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 June 30, 2022

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 such 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 August 2, 2022, there were 10,929,468 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)

	June 30, 2022 (Unaudited)	December 31, 2021
ASSETS		
Current assets:		
Cash and cash equivalents	$ 7,661	$ 10,372
Accounts receivable - net (Note 5)	72,252	55,911
Contract assets - net (Note 3)	31,023	36,179
Inventories - net (Note 6)	73,391	62,871
Other current assets	18,551	14,146
Total current assets	202,878	179,479
Property, plant, and equipment - net (Note 7)	56,900	58,222
Operating lease right-of-use assets - net (Note 8)	13,538	15,131
Other assets:		
Goodwill (Note 4)	24,571	20,152
Other intangibles - net (Note 4)	29,540	31,023
Deferred tax assets (Note 11)	36,777	37,242
Other assets	1,218	1,346
TOTAL ASSETS	$ 365,422	$ 342,595
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 49,944	$ 41,411
Deferred revenue	19,072	13,411
Accrued payroll and employee benefits	6,565	9,517
Current portion of accrued settlement (Note 15)	8,000	8,000
Current maturities of long-term debt (Note 9)	64	98
Other accrued liabilities	12,959	13,757
Total current liabilities	96,604	86,194
Long-term debt (Note 9)	49,222	31,153
Deferred tax liabilities (Note 11)	3,628	3,753
Long-term portion of accrued settlement (Note 15)	14,000	16,000
Long-term operating lease liabilities (Note 8)	10,785	12,279
Other long-term liabilities	10,144	9,606
Stockholders' equity:		
Common stock, par value $0.01, authorized 20,000,000 shares; shares issued at June 30, 2022 and December 31, 2021, 11,115,779; shares outstanding at June 30, 2022 and December 31, 2021, 10,730,950 and 10,670,343, respectively	111	111
Paid-in capital	42,201	43,272
Retained earnings	169,177	168,733
Treasury stock - at cost, 384,829 and 445,436 common stock shares at June 30, 2022 and December 31, 2021, respectively	(8,391)	(10,179)
Accumulated other comprehensive loss	(22,547)	(18,845)
Total L.B. Foster Company stockholders' equity	180,551	183,092
Noncontrolling interest	488	518
Total stockholders' equity	181,039	183,610
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 365,422	$ 342,595

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 June 30, 2022	Three Months Ended June 30, 2021	Six Months Ended June 30, 2022	Six Months Ended June 30, 2021
Sales of goods	$ 116,584	$ 138,309	$ 201,005	$ 238,855
Sales of services	14,931	16,213	29,304	31,747
Total net sales	131,515	154,522	230,309	270,602
Cost of goods sold	95,331	115,087	165,176	199,212
Cost of services sold	12,891	13,274	25,393	26,399
Total cost of sales	108,222	128,361	190,569	225,611
Gross profit	23,293	26,161	39,740	44,991
Selling and administrative expenses	19,394	19,767	36,692	37,793
Amortization expense	1,419	1,470	2,855	2,935
Operating profit	2,480	4,924	193	4,263
Interest expense - net	384	861	754	1,732
Other (income) expense - net	(701)	70	(1,264)	129
Income before income taxes	2,797	3,993	703	2,402
Income tax expense	821	1,139	313	818
Net income	1,976	2,854	390	1,584
Net loss attributable to noncontrolling interest	(34)	(22)	(54)	(34)
Net income attributable to L.B. Foster Company	$ 2,010	$ 2,876	$ 444	$ 1,618
Basic earnings per common share	$ 0.18	$ 0.27	$ 0.04	$ 0.15
Diluted earnings per common share	$ 0.18	$ 0.27	$ 0.04	$ 0.15

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) INCOME
(Unaudited)
(In thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Net income	$ 1,976	$ 2,854	$ 390	$ 1,584
Other comprehensive (loss) income, net of tax:				
Foreign currency translation adjustment	(3,688)	538	(4,568)	961
Unrealized gain on cash flow hedges, net of tax expense of $50, $0, $238,and $0, respectively	147	—	698	—
Cash flow hedges reclassified to earnings, net of tax expense of $0, $98, $66, and $196, respectively	—	137	93	273
Reclassification of pension liability adjustments to earnings, net of tax expense of $16, $24, $32, and $48, respectively*	50	91	99	182
Total comprehensive (loss) income	(1,515)	3,620	(3,288)	3,000
Less comprehensive income (loss) attributable to noncontrolling interest:				
Net loss attributable to noncontrolling interest	(34)	(22)	(54)	(34)
Foreign currency translation adjustment	(61)	51	24	21
Amounts attributable to noncontrolling interest	(95)	29	(30)	(13)
Comprehensive (loss) income attributable to L.B. Foster Company	$ (1,420)	$ 3,591	$ (3,258)	$ 3,013

* *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)

	Six Months Ended June 30, 2022	Six Months Ended June 30, 2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 390	$ 1,584
Adjustments to reconcile net income to cash (used in) provided by operating activities:		
Deferred income taxes	(173)	(93)
Depreciation	3,814	4,008
Amortization	2,855	2,935
Equity in income of nonconsolidated investments	(87)	—
(Gain) loss on sales and disposals of property, plant, and equipment	(214)	30
Stock-based compensation	1,183	1,213
Gain on asset divestiture	(491)	—
Change in operating assets and liabilities:		
Accounts receivable	(17,327)	(19,876)
Contract assets	2,190	(2,653)
Inventories	(10,695)	5,473
Other current assets	(3,573)	(650)
Other noncurrent assets	1,715	1,215
Accounts payable	9,347	10,854
Deferred revenue	5,301	10,168
Accrued payroll and employee benefits	(2,943)	(1,506)
Accrued settlement	(2,000)	(2,000)
Other current liabilities	(1,748)	(2,561)
Other long-term liabilities	(926)	(1,299)
Net cash (used in) provided by continuing operating activities	(13,382)	6,842
Net cash used in discontinued operating activities	—	(253)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from the sale of property, plant, and equipment	237	—
Capital expenditures on property, plant, and equipment	(3,048)	(2,248)
Proceeds from asset divestiture	1,195	—
Acquisition, net of cash acquired	(5,712)	—
Net cash used in continuing investing activities	(7,328)	(2,248)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayments of debt	(78,093)	(90,666)
Proceeds from debt	96,970	82,899
Treasury stock acquisitions	(401)	(547)
Investment of noncontrolling interest	—	396
Net cash provided by (used in) continuing financing activities	18,476	(7,918)
Effect of exchange rate changes on cash and cash equivalents	(477)	153
Net decrease in cash and cash equivalents	(2,711)	(3,424)
Cash and cash equivalents at beginning of period	10,372	7,564
Cash and cash equivalents at end of period	$ 7,661	$ 4,140
Supplemental disclosure of cash flow information:		
Interest paid	$ 662	$ 1,439
Income taxes paid	$ 389	$ 898

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 June 30, 2022						
	Common Stock	Paid-in Capital	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Loss	Noncontrolling Interest	Total Stockholders' Equity
Balance, March 31, 2022	$ 111	$ 42,153	$ 167,167	$ (9,200)	$ (19,117)	$ 583	$ 181,697
Net income	—	—	2,010	—	—	(34)	1,976
Other comprehensive loss, net of tax:							
Pension liability adjustment	—	—	—	—	50	—	50
Foreign currency translation adjustment	—	—	—	—	(3,627)	(61)	(3,688)
Unrealized derivative gain on cash flow hedges	—	—	—	—	147	—	147
Issuance of 26,167 common shares, net of shares withheld for taxes	—	(877)	—	809	—	—	(68)
Stock-based compensation	—	925	—	—	—	—	925
Balance, June 30, 2022	$ 111	$ 42,201	$ 169,177	$ (8,391)	$ (22,547)	$ 488	$ 181,039

	Three Months Ended June 30, 2021						
	Common Stock	Paid-in Capital	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Loss	Noncontrolling Interest	Total Stockholders' Equity
Balance, March 31, 2021	$ 111	$ 43,943	$ 163,849	$ (11,783)	$ (19,588)	$ 354	$ 176,886
Net income	—	—	2,876	—	—	(22)	2,854
Other comprehensive income, net of tax:							
Pension liability adjustment	—	—	—	—	91	—	91
Foreign currency translation adjustment	—	—	—	—	487	51	538
Cash flow hedges reclassified to earnings	—	—	—	—	137	—	137
Issuance of 30,145 common shares, net of shares withheld for taxes	—	(679)	—	679	—	—	—
Stock-based compensation	—	386	—	—	—	—	386
Balance, June 30, 2021	$ 111	$ 43,650	$ 166,725	$ (11,104)	$ (18,873)	$ 383	$ 180,892

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)

	Six Months Ended June 30, 2022						
	Common Stock	Paid-in Capital	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Loss	Noncontrolling Interest	Total Stockholders’ Equity
Balance, December 31, 2021	$ 111	$ 43,272	$ 168,733	$ (10,179)	$ (18,845)	$ 518	$ 183,610
Net income	—	—	444	—	—	(54)	390
Other comprehensive (loss) income, net of tax:							
Pension liability adjustment	—	—	—	—	99	—	99
Foreign currency translation adjustment	—	—	—	—	(4,592)	24	(4,568)
Unrealized derivative gain on cash flow hedges	—	—	—	—	698	—	698
Cash flow hedges reclassified to earnings	—	—	—	—	93	—	93
Issuance of 60,607 common shares, net of shares withheld for taxes	—	(2,254)	—	1,788	—	—	(466)
Stock-based compensation	—	1,183	—	—	—	—	1,183
Balance, June 30, 2022	$ 111	$ 42,201	$ 169,177	$ (8,391)	$ (22,547)	$ 488	$ 181,039

	Six Months Ended June 30, 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 income	—	—	1,618	—	—	(34)	1,584
Other comprehensive income (loss), net of tax:							—
Pension liability adjustment	—	—	—	—	182	—	182
Foreign currency translation adjustment	—	—	—	—	940	21	961
Cash flow hedges reclassified to earnings	—	—	—	—	273	—	273
Issuance of 76,030 common shares, net of shares withheld for taxes	—	(2,146)	—	1,599	—	—	(547)
Stock-based compensation	—	1,213	—	—	—	—	1,213
Investment of noncontrolling interest	—	—	—	—	—	396	396
Balance, June 30, 2021	$ 111	$ 43,650	$ 166,725	$ (11,104)	$ (18,873)	$ 383	$ 180,892

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 and Condensed Consolidated Statements of Cash Flows of L.B. Foster Company and subsidiaries as of June 30, 2022 and December 31, 2021 and its Condensed Consolidated Statements of Operations, Condensed Consolidated Statements of Comprehensive (Loss) Income, and Condensed Consolidated Statements of Stockholders' Equity for the three and six months ended June 30, 2022 and 2021 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, 2022. The Condensed Consolidated Balance Sheet as of December 31, 2021 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, 2021. 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 and year ended December 31, 2021, 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 has three reporting segments, representing the individual businesses that are run separately under the new structure: Rail, Technologies, and Services; Precast Concrete Products; and Steel Products and Measurement. 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 is a global solutions provider of engineered, manufactured products and services that builds and supports infrastructure. The Company's innovative engineering and product development solutions address the safety, reliability, and performance needs of its customers' most 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 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, 2021.

The following table illustrates the Company's revenues and profit (loss) from operations by segment for the periods indicated:

	Three Months Ended June 30, 2022		Three Months Ended June 30, 2021	
	Net Sales	Segment Operating Profit (Loss)	Net Sales	Segment Operating Profit
Rail, Technologies, and Services	$ 81,797	$ 3,998	$ 88,782	$ 5,657
Precast Concrete Products	23,611	(125)	20,073	1,148
Steel Products and Measurement	26,107	762	45,667	814
Total	$ 131,515	$ 4,635	$ 154,522	$ 7,619

	Six Months Ended June 30, 2022		Six Months Ended June 30, 2021	
	Net Sales	Segment Operating Profit (Loss)	Net Sales	Segment Operating Profit (Loss)
Rail, Technologies, and Services	$ 145,507	$ 5,037	$ 155,014	$ 7,879
Precast Concrete Products	38,621	(916)	32,751	1,031
Steel Products and Measurement	46,181	(1,386)	82,837	(113)
Total	$ 230,309	$ 2,735	$ 270,602	$ 8,797

Segment profit 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 to the Company's consolidated total for the periods presented:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Operating profit for reportable segments	$ 4,635	$ 7,619	$ 2,735	$ 8,797
Interest expense - net	(384)	(861)	(754)	(1,732)
Other income (expense) - net	701	(70)	1,264	(129)
Unallocated corporate expenses and other unallocated charges	(2,155)	(2,695)	(2,542)	(4,534)
Income before income taxes	$ 2,797	$ 3,993	$ 703	$ 2,402

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

	June 30, 2022	December 31, 2021
Rail, Technologies, and Services	$ 174,857	$ 171,608
Precast Concrete Products	58,203	48,740
Steel Products and Measurement	60,267	58,377
Unallocated corporate assets	72,095	63,870
Total	$ 365,422	$ 342,595

Note 3. Revenue

Revenue from products or services provided to customers over time accounted for 27.5% and 27.9% of revenue for the three months ended June 30, 2022 and 2021, respectively, and 28.8% and 26.8% of revenue for the six months ended June 30, 2022 and 2021, 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 its performance to date under the terms of the contract. Revenue recognized over time using an input measure was $20,089 and $27,687 for the three months ended June 30, 2022 and 2021, respectively, and $39,411 and $48,795 for the six months ended June 30, 2022 and 2021, 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 $16,013 and $15,487 for the three months ended June 30, 2022 and 2021, respectively, and $26,994 and $23,751 for the six months ended June 30, 2022 and 2021, respectively. As of June 30, 2022 and December 31, 2021, the Company had contract assets of $31,023 and $36,179, respectively, that were recorded within the Condensed Consolidated Balance Sheets. As of June 30, 2022 and December 31, 2021, the Company had contract liabilities of $2,584 and $3,235, 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 72.5% and 72.1% of revenue for the three months ended June 30, 2022 and 2021, respectively, and 71.2% and 73.2% for six months ended June 30, 2022 . 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 June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Rail Products and Global Friction Management	$ 70,416	$ 76,756	$ 122,067	$ 132,068
Technology Services and Solutions	11,381	12,026	23,440	22,946
Rail, Technologies, and Services	81,797	88,782	145,507	155,014
Precast Concrete Buildings	15,811	16,349	25,781	26,630
Other Precast Concrete Products	7,800	3,724	12,840	6,121
Precast Concrete Products	23,611	20,073	38,621	32,751
Fabricated Steel Products	17,967	32,223	30,571	59,944
Coatings and Measurement	8,140	13,444	15,610	22,893
Steel Products and Measurement	26,107	45,667	46,181	82,837
Total net sales	$ 131,515	$ 154,522	$ 230,309	$ 270,602

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

	Three Months Ended June 30, 2022			
	Rail, Technologies, and Services	Precast Concrete Products	Steel Products and Measurement	Total
Point in time	$ 65,872	$ 8,577	$ 20,964	$ 95,413
Over time	15,925	15,034	5,143	36,102
Total net sales	$ 81,797	$ 23,611	$ 26,107	$ 131,515

	Three Months Ended June 30, 2021			
	Rail, Technologies, and Services	Precast Concrete Products	Steel Products and Measurement	Total
Point in time	$ 71,711	$ 5,195	$ 34,442	$ 111,348
Over time	17,071	14,878	11,225	43,174
Total net sales	$ 88,782	$ 20,073	$ 45,667	$ 154,522

	Six Months Ended June 30, 2022			
	Rail, Technologies, and Services	Precast Concrete Products	Steel Products and Measurement	Total
Point in time	$ 115,038	$ 12,840	$ 36,026	$ 163,904
Over time	30,469	25,781	10,155	66,405
Total net sales	$ 145,507	$ 38,621	$ 46,181	$ 230,309

	Six Months Ended June 30, 2021			
	Rail, Technologies, and Services	Precast Concrete Products	Steel Products and Measurement	Total
Point in time	$ 123,755	$ 9,931	$ 64,370	$ 198,056
Over time	31,259	22,820	18,467	72,546
Total net sales	$ 155,014	$ 32,751	$ 82,837	$ 270,602

The timing of revenue recognition, billings, and cash collections results in billed receivables, costs in excess of billings (included in “Contract assets”), 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 six months ended June 30, 2022 included transfers of $14,235 from the contract assets balance as of December 31, 2021 to accounts receivable. Significant changes in contract liabilities during the six months ended June 30, 2022 resulted from increases of $2,570 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 June 30, 2022 and 2021 of $1,201 and $228, respectively, and revenue recognized during the six months ended June 30, 2022 and 2021 of $2,642 and $904, respectively, which were included in contract liabilities at the beginning of each period.

The Company records provisions related to the allowance for credit losses associated with contract assets. Provisions are recorded based upon a specific review of individual contracts as necessary, and a standard provision over any remaining contract assets pooled together based on similar 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 are formed based on trends observed as well as current and expected future conditions.

As of June 30, 2022, the Company had approximately $250,845 of obligations under new contracts and remaining performance obligations, which is also referred to as backlog. Approximately 5.3% of the June 30, 2022 backlog was related to projects that are anticipated to extend beyond June 30, 2023.

Note 4. Goodwill and Other Intangible Assets

The following table presents the changes in goodwill balance by reportable segment for the period presented:

	Rail, Technologies, and Services	Precast Concrete Products	Steel Products and Measurement	Total
Balance as of December 31, 2021	$ 14,577	$ 2,564	$ 3,011	$ 20,152
Skratch acquisition	5,343	—	—	5,343
Foreign currency translation impact	(924)	—	—	(924)
Balance as of June 30, 2022	$ 18,996	$ 2,564	$ 3,011	$ 24,571

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 June 30, 2022.

On June 21, 2022, the Company acquired the stock of Skratch Enterprises Ltd. (“Skratch”) for $7,402, which is inclusive of deferred payments withheld by the Company of $1,228, to be paid over the next five years or utilized to satisfy post closing working capital adjustments or indemnity claims under the purchase agreement. Located in Telford, United Kingdom, Skratch offers a single-point supply solution model for clients, and enabling large scale deployments. Skratch’s service offerings include design, prototyping and proof of concept, hardware and software, logistics and warehousing, installation, maintenance, content management, and managed monitoring. Skratch has been included in the Company’s Technology Services and Solutions business unit within the Rail, Technologies, and Services segment. The following table summarizes the estimates of the fair value of the goodwill and identified intangible assets acquired as of June 30, 2022:

	Skratch
Goodwill	$ 5,343
Non-compete agreements	27
Customer relationships	1,335
Trademarks and trade names	370

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

	June 30, 2022			
	Weighted Average Amortization Period In Years	Gross Carrying Value	Accumulated Amortization	Net Carrying Amount
Non-compete agreements	1	$ 27	$ —	$ 27
Patents	10	385	(230)	155
Customer relationships	18	36,528	(18,689)	17,839
Trademarks and trade names	16	8,094	(4,930)	3,164
Technology	13	35,516	(27,161)	8,355
		$ 80,550	$ (51,010)	$ 29,540

	December 31, 2021			
	Weighted Average Amortization Period In Years	Gross Carrying Value	Accumulated Amortization	Net Carrying Amount
Patents	10	$ 385	$ (218)	$ 167
Customer relationships	18	36,163	(18,222)	17,941
Trademarks and trade names	16	7,801	(4,702)	3,099
Technology	13	35,772	(25,956)	9,816
		$ 80,121	$ (49,098)	$ 31,023

The Company amortizes intangible assets over their useful lives, which range from 1 to 25 years, with a total weighted average amortization period of approximately 16 years as of June 30, 2022. Amortization expense was $1,419 and $1,470 for the three months ended June 30, 2022 and 2021, respectively, and was $2,855 and $2,935 for the six months ended June 30, 2022 and 2021, respectively.

As of June 30, 2022, estimated amortization expense for the remainder of 2022 and thereafter was as follows:

	Amortization Expense
Remainder of 2022	$ 3,050
2023	5,652
2024	4,634
2025	2,741
2026	2,092
2027 and thereafter	11,371
	$ 29,540

Note 5. 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 June 30, 2022 and December 31, 2021 have been reduced by an allowance for credit losses of $515 and $547, 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 expense of $150 and $40 for the three months ended June 30, 2022 and 2021, respectively, and expense of $211 and $18 for the six months ended June 30, 2022 and 2021, 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 we believe 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, including the impacts of the COVID-19 pandemic. Management maintains stringent credit review practices and works to maintain positive customer relationships to further mitigate credit risk.

The following table sets forth the Company's allowance for credit losses:

	Allowance for Credit Losses
Balance as of December 31, 2021	$ 547
Current period provision	211
Write-off against allowance	(243)
Balance as of June 30, 2022	$ 515

Note 6. Inventory

Inventories as of June 30, 2022 and December 31, 2021 are summarized in the following table:

	June 30, 2022	December 31, 2021
Finished goods	$ 31,158	$ 23,822
Work-in-process	10,923	10,738
Raw materials	31,310	28,311
Inventories - net	$ 73,391	$ 62,871

Inventories of the Company are valued at average cost or net realizable value, whichever is lower.

Note 7. Property, Plant, and Equipment

Property, plant, and equipment as of June 30, 2022 and December 31, 2021 consisted of the following:

	June 30, 2022	December 31, 2021
Land	$ 6,182	$ 6,224
Improvements to land and leaseholds	15,412	15,416
Buildings	26,760	27,206
Machinery and equipment, including equipment under finance leases	112,220	112,021
Construction in progress	2,708	1,194
Gross property, plant, and equipment	163,282	162,061
Less accumulated depreciation and amortization, including accumulated amortization of finance leases	(106,382)	(103,839)
Property, plant, and equipment - net	$ 56,900	$ 58,222

Depreciation expense was $1,876 and $2,018 for the three months ended June 30, 2022 and 2021, respectively, and $3,814 and $4,008 for the six months ended June 30, 2022 and 2021, 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 six months ended June 30, 2022 and 2021.

Note 8. 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” within 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 June 30, 2022, 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 June 30, 2022 and December 31, 2021:

	June 30, 2022	December 31, 2021
Operating leases		
Operating lease right-of-use assets	$ 13,538	$ 15,131
Other accrued liabilities	$ 2,753	$ 2,852
Long-term operating lease liabilities	10,785	12,279
Total operating lease liabilities	$ 13,538	$ 15,131
Finance leases		
Property, plant, and equipment	$ 1,162	$ 1,162
Accumulated amortization	(1,070)	(1,011)
Property, plant, and equipment - net	$ 92	$ 151
Current maturities of long-term debt	$ 64	$ 98
Long-term debt	28	53
Total finance lease liabilities	$ 92	$ 151

The components of lease expense within the Company’s Condensed Consolidated Statements of Operations were as follows for the six months ended June 30, 2022 and 2021:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Finance lease cost:				
Amortization of finance leases	$ 38	$ 51	$ 75	$ 102
Interest on lease liabilities	6	20	14	42
Operating lease cost	726	694	1,483	1,336
Sublease income	(50)	(50)	(100)	(100)
Total lease cost	$ 720	$ 715	$ 1,472	$ 1,380

The cash flow components of the Company’s leases were as follows for the six months ended June 30, 2022 and 2021:

	Six Months Ended June 30,	
	2022	2021
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows related to operating leases	$ (1,747)	$ (1,630)
Financing cash flows related to finance leases	(73)	(111)
Right-of-use assets obtained in exchange for new lease liabilities:		
Operating leases	$ —	$ 279

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

	June 30, 2022	June 30, 2021
Operating lease weighted-average remaining lease term	6	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 %	4.2 %

As of June 30, 2022, estimated annual maturities of lease liabilities remaining for the year ending December 31, 2022 and thereafter were as follows:

	Operating Leases	Finance Leases
Remainder of 2022	$ 1,710	$ 50
2023	3,277	42
2024	2,933	11
2025	2,360	—
2026	2,156	—
2027 and thereafter	3,120	—
Total undiscounted lease payments	15,556	103
Interest	(2,018)	(11)
Total	$ 13,538	$ 92

Note 9. Long-term Debt and Related Matters

Long-term debt consisted of the following:

	June 30, 2022	December 31, 2021
Revolving credit facility	$ 49,194	$ 31,100
Finance leases and financing agreements	92	151
Total	49,286	31,251
Less current maturities	(64)	(98)
Long-term portion	$ 49,222	$ 31,153

On August 13, 2021, the Company, its domestic subsidiaries, and certain of its Canadian and United Kingdom subsidiaries (collectively, the "Borrowers"), entered into the Fourth Amended and Restated Credit Agreement (the "Credit Agreement") with PNC Bank, N.A., Citizens Bank, N.A., Wells Fargo Bank, National Association, Bank of America, N.A., and BMO Harris Bank, National Association. The Credit Agreement modifies the prior revolving credit facility, as amended, on more favorable terms and extends the maturity date from April 30, 2024 to August 13, 2026. The Credit Agreement provides for a five-year, revolving credit facility that permits aggregate borrowings of the Borrowers up to $130,000 (a $15,000 increase over the previous commitment) 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. The Credit Agreement's incremental loan feature permits the Company to increase the available commitments 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 obligation of the Company and its domestic, Canadian, and United Kingdom subsidiaries (the "Guarantors") under the Credit Agreement will be secured by the grant of a security interest by the Borrowers and Guarantors in substantially all of the assets 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 their subsidiaries, will be pledged to the lenders as collateral for the lending obligations.

Borrowings under the Credit Agreement will bear interest at rates based upon either the base rate or LIBOR rate plus applicable margins. Applicable margins are dictated by the ratio of the Company's total net indebtedness to the Company's 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 LIBOR rate plus 100 basis points so long as the Daily LIBOR Rate is offered, ascertainable, and not unlawful (each as defined in the Credit Agreement). The base rate and LIBOR rate spreads range from 25 to 125 basis points and 125 to 225 basis points, respectively.

The Credit Agreement includes two financial covenants: (a) Maximum Gross Leverage Ratio, defined as the Company's consolidated Indebtedness (as defined in the Credit Agreement) divided by the Company's consolidated EBITDA, which must not exceed (i) 3.25 to 1.00 for all testing periods other than during an Acquisition Period, and (ii) 3.50 to 1.00 for all testing periods occurring during an Acquisition Period (as defined in the Credit Agreement), and (b) Minimum Consolidated Fixed Charge Coverage Ratio, defined as the Company's consolidated EBITDA divided by the Company's Fixed Charges (as defined in the Credit Agreement), which must be more than 1.05 to 1.00.

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 $15,000 prior to and after giving effect to such acquisition; and (c) the aggregate consideration for the acquisition does not exceed: (i) $50,000 per acquisition, so long as the Gross Leverage Ratio (as defined in the Credit Agreement) is less than or equal to 2.75 after giving effect to such acquisition; or (ii) $75,000 per acquisition, so long as the Gross Leverage Ratio is less than or equal to 1.75 after giving effect to such acquisition.

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.

As of June 30, 2022, the Company was in compliance with the covenants in the Credit Agreement, as amended. As of June 30, 2022, the Company had outstanding letters of credit of approximately $683 and had net available borrowing capacity of $81,489, subject to covenant restrictions. The maturity date of the facility is August 13, 2026.

Note 10. Earnings Per Common Share

(Share amounts in thousands)

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Numerator for basic and diluted loss per common share:				
Net income	$ 1,976	$ 2,854	$ 390	$ 1,584
Denominator:				
Weighted average shares outstanding	10,715	10,619	10,700	10,601
Denominator for basic loss per common share	10,715	10,619	10,700	10,601
Effect of dilutive securities:				
Dilutive potential common shares	99	115	109	128
Denominator for diluted income (loss) per common share - adjusted weighted average shares outstanding	10,814	10,734	10,809	10,729
Basic earnings per common share	$ 0.18	$ 0.27	$ 0.04	$ 0.15
Diluted earnings per common share	$ 0.18	$ 0.27	$ 0.04	$ 0.15

Note 11. Income Taxes

For the three months ended June 30, 2022 and 2021, the Company recorded an income tax expense of $821 and $1,139 on pre-tax income of $2,797 and $3,993 for an effective income tax rate of 29.4% and 28.5%, respectively. For the six months ended June 30, 2022 and 2021, the Company recorded an income tax expense of $313 and $818 on pre-tax income of $703 and $2,402 for an effective income tax rate of 44.5% and 34.1%, respectively. The Company's effective tax rate for the three and six months ended June 30, 2022 and 2021 differs from the federal statutory rate of 21% primarily due to state income taxes, nondeductible expenses, and research tax credits. Changes in pre-tax income projections, combined with the seasonal nature of our businesses, could also impact the effective income tax rate.

Note 12. 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 $925 and $386 for the three months ended June 30, 2022 and 2021, respectively, and $1,183 and $1,213 for the six months ended June 30, 2022 and 2021, respectively. As of June 30, 2022, unrecognized compensation expense for unvested awards approximated $4,104. The Company expects to recognize this expense over the upcoming 3.5 years through March 2026.

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 award 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. 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 2022, the Compensation Committee approved the 2022 Performance Share Unit Program and the 2022 Executive Incentive Compensation Plan (consisting of cash and equity components).

On June 2, 2022, the shareholders approved the new 2022 Equity and Incentive Compensation plan as the successor to the 2006 Omnibus Plan and contingent Strategic Transformation Plan.

The following table summarizes the restricted stock awards, deferred stock units, and performance share units activity for the six months ended June 30, 2022:

	Restricted Stock	Deferred Stock Units	Performance Share Units	Weighted Average Grant Date Fair Value
Outstanding as of December 31, 2021	135,704	74,950	116,571	$ 19.75
Granted	125,162	5,730	110,600	14.88
Vested	(74,132)	—	(13,095)	17.99
Adjustment for incentive awards expected to vest	—	—	(66,757)	17.02
Cancelled and forfeited	(500)	—	—	18.57
Outstanding as of June 30, 2022	186,234	80,680	147,319	$ 17.54

Note 13. 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 a forward starting LIBOR-based interest rate swaps with notional values totaling $50,000 and $20,000 effective February 2017 and March 2022, respectively. The fair value of the interest rate swaps are 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 June 30, 2022 and December 31, 2021, the interest rate swaps were recorded in "Other current assets" when the interest rate swaps’ fair market value are in an asset position, and "Other accrued liabilities" when in a liability position within our Condensed Consolidated Balance Sheets.

	Fair Value Measurements at Reporting Date				Fair Value Measurements at Reporting Date			
	June 30, 2022	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	December 31, 2021	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	$ —	$ —
Interest rate swaps	1,111	—	1,111	—	175	—	175	—
Total assets	$ 1,129	$ 18	$ 1,111	$ —	$ 193	$ 18	$ 175	$ —
Interest rate swaps	$ —	$ —	$ —	$ —	$ 159	$ —	$ 159	$ —
Total liabilities	$ —	$ —	$ —	$ —	$ 159	$ —	$ 159	$ —

The $20,000 interest rate swaps that became effective March 2022 are accounted for 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 our debt. The gains and losses related to the interest rate swaps are reclassified from “Accumulated other comprehensive loss” in our Condensed Consolidated Balance Sheets and included in “Interest expense - net” in our Condensed Consolidated Statements of Operations as the interest expense from our debt is recognized.

The Company accounted for the $50,000 of interest rate swaps that became effective February 2017 as cash flow hedges, these interest rate swaps expired February 2022.

For the three months ended June 30, 2022 and 2021, the Company recognized interest income of $19 and interest expense of $245, respectively, from interest rate swaps. For the six months ended June 30, 2022 and 2021, the Company recognized interest expense of $78 and $480, 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 14. 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 and six months ended June 30, 2022 and 2021 were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Interest cost	$ 49	$ 43	$ 97	$ 86
Expected return on plan assets	(66)	(62)	(132)	(124)
Recognized net actuarial loss	18	25	35	49
Net periodic pension cost	$ 1	$ 6	$ —	$ 11

The Company has made contributions to its United States defined benefit pension plan of $230 during the six months ended June 30, 2022 and expects to make total contributions of $460 during 2022.

United Kingdom Defined Benefit Plan

Net periodic pension costs for the United Kingdom defined benefit pension plan for the three and six months ended June 30, 2022 and 2021 were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Interest cost	$ 43	$ 28	$ 86	$ 56
Expected return on plan assets	(76)	(65)	(152)	(130)
Amortization of prior service costs and transition amount	6	7	12	14
Recognized net actuarial loss	40	83	80	166
Net periodic pension cost	$ 13	$ 53	$ 26	$ 106

United Kingdom regulations require trustees to adopt a prudent approach to funding required contributions to defined benefit pension plans. For the six months ended June 30, 2022, the Company contributed approximately $156 to the plan. The Company anticipates total contributions of approximately $311 to the United Kingdom pension plan during 2022.

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 June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
United States	$ 390	$ 408	$ 695	$ 772
Canada	45	40	105	86
United Kingdom	379	135	379	255
	$ 814	$ 583	$ 1,179	$ 1,113

Note 15. 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, 2021	$ 1,042
Additions to warranty liability	53
Warranty liability utilized	(310)
Balance as of June 30, 2022	$ 785

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. During the third quarter of 2021, in connection with the Company’s divestiture of its Piling Products division, the targeted annual purchases per year have been reduced to $6,000 for 2021 through 2024. 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, 2022 and thereafter are as follows:

Year Ending December 31,	
Remainder of 2022	$ 6,000
2023	8,000
2024	8,000
Total	$ 22,000

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. These costs may increase given that the remedy will not be initiated or completed for several years. 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 size and extent of the 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, potential comparative liability between the allocation parties and regarding non-participants, 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. As more information develops and the allocation process is completed, and given the resolution of factors like those described above, an unfavorable resolution could have a material adverse effect.

As of June 30, 2022 and December 31, 2021, the Company maintained environmental reserves approximating $2,500 and $2,519, respectively. The following table sets forth the Company’s environmental obligation:

	Environmental liability
Balance as of December 31, 2021	$ 2,519
Environmental obligations utilized	(19)
Balance as of June 30, 2022	$ 2,500

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 June 30, 2022.

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 June 30, 2022, no such disclosures were considered necessary.

Note 16. Subsequent Events

On August 1, 2022, the Company divested the assets of its rail spikes and anchors track components business (“Track Components”) located in St-Jean-sur-Richelieu, Quebec, Canada. Cash proceeds from the transaction are expected to total $7,795, subject to indemnification obligations and working capital adjustment. The Track Components business was reported in the Rail Products business unit within the Rail, Technologies, and Services segment.

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, 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; volatility in the prices of oil and natural gas and the related impact on the midstream energy markets, which could result in cost mitigation actions, including shutdowns or furlough periods; a continuation or worsening of the adverse economic conditions in the markets we serve, including possible recession in the markets we serve, whether as a result of the current COVID-19 pandemic, including its impact on labor markets, supply chains, and other inflationary costs, 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 ongoing COVID-19 pandemic; environmental matters, including any costs associated with any remediation and monitoring of such matters; 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 recent disposition of the Piling business and Track Components business, and acquisitions of the Skratch Enterprises Ltd. and Intelligent Video Ltd. businesses 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, which could disrupt our business and may result in misuse or misappropriation of confidential or proprietary information, and could result in the disruption or damage to our systems, increased costs and losses, or an adverse effect to our reputation; the continuing effectiveness of our ongoing 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; geopolitical conditions, including the conflict in Ukraine; 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, 2021, or as updated and/or amended by our 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 is a global solutions provider of engineered, manufactured products and services that builds and supports infrastructure. The Company's innovative engineering and product development solutions address the safety, reliability, and performance needs of its customers' most challenging requirements. The Company maintains locations in North America, South America, Europe, and Asia.

On June 21, 2022, the Company acquired the stock of Skratch Enterprises Ltd. ("Skratch") for $7,402. Skratch is an industry leader in digital system integration with expertise in advanced digital display technologies and capabilities currently serving retail markets in the U.K. The Company has collaborated with Skratch on projects in the past and believes joining the two companies will unlock the broader market potential for our respective solutions in the visual communications space. Skratch is reported within the Technology Services and Solutions business unit in the Rail, Technologies, and Services segment.

Sequentially, sales increased 33.1% versus the 2022 first quarter, which is consistent with historic seasonal trends. Orders and backlog levels for the quarter ended June 30, 2022 also remained strong, a reflection of a robust demand environment in markets served.

Net sales for the second quarter of 2022 were $131,515, a $23,007, or 14.9%, decrease versus the prior year quarter. The now divested Piling Products division contributed $22,091 of the year over year sales decline. Net sales increased in the Precast Concrete Products segment by $3,538 and Steel Products and Measurement segment, as adjusted to exclude the Piling Products division of , by $2,531, which was partially offset by a $6,985 decrease in Rail, Technologies, and Services segment sales.

Gross profit for the three months ended June 30, 2022 was $23,293, a $2,868 decrease, or 11.0%, from the prior year quarter. The decline in gross profit was driven primarily by the Piling Products divestiture, coupled with lower volume and higher input costs, partially offset by favorable mix. Consolidated gross profit margin increased by 80 basis points to 17.7% when compared to the prior year quarter, and the Company is generally seeing progress on margin improvement through its recent pricing initiatives and favorable mix. Gross profit decreased in the Rail, Technologies, and Services segment by $999, driven by the $6,985 decrease in sales. Rail, Technologies, and Services gross profit margins increased 30 basis points due to increased sales in its higher margin Global Friction Management and Technology Services and Solutions business units which were partially offset by the lower margin Rail Products business unit. The Precast Concrete Products segment gross profit decreased $572, or 14.6%, despite increased sales volumes. The decline in gross profit margin in Precast Concrete Products, which was down 530 basis points compared to the prior year quarter, is principally attributable to continued higher raw material and labor costs, coupled with unfavorable building sales mix compared to last year's quarter. The Steel Products and Measurement segment gross profit declined from the prior year by $1,297. This decline was primarily attributable to the sale of the Piling Products division of $2,056 and also due to inflationary pressure, particularly in the Bridge Products division. However, Steel Products and Measurement gross profit margin was up 420 basis points compared to the prior year, a reflection of a more favorable mix after the sale of the lower margin Piling Products business. The Company continues to focus on margin improvement measures to counteract inflationary pressures experienced.

Selling and administrative expenses for the three months ended June 30, 2022 decreased by $373, or 1.9%, from the prior year, primarily driven by decreases in expenses associated with the sale of the Piling Products division, partially offset by an increase related to strategic transformation plan and acquisition related expenses. Selling and administrative expenses as a percent of net sales were 14.7% versus 12.8% in the prior year quarter, a 190 basis points increase, due primarily to the decline in sales associated with the Piling Products divestiture.

Other income - net for the three months ended June 30, 2022 was $701 while Other expense - net was $70 in the prior year quarter. Insurance proceeds received in the current year quarter and a favorable $489 purchase price adjustment from the sale of Piling Products were the drivers of the increase.

The Company's effective income tax rate for the three months ended June 30, 2022 was 29.4%, compared to 28.5% in the prior year quarter. The Company's effective income tax rate for the quarter ended June 30, 2022 differed from the federal statutory rate of 21% primarily due to state income taxes, nondeductible expenses, and research tax credits.

Net income for the three months ended June 30, 2022 attributable to L.B. Foster Company was $2,010, or $0.18 per diluted share, a decrease of $866, or $0.09 per diluted share, from the prior year quarter. The decrease was primarily driven by lower overall sales volumes primarily associated with the sale of the Piling Products business and continued inflationary pressure.

The Company's consolidated backlog[a] was $250,845 as of June 30, 2022, a decrease of $2,386, or 0.9%, from the prior year, with increases across the Company offset by the divested Piling Products division, which contributed $33,682 to the year over year decline. The Rail, Technologies, and Services and Precast Concrete Product segments reported a $29,437 and $9,094 backlog increase versus the prior year quarter, respectively, while the Steel Products and Measurement segment, adjusted for the Piling Products divestiture, reported a decrease of $7,235 versus the prior year quarter. Sequentially, consolidated backlog[a] increased $6,227, or 2.5% from

March 31, 2022. Order levels[(a)] for three months ended June 30, 2022, when adjusted for the Piling Products sale, increased by $27,971, or 24.7%, from the prior year quarter.

While the current inflationary cost environment is expected to continue to put pressure on margins across our businesses throughout 2022, the sequential 110 basis point margin improvement versus the prior quarter is an indication of positive progress toward mitigating such pressures. Actions to continue to mitigate inflationary impacts as much as possible are ongoing. In addition, the Company continues to take proactive steps to manage disruptions in raw materials, labor, supply chain, service partners, and other lingering COVID-19 related effects, and experienced an ease in these impacts during the quarter ended June 30, 2022.

With the federal infrastructure support programs announced in 2020 and 2021, such as the U.S. Infrastructure Investment and Jobs Act passed in November 2021, the Company is maintaining its optimistic outlook regarding longer-term trends in the North American freight and transit markets given supply chain and transportation needs coupled with expected government-subsidized investment. The Company believes that many of its businesses will continue to directly benefit from infrastructure investment activity. Additionally, with the proceeds from the Piling division divestiture, coupled with the additional flexibility and capacity resulting from the amendment and extension of our credit agreement in August 2021, the Company believes that it has significant capacity to pursue organic and acquisitive growth opportunities in 2022 and beyond. The Company continues to prioritize its portfolio transformation, as evidenced from the acquisitions of Skratch Enterprises Ltd. and Intelligent Video, Ltd. on June 21, 2022, and July 6, 2022, respectively, and the divested the assets of its rail spikes and anchors track components business on August 1, 2022.

[(a)] The Company defines new orders as a contractual agreement between the Company and a third-party in which the Company will, or has the ability to, satisfy the performance obligations of the promised products or services under the terms of the agreement. The Company defines backlog as contractual commitments to customers for which the Company's performance obligations have not been met, including with respect to new orders and contracts for which the Company has not begun any performance. Management utilizes new orders and backlog to evaluate the health of the industries in which the Company operates, the Company's current and future results of operations and financial prospects, and strategies for business development. The Company believes that new orders and backlog are useful to investors as supplemental metrics by which to measure the Company's current performance and prospective results of operations and financial performance.

Results of the Quarter

	Three Months Ended June 30, 2022	Three Months Ended June 30, 2021	Percent Increase/(Decrease) 2022 vs. 2021	Percent of Total Net Sales Three Months Ended June 30, 2022	Percent of Total Net Sales Three Months Ended June 30, 2021
Net Sales:					
Rail, Technologies, and Services	$ 81,797	$ 88,782	(7.9 %)	62.1 %	57.4 %
Precast Concrete Products	23,611	20,073	17.6	18.0	13.0
Steel Products and Measurement	26,107	45,667	(42.8)	19.9	29.6
Total net sales	$ 131,515	$ 154,522	(14.9 %)	100.0 %	100.0 %

	Three Months Ended June 30, 2022	Three Months Ended June 30, 2021	Percent Increase/(Decrease) 2022 vs. 2021	Gross Profit Percentage Three Months Ended June 30, 2022	Gross Profit Percentage Three Months Ended June 30, 2021
Gross Profit:					
Rail, Technologies, and Services	$ 15,661	$ 16,660	(6.0 %)	19.1 %	18.8 %
Precast Concrete Products	3,347	3,919	(14.6)	14.2	19.5
Steel Products and Measurement	4,285	5,582	(23.2)	16.4	12.2
Total gross profit	$ 23,293	$ 26,161	(11.0 %)	17.7 %	16.9 %

	Three Months Ended June 30, 2022	Three Months Ended June 30, 2021	Percent Increase/(Decrease) 2022 vs. 2021	Percent of Total Net Sales Three Months Ended June 30, 2022	Percent of Total Net Sales Three Months Ended June 30, 2021
Expenses:					
Selling and administrative expenses	$ 19,394	$ 19,767	(1.9 %)	14.7 %	12.8 %
Amortization expense	1,419	1,470	(3.5)	1.1	1.0
Operating profit	2,480	4,924	(49.6)	1.9	3.2
Interest expense - net	384	861	(55.4)	0.3	0.6
Other (income) expense - net	(701)	70	**	(0.5)	—
Income before income taxes	2,797	3,993	(30.0)	2.1	2.6
Income tax expense	821	1,139	(27.9)	0.6	0.7
Net income	$ 1,976	$ 2,854	(30.8 %)	1.5 %	1.8 %
Net loss attributable to noncontrolling interest	(34)	(22)	**	(0.0)	(0.0)
Net income attributable to L.B. Foster Company	$ 2,010	$ 2,876	(30.1 %)	1.5 %	1.9 %

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

Results of Operations - Segment Analysis

Rail, Technologies, and Services

	Three Months Ended June 30, 2022	Three Months Ended June 30, 2021	(Decrease)/Increase 2022 vs. 2021	Percent (Decrease)/Increase 2022 vs. 2021
Net sales	$ 81,797	$ 88,782	$ (6,985)	(7.9 %)
Gross profit	$ 15,661	$ 16,660	$ (999)	(6.0 %)
Gross profit percentage	19.1 %	18.8 %	0.3 %	2.0 %
Segment operating profit	$ 3,998	$ 5,657	$ (1,659)	(29.3 %)
Segment operating profit percentage	4.9 %	6.4 %	(1.5 %)	(23.4 %)

Second Quarter 2022 Compared to Second Quarter 2021

The Rail, Technologies, and Services segment sales for the three months ended June 30, 2022 decreased by $6,985, or 7.9%, compared to the prior year quarter. The decrease in the Rail Products business unit was driven by the timing of customer shipments versus the prior year quarter. The Rail Products business unit declined by $8,419, or 13.0%, offsetting a sales increase in the Global

Friction Management business unit of $2,082, or 17.1%. The Technology Services and Solutions business unit had a more modest sales decrease of $648, or 5.4%, compared to the prior year quarter. The decrease in the Rail Products business unit was driven by timing of customer order fulfillment versus the prior year quarter. The sales increase in the Global Friction Management business unit is due to strength in North American markets served.

The Rail, Technologies, and Services segment gross profit decreased by $999, or 6.0%, from the prior year quarter. The decrease was driven by overall lower sales volumes. Segment gross profit margins increased by 30 basis points as a result of stronger sales in the higher margin Global Friction Management and Technology Services and Solutions business units. Operating profit was $3,998, a $1,659 decrease over the prior year quarter, due primarily to lower overall gross profit levels and higher selling and administrative expenses.

During the current quarter, the Rail, Technologies, and Services segment had an increase in new orders of 31.1% compared to the prior year period, driven almost entirely by the Rail Products business unit. Backlog as of June 30, 2022 was $132,017, an increase of $29,437, or 28.7%, versus June 30, 2021, continued to show strength.

On June 21, 2022, the Company entered into an agreement to purchase the stock of Skratch Enterprises Ltd. (“Skratch”) for $7,402.

Precast Concrete Products

	Three Months Ended June 30,		Increase/(Decrease)	Percent Increase/(Decrease)
	2022	2021	2022 vs. 2021	2022 vs. 2021
Net sales	$ 23,611	$ 20,073	$ 3,538	17.6 %
Gross profit	$ 3,347	$ 3,919	$ (572)	(14.6 %)
Gross profit percentage	14.2 %	19.5 %	(5.3 %)	(27.4 %)
Segment operating (loss) profit	$ (125)	$ 1,148	$ (1,273)	(110.9 %)
Segment operating (loss) profit percentage	(0.5)%	5.7 %	(6.2 %)	(108.4 %)

Second Quarter 2022 Compared to Second Quarter 2021

The Precast Concrete Products segment sales for the three months ended June 30, 2022 increased by $3,538, or 17.6%, compared to the prior year quarter, which is a continued reflection of the strong demand environment both in the southern and northeastern United States markets served.

Precast Concrete Products gross profit decreased by $572, or 14.6%, from the prior year quarter. The decline is principally attributable to continued high raw material and labor costs, coupled with an unfavorable building sales mix compared to last year’s quarter. Segment gross profit margin declined by 530 bps for the second quarter of 2022. Operating loss for the second quarter of 2022 declined by $1,273 when compared to the operating profit in the prior year quarter, due to reduction in gross profit margin and increases in selling and administrative costs.

During the quarter, the Precast Concrete Products segment had an increase in new orders of 39.4% compared to the prior year quarter; another reflection of the strong demand environment. Backlog as of June 30, 2022 was $71,507, an increase of $9,094, or 14.6%, from June 30, 2021, remaining at historically high levels.

Steel Products and Measurement

	Three Months Ended June 30,		(Decrease)/Increase	Percent (Decrease)/Increase
	2022	2021	2022 vs. 2021	2022 vs. 2021
Net sales	$ 26,107	$ 45,667	$ (19,560)	(42.8)%
Gross profit	$ 4,285	$ 5,582	$ (1,297)	(23.2)%
Gross profit percentage	16.4 %	12.2 %	4.2 %	34.3 %
Segment operating profit	$ 762	$ 814	$ (52)	(6.4)%
Segment operating profit percentage	2.9 %	1.8 %	1.1 %	61.7 %

Second Quarter 2022 Compared to Second Quarter 2021

The Steel Products and Measurement segment sales for the three months ended June 30, 2022 decreased by $19,560, or 42.8%, compared to the prior year quarter. The decrease in sales for the second quarter of 2022 was attributable to the $22,091 decline in year over year sales from the Piling Products division, which was divested September 2021. The decline was partially offset by an increase in Fabricated Steel Products, excluding the divested Piling Products division, of $1,705 and an increase of $784 in the Coatings and Measurement business unit.

Steel Products and Measurement gross profit decreased by $1,297, or 23.2%, from the prior year quarter, due to lower sales volume associated with the sale of the Piling Products business. The gross profit margin increased 420 basis points to 16.4%, as a result of a more favorable mix in 2022 due to the sale of the low margin of the divested Piling Products business. The segment operating profit was $762, a $52 decline from the prior year quarter. Selling and administrative expenses incurred by the segment decreased by $1,296 compared to the prior year quarter, primarily attributable to the Piling Products divestiture.

During the quarter, the Steel Products and Measurement segment new orders decreased by $25,661, or 50.1% compared to the prior year quarter, driven by a $25,089 decline from the divested Piling Products division. The Coatings and Measurement business unit experienced a decline in orders of $2,376, while Fabricated Steel Products, excluding the divested Piling Products division, experienced a slight increase. Backlog as of June 30, 2022 was $47,321, a decrease of $40,917, or 46.4%, from June 30, 2021 driven entirely by the Fabricated Steel Products business unit, $33,682 of which is related to the divested Piling Products division.

Six Month Results

	Six Months Ended June 30,		Percent Increase/ (Decrease)	Percent of Total Net Sales Six Months Ended June 30,	
	2022	2021	2022 vs. 2021	2022	2021
Net Sales:					
Rail, Technologies, and Services	$ 145,507	$ 155,014	(6.1)%	63.2 %	57.3 %
Precast Concrete Products	38,621	32,751	17.9	16.8	12.1
Steel Products and Measurement	46,181	82,837	(44.3)	20.1	30.6
Total net sales	$ 230,309	$ 270,602	(14.9)%	100.1 %	100.0 %

	Six Months Ended June 30,		Percent Increase/ (Decrease)	Gross Profit Percentage Six Months Ended June 30,	
	2022	2021	2022 vs. 2021	2022	2021
Gross Profit:					
Rail, Technologies, and Services	$ 28,188	$ 29,465	(4.3)%	19.4 %	19.0 %
Precast Concrete Products	5,792	6,409	(9.6)	15.0	19.6
Steel Products and Measurement	5,760	9,117	(36.8)	12.5	11.0
Total gross profit	$ 39,740	$ 44,991	(11.7)%	17.3 %	16.6 %

	Six Months Ended June 30,		Percent Increase/ (Decrease)	Percent of Total Net Sales Six Months Ended June 30,	
	2022	2021	2022 vs. 2021	2022	2021
Expenses:					
Selling and administrative expenses	$ 36,692	$ 37,793	(2.9)%	15.9 %	14.0 %
Amortization expense	2,855	2,935	(2.7)	1.2	1.1
Operating profit	193	4,263	(95.5)	0.1	2.8
Interest expense - net	754	1,732	(56.5)	0.3	0.6
Other (income) expense - net	(1,264)	129	**	(0.5)	—
Income tax expense	313	818	(61.7)	0.1	0.3
Net income	$ 390	$ 1,584	(75.4)%	0.2 %	0.6 %
Net loss attributable to noncontrolling interest	(54)	(34)	**	(0.0)	—
Net income attributable to L.B. Foster Company	$ 444	$ 1,618	(72.6)%	0.2 %	0.6 %

Results of Operations - Segment Analysis

Rail, Technologies, and Services

	Six Months Ended June 30,		(Decrease)/Increase	Percent (Decrease)/Increase
	2022	2021	2022 vs. 2021	2022 vs. 2021
Net sales	$ 145,507	$ 155,014	$ (9,507)	(6.1 %)
Gross profit	$ 28,188	$ 29,465	$ (1,277)	(4.3 %)
Gross profit percentage	19.4 %	19.0 %	0.4 %	1.9 %
Segment operating profit	$ 5,037	$ 7,879	$ (2,842)	(36.1 %)
Segment operating profit percentage	3.5 %	5.1 %	(1.6 %)	(31.9 %)

First Six Months 2022 Compared to First Six Months 2021

The Rail, Technologies, and Services segment sales for the six months ended June 30, 2022 decreased by $9,507, or 6.1%, compared to the prior year period. The decrease in sales was driven entirely by the Rail Products business unit, which declined by $12,357, or 11.4%, offsetting sales increases in both the Global Friction Management and Technology Services and Solutions business units of $2,359 and $491, respectively. The decrease in the Rail Products business unit was driven by the timing of customer shipments versus the prior year period. The sales increase in the Global Friction Management business unit is due to strength primarily in domestic markets served.

The Rail, Technologies, and Services segment gross profit decreased by $1,277, or 4.3%, from the prior year quarter. The decrease was driven by overall lower sales volumes, offset in part by improved business mix. Segment gross profit margins increased by 40 basis points as a result of stronger sales in the higher margin Global Friction Management and Technology Services and Solutions business units, versus the lower-margin Rail Products businesses. Operating profit was $5,037, a $2,842 decrease over the prior year period, due in part to lower overall gross profit levels and increases in selling and administrative expenses.

During the current quarter, the Rail, Technologies, and Services segment had an increase in new orders of 32.1% compared to the prior year period, driven by improvements in all business units.

Precast Concrete Products

	Six Months Ended June 30,		Increase/(Decrease)	Percent Increase/(Decrease)
	2022	2021	2022 vs. 2021	2022 vs. 2021
Net sales	$ 38,621	$ 32,751	$ 5,870	17.9 %
Gross profit	$ 5,792	$ 6,409	$ (617)	(9.6)%
Gross profit percentage	15.0 %	19.6 %	(4.6)%	(23.4)%
Segment operating (loss) profit	$ (916)	$ 1,031	$ (1,947)	(188.8)%
Segment operating profit percentage	(2.4)%	3.1 %	(5.5)%	(175.3)%

First Six Months 2022 Compared to First Six Months 2021

The Precast Concrete Products segment sales for the six months ended June 30, 2022 increased by $5,870, or 17.9%, compared to the prior year period, which is a continued reflection of the strong demand environment in the southern United States market served.

Precast Concrete Products gross profit decreased by $617, or 9.6%, from the prior year quarter, due to continued inflationary pressure on raw material and labor costs, unfavorable building sales mix and, to a lesser extent, manufacturing inefficiencies due to supply chain disruption. Segment gross profit margin declined by 460 bps for the six months ended June 30, 2022 versus the prior year period. Operating loss for the six months ended June 30, 2022 of $916 reflects a $1,947 decline from the prior year period, due to margin degradation and increases in selling and administrative costs.

During the quarter, the Precast Concrete Products segment had a decrease in new orders of 10.9% compared to the prior year period. New orders and backlog continue to remain strong given the robust demand environment in markets served.

Steel Products and Measurement

	Six Months Ended June 30,		(Decrease)/Increase	Percent (Decrease)/Increase
	2022	2021	2022 vs. 2021	2022 vs. 2021
Net Sales	$ 46,181	$ 82,837	$ (36,656)	(44.3)%
Gross profit	$ 5,760	$ 9,117	$ (3,357)	(36.8)%
Gross profit percentage	12.5 %	11.0 %	1.5 %	13.3 %
Segment operating loss	$ (1,386)	$ (113)	$ (1,273)	**
Segment operating profit percentage	(3.0)%	(0.1)%	(2.9)%	**

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

First Six Months 2022 Compared to First Six Months 2021

The Steel Products and Measurement segment sales for the six months ended June 30, 2022 decreased by $36,656, or 44.3%, compared to the prior year period, due entirely to the impact of the divested Piling Products business, which drove a sales decline of $42,889 versus the prior year period. The decline in sales was partially offset by sales increases in the balance of the business units including the Fabricated Steel Products business sales, excluding Piling, which increased $3,749, and Coatings and Measurement where sales increased $2,477 versus the prior year period.

Steel Products and Measurement gross profit decreased by $3,357, or 36.8%, from the prior year period, due to lower sales volumes and increased raw material costs in the Fabricated Bridge business. However, the gross profit margin for the segment increased 150 basis points to 12.5%, a result of a more favorable mix in 2022 given the divestiture of the low margin Piling Products business. The segment loss was $1,386, an increased loss of $1,273 from the prior year period. Selling and administrative expenses incurred by the segment decreased by $2,192 compared to the prior year period, primarily attributable to the Piling Products divestiture.

During the quarter, the Steel Products and Measurement segment new orders decreased by $36,949, or 42.3% compared to the prior year period, driven by a $45,664 decline from the divested Piling Products division. This decrease was partially offset by improvements in both Fabricated Steel Products, excluding the divested Piling Products division, and Coatings and Measurement.

Other

Segment Backlog

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

	June 30, 2022	December 31, 2021	June 30, 2021
Rail, Technologies, and Services	$ 132,017	$ 96,573	$ 102,580
Precast Concrete Products	71,507	68,636	62,413
Steel Products and Measurement	47,321	44,980	88,238
Total backlog	$ 250,845	$ 210,189	$ 253,231

The backlog for Steel Products and Measurement includes $33,682 related to the divested Piling Products division as of June 30, 2021 in the above table.

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 $130,000. The Company’s 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 $49,286 and $31,251 as of June 30, 2022 and December 31, 2021, respectively, and was primarily comprised of borrowings under its revolving credit facility.

The following table reflects available funding capacity, subject to covenant restrictions, as of June 30, 2022:

	June 30, 2022	
Cash and cash equivalents		$ 7,661
Credit agreement:		
Total availability under the credit agreement	130,000	
Outstanding borrowings on revolving credit facility	(49,194)	
Letters of credit outstanding	(683)	
Net availability under the revolving credit facility		80,123
Total available funding capacity		$ 87,784

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 and contract assets for collectability, and provides allowances for credit losses where appropriate. The Company believes that its reserves for credit losses are appropriate as of June 30, 2022, 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 six months ended June 30, 2022 and 2021 were as follows:

	Six Months Ended June 30,	
	2022	2021
Net cash (used in) provided by continuing operating activities	$ (13,382)	$ 6,842
Net cash used in continuing investing activities	(7,328)	(2,248)
Net cash provided by (used in) continuing financing activities	18,476	(7,918)
Effect of exchange rate changes on cash and cash equivalents	(477)	153
Net cash used in discontinued operations	—	(253)
Net decrease in cash and cash equivalents	$ (2,711)	$ (3,424)

Cash Flow from Operating Activities

During the six months ended June 30, 2022, cash flows used in operating activities were $13,382, compared to cash flows provided by continuing operating activities of $6,842 during the prior year to date period. For the six months ended June 30, 2022, the net income and adjustments to net income from continuing operating activities provided $7,277, compared to $9,677 in the 2021 period. Working capital and other assets and liabilities used $20,659 in the current period, compared to using $2,835 in the prior year period.

The Company's calculation for days sales outstanding at June 30, 2022 and December 31, 2021 was 46 and 46 days, respectively, and the Company believes it has a high quality receivables portfolio.

Cash Flow from Investing Activities

Capital expenditures for the six months ended June 30, 2022 and 2021 were $3,048 and $2,248, respectively. The current period expenditures primarily relate to the implementation of the enterprise resource planning system at additional Company divisions and general plant and operational improvements throughout the Company. Expenditures for the six months ended June 30, 2021 primarily relate to the expansion of the Precast Concrete Products business line in Texas. On June 21, 2022, the Company entered into an agreement to purchase the stock of Skratch for $7,402, which included a cash outflow of $5,712 during the six months ended June 30, 2022. During the six months ended June 30, 2022, the Company received final proceeds from the 2021 Piling Products divestiture of $1,195.

Cash Flow from Financing Activities

During the six months ended June 30, 2022 and 2021, the Company had an increase in outstanding debt of $18,877 and a decrease of $7,767, respectively. The increase in debt for the six months ended June 30, 2022 was due in part to the acquisition of Skratch on June 21, 2022, which contributed $6,518 to the increase, as well as the funding working of capital and other assets and liabilities. The decrease in net debt for the 2021 period was primarily attributable to the utilization of excess cash generated through operating activities. Treasury stock acquisitions of $401 and $547 for the six months ended June 30, 2022 and 2021, respectively, represent stock repurchases from employees to satisfy their income tax withholdings in connection with the vesting of stock awards.

Financial Condition

As of June 30, 2022, the Company had $7,661 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 June 30, 2022, approximately $6,872 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 have been to fund its operations, including capital expenditures, acquisitions, and to service its indebtedness. The Company views its liquidity as being dependent on its results of operations, changes in working capital needs, and its borrowing capacity. As of June 30, 2022, its revolving credit facility had $81,489 of net availability, while the Company had $49,286 in total debt. The Company's current ratio as of June 30, 2022 and December 31, 2021 was 2.10 and 2.08, respectively.

On August 13, 2021, the Company entered into the Credit Agreement, which increased the total commitments under the revolving credit facility to $130,000 from $115,000, extends the maturity from April 30, 2024 to August 13, 2026, and provides more favorable covenant terms. Borrowings under the Credit Agreement bear interest rates based upon either the base rate or LIBOR rate plus applicable margins. 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 9 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 and $20,000, effective February 1, 2017 and March 1, 2022, respectively, 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 dedesignated its cash flow hedges and accounted for the $50,000 tranche of interest rate swaps on a mark-to-market basis with changes in fair value recorded in current period earnings. During February 2022, the $50,000 tranche of interest rate swaps expired. As of June 30, 2022 the swap asset was $1,111 and as of December 31, 2021 the swap asset and liability were $175 and $159, 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, 2021.

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 June 30, 2022. 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 six months ended June 30, 2022, 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 15 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 June 30, 2022 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
April 1, 2022 - April 30, 2022	—	$ —	—	$ —
May 1, 2022 - May 31, 2022	274	13.00	—	—
June 1, 2022 - June 30, 2022	—	—	—	—
Total	274	$ 13.00	—	$ —

1. Reflects shares withheld by the Company to pay taxes upon vesting of restricted stock.

Item 3. Defaults Upon Senior Securities

Not applicable.

Item 4. Mine Safety Disclosures

This item is not applicable to the Company.

Item 5. Other Information

None.

Item 6. Exhibits

See Exhibit Index below.

Exhibit Index

Exhibit Number	Description
*10.1	2022 Equity and Incentive Compensation Plan.
*10.2	Strategy Transformation Plan Description and Award (2022-2025).
*10.3	2022 Director Restricted Stock Award.
*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: **August 9, 2022**

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

L.B. FOSTER COMPANY
2022 EQUITY AND INCENTIVE COMPENSATION PLAN

1. **Purpose.** The purpose of this Plan is to permit award grants to non-employee Directors, officers and other employees of the Company and its Subsidiaries, and certain Consultants to the Company and its Subsidiaries, and to provide to such persons incentives and rewards for service and/or performance.

2. **Definitions.** Except as otherwise provided herein, the following are the definitions used in this Plan:

(a) "Affiliate" means a person that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the person specified.

(b) "Appreciation Right" means a right granted pursuant to **Section 5** of this Plan.

(c) "Base Price" means the price to be used as the basis for determining the Spread upon the exercise of an Appreciation Right.

(d) "Board" means the Board of Directors of the Company.

(e) "Cash Incentive Award" means a cash award granted pursuant to **Section 8** of this Plan.

(f) "Change in Control" has the meaning set forth in **Section 12** of this Plan.

(g) "Code" means the Internal Revenue Code of 1986, as amended from time to time, and the regulations thereunder, as such law and regulations may be amended from time to time.

(h) "Committee" means the Compensation Committee of the Board (or its successor(s)), or any other committee of the Board designated by the Board to administer this Plan pursuant to **Section 10** of this Plan. Each member of the Committee shall qualify as (i) an "independent" director under the applicable definition of the Nasdaq Stock Market or other securities exchange upon which the Common Stock is listed and (ii) a "non-employee director" within the meaning of Rule 16b-3 of the Exchange Act.

(i) "Common Stock" means the common stock, par value $0.01 per share, of the Company or any security into which such common stock may be changed by reason of any transaction or event of the type referred to in **Section 11** of this Plan.

(j) "Company" means L.B. Foster Company, a Pennsylvania corporation, and its successors.

(k) "Consultant" means a natural person that provides bona fide services to the Company and/or its Affiliates; provided, however, that a Consultant shall not include a person whose services are in connection with the offer or sale of the Company's securities in a capital-raising transaction including, directly or indirectly, the promotion or maintenance of a market for the Company's securities.

(l) "Date of Grant" means the date provided for by the Committee on which a grant of Option Rights, Appreciation Rights, Performance Shares, Performance Units, Cash

Incentive Awards, or other awards contemplated by **Section 9** of this Plan, or a grant or sale of Restricted Stock, Restricted Stock Units, or other awards contemplated by **Section 9** of this Plan, will become effective (which date will not be earlier than the date on which the Committee takes action with respect thereto).

(m) "Director" means a member of the Board.

(n) "Disability" means permanently and totally disabled as defined in Section 22(e)(3) of the Code (or any successor section); provided, however, if an award is subject to Section 409A of the Code (and not excepted therefrom) and a Disability is a distribution event under Section 409A for purposes of the award, the foregoing definition of Disability shall be interpreted, administered and construed in a manner necessary to ensure that the occurrence of any such event qualifies as a Disability within the meaning of Treasury Regulation §1.409A-3(i)(4)(i).

(o) "Effective Date" means the date this Plan is approved by the Shareholders.

(p) "Evidence of Award" means an agreement, certificate, resolution or other type or form of writing or other evidence approved by the Committee that sets forth the terms and conditions of an award granted under this Plan. An Evidence of Award may be in an electronic medium, may be limited to notation on the books and records of the Company and, unless otherwise determined by the Committee, need not be signed by a representative of the Company or a Participant.

(q) "Exchange Act" means the Securities Exchange Act of 1934, as amended from time to time, and the rules and regulations thereunder, as such law, rules and regulations may be amended from time to time.

(r) "Incentive Stock Option" means an Option Right that is intended to qualify as an "incentive stock option" under Section 422 of the Code or any successor provision.

(s) "Market Value per Share" means, as of any particular date, the closing price of a share of Common Stock as reported for that date on the Nasdaq Stock Market or, if the Common Stock is not then listed on the Nasdaq Stock Market, on any other national securities exchange on which the Common Stock is listed, or if there are no sales on such date, on the trading day before which a sale occurred. If there is no regular public trading market for the Common Stock, then the Market Value per Share shall be the fair market value as determined in good faith by the Committee. The Committee is authorized to adopt another fair market value pricing method provided such method is stated in the applicable Evidence of Award and is in compliance with the fair market value pricing rules set forth in Section 409A of the Code.

(t) "Optionee" means the optionee named in an Evidence of Award evidencing an outstanding Option Right.

(u) "Option Price" means the purchase price payable on exercise of an Option Right.

(v) "Option Right" means the right to purchase Common Stock upon exercise of an award granted pursuant to **Section 4** of this Plan.

(w) "Participant" means a person who is selected by the Committee to receive benefits under this Plan and who is at the time (i) a non-employee Director, (ii) an officer or other employee of the Company or any Subsidiary, including a person who has agreed to commence serving in such capacity within 90 days of the Date of Grant, or (iii) a Consultant.

(x) “Performance Objectives” means one or more of the financial and/or operational performance goals or objectives established pursuant to this Plan for Participants who have received grants of Performance Shares, Performance Units or Cash Incentive Awards or, when so determined by the Committee, Option Rights, Appreciation Rights, Restricted Stock, Restricted Stock Units, dividend equivalents or other awards pursuant to this Plan and include, but are not limited to, objectives related to cash flow; cash flow from operations; earnings (including, but not limited to, earnings before interest, taxes, depreciation, and amortization or some variation thereof); earnings per share, diluted or basic; earnings per share from continuing operations; net asset turnover; inventory turnover; days sales outstanding on receivables; capital expenditures; debt; debt reduction; working capital (including as a percentage of sales); return on investment; return on sales; return on invested capital; net or gross sales; economic profit; gross profit on sales; material gross profit (gross profit on material portion of sales); performance profit (operating income minus an allocated charge approximating the Company’s cost of capital, before or after tax); purchase variance; delivery variance; quality; customer satisfaction; comparable site sales; market share; economic value added; cost of capital; change in assets; expense reduction levels; productivity; delivery performance; safety record and/or performance; environmental record and/or performance; stock price; return on equity or capital employed; total shareholder return or relative increases to shareholder return; return on capital; return on assets or net assets; revenue; revenue growth; income or net income; operating income or net operating income; operating income adjusted for management fees and depreciation and amortization; pre-tax income (including on an as-adjusted basis); operating profit or net operating profit; non-performing assets; asset sale targets; value of assets; employee retention/attrition rates; investments; regulatory compliance; satisfactory internal or external audits; improvement of financial ratings; value creation; gross margin, operating margin or profit margin; margin growth; completion of acquisitions, business expansion, product diversification, and new or expanded market penetration; growth or growth rate; employee recruitment, engagement, retention and satisfaction; diversity; environmental and social measures; human resources management, and any combination of the foregoing, applied to either the Company as a whole or to a business unit or subsidiary entity thereof, either individually, alternatively or in any combination, and any of which may be measured either in absolute terms, relative to a pre-established target, as compared to any incremental increase, as compared to previous years’ results or as compared to results of a designated comparison group. If the Committee determines that a change in the business, operations, corporate structure or capital structure of the Company, or the manner in which it conducts its business, or other events or circumstances render the Performance Objectives unsuitable, the Committee may in its discretion modify such Performance Objectives or the goals or actual levels of achievement regarding the Performance Objectives, in whole or in part, as the Committee deems appropriate and equitable.

(y) “Performance Period” means, in respect of a Cash Incentive Award, Performance Share or Performance Unit, a period of time established pursuant to **Section 8** of this Plan within which the Performance Objectives relating to such Cash Incentive Award, Performance Share or Performance Unit are to be achieved.

(z) “Performance Share” means a bookkeeping entry that records the equivalent of one share of Common Stock awarded pursuant to **Section 8** of this Plan, and may be payable in cash, Common Stock or a combination thereof.

(aa) “Performance Unit” means a bookkeeping entry award granted pursuant to **Section 8** of this Plan that records a unit equivalent to $1.00 or such other value as is determined by the Committee, and may be payable in cash, Common Stock or a combination thereof.

(ab) “Plan” means this L.B. Foster Company 2022 Equity and Incentive Compensation Plan, as may be amended or amended and restated from time to time.

(ac) "Predecessor Plan" means the L.B. Foster Company 2006 Omnibus Incentive Plan As Amended and Restated on May 24, 2018.

(ad) "Restricted Stock" means Common Stock granted or sold pursuant to **Section 6** of this Plan as to which neither the substantial risk of forfeiture nor the prohibition on transfer has expired.

(ae) "Restricted Stock Units" means an award made pursuant to **Section 7** of this Plan of the right to receive Common Stock, cash or a combination thereof at the end of the applicable Restriction Period.

(af) "Restriction Period" means the period of time during which Restricted Stock Units are subject to restrictions, as provided in **Section 7** of this Plan.

(ag) "Retirement" or "Retire" means retirement of a Participant as determined and authorized by the Committee.

(ah) "Separation from Service" and "Separate from Service" shall mean a Participant's death, Retirement or other termination of employment or service with the Company (including all persons treated as a single employer under Sections 414(b) and 414(c) of the Code) that constitutes a "separation from service" within the meaning of Section 409A of the Code. For purposes hereof, the determination of controlled group members shall be made pursuant to the provisions of Sections 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 Sections 1563(a)(1),(2) and (3) of the Code and Treasury Regulation §1.414(c)-2; provided, further, where legitimate business reasons exist (within the meaning of Treasury Regulation §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 Separated from Service will be determined based on all of the facts and circumstances and, to the extent applicable to any award or benefit, in accordance with the guidance issued under Section 409A of the Code. 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 applicable period as provided by Section 409A of the Code.

(ai) "Shareholder" means an individual or entity that owns one or more shares of Common Stock.

(aj) "Spread" means the excess of the Market Value per Share on the date when an Appreciation Right is exercised over the Base Price provided for with respect to the Appreciation Right.

(ak) "Subsidiary" means a corporation, company or other entity (i) of which more than 50% of the outstanding shares or securities (representing the right to vote for the election of directors or other managing authority) are, or (ii) which does not have outstanding shares or securities (as may be the case in a partnership, joint venture, limited liability company, unincorporated association or other similar entity), but more than 50% of whose ownership interest representing the right generally to make decisions for such other entity is, now or hereafter, owned or controlled, directly or indirectly, by the Company; provided, however, that for purposes of determining whether any person may be a Participant for purposes of any grant of Incentive Stock Options, "Subsidiary" means any corporation in which the Company at the time owns or controls, directly or indirectly, more than 50% of the total combined Voting Power represented by all classes of stock issued by such corporation.

(al) “Substitute Award” means awards made in substitution for or in conversion of, or in connection with the assumption of, awards held by awardees of an entity engaging in a corporate acquisition or merger with the Company or any Subsidiary, as provided in **Section 22** of this Plan.

(am) “Termination for Cause” or “Cause” means: (i) willful neglect of or material failure to properly perform the duties and responsibilities assigned to a Participant or the material failure of a Participant to comply with proper directives of such Participant’s supervisor(s) or the Board, as applicable; (ii) an act of dishonesty or disloyalty relating to the business and affairs of the Company and/or its Subsidiaries or their relationship with their respective employees, suppliers, customers or others having a business relationship with the Company and/or its Subsidiaries; (iii) conviction of a crime involving fraud, theft, intentional dishonesty, moral turpitude or similar conduct; (iv) misappropriation of any funds or property of the Company and/or its Subsidiaries or actions which are inconsistent with a Participant’s fiduciary obligations to the Company and/or its Subsidiaries; (v) material failure to abide by any of the Company’s and/or its Subsidiaries’ policies; or (vi) any other action or course of conduct by a Participant which has or reasonably can be expected to have a material adverse effect on the Company and its Subsidiaries, and their respective businesses or affairs. The Committee shall make all determinations of whether a Participant was Terminated for Cause and any such determination shall be final and conclusive.

(an) “Voting Power” means, at any time, the combined voting power of the then-outstanding securities entitled to vote generally in the election of Directors in the case of the Company or members of the board of directors or similar body in the case of another entity.

3. **Shares Available Under this Plan.**

(ao) Maximum Shares Available Under this Plan.

(i) Subject to adjustment as provided in **Section 11** of this Plan and the share counting rules set forth in **Section 3(b)** of this Plan, the number of shares of Common Stock available under this Plan for awards of (A) Option Rights or Appreciation Rights, (B) Restricted Stock, (C) Restricted Stock Units, (D) Performance Shares or Performance Units, (E) awards contemplated by **Section 9** of this Plan, or (F) dividend equivalents paid with respect to awards made under this Plan will not exceed, in the aggregate, (x) 765,000 shares of Common Stock, plus (y) the total number of shares of Common Stock remaining available for awards under the Predecessor Plan (but not reserved for outstanding awards under the Predecessor Plan) as of the Effective Date plus (z) the shares of Common Stock that are subject to awards granted under this Plan or the Predecessor Plan that are added (or added back, as applicable) to the aggregate number of shares of Common Stock available under this **Section 3(a)(i)** pursuant to the share counting rules of this Plan. Such shares may be shares of original issuance or treasury shares or a combination of the foregoing.

(ii) Subject to the share counting rules set forth in **Section 3(b)** of this Plan, the aggregate number of shares of Common Stock available under **Section 3(a)(i)** of this Plan will be reduced by one share of Common Stock for every one share of Common Stock subject to an award granted under this Plan.

(ap) Share Counting Rules.

(i) Except as provided in **Section 22** of this Plan or in this **Section 3(b)**, if any award granted under this Plan (in whole or in part) is cancelled or forfeited, expires, is settled for cash, or is unearned, the Common Stock subject to such award will, to the extent of such cancellation, forfeiture, expiration, cash settlement, or unearned amount, again be available under **Section 3(a)(i)** above.

(ii) If, after the Effective Date, any Common Stock subject to an award granted under the Predecessor Plan is forfeited, or an award granted under the Predecessor Plan (in whole or in part) is cancelled or forfeited, expires, is settled for cash, or is unearned, the Common Stock subject to such award will, to the extent of such cancellation, forfeiture, expiration, cash settlement, or unearned amount, be available for awards under this Plan.

(iii) Notwithstanding anything to the contrary contained in this Plan: (A) shares of Common Stock withheld by the Company, tendered or otherwise used in payment of the Option Price of an Option Right (or the option price of an option granted under the Predecessor Plan) will not be added (or added back, as applicable) to the aggregate number of shares of Common Stock available under **Section 3(a)(i)** of this Plan; (B) shares of Common Stock withheld by the Company, tendered or otherwise used to satisfy tax withholding will not be added (or added back, as applicable) to the aggregate number of shares of Common Stock available under **Section 3(a)(i)** of this Plan; (C) shares of Common Stock subject to a share-settled Appreciation Right that are not actually issued in connection with the settlement of such Appreciation Right on the exercise thereof will not be added back to the aggregate number of shares of Common Stock available under **Section 3(a)(i)** of this Plan; and (D) shares of Common Stock reacquired by the Company on the open market or otherwise using cash proceeds from the exercise of Option Rights will not be added (or added back, as applicable) to the aggregate number of shares of Common Stock available under **Section 3(a)(i)** of this Plan.

(iv) If, under this Plan, a Participant has elected to give up the right to receive cash compensation in exchange for Common Stock based on fair market value, such Common Stock will not count against the aggregate limit under **Section 3(a)(i)** of this Plan.

(aq) Limit on Incentive Stock Options. Notwithstanding anything to the contrary contained in this Plan, and subject to adjustment as provided in **Section 11** of this Plan, the aggregate number of shares of Common Stock actually issued or transferred by the Company upon the exercise of Incentive Stock Options will not exceed 765,000 shares of Common Stock.

(ar) Non-Employee Director Compensation Limit. Notwithstanding anything to the contrary contained in this Plan, in no event will any non-employee Director in any one calendar year be granted aggregate compensation, in the form of cash and/or equity, for such service having an aggregate maximum value (measured at the Date of Grant as applicable, and calculating the value of any awards based on the grant date fair value for financial reporting purposes) in excess of $500,000.

(as) Minimum Vesting Requirement. Except in the case of Substitute Awards and Cash Incentive Awards, awards granted under this Plan to Participants shall either be subject to a minimum vesting or minimum performance period, in the case of Performance Shares and Performance Units, of one year. Notwithstanding the foregoing or any other provision of this Plan, (i) the Committee may authorize acceleration of vesting or continued vesting of such awards in the event of the Participant's death, disability, termination of employment or service or the occurrence of a Change in Control, (ii) the Committee may exercise its authority under Section 18(c) at any time following the grant of an award, (iii) the Committee may grant awards without the above-described minimum requirements with respect to awards covering up to 5% of the aggregate number of shares authorized for issuance under this Plan, and (iv) with respect to awards granted to non-employee Directors, the vesting of such awards will be deemed to satisfy the minimum vesting requirement to the extent that the awards vest based on the approximate one-year period beginning on each regular annual meeting of the Company's shareholders and ending on the date of the next regular annual meeting of the Company's shareholders (provided, however, that such approximate one-year period with respect to awards granted to non-employee Directors may not be less than 50 weeks).

4. **Option Rights.** The Committee may, from time to time and upon such terms and conditions as it may determine, authorize the granting to Participants of Option Rights. Each such grant may utilize any or all of the authorizations, and will be subject to all of the requirements, contained in the following provisions:

(at) Each grant will specify the number of shares of Common Stock to which it pertains subject to the limitations set forth in **Section 3** of this Plan.

(au) Each grant will specify an Option Price per share of Common Stock, which Option Price (except with respect to awards under **Section 22** of this Plan) may not be less than the Market Value per Share on the Date of Grant.

(av) Each grant will specify whether the Option Price will be payable (i) in cash, by check acceptable to the Company or by wire transfer of immediately available funds, (ii) by the actual or constructive transfer to the Company of Common Stock owned by the Optionee having a value at the time of exercise equal to the total Option Price, (iii) subject to any conditions or limitations established by the Committee, by the withholding of Common Stock otherwise issuable upon exercise of an Option Right pursuant to a "net exercise" arrangement, (iv) by a combination of such methods of payment, or (v) by such other methods as may be approved by the Committee.

(aw) To the extent permitted by law, any grant may provide for deferred payment of the Option Price from the proceeds of sale through a bank or broker on a date satisfactory to the Company or some or all of the shares of Common Stock to which such exercise relates.

(ax) Each grant will specify the period or periods of continuous service by the Optionee with the Company or any Subsidiary, if any, that is necessary before any Option Rights or installments thereof will vest. Subject to Section 3(e), any grant may provide for continued vesting or the earlier vesting of such Option Rights, and any other terms consistent with the terms of this Plan.

(ay) Any grant of Option Rights may specify Performance Objectives regarding the vesting of such rights.

(az) Option Rights granted under this Plan may be (i) options, including Incentive Stock Options, that are intended to qualify under particular provisions of the Code, (ii) options that are not intended to so qualify, or (iii) combinations of the foregoing. Incentive Stock Options may only be granted to Participants who meet the definition of "employees" under Section 3401(c) of the Code.

(ba) No Option Right will be exercisable more than 10 years from the Date of Grant. The Committee may provide in any Evidence of Award for the automatic exercise of an Option Right upon such terms and conditions as established by the Committee.

(bb) Option Rights granted under this Plan may not provide for any dividends or dividend equivalents thereon.

(bc) Each grant of Option Rights will be evidenced by an Evidence of Award. Each Evidence of Award will be subject to this Plan and will contain such terms and provisions, consistent with this Plan, as the Committee may approve.

5. **Appreciation Rights.**

(bd) The Committee may, from time to time and upon such terms and conditions as it may determine, authorize the granting to any Participant of Appreciation Rights. An Appreciation Right will be the right of the Participant to receive from the Company an amount determined by the Committee, which will be expressed as a percentage of the Spread (not exceeding 100%) at the time of exercise.

(be) Each grant of Appreciation Rights may utilize any or all of the authorizations, and will be subject to all of the requirements, contained in the following provisions:

(i) Each grant may specify that the amount payable on exercise of an Appreciation Right will be paid by the Company in cash, Common Stock or any combination thereof.

(ii) Each grant will specify the period or periods of continuous service by the Participant with the Company or any Subsidiary, if any, that is necessary before the Appreciation Rights or installments thereof will vest. Subject to Section 3(e), any grant may provide for continued vesting or the earlier vesting of such Appreciation Rights, and any other terms consistent with the terms of this Plan.

(iii) Any grant of Appreciation Rights may specify Performance Objectives regarding the vesting of such Appreciation Rights.

(iv) Appreciation Rights granted under this Plan may not provide for any dividends or dividend equivalents thereon.

(v) Each grant of Appreciation Rights will be evidenced by an Evidence of Award. Each Evidence of Award will be subject to this Plan and will contain such terms and provisions, consistent with this Plan, as the Committee may approve.

(bf) Also, regarding Appreciation Rights:

(i) Each grant will specify in respect of each Appreciation Right a Base Price, which (except with respect to awards under **Section 22** of this Plan) may not be less than the Market Value per Share on the Date of Grant; and

(ii) No Appreciation Right granted under this Plan may be exercised more than 10 years from the Date of Grant. The Committee may provide in any Evidence of Award for the automatic exercise of an Appreciation Right upon such terms and conditions as established by the Committee.

6. **Restricted Stock.** The Committee may, from time to time and upon such terms and conditions as it may determine, authorize the grant or sale of Restricted Stock to Participants. Each such grant or sale may utilize any or all of the authorizations, and will be subject to all of the requirements, contained in the following provisions:

(a) Each such grant or sale will constitute an immediate transfer of the ownership of shares of Common Stock to the Participant in consideration of the performance of services, entitling such Participant to voting, dividend and other ownership rights, but subject to the substantial risk of forfeiture and restrictions on transfer hereinafter described (including Section 6(g) of this Plan).

(b) Each such grant or sale may be made without additional consideration or in consideration of a payment by such Participant that is less than the Market Value per Share on the Date of Grant.

(c) Each such grant or sale will provide that the Restricted Stock covered by such grant or sale will be subject to a "substantial risk of forfeiture" within the meaning of Section 83 of the Code for a period to be determined by the Committee on the Date of Grant or until achievement of Performance Objectives referred to in **Section 6(e)** of this Plan.

(d) Each such grant or sale will provide that during or after the period for which such substantial risk of forfeiture is to continue, the transferability of the Restricted Stock will be prohibited or restricted in the manner and to the extent prescribed by the Committee on the Date of Grant (which restrictions may include rights of repurchase or first refusal of the Company or provisions subjecting the Restricted Stock to a continuing substantial risk of forfeiture while held by any transferee).

(e) Any grant of Restricted Stock may specify Performance Objectives regarding the vesting of such Restricted Stock.

(f) Subject to Section 3(e), Restricted Stock may provide for continued vesting or the earlier vesting of such Restricted Stock, and any other terms consistent with the terms of this Plan.

(g) Any such grant or sale of Restricted Stock may require that any and all dividends or other distributions paid thereon during the period of such restrictions be automatically deferred and/or reinvested in additional Restricted Stock, which will be subject to the same restrictions as the underlying award. For the avoidance of doubt, any such dividends or other distributions on Restricted Stock shall be deferred until, and paid contingent upon, the vesting of such Restricted Stock.

(h) Each grant or sale of Restricted Stock will be evidenced by an Evidence of Award. Each Evidence of Award will be subject to this Plan and will contain such terms and provisions, consistent with this Plan, as the Committee may approve. Unless otherwise directed by the Committee, (i) all certificates representing Restricted Stock will be held in custody by the

Company until all restrictions thereon will have lapsed, together with a stock power or powers executed by the Participant in whose name such certificates are registered, endorsed in blank and covering such shares or (ii) all Restricted Stock will be held at the Company's transfer agent in book entry form with appropriate restrictions relating to the transfer of such Restricted Stock.

7. **Restricted Stock Units.** The Committee may, from time to time and upon such terms and conditions as it may determine, authorize the granting or sale of Restricted Stock Units to Participants. Each such grant or sale may utilize any or all of the authorizations, and will be subject to all of the requirements, contained in the following provisions:

(a) Each such grant or sale will constitute the agreement by the Company to deliver Common Stock or cash, or a combination thereof, to the Participant in the future in consideration of the performance of services, but subject to the fulfillment of such conditions (which may include achievement regarding Performance Objectives) during the Restriction Period as the Committee may specify.

(b) Each such grant or sale may be made without additional consideration or in consideration of a payment by such Participant that is less than the Market Value per Share on the Date of Grant.

(c) Subject to Section 3(e),Restricted Stock Units may provide for continued vesting or the earlier lapse or other modification of the Restriction Period, and any other terms consistent with the terms of this Plan.

(d) During the Restriction Period, the Participant will have no right to transfer any rights under his or her award and will have no rights of ownership in the Common Stock deliverable upon payment of the Restricted Stock Units and will have no right to vote them, but the Committee may, at or after the Date of Grant, authorize the payment of dividend equivalents on such Restricted Stock Units on a deferred and contingent basis, either in cash or in additional shares of Common Stock; provided, however, that dividend equivalents or other distributions on Common Stock underlying Restricted Stock Units shall be deferred until and paid contingent upon the vesting of such Restricted Stock Units.

(e) Each grant or sale of Restricted Stock Units will specify the time and manner of payment of the Restricted Stock Units that have been earned. Each grant or sale will specify that the amount payable with respect thereto will be paid by the Company in Common Stock or cash, or a combination thereof.

(f) Each grant or sale of Restricted Stock Units will be evidenced by an Evidence of Award. Each Evidence of Award will be subject to this Plan and will contain such terms and provisions, consistent with this Plan, as the Committee may approve.

8. **Cash Incentive Awards, Performance Shares and Performance Units.** The Committee may, from time to time and upon such terms and conditions as it may determine, authorize the granting of Cash Incentive Awards, Performance Shares and Performance Units. Each such grant may utilize any or all of the authorizations, and will be subject to all of the requirements, contained in the following provisions:

(i) Each grant will specify the number or amount of Performance Shares or Performance Units, or cash amount payable with respect to a Cash Incentive Award, to which it pertains, which number or amount may be subject to adjustment to reflect changes in compensation or other factors.

(j) The Performance Period with respect to each grant of a Cash Incentive Award, Performance Shares or Performance Units will be such period of time as will be determined by the Committee, which, subject to Section 3(e), may be subject to continued vesting or earlier lapse or other modification, and such grants may provide for any other terms consistent with the terms of this Plan.

(k) Each grant of a Cash Incentive Award, Performance Shares or Performance Units will specify Performance Objectives regarding the earning of the award.

(l) Each grant will specify the time and manner of payment of a Cash Incentive Award, Performance Shares or Performance Units that have been earned.

(m) The Committee may, on the Date of Grant of Performance Shares or Performance Units, provide for the payment of dividend equivalents to the holder thereof either in cash or in additional shares of Common Stock, which dividend equivalents shall be subject to deferral and payment on a contingent basis based on the Participant’s earning and vesting of the Performance Shares or Performance Units, as applicable, with respect to which such dividend equivalents are paid.

(n) Each grant of a Cash Incentive Award, Performance Shares or Performance Units will be evidenced by an Evidence of Award. Each Evidence of Award will be subject to this Plan and will contain such terms and provisions, consistent with this Plan, as the Committee may approve.

9. **Other Awards.**

(a) Subject to applicable law and the applicable limits set forth in **Section 3** of this Plan, the Committee may authorize the grant to any Participant of Common Stock or such other awards that may be denominated or payable in, valued in whole or in part by reference to, or otherwise based on, or related to, shares of Common Stock or factors that may influence the value of such shares, including, without limitation, convertible or exchangeable debt securities, other rights convertible or exchangeable into shares of Common Stock, purchase rights for shares of Common Stock, awards with value and payment contingent upon performance of the Company or specified Subsidiaries, Affiliates or other business units thereof or any other factors designated by the Committee, and awards valued by reference to the book value of the shares of Common Stock or the value of securities of, or the performance of specified Subsidiaries or Affiliates or other business units of the Company. The Committee will determine the terms and conditions of such awards. Common Stock delivered pursuant to an award in the nature of a purchase right granted under this **Section 9** will be purchased for such consideration, paid for at such time, by such methods, and in such forms, including, without limitation, Common Stock, other awards, cash, notes or other property, as the Committee determines.

(b) Cash awards, as an element of or supplement to any other award granted under this Plan, may also be granted pursuant to this **Section 9**.

(c) The Committee may authorize the grant of shares of Common Stock as a bonus, or may authorize the grant of other awards in lieu of obligations of the Company or a Subsidiary to pay cash or deliver other property under this Plan or under other plans or compensatory arrangements, subject to such terms as will be determined by the Committee in a manner that complies with Section 409A of the Code.

(d) The Committee may, at or after the Date of Grant, authorize the payment of dividends or dividend equivalents on awards granted under this **Section 9** on a deferred and contingent basis, either in cash or in additional shares of Common Stock; provided, however, that dividend equivalents or other distributions on Common Stock underlying awards granted under this **Section 9** shall be deferred until and paid contingent upon the earning and vesting of such awards.

(e) Each grant of an award under this **Section 9** will be evidenced by an Evidence of Award. Each such Evidence of Award will be subject to this Plan and will contain such terms and provisions, consistent with this Plan, as the Committee may approve, and will specify the time and terms of delivery of the applicable award.

(f) Subject to Section 3(e), awards under this **Section 9** may provide for the earning or vesting of, or earlier elimination of restrictions applicable to, such award, and any other terms consistent with the terms of this Plan.

10. **Administration of this Plan.**

(o) This Plan will be administered by the Committee; provided, that, at the discretion of the Board, the Plan may be administered by the Board, including with respect to the administration of any responsibilities and duties so delegated to the Committee. The Committee may from time to time delegate all or any part of its authority under this Plan to a subcommittee thereof. To the extent of any such delegation, references in this Plan to the Committee will be deemed to be references to such subcommittee.

(p) The interpretation and construction by the Committee of any provision of this Plan or of any Evidence of Award (or related documents) and any determination by the Committee pursuant to any provision of this Plan or of any such agreement, notification or document will be final and conclusive. No member of the Committee shall be liable for any such action or determination made in good faith. In addition, the Committee is authorized to take any action it determines in its sole discretion to be appropriate subject only to the express limitations contained in this Plan, and no authorization in any Plan section or other provision of this Plan is intended or may be deemed to constitute a limitation on the authority of the Committee.

(q) To the extent permitted by law, the Committee may delegate to one or more of its members, to one or more officers of the Company, or to one or more agents or advisors, such duties or powers as it may deem advisable, and the Committee, the subcommittee, or any person to whom duties or powers have been delegated as aforesaid, may employ one or more persons to render advice with respect to any responsibility the Committee, the subcommittee or such person may have under this Plan. The Committee may, by resolution, authorize one or more officers of the Company to do one or both of the following on the same basis as the Committee: (i) designate employees to be recipients of awards under this Plan and (ii) determine the size of any such awards; provided, however, that the Committee will not delegate such responsibilities to any such officer for awards granted to an employee who is an officer (for purposes of Section 16 of the Exchange Act) or a Director.

11. **Adjustments.** The Committee shall make or provide for such adjustments in the number of and kind of Common Stock covered by outstanding Option Rights, Appreciation Rights, Restricted Stock, Restricted Stock Units, Performance Shares and Performance Units granted hereunder and, if applicable, in the number of and kind of Common Stock covered by other awards granted pursuant to **Section 9** of this Plan, in the Option Price and Base Price provided in outstanding Option Rights and Appreciation Rights, respectively, in Cash Incentive Awards, and in other award terms, as the Committee, in its sole discretion, determines, in good faith, is equitably required to prevent dilution or enlargement of the rights of Participants that otherwise would result from (a) any extraordinary cash dividend, stock dividend, stock split, combination of shares, recapitalization or other change in the capital structure of the Company, (b) any merger, consolidation, spin-off, split-off, spin-out, split-up, reorganization, partial or

complete liquidation or other distribution of assets, issuance of rights or warrants to purchase securities, or (c) any other corporate transaction or event having an effect similar to any of the foregoing. Moreover, in the event of any such transaction or event or in the event of a Change in Control, the Committee may provide in substitution for any or all outstanding awards under this Plan such alternative consideration (including cash), if any, as it, in good faith, may determine to be equitable in the circumstances and shall require in connection therewith the surrender of all awards so replaced in a manner that complies with Section 409A of the Code. In addition, for each Option Right or Appreciation Right with an Option Price or Base Price, respectively, greater than the consideration offered in connection with any such transaction or event or Change in Control, the Committee may in its discretion elect to cancel such Option Right or Appreciation Right without any payment to the person holding such Option Right or Appreciation Right. The Committee shall also make or provide for such adjustments in the number of shares of Common Stock specified in **Section 3** of this Plan as the Committee in its sole discretion, determines, in good faith, is appropriate to reflect any transaction or event described in this **Section 11**.

12. **Change in Control**. For purposes of this Plan, except as may be otherwise prescribed by the Committee in an Evidence of Award made under this Plan or as otherwise provided in another plan or agreement applicable to the Participant, a "Change in Control" will be deemed to have occurred upon the occurrence (after the Effective Date) of any of the following events:

(g) the consummation of any merger, consolidation or business combination in which the shareholders of the 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;

(h) the sale of all or substantially all of the Company's and its Subsidiaries' assets in a single transaction or a series of related transactions;

(i) 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 shares of Common Stock of the Company by any "person" as such term is defined under Sections 13(d) and 14(d) of the Exchange Act (but excluding the Company, any Subsidiary, 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 Company in substantially the same proportions as their ownership of shares of Stock); or

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

13. **Detrimental Activity and Recapture Provisions**. Any Evidence of Award may reference a clawback policy of the Company or provide for the cancellation or forfeiture of an award or the forfeiture and repayment to the Company of any gain related to an award, or other provisions intended to have a similar effect, upon such terms and conditions as may be determined by the Committee from time to time, if a Participant, either (a) during employment or other service with the Company or a Subsidiary, or (b) within a specified period after termination of such employment or service, engages in any detrimental activity, as described in the applicable Evidence of Award or such clawback policy. In addition, notwithstanding anything in this Plan to the contrary, any Evidence of Award or such clawback policy may also provide for the cancellation or forfeiture of an award or the forfeiture and repayment to the Company of any

Common Stock issued under and/or any other benefit related to an award, or other provisions intended to have a similar effect, including upon such terms and conditions as may be required by the Committee or under Section 10D of the Exchange Act and any applicable rules or regulations promulgated by the Securities and Exchange Commission or any national securities exchange or national securities association on which the Common Stock may be traded.

14. **Non-U.S. Participants.** In order to facilitate the making of any grant or combination of grants under this Plan, the Committee may provide for such special terms for awards to Participants who are foreign nationals or who are employed by the Company or any Subsidiary outside of the United States of America or who provide services to the Company or any Subsidiary under an agreement with a foreign nation or agency, as the Committee may consider necessary or appropriate to accommodate differences in local law, tax policy or custom. Moreover, the Committee may approve such supplements to or amendments, restatements or alternative versions of this Plan (including sub-plans) as it may consider necessary or appropriate for such purposes, without thereby affecting the terms of this Plan as in effect for any other purpose, and the secretary or other appropriate officer of the Company may certify any such document as having been approved and adopted in the same manner as this Plan. No such special terms, supplements, amendments or restatements, however, will include any provisions that are inconsistent with the terms of this Plan as then in effect unless this Plan could have been amended to eliminate such inconsistency without further approval by the Shareholders.

15. **Transferability.**

(r) Except as otherwise determined by the Committee, and subject to compliance with **Section 17(b)** of this Plan and Section 409A of the Code, no Option Right, Appreciation Right, Restricted Stock, Restricted Stock Unit, Performance Share, Performance Unit, Cash Incentive Award, award contemplated by **Section 9** of this Plan or dividend equivalents paid with respect to awards made under this Plan will be transferable by the Participant except by will or the laws of descent and distribution. In no event will any such award granted under this Plan be transferred for value. Where transfer is permitted, references to “Participant” shall be construed, as the Committee deems appropriate, to include any permitted transferee to whom such award is transferred. Except as otherwise determined by the Committee, Option Rights and Appreciation Rights will be exercisable during the Participant’s lifetime only by him or her or, in the event of the Participant’s legal incapacity to do so, by his or her guardian or legal representative acting on behalf of the Participant in a fiduciary capacity under state law or court supervision.

(s) The Committee may specify on the Date of Grant that part or all of the shares of Common Stock that are (i) to be issued or transferred by the Company upon the exercise of Option Rights or Appreciation Rights, upon the termination of the Restriction Period applicable to Restricted Stock Units or upon payment under any grant of Performance Shares or Performance Units or (ii) no longer subject to the substantial risk of forfeiture and restrictions on transfer referred to in **Section 6** of this Plan, will be subject to further restrictions on transfer, including minimum holding periods.

16. **Withholding Taxes.** To the extent that the Company is required to withhold federal, state, local or foreign taxes or other amounts in connection with any payment made or benefit realized by a Participant or other person under this Plan, and the amounts available to the Company for such withholding are insufficient, it will be a condition to the receipt of such payment or the realization of such benefit that the Participant or such other person make arrangements satisfactory to the Company for payment of the balance of such taxes or other amounts required to be withheld, which arrangements (in the discretion of the Committee) may include relinquishment of a portion of such benefit. If a Participant’s benefit is to be received in the form of Common Stock, and such Participant fails to make arrangements for the payment of

taxes or other amounts, then, unless otherwise determined by the Committee, the Company will withhold shares of Common Stock having a value equal to the amount required to be withheld. Notwithstanding the foregoing, when the Participant is required to pay the Company an amount required to be withheld under applicable income, employment, tax or other laws, the Participant may elect, unless otherwise determined by the Committee, to satisfy the obligation, in whole or in part, by having withheld, from the shares of Common Stock required to be delivered to the Participant, shares of Common Stock having a value equal to the amount required to be withheld or by delivering to the Company other shares of Common Stock held by such Participant. The Committee may also provide for automatic and mandatory withholding of shares of Common Stock from an award by the Company in connection with the Participant's satisfaction of such obligations. The Common Stock used for tax or other withholding will be valued at an amount equal to the fair market value of such Common Stock on the date the benefit is to be included in Participant's income. In no event will the fair market value of the Common Stock to be withheld and delivered pursuant to this **Section 16** exceed the minimum amount required to be withheld, unless (i) an additional amount can be withheld and not result in adverse accounting consequences and (ii) such additional withholding amount is authorized by the Committee. Participants will also make such arrangements as the Company may require for the payment of any withholding tax or other obligation that may arise in connection with the disposition of Common Stock acquired upon the exercise of Option Rights.

17. **Compliance with Section 409A of the Code.**

(a) To the extent applicable, it is intended that this Plan and any grants made hereunder comply with the provisions of Section 409A of the Code, so that the income inclusion provisions of Section 409A(a)(1) of the Code do not apply to the Participants. This Plan and any grants made hereunder will be administered in a manner consistent with this intent. Any reference in this Plan to Section 409A of the Code will also include any regulations or any other formal guidance promulgated with respect to such section by the U.S. Department of the Treasury or the Internal Revenue Service.

(b) Neither a Participant nor any of a Participant's creditors or beneficiaries will have the right to subject any deferred compensation (within the meaning of Section 409A of the Code) payable under this Plan and grants hereunder to any anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, attachment or garnishment. Except as permitted under Section 409A of the Code, any deferred compensation (within the meaning of Section 409A of the Code) payable to a Participant or for a Participant's benefit under this Plan and grants hereunder may not be reduced by, or offset against, any amount owed by a Participant to the Company or any of its Subsidiaries.

(c) If, at the time of a Participant's separation from service (within the meaning of Section 409A of the Code), (i) the Participant will be a specified employee (within the meaning of Section 409A of the Code and using the identification methodology selected by the Company from time to time) and (ii) the Company makes a good faith determination that an amount payable hereunder constitutes deferred compensation (within the meaning of Section 409A of the Code) the payment of which is required to be delayed pursuant to the six-month delay rule set forth in Section 409A of the Code in order to avoid taxes or penalties under Section 409A of the Code, then the Company will not pay such amount on the otherwise scheduled payment date but will instead pay it, without interest, on the tenth business day of the seventh month after such separation from service.

(d) Solely with respect to any award that constitutes nonqualified deferred compensation subject to Section 409A of the Code and that is payable on account of a Change in Control (including any installments or stream of payments that are accelerated on account of a Change in Control), a Change in Control shall occur only if such event also constitutes a "change in the ownership," "change in effective control," and/or a "change in the ownership of a substantial portion of assets" of the Company as those terms are defined under Treasury Regulation §1.409A-3(i)(5), but only to the extent necessary to establish a time and form of payment that complies with Section 409A of the Code, without altering the definition of Change in Control for any purpose in respect of such award.

(e) Notwithstanding any provision of this Plan and grants hereunder to the contrary, in light of the uncertainty with respect to the proper application of Section 409A of the Code, the Company reserves the right to make amendments to this Plan and grants hereunder as the Company deems necessary or desirable to avoid the imposition of taxes or penalties under Section 409A of the Code. In any case, a Participant will be solely responsible and liable for the satisfaction of all taxes and penalties that may be imposed on a Participant or for a Participant's account in connection with this Plan and grants hereunder (including any taxes and penalties under Section 409A of the Code), and neither the Company nor any of its affiliates will have any obligation to indemnify or otherwise hold a Participant harmless from any or all of such taxes or penalties.

18. **Amendments.**

(t) The Board may at any time and from time to time amend this Plan in whole or in part; provided, however, that if an amendment to this Plan, for purposes of applicable stock exchange rules and except as permitted under **Section 11** of this Plan, (i) would materially increase the benefits accruing to Participants under this Plan, (ii) would materially increase the number of securities which may be issued under this Plan, (iii) would materially modify the requirements for participation in this Plan, or (iv) must otherwise be approved by the Shareholders in order to comply with applicable law or the rules of the Nasdaq Stock Market or, if the Common Stock is not traded on the Nasdaq Stock Market, the principal national securities exchange upon which the Common Stock is traded or quoted, all as determined by the Board, then, such amendment will be subject to approval by the Shareholders and will not be effective unless and until such approval has been obtained.

(u) Except in connection with a corporate transaction or event described in **Section 11** of this Plan or in connection with a Change in Control, the terms of outstanding awards may not be amended to reduce the Option Price of outstanding Option Rights or the Base Price of outstanding Appreciation Rights, or cancel outstanding "underwater" Option Rights or Appreciation Rights (including following a Participant's voluntary surrender of "underwater" Option Rights or Appreciation Rights) in exchange for cash, other awards or Option Rights or Appreciation Rights with an Option Price or Base Price, as applicable, that is less than the Option Price of the original Option Rights or Base Price of the original Appreciation Rights, as applicable, without approval by the Shareholders. This **Section 18(b)** is intended to prohibit the repricing of "underwater" Option Rights and Appreciation Rights and will not be construed to prohibit the adjustments provided for in **Section 11** of this Plan. Notwithstanding any provision of this Plan to the contrary, this **Section 18(b)** may not be amended without approval by the Shareholders.

(v) If permitted by Section 409A of the Code, but subject to the paragraph that follows, including in the case of termination of employment or service, or in the case of unforeseeable emergency or other circumstances or in the event of a Change in Control, to the extent a Participant holds an Option Right or Appreciation Right not immediately exercisable in full, or any Restricted Stock as to which the substantial risk of forfeiture or the prohibition or restriction on transfer has not lapsed, or any Restricted Stock Units as to which the Restriction Period has not been completed, or any Cash Incentive Awards, Performance Shares or Performance Units which have not been fully earned, or any dividend equivalents or other awards made pursuant to **Section 9** of this Plan subject to any vesting schedule or transfer restriction, or who holds Common Stock subject to any transfer restriction imposed pursuant to **Section 15(b)** of this Plan, the Committee may, in its sole discretion, provide for continued vesting or accelerate the time at which such Option Right, Appreciation Right or other award may vest or be exercised or the time at which such substantial risk of forfeiture or prohibition or restriction on transfer will lapse or the time when such Restriction Period will end or the time at which such Cash Incentive Awards, Performance Shares or Performance Units will be deemed to have been earned or the time when such transfer restriction will terminate or may waive any other limitation or requirement under any such award.

(w) Subject to **Section 18(b)** of this Plan, the Committee may amend the terms of any award theretofore granted under this Plan prospectively or retroactively. Except for adjustments made pursuant to **Section 11** of this Plan, no such amendment will materially impair the rights of any Participant without his or her consent. The Board may, in its discretion, terminate this Plan at any time. Termination of this Plan will not affect the rights of Participants or their successors under any awards outstanding hereunder and not exercised in full on the date of termination.

19. **Governing Law.** This Plan and all grants and awards and actions taken hereunder will be governed by and construed in accordance with the internal substantive laws of the Commonwealth of Pennsylvania.

20. **Effective Date/Termination.** This Plan will be effective as of the Effective Date. No grants will be made after the Effective Date under the Predecessor Plan provided that outstanding awards granted under the Predecessor Plan will continue unaffected following the Effective Date. No grant will be made under this Plan on or after the tenth anniversary of the Effective Date, but all grants made prior to such date will continue in effect thereafter subject to the terms thereof and of this Plan. For clarification purposes, the terms and conditions of this Plan shall not apply to or otherwise impact previously granted and outstanding awards under the Predecessor Plan, as applicable.

21. **Miscellaneous Provisions.**

(k) The Company will not be required to issue any fractional shares of Common Stock pursuant to this Plan. The Committee may provide for the elimination of fractions or for the settlement of fractions in cash.

(l) This Plan will not confer upon any Participant any right with respect to continuance of employment or other service with the Company or any Subsidiary, nor will it interfere in any way with any right the Company or any Subsidiary would otherwise have to terminate such Participant’s employment or other service at any time.

(m) Except with respect to **Section 21(e)** of this Plan, to the extent that any provision of this Plan would prevent any Option Right that was intended to qualify as an Incentive Stock Option from qualifying as such, that provision will be null and void with respect to such Option Right. Such provision, however, will remain in effect for other Option Rights and there will be no further effect on any provision of this Plan.

(n) No award under this Plan may be exercised by the holder thereof if such exercise, and the receipt of cash or shares thereunder, would be, in the opinion of counsel selected by the Company, contrary to law or the regulations of any duly constituted authority having jurisdiction over this Plan.

(o) Absence on leave approved by a duly constituted officer of the Company or any of its Subsidiaries will not be considered interruption or termination of service of any employee for any purposes of this Plan or awards granted hereunder.

(p) No Participant will have any rights as a Shareholder with respect to any Common Stock subject to awards granted to him or her under this Plan prior to the date as of which he or she is actually recorded as the holder of such Common Stock upon the share records of the Company.

(q) The Committee may condition the grant of any award or combination of awards authorized under this Plan on the surrender or deferral by the Participant of his or her right to receive a cash bonus or other compensation otherwise payable by the Company or a Subsidiary to the Participant.

(r) Except with respect to Option Rights and Appreciation Rights, the Committee may permit Participants to elect to defer the issuance of Common Stock under this Plan pursuant to such rules, procedures or programs as it may establish for purposes of this Plan and which are intended to comply with the requirements of Section 409A of the Code. The Committee also may provide that deferred issuances and settlements include the crediting of dividend equivalents or interest on the deferral amounts.

(s) If any provision of this Plan is or becomes invalid or unenforceable in any jurisdiction, or would disqualify this Plan or any award under any law deemed applicable by the Committee, such provision will be construed or deemed amended or limited in scope to conform to applicable laws or, in the discretion of the Committee, it will be stricken and the remainder of this Plan will remain in full force and effect. Notwithstanding anything in this Plan or an Evidence of Award to the contrary, nothing in this Plan or in an Evidence of Award prevents a Participant from providing, without prior notice to the Company, information to governmental authorities regarding possible legal violations or otherwise testifying or participating in any investigation or proceeding by any governmental authorities regarding possible legal violations, and for purpose of clarity a Participant is not prohibited from providing information voluntarily to the Securities and Exchange Commission pursuant to Section 21F of the Exchange Act.

22. **Share-Based Awards in Substitution for Awards Granted by Another Company.** Notwithstanding anything in this Plan to the contrary:

(x) Awards may be granted under this Plan in substitution for or in conversion of, or in connection with an assumption of, stock options, stock appreciation rights, restricted stock, restricted stock units or other share or share-based awards held by awardees of an entity engaging in a corporate acquisition or merger transaction with the Company or any Subsidiary. Any conversion, substitution or assumption will be effective as of the close of the merger or acquisition, and, to the extent applicable, will be conducted in a manner that complies with Section 409A of the Code. The awards so granted may reflect the original terms of the awards being assumed or substituted or converted for and need not comply with other specific terms of this Plan, and may account for Common Stock substituted for the securities covered by the original awards and the number of shares subject to the original awards, as well as any exercise or purchase prices applicable to the original awards, adjusted to account for differences in stock prices in connection with the transaction.

(y) Any Common Stock that is issued or transferred by, or that is subject to any awards that are granted by, or become obligations of, the Company under **Section 22(a)** of this Plan will not reduce the shares of Common Stock available for issuance or transfer under this Plan or otherwise count against the limits contained in **Section 3** of this Plan. In addition, no shares of Common Stock subject to an award that is granted by, or becomes an obligation of, the

Company under **Section 22(a)** of this Plan, will be added to the aggregate limit contained in **Section 3(a)(i)** of this Plan pursuant to the share recycling provisions set forth in **Section 3(b)** of this Plan.

L. B. Foster Company
STRATEGY TRANSFORMATION PLAN AWARD
(2022-2025)

[DATE]

[NAME AND ADDRESS]

Dear [NAME]:

Pursuant to the terms and conditions of the L. B. Foster Company Strategy Transformation Plan (the “Program”), under the terms of the L.B. Foster Company 2022 Equity and Incentive Compensation Plan , 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: ____________________________________
Title: ____________________________________

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 3, 4, and 5 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 2022 Equity and Incentive Compensation Plan (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 3 or 4 of the Program or (B) the Company is required to prepare an accounting restatement to the extent set forth in Section 15(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: _______________________________
Name

Exhibit A
L. B. FOSTER COMPANY
Strategy Transformation Plan (STP)
January 1, 2022 to December 31, 2025

The following sets forth the terms and conditions of the L.B. Foster **Strategy Transformation Plan** (the "Program")**,** as approved by the Compensation Committee of the Board of Directors at the meeting on February 17, 2022, with such awards to be made effective on June 2, 2022.

I. TERMS AND CONDITIONS

a. All terms, unless defined herein, shall have the meanings ascribed to such terms in the L.B. Foster Equity and Incentive Compensation Plan, approved by the Board of Directors on February 17, 2022 and by the Shareholders of L.B. Foster Company on June 2, 2022.

b. The Performance Period for this Program is a four-year period, beginning January 1, 2022 and ending on December 31, 2025.

c. All employees named in Schedule 1.0 of this Program (the "Participants") shall be eligible for a Performance Share Unit award as set forth on Exhibit A on file with the Compensation Committee. 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. 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. 50% of the Performance Shares shall be earned based on the achievement of EBITDA Margin (EBITDA %), and 50% of the Performance Shares shall be earned based on the Company's Stock Price.

b. EBITDA Margin achievement during the Performance Period shall be assessed during the fourth and final year of the Performance Period. Stock Price achievement shall be based on any consecutive twenty (20) day average closing stock price for Company common stock on the Nasdaq Stock Exchange during the fourth and final year of the Performance Period.

c. The tables below describe the cut-ins and the maximum payouts. The maximum payout is the target, i.e., there is no payout beyond the target described in Exhibit A. For values falling between levels of performance, straight-line interpolation shall be used to determine achievement.

EBITDA Margin		
	Achievement	Payout
Target	10%	100%
Cut In	9%	25%

Stock Price		
	Achievement	Payout
Target	$40	100%
Cut In	$30	25%

d. For purposes of calculating the EBITDA Margin, any and all results from the Coatings business during the Performance Period shall be excluded.

e. The Performance period for this program will end on December 31, 2025. If the minimum level of achievement outlined in Section IIb 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.

All awards made under the STP for the period January 1, 2022 to December 31, 2025 shall be contingent upon approval of the L.B. Foster Equity and Incentive Compensation Plan by the Shareholders of L.B. Foster Company on June 2, 2022. Awards are on file with the Compensation Committee in Exhibit 1.0.

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

Schedule 1.0

Participant	**Title**
John F. Kasel	President and Chief Executive Officer
Brian H. Friedman	VP, Steel Products and Measurement
Patrick J. Guinee	SVP and General Counsel
Peter D. Jones	VP, UK Services and Solutions
Brian H. Kelly	SVP, HR & Administration
Gregory W. Lippard	SVP, Rail
Robert A. Ness	VP, Precast Products
Sean M. Riley	Controller and Chief Accounting Officer
William M. Thalman	SVP and Chief Financial Officer
William F. Treacy	SVP, Infrastructure Solutions
Non-Exec Participants	
Jason K. Bowlin	VP, Global Friction Management
Timothy J. Curran	VP, Treasury and Tax
Jamie F. O’Neill	VP, Human Resources
Brendan T. Verni	VP, Information Technology

APPENDIX A
TERMS AND CONDITIONS APPLICABLE TO
L.B. FOSTER COMPANY STRATEGY TRANSFORMATION PLAN

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

2. **<u>Tax Consequences/Withholding</u>**.

(a) 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 "<u>property</u>" 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-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.

(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**

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.

a. 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 herein, 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.

RESTRICTED STOCK AGREEMENT
(NON-EMPLOYEE DIRECTOR)

(Section 6 Of The 2022 Equity and Incentive Compensation Plan)

This Restricted Stock Agreement set forth below (this "***Agreement***") is dated as of **June 2, 2022** (the "***Issue Date***") and is between L. B. Foster Company, a Pennsylvania corporation ("***Company***"), and **[NAME]** (the "***Shareholder***").

The Company has established its 2022 Equity and Incentive Compensation Plan (the "***Plan***"), to advance the interests of the Company and its Shareholders 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 **Shareholder [# OF RESTRICTED SHARES]** shares of Company common stock, par value $0.01 per share (the "***Common Stock***"), pursuant to Section 6 of the Plan. For purposes of this Agreement, the "***Shares***" shall include all of the shares of Common Stock issued to Shareholder 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 Shareholder ceases to be a Director for any reason other than as set forth in this Agreement, 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. Shareholder 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 100% at the end of the approximate one-year period beginning on the Issue Date and ending on the date of the next regular annual meeting of the Company's shareholders, provided that this approximate one-year period may not be less than 50 weeks per Section 3(e) of the Plan (the "***Vesting Date***"), subject to Shareholder's continued service as a Director of the Company until such Vesting Date. However, any unvested Shares shall immediately vest in full upon the occurrence of the following events if such event(s) occur(s) prior to the Vesting Date: (i) Shareholder experiences a Separation from Service as a Director due to Shareholder's death or Disability; or (ii) Retirement of Shareholder.

(c) Subject to the foregoing provisions of this Section 2 and the provisions of the Plan, Shareholder 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 Shareholder 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 Shareholder shall be payable in cash, as the Shares vest with payment to be made by the Company, or its agent, within ten (10) business days after vesting.

(d) 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. Shareholder 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. Shareholder also agrees that the Shares which Shareholder 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 Shareholder with the Company's transfer agent for its Common Stock.

Section 5. Income Taxes.

(a) Shareholder acknowledges that, if Shareholder is a Pennsylvania resident, Shareholder is responsible for any and all applicable income and other taxes, as well as any social insurance contributions and other deductions or withholdings required by applicable law, from this Award, including federal, FICA, state, and local taxes applicable to Shareholder (such taxes, the "***Tax-Related Items***"). Shareholder further acknowledges that the Company (a) makes no representations or undertakings regarding the Tax-Related Items in connection with any aspect of the Award, including, but not limited to, the grant, vesting, or delivery of Shares under the Award, the subsequent sale of Shares acquired pursuant to the Award, and the receipt of any dividends, and (b) does not commit to and is under no obligation to structure the terms of the grant or any aspect of the Award to reduce or eliminate Shareholder's liability for Tax-Related Items.

(b) If Shareholder is not a Pennsylvania resident, Shareholder acknowledges that any issuance of Shares to Shareholder pursuant to this Award shall be subject to any applicable tax withholding requirements. The Company shall automatically, not later than the date as of which the transfer of Shares pursuant to this Award becomes a taxable event for federal income tax or other applicable withholding tax purposes, cause the required minimum federal, state, local, non-U.S., or other taxes required by law to be withheld on account of such taxable event to be satisfied by withholding from Shares to be issued to Shareholder a number of Shares with an aggregate Fair Market Value that would satisfy such minimum withholding obligation.

(c) Shareholder agrees further to notify the Company promptly if Shareholder 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 Continued Service. Neither the Plan nor this Agreement shall be deemed to give Shareholder any right to continued service as a Director of the Company, nor shall the Plan or the Agreement be deemed to limit in any way the Company's right to terminate the Shareholder's service as a Director at any time.

Section 7. Further Assistance. Shareholder will provide assistance reasonably requested by the Company in connection with actions taken by Shareholder while serving as a Director of 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 Shareholder served as a Director of 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 Shareholder 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 Shareholder 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. Shareholder, 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. Shareholder 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 that Shareholder's service as a Director of the Company terminates). 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 Shareholder 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, Pittsburgh, PA 15220, Attn: Secretary; and if to the Shareholder, 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 Shareholder'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 Shareholder 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 Shareholder 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, Shareholder recognizes and acknowledges that Section 409A of the Code may impose upon the Shareholder certain taxes or interest charges for which the Shareholder is and shall remain solely responsible.

(d) Shareholder acknowledges that, by receipt of this Award, Shareholder has read this Section 15 and consents to the electronic delivery of the Plan and related documents, as described in this Section 15. Shareholder acknowledges that Shareholder may receive from the Company a paper copy of any documents delivered electronically at no cost if Shareholder 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. Shareholder further acknowledges that Shareholder will be provided with a paper copy of any documents delivered electronically if electronic delivery fails.

Section 16. Deferral Election. To the extent that a Shareholder has made a valid deferral election pursuant to the terms of the Deferred Compensation Plan for Non-Employee

Directors (the “Deferred Compensation Plan”) and the Plan, the effect of such election shall be that in lieu of the Award described herein the Shareholder shall receive a Restricted Stock Unit Award as defined and subject to the provision of Section 7 of the Plan, which upon vesting shall be treated as Deferred Stock Units as defined and subject to the provisions of the Deferred Compensation Plan. Notwithstanding anything to the contrary, the terms of the Award shall be modified to the extent necessary, and the Award shall be interpreted consistent with this Section 16.

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

L. B. FOSTER COMPANY

By:__
Name:
Title:

ACCEPTED AND AGREED TO:

__, Shareholder
Name

Exhibit 31.1

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

I, John F. Kasel, 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: **August 9, 2022**

/s/ John F. Kasel
Name: John F. Kasel
Title: President and Chief Executive Officer

Exhibit 31.2

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: **August 9, 2022**

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

Exhibit 32.0

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 June 30, 2022, 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: **August 9, 2022**	**/s/ John F. Kasel** Name: John F. Kasel Title: President and Chief Executive Officer
Date: **August 9, 2022**	**/s/ William M. Thalman** Name: William M. Thalman Title: Senior Vice President and Chief Financial Officer