terminated employee upon request and free of charge or a statement that such rules, guidelines, protocols, standards or other similar criteria do not exist; and
5. a statement of the employee's right to bring a civil action under section 502(a) of ERISA.

Requirement to Exhaust Claims Procedure

No person may bring an action for any alleged wrongful denial of Plan benefits in a court of law unless the claims and appeals procedures set forth above are exhausted and a final determination is made by the Plan Administrator. If the Participant or other interested person challenges a decision of the Plan Administrator, a review by the court of law will be limited to the facts, evidence and issues presented to the Plan Administrator during the claims and appeals procedure set forth above. Issues not raised with the Plan Administrator will be deemed waived. Any lawsuit claiming entitlement to benefits under the Plan, seeking clarification of any right to future benefits or alleging any other right or remedy derived from or related to the Plan shall be brought no later than six (6) months after the claims and appeals procedure has been exhausted.

ARTICLE 11. STATEMENT OF ERISA RIGHTS

As a Participant in the Plan, each Participant is entitled to certain rights and protections under ERISA. ERISA provides that all Participants shall be entitled to:

Receive Information About the Plan and Benefits

Examine, without charge, at the Plan Administrator's office, all documents governing the Plan.

Obtain, upon written request to the Plan Administrator, copies of documents governing the operation of the Plan and an updated summary plan description. The Plan Administrator may make a reasonable charge for the copies.

Prudent Actions by Plan Fiduciaries

In addition to creating rights for Participants, ERISA imposes duties upon the people who are responsible for the operation of the employee benefit plan. The people who operate the Plan, called "fiduciaries" of the Plan, have a duty to do so prudently and in the interest of Participants and beneficiaries. No one, including a Participant's employer or any other person, may fire such Participant or otherwise discriminate against a Participant in any way to prevent such Participant from obtaining a welfare benefit or exercising such Participant's rights under ERISA. However,

this rule neither guarantees continued employment, nor affects the Company's right to terminate a Participant's employment for other reasons.

Enforce Participant Rights

If a Participant's claim for a benefit is denied or ignored, in whole or in part, a Participant has a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps a Participant can take to enforce the above rights. For instance, if a Participant requests a copy of Plan documents and does not receive them within 30 days, such Participant may file suit in a Federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay such Participant up to \$110 a day until Participant receives the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator. If a Participant has a claim for benefits which is denied or ignored, in whole or in part, such Participant may file suit in a state or Federal court. If a Participant is discriminated against for asserting such Participant's rights, such Participant may seek assistance from the U.S. Department of Labor, or may file suit in a Federal court. The court will decide who should pay court costs and legal fees. If a Participant is successful the court may order the person such Participant has sued to pay these costs and fees. If a Participant loses, the court may order such Participant to pay these costs and fees, for example, if it finds such Participant's claim is frivolous.

Assistance with Participant Question

If a Participant has any questions about the Plan, such Participant should contact the Plan Administrator. If a Participant has any questions about this statement or about such Participant's rights under ERISA, or if a Participant needs assistance in obtaining documents from the Plan Administrator, such Participant should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in such Participant's telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210. A Participant may also obtain certain publications about such Participant's rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

ARTICLE 12. SUMMARY INFORMATION

The Plan is intended to be an "employee welfare benefit plan" within the meaning of Section 3(1) of ERISA, 29 U.S.C. Section 1002(1), and 29 C.F.R. Section 2510.3-2(b). The Plan is intended to be a "separation pay plan" under Section 409A of the Code in accordance with the regulations issued thereunder and related guidance, and shall be maintained, interpreted and administered accordingly. Please review Article 7 entitled "Amendment and Termination" regarding the Company's reservation of rights to amend and terminate the Plan.

Name of Plan: The name of the plan under which benefits are provided is the L. B. Foster Company Key Employee Separation Plan.

Plan Sponsor: The Sponsor of the Plan is:

L. B. Foster Company
415 Holiday Drive
Pittsburgh, PA 15220

Plan Administrator: The Plan Administrator of the Plan is:

The Compensation Committee
L. B. Foster Company
415 Holiday Drive
Pittsburgh, PA 15220

Employer Identification Number and Plan Number: The Employer Identification Number (EIN) assigned to the Plan Sponsor by the Internal Revenue Service is 25-1324733. The Plan Number assigned to the Plan is 506.

Type of Plan: Severance Pay Employee Welfare Benefit Plan.

Type of Administration: The Plan is self-administered.

Funding: Benefits payable under the Plan are provided from the general assets of the Company.

Agent for Service of Legal Process: For disputes arising under the Plan, service of legal process may be made upon the General Counsel of Plan Sponsor.

Plan Year: The Plan's fiscal records are kept on a calendar year basis (January 1 through December 31).

EXHIBIT A

[Sample Provisions - The Company reserves the right to require a different or modified form of release.]

GENERAL RELEASE, NON-DISPARAGEMENT AND NON-COMPETITION AGREEMENT

THIS GENERAL RELEASE, NON-DISPARAGEMENT AND NON-COMPETITION AGREEMENT (the "Agreement") is made as of this ____ day of _____, _____, by and between _____ (the "Company") and _____ (the "Employee").

WHEREAS, the Employee formerly was employed by the Company;

WHEREAS, the Employee was designated by the Compensation Committee of the Board of Directors (the "Board") or its delegate of L. B. Foster Company to receive certain severance benefits in the event of a termination of Employee's employment under the circumstances set forth in the Key Employee Separation Plan (the "Plan") and;

WHEREAS, an express condition of the Employee's entitlement to the payments and benefits under the Plan is the execution without revocation of this Agreement; and

WHEREAS, the Employee and the Company mutually desire to effectuate a full and final general release of all claims and rights the Employee may have against the Company to the fullest extent permitted by law, excepting only those rights and claims that cannot, as a matter of law, be released with this Agreement; and

WHEREAS, the Employee and the Company mutually desire to terminate the Employee's employment effective _____, ____ ("Date of Termination"); and

WHEREAS, the Company advises the Employee to consult with an attorney before signing this Agreement.

NOW, THEREFORE, IT IS HEREBY AGREED by and between the Employee and the Company as follows:

1. General Release.

(a) To the fullest extent permitted by law, the Employee, for and in consideration of the commitments of the Company as set forth in paragraph 7 of this Agreement and the Plan, and intending to be legally bound, does hereby REMISE, RELEASE AND FOREVER DISCHARGE the Company, its affiliates, predecessors, subsidiaries and parents, and their present or former officers, directors, managers, stockholders, employees, members and agents, and its and their respective successors, assigns, heirs, executors, and administrators and the current and former trustees or administrators of any pension or other benefit plan applicable to the employees or former employees of the Company (collectively, "Releasees") from all causes of action, suits, debts, claims and demands whatsoever in law or in equity, which the

Employee ever had, now has, or hereafter may have, whether known or unknown, or which the Employee's heirs, executors, or administrators may have, by reason of any matter, cause or thing whatsoever, from any time prior to the date of this Agreement, and particularly, but without limitation of the foregoing general terms, any claims arising from or relating in any way to the Employee's employment relationship with the Company, the terms and conditions of that employment relationship, and the termination of that employment relationship, including, but not limited to, any claims arising under the Age Discrimination in Employment Act, the Older Workers Benefit Protection Act, the Americans with Disabilities Act, the Employee Retirement Income Security Act of 1974, the Civil Rights Act of 1991, the Genetic Information Non-Discrimination Act, the Family and Medical Leave Act, Section 1981 of U.S.C., Title VII of the Civil Rights Act, the Equal Pay Act, the Pennsylvania Human Relations Act, the Pennsylvania Equal Pay Law, the Pennsylvania Whistleblower Law, the Pennsylvania Wage Payment and Collection Law, the Pennsylvania Minimum Wage Law, the Pennsylvania Pregnancy, Childbirth and Childrearing Law; if applicable, as well as any claims for alleged wrongful discharge, discrimination or harassment, breach of an express or implied contract, breach of the implied covenant of good faith and fair dealing, defamation, intentional or negligent infliction of emotional distress, promissory estoppel, whistleblower retaliation, other personal injury, fraud or misrepresentation, invasion of privacy, negligence, retaliation, violation of public policy and any other claims under any federal, state or local common law, statutory, or regulatory provision, now or hereafter recognized, and any claims for attorneys' fees and costs. This Agreement is effective without regard to the legal nature of the claims raised and without regard to whether any such claims are based upon tort, equity, implied or express contract or discrimination of any sort. The Employee is not waiving Employee's right to vested benefits under the written terms of the Company's 401(k) Plan, claims for unemployment or workers' compensation benefits, any medical claim incurred during the Employee's employment that is payable under applicable medical plans or an employer-insured liability plan, or claims that are not otherwise waivable under applicable law.

(a) To the fullest extent permitted by law, and subject to the provisions of paragraph 11 and paragraph 13 below, the Employee represents and affirms that the Employee has not filed or caused to be filed on the Employee's behalf any charge, complaint or claim for relief against the Company or any Releasee and, to the best of the Employee's knowledge and belief, no outstanding charges, complaints or claims for relief have been filed or asserted against the Company or any Releasee on the Employee's behalf; and the Employee has not reported any improper, unethical or illegal conduct or activities to any supervisor, manager, department head, human resources representative, agent or other representative of the Company or any Releasee, to any member of the Company's or any Releasee's legal or compliance departments, or to the ethics hotline, and has no knowledge of any such improper, unethical or illegal conduct or activities. In the event that there is outstanding any such charge, complaint or claim for relief, the Employee agrees to seek its immediate withdrawal and dismissal with prejudice. In the event that for any reason said charge, complaint or claim for relief cannot be immediately withdrawn with prejudice, the Employee shall execute such other papers or documents as the Company's counsel determines may be necessary from time to time to have said charge, complaint or claim for relief dismissed with prejudice at the earliest appropriate time. Nothing herein shall prevent the Employee from testifying in any cause of action when required to do so by process of law.

The Employee shall promptly inform the Company if called upon to testify on matters relating to the Company.

(b) Employee does not waive any right to file a charge with the Equal Employment Opportunity Commission (“EEOC”) or participate in an investigation or proceeding conducted by the EEOC, but explicitly waives any right to file a personal lawsuit or receive monetary damages that the EEOC might recover if said charge results in an EEOC lawsuit against the Company or Releasees.

(c) Employee does not waive the right to challenge the validity of this Agreement as a release of claims arising under the federal Age Discrimination in Employment Act.

(d) Employee does not waive rights or claims that may arise after the date this Agreement is executed.

2. In consideration of the Company’s agreements as set forth in paragraph 6 herein, the Employee agrees to comply with the limitations set forth in Sections 3 and 4 of this Agreement.

3. Ownership and Protection of Intellectual Property and Confidential Information.

(a) All information, ideas, concepts, improvements, innovations, developments, methods, processes, designs, analyses, drawings, reports, discoveries, and inventions, whether patentable or not or reduced to practice, which are conceived, made, developed or acquired by Employee, individually or in conjunction with others, during Employee’s employment by the Company or any of its affiliates, both before and after the date hereof (whether during business hours or otherwise and whether on the Company’s premises or otherwise) which relate to the business, products or services of the Company or its affiliates (including, without limitation, all such information relating to corporate opportunities, research, financial and sales data, pricing and trading terms, evaluations, opinions, interpretations, acquisition prospects, the identity of customers or their requirements, the identity of key contacts within the customer’s organizations or within the organization of acquisition prospects, or marketing and merchandising techniques, prospective names, marks, and any copyrightable work, trade mark, trade secret or other intellectual property rights (whether or not composing confidential information), and all writings or materials of any type embodying any of such items (collectively, “Work Product”), shall be the sole and exclusive property of the Company or a Company affiliate, as the case may be, and shall be treated as “work for hire.” It is recognized that the Employee is an experienced executive in the business of the Company and its affiliates and through several decades of prior work in the industry acquired and retains knowledge, contacts, and information which are not bound by this Section 3.

(b) The Employee shall promptly and fully disclose all Work Product to the Company and shall cooperate and perform all actions reasonably requested by the Company (whether during or after the term of employment) to establish, confirm and protect the Company’s and/or its affiliates’ right, title and interest in such Work Product. Without limiting the generality of the foregoing, the Employee agrees to assist the Company, at the Company’s

expense, to secure the Company's and its affiliates' rights in the Work Product in any and all countries, including the execution by the Employee of all applications and all other instruments and documents which the Company and/or its affiliates shall deem necessary in order to apply for and obtain rights in such Work Product and in order to assign and convey to the Company and/or its affiliates the sole and exclusive right, title and interest in and to such Work Product. If the Company is unable because of the Employee's mental or physical incapacity or for any other reason (including the Employee's refusal to do so after request therefor is made by the Company) to secure the Employee's signature to apply for or to pursue any application for any United States or foreign patents or copyright registrations covering Work Product belonging to or assigned to the Company and/or its affiliates pursuant to Section 3(a) above, then the Employee by this Agreement irrevocably designates and appoints the Company and its duly authorized officers and agents as the Employee's agent and attorney-in-fact to act for and in the Employee's behalf and stead to execute and file any such applications and to do all other lawfully permitted acts to further the prosecution and issuance of patents or copyright registrations thereon with the same legal force and effect as if executed by the Employee. The Employee agrees not to apply for or pursue any application for any United States or foreign patents or copyright registrations covering any Work Product other than pursuant to this paragraph in circumstances where such patents or copyright registrations are or have been or are required to be assigned to the Company or any of its affiliates.

(c) The Employee acknowledges that the businesses of the Company and its affiliates are highly competitive and that their strategies, methods, books, records, and documents, their technical information concerning their products, equipment, services, and processes, procurement procedures and pricing techniques, the names of and other information (such as credit and financial data) concerning their former, present or prospective customers and business affiliates, all comprise confidential business information and trade secrets which are valuable, special, and unique assets which the Company and/or its affiliates use in their business to obtain a competitive advantage over their competitors. The Employee further acknowledges that protection of such confidential business information and trade secrets against unauthorized disclosure and use is of critical importance to the Company and its affiliates in maintaining their competitive position. The Employee acknowledges that by reason of the Employee's duties to, and association with, the Company and its affiliates, The Employee has had and will have access to, and has and will become informed of, confidential business information which is a competitive asset of the Company and its affiliates. The Employee hereby agrees that the Employee will not, at any time during or after his or her employment by the Company, make any unauthorized disclosure of any confidential business information or trade secrets of the Company or its affiliates, or make any use thereof, except in the carrying out of his employment responsibilities hereunder. The Employee shall take all necessary and appropriate steps to safeguard confidential business information and protect it against disclosure, misappropriation, misuse, loss and theft. Confidential business information shall not include information in the public domain (but only if the same becomes part of the public domain through a means other than a disclosure prohibited hereunder). The above notwithstanding, a disclosure shall not be unauthorized if (i) it is required by law or by a court of competent jurisdiction or (ii) it is in connection with any judicial, arbitration, dispute resolution or other legal proceeding in which Employee's legal rights and obligations as an employee or under this Agreement are at issue; provided, however, that the Employee shall, to the extent practicable and lawful in any such

events, give prior notice to the Company of his or her intent to disclose any such confidential business information in such context so as to allow the Company or its affiliates an opportunity (which the Employee will not oppose) to obtain such protective orders or similar relief with respect thereto as may be deemed appropriate. Any information not specifically related to the Company and its affiliates would not be considered confidential to the Company and its affiliates.

(d) All written materials, records, and other documents made by, or coming into the possession of, the Employee during the period of Employee's employment by the Company which contain or disclose confidential business information or trade secrets of the Company or its affiliates, or which relate to the Employee's Work Product described in paragraph 3(a) above, shall be and remain the property of the Company, or its affiliates, as the case may be. Upon termination of Employee's employment, for any reason, The Employee promptly shall deliver the same, and all copies thereof, to the Company.

4. Covenant Not To Compete.

In the event of the Employee's Covered Change in Control Termination (as defined in the Plan), the Company's obligations to provide the payments and benefits set forth in Article 4 of the Plan shall be expressly conditioned upon the Employee's covenants of confidentiality, not to compete and not to solicit as provided herein. In the event the Employee breaches his or her obligations to the Company as provided herein, the Company's obligations to provide the payments and benefits set forth in Article 4 of the Plan shall cease without prejudice to any other remedies that may be available to the Company.

(a) The Employee agrees that, for a period of one year following the Employee's Date of Termination (the "Non-Compete Period"), he or she will not, in association with or as an officer, principal, manager, member, advisor, agent, partner, director, material stockholder, employee or consultant of any corporation (or sub-unit, in the case of a diversified business) or other enterprise, entity or association, work on the acquisition or development of, or engage in any line of business, property or project which is, directly or indirectly, competitive with any business that the Company or any of its affiliates engages in or is planning to engage in during the term of the Employee's employment with the Company or any affiliate of the Company, including but not limited to, the manufacture and/or distribution of products and services for the transportation and energy infrastructure sectors(the "Business"). Such restriction shall cover the Employee's activities anywhere in the contiguous United States.

(b) The Employee agrees that during the Non-Compete Period, the Employee will not solicit or induce any person who is or was employed by any of the Company or its affiliates at any time during such term or period (i) to interfere with the activities or businesses of the Company or any of its affiliates or (ii) to discontinue his or her employment with the Company or any of its affiliates.

(c) The Employee agrees that during the Non-Compete Period, the Employee will not, directly or indirectly, influence or attempt to influence any customers, distributors or suppliers of the Company or any of its affiliates to divert their business to any competitor of the Company or any of its affiliates or in any way interfere with the relationship between any such

customer, distributor or supplier and the Company and/or any of its affiliates (including, without limitation, making any negative statements or communications about the Company and its affiliates). The Employee agrees that during such Non-Compete Period, the Employee will not, directly or indirectly, acquire or attempt to acquire any business in the contiguous United States to which the Company or any of its affiliates, prior to the Employee's Date of Termination, has made an acquisition proposal relating to the possible acquisition of such business by the Company or any of its affiliates, or has planned, discussed or contemplated making such an acquisition proposal (such business, an "Acquisition Target"), or take any action to induce or attempt to induce any Acquisition Target to consummate any acquisition, investment or other similar transaction with any person other than the Company or any of its affiliates.

(d) The Employee understands that the provisions of Sections 4(a), 4(b) and 4(c) hereof may limit his or her ability to earn a livelihood in a business in which he or she is involved, but as a member of the management group of the Company and its affiliates he or she nevertheless agrees and hereby acknowledges that: (i) such provisions do not impose a greater restraint than is necessary to protect the goodwill or other business interests of the Company and any its affiliates; (ii) such provisions contain reasonable limitations as to time, scope of activity, and geographical area to be restrained; and (iii) the consideration provided hereunder, including without limitation, any amounts or benefits provided under Article 4 of the Plan, is sufficient to compensate the Employee for the restrictions contained in Sections 4(a), 4(b) and 4(c) hereof. In consideration of the foregoing and in light of the Employee's education, skills and abilities, the Employee agrees that he or she will not assert that, and it should not be considered that, any provisions of Sections 4(a), 4(b) and 4(c) hereof otherwise are void, voidable or unenforceable or should be voided or held unenforceable.

(e) If, at the time of enforcement of Sections 3 or 4 of this Agreement, a court shall hold that the duration, scope, or area restrictions stated herein are unreasonable under circumstances then existing, the parties hereto agree that the maximum period, scope or geographical area reasonable under such circumstances shall be substituted for the stated period, scope or area and that the court shall be allowed and directed to revise the restrictions contained herein to cover the maximum period, scope and area permitted by law. The Employee acknowledges that he or she is a member of the Company's and its affiliates' management group with access to the Company's and its affiliates' confidential business information and his services are unique to the Company and its affiliates. The Employee therefore agrees that the remedy at law for any breach by him or her of any of the covenants and agreements set forth in Sections 3 and 4 hereof will be inadequate and that in the event of any such breach, the Company and its affiliates may, in addition to the other remedies which may be available to them at law, apply to any court of competent jurisdiction to obtain specific performance and/or injunctive relief prohibiting the Employee (together with all those persons associated with him or her) from the breach of such covenants and agreements and to enforce, or prevent any violations of, the provisions of this Agreement. In addition, in the event of a breach or violation by the Employee of this Section 4, the Non-Compete Period set forth in this paragraph shall be tolled until such breach or violation has been cured.

(f) Each of the covenants of Sections 3 and 4 hereof are given by the Employee as part of the consideration for the benefits to be received by the Employee under the

Plan and as an inducement to the Company to grant such benefits under the Plan and accept the obligations thereunder.

(g) Provisions of Section 4 hereof shall not be binding on the Employee if the Company fails to materially perform any material obligation under the Plan, including, without limitation, the material failure of the Company to make timely payments of monies due to the Employee under Article 4 of the Plan; provided, that (i) the Employee has notified the Company in writing within 30 days of the date of the failure of the Company to materially perform such material obligation and (ii) such failure remains uncorrected and/or uncontested by the Company for 15 days following the date of such notice.

5. The Employee further agrees that the Employee will not disparage or subvert the Company or any Releasee, or make any statement reflecting negatively on the Company, its affiliated corporations or entities, or any of their officers, directors, managers, members, employees, agents or representatives, including, but not limited to, any matters relating to the operation or management of the Company or any Releasee, the Employee's employment and the termination of the Employee's employment, irrespective of the truthfulness or falsity of such statement. This provision applies to all oral and written statements, including, without limitation, posts on social media.

6. In consideration for the Employee's promises, as set forth herein, the Company agrees to pay or provide to or for the Employee the payments and benefits described in the Plan, the provisions of which are incorporated herein by reference. Except as set forth in this Agreement, it is expressly agreed and understood that Releasees do not have, and will not have, any obligations to provide the Employee at any time in the future with any payments, benefits or considerations other than those recited in this paragraph, or those required by law, other than under the terms of any benefit plans which provide benefits or payments to former employees according to their terms.

7. The Employee understands and agrees that the payments, benefits and agreements provided in this Agreement are being provided to him or her in consideration for the Employee's acceptance and execution of, and in reliance upon the Employee's representations in, this Agreement. The Employee acknowledges that if the Employee had not executed this Agreement containing a release of all claims against the Releasees, including, without limitation, the covenants relating to confidentiality, non-competition and non-disparagement, the Employee would not have been entitled to the payments and benefits set forth in the Plan.

8. The Employee acknowledges and agrees that this Agreement and the Plan supersede any other agreement the Employee has with the Company or any Releasee as to the subjects set forth in this Agreement. To the extent the Employee has entered into any other enforceable written agreement with the Company or any Releasee that contains provisions that are outside the scope of this Agreement and the Plan and are not in direct conflict with the provisions in this Agreement or the Plan, the terms in this Agreement and the Plan shall not supercede, but shall be in addition to, any other such agreement. Except as set forth expressly herein, no promises or representations have been made to the Employee in connection with the termination of the Employee's employment agreement, if any, or offer letter, if any, with the Company, or the terms of this Agreement or the Plan.

9. The Employee agrees not to disclose the terms of this Agreement or the Plan to anyone, except the Employee's spouse, attorney and, as necessary, tax/financial advisor. It is expressly understood that any violation of the confidentiality obligation imposed hereunder constitutes a material breach of this Agreement.

10. The Employee represents that the Employee does not, without the Company's prior written consent, presently have in the Employee's possession any records and business documents, whether on computer or hard copy, and other materials (including but not limited to computer disks and tapes, computer programs and software, office keys, correspondence, files, customer lists, technical information, customer information, pricing information, business strategies and plans, sales records and all copies thereof) (collectively, the "Corporate Records") provided by the Company and/or its predecessors, subsidiaries or affiliates or obtained as a result of the Employee's prior employment with the Company and/or its predecessors, subsidiaries or affiliates, or created by the Employee while employed by or rendering services to the Company and/or its predecessors, subsidiaries or affiliates. The Employee acknowledges that all such Corporate Records are the property of the Company. In addition, the Employee shall promptly return in good condition any and all Company owned equipment or property, including, but not limited to, automobiles, personal data assistants, facsimile machines, copy machines, pagers, credit cards, cellular telephone equipment, business cards, laptops, computers, and any other items requested by the Company. As of the Date of Termination, the Company will make arrangements to remove, terminate or transfer any and all business communication lines including network access, cellular phone, fax line and other business numbers.

11. Nothing in this Agreement, including the release clause, shall prohibit or restrict the Employee from initiating communications directly with, responding to any inquiries from, providing testimony before, providing confidential information to, reporting possible violations of law or regulation to, or from filing a claim or assisting with an investigation directly with a self-regulatory authority or a government agency or entity, including the U.S. Equal Employment Opportunity Commission, the Department of Labor, the National Labor Relations Board, the Department of Justice, the Securities and Exchange Commission, the Congress, and any agency Inspector General (collectively, the "Regulators"), or from making other disclosures that are protected under the whistleblower provisions of state or federal law or regulation. This Agreement does not limit Employee's right to receive an award from any Regulator that provides awards for providing information relating to a potential violation of law. The Employee does not need the prior authorization of Employer to engage in conduct protected by this paragraph, and the Employee does not need to notify Employer that the Employee has engaged in such conduct. Please take notice that federal law provides criminal and civil immunity to federal and state claims for trade secret misappropriation to individuals who disclose a trade secret to their attorney, a court, or a government official in certain, confidential circumstances that are set forth at 18 U.S.C. §§ 1833(b)(1) and 1833(b)(2), related to the reporting or investigation of a suspected violation of the law, or in connection with a lawsuit for retaliation for reporting a suspected violation of the law.

12. The Employee agrees and acknowledges that the agreement by the Company described herein, and the settlement and termination of any asserted or unasserted claims against the Releasees, are not and shall not be construed to be an admission of any violation of any

federal, state or local statute or regulation, or of any duty owed by any of the Releasees to the Employee.

13. The Employee agrees and recognizes that should the Employee breach any of the obligations or covenants set forth in this Agreement, the Company will have no further obligation to provide the Employee with the consideration set forth herein, and will have the right to seek repayment of all consideration paid up to the time of any such breach. Further, the Employee acknowledges in the event of a breach of this Agreement, Releasees may seek any and all appropriate relief for any such breach, including equitable relief and/or money damages, attorneys' fees and costs. Notwithstanding the foregoing, in the event the Company fails to perform any material obligation under the Plan, including, without limitation, the failure of the Company to make timely payments of monies due to Employee under Article 4 of the Plan, this Release shall be null and void and Employee shall have the right to pursue any and all appropriate relief for any such failure, including monetary damages, attorneys' fees and costs; provided, that (i) Employee has notified the Company in writing within 30 days of the date of the failure of the Company to materially perform such material obligation and (ii) such failure remains uncorrected and/or uncontested by the Company for 15 days following the date of such notice.

14. The Employee further agrees that the Company shall be entitled to preliminary and permanent injunctive relief, without the necessity of proving actual damages, as well as to an equitable accounting of all earnings, profits and other benefits arising from any violations of this Agreement, which rights shall be cumulative and in addition to any other rights or remedies to which the Company may be entitled.

15. The Employee represents that he or she is not a Medicare Beneficiary as of the time he or she enters into this Agreement.

16. This Agreement and the obligations of the parties hereunder shall be construed, interpreted and enforced in accordance with the laws of the Commonwealth of Pennsylvania.

17. The parties agree that this Agreement shall be deemed to have been made and entered into in Pittsburgh, Pennsylvania. Jurisdiction and venue in any proceeding by the Company or Employee to enforce their rights hereunder is specifically limited to any court geographically located in Pennsylvania.

18. The Employee certifies and acknowledges as follows:

(a) That the Employee has read the terms of this Agreement, and that the Employee understands its terms and effects, including the fact that the Employee has agreed to RELEASE AND FOREVER DISCHARGE the Releasees from any legal action arising out of the Employee's employment relationship with the Company and the termination of that employment relationship; and

(b) That the Employee has signed this Agreement voluntarily and knowingly in exchange for the consideration described herein, which the Employee acknowledges is

adequate and satisfactory to him or her and which the Employee acknowledges is in addition to any other benefits to which the Employee is otherwise entitled; and

(c) That the Company advises the Employee (in this writing) to consult with an attorney before signing this Agreement; and

(d) That the Employee does not waive rights or claims that may arise after the date this Agreement is executed; and

(e) That the Company has provided Employee with a period of forty-five (45)¹¹ days within which to consider this Agreement, and that the Employee has signed on the date indicated below after concluding that this General Release, NonDisparagement and Non-Competition Agreement is satisfactory to Employee; and

(f) The Employee acknowledges that this Agreement may be revoked by him within seven (7) days after execution, and it shall not become effective until the expiration of such seven (7) day revocation period. The Employee may revoke the Agreement by sending a statement that he or she is revoking this Agreement, addressed and delivered to **[NAME]**, **[TITLE]**, **[MAILING ADDRESS]**, **[EMAIL ADDRESS]**, **[FAX NO., IF ANY]**. In the event of a timely revocation by the Employee, this Agreement will be deemed null and void and the Company will have no obligations hereunder.

[SIGNATURE PAGE FOLLOWS]

¹¹ This could be 21 days unless separation is part of a group separation. Notably, if this is part of a group separation, additional information would be required to be included with the release regarding the job titles and ages of others in the group and others who were considered for the plan but who are not part of the group

Intending to be legally bound hereby, the Employee and the Company executed the foregoing General Release, Non-Disparagement and Non-Competition Agreement this _____ day of _____, ____.

__ Witness: __
EMPLOYEE

[COMPANY]

By: __ Witness: __
Name: __
Title: __

L.B. FOSTER COMPANY
EXECUTIVE RECOUPMENT POLICY

Effective January 1, 2021

I. Purpose of Policy; Administration

The purpose of this Executive Recoupment Policy (the “Policy”) of L.B. Foster Company (the “Company”) is to provide for the clawback by the Company and repayment by Company executive officers of certain cash and equity incentive compensation under the Executive Annual Incentive Compensation Plan and Long Term Incentive Plan Performance Share Unit Program of the Company (each, a “Plan”) in the event that the Company is required to prepare an accounting restatement applicable to any financial reporting period covering a Plan performance period due to the material noncompliance of the Company with any financial reporting requirement under the securities laws or other applicable (a “Restatement”). This Policy shall be administered by the Compensation Committee of the Board of Directors of the Company (the “Committee”).

II. Clawback

In the event of a Restatement and if the Committee, in its discretion, so determines, each “Specified Participant” (as defined below) shall pay to the Company, in cash, (i) up to the fair market value of any and all shares, cash, or other compensation paid to or on behalf of such Specified Participant under the Plan and, without duplication (ii) an amount equal to the fair market value of any and all shares, cash, or other compensation paid to or on behalf of such Specified Participant in a Plan in excess of the amount of such compensation that would have been paid to the Participant for the fiscal year based on the restated financial results. Any such payment shall be made within the time periods prescribed by the Committee. The term “Specified Participant” means any Plan participant that the Committee has determined, in its sole discretion, has committed fraud, negligence, or intentional misconduct that was a significant contributing factor to the Company having to prepare an accounting restatement. A Specified Participant’s failure to make any such timely payment to the Company constitutes an independent and material breach of the terms and conditions of the Plan, for which the Company may seek recovery of the unpaid amount as liquidated damages, in addition to all other rights and remedies the Company may have against the participant. By participating in the Plan, each participant agrees that timely payment to the Company is (i) reasonable and necessary, (ii) is not a penalty, and (iii) does not preclude the Company from seeking all other remedies that may be available to the Company.

III. Recoupment Procedure

The Committee, in its discretion, shall determine whether the Company shall effect any such recovery (i) by seeking repayment from the Specified Participant, (ii) by reducing (subject to applicable law and the terms and conditions of the applicable plan, program or arrangement) the amount that would otherwise be payable to the Specified Participant under any compensatory plan, program or arrangement maintained by the Company or any of its affiliates, (iii) by withholding payment of future increases in compensation (including the payment of any

discretionary bonus amount) or grants of compensatory awards that would otherwise have been made in accordance with the Company's otherwise applicable compensation practices, or (iv) by any combination of the foregoing.

Each Plan participant acknowledges and agrees that a participant's Performance Share Units shall be cancelled and forfeited without payment by the Company if such participant is determined to be a Specified Participant with respect to any financial reporting period covering a period within a Plan performance period. Notwithstanding the foregoing, the Company shall not make any additional payment in the event that the restated financial results would have resulted in a greater payment to any Participant.

IV. Mandatory Clawback Requirement

This Policy further provides that any Plan awards shall be subject to recovery under any law, governmental regulation, stock exchange listing requirement applicable to them, including any related deductions, recoupment and/or clawback as may be required to be made pursuant to such law, government regulation, or stock exchange listing requirement as may be in effect from time to time, and which may operate to create additional rights for the Company with respect to the awards and recovery of amounts relating thereto (the "Clawback Requirement").

V. Participant Cooperation

By accepting incentive awards granted under the Plan, Plan participants agree and acknowledge that they are obligated to cooperate with, and provide any and all assistance necessary to, the Company to recover or recoup any award or amounts paid under the Plan subject to clawback pursuant to such law, government regulation, stock exchange listing requirement, or this Policy. Such cooperation and assistance shall include, but is not limited to, executing, completing and submitting any documentation necessary to recover or recoup any award or amounts paid under the Plan from a participant's accounts, or pending or future compensation or awards. In the event the awards granted pursuant to this document and the Plan become subject to such Clawback Requirement, then the awards shall be subject to such Clawback Requirement, and the provisions of this Policy Sections II and III shall no longer apply to such awards.

[Remainder of page intentionally left blank]

**Certification under Section 302 of the
Sarbanes-Oxley Act of 2002**

I, Robert P. Bauer, certify that:

- 1 I have reviewed this Quarterly Report on Form 10-Q of L.B. Foster Company;
- 2 Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- 3 Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
- 4 The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
- 5 The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 5, 2021

/s/ Robert P. Bauer

Name: Robert P. Bauer

Title: President and Chief Executive Officer

**Certification under Section 302 of the
Sarbanes-Oxley Act of 2002**

I, William M. Thalman, certify that:

- 1 I have reviewed this Quarterly Report on Form 10-Q of L.B. Foster Company;
- 2 Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- 3 Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
- 4 The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
- 5 The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 5, 2021

/s/ William M. Thalman

Name: William M. Thalman
Title: Senior Vice President
and Chief Financial Officer

**CERTIFICATE PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT
OF 2002**

In connection with the Quarterly Report of L.B. Foster Company (the "Company") on Form 10-Q for the period ended March 31, 2021, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned certify pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in this Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 5, 2021

/s/ Robert P. Bauer

Name: Robert P. Bauer

Title: President and Chief Executive Officer

Date: May 5, 2021

/s/ William M. Thalman

Name: William M. Thalman

Title: Senior Vice President
and Chief Financial Officer