

CHARTER
COMPENSATION COMMITTEE

PURPOSE

The primary function of the Compensation Committee (the “Committee”) of the Board of Directors (the “Board”) of L.B. Foster Company (the “Company”) is to approve and oversee and, recommend, as deemed appropriate or advisable, to the Board for approval, the Company’s compensation policies and objectives for officers¹ as described below.

I. COMPENSATION

The Committee shall have the following authority and responsibilities with respect to compensation:

- a. Reviewing for reasonableness, and determining and approving the compensation of all the executive officers of the Company, including, without limitation, salary adjustments, bonus and equity incentive compensation and all other material matters relating to the compensation and employment conditions of executive officers and, with regard to the compensation and employment conditions of the Chief Executive Officer (“CEO”), submitting and presenting such matters in detail for ratification by the Board. The Committee shall also approve all material components of executive officers’ compensation and terms of employment prior to the extension of any offer. The CEO will not be present during voting or deliberations on his or her compensation.
- b. In evaluating compensation, the Committee shall consider the results of the most recent shareholder advisory vote on executive compensation required by Section 14A of the Exchange Act. The Committee shall establish the goals for, and evaluate the performance of, the CEO and other officers of the Company;
- c. At periodic intervals (but at least annually), comparing the competitive position of the Company’s salaries, bonuses, equity incentive compensation and employee benefits for officers with similar companies’ compensation programs and determining what, if any, changes may be appropriate;
- d. Awarding options and/or other stock-based awards to employees of the Company under the Company’s incentive compensation plans and equity-based plans;

¹ The term “officer” or “executive officer” means those officers who are or, upon commencing employment with the Corporation, will be designated “officers” of the Corporation within the meaning of Rule 16a-1(f) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), by the Committee and/or the Board.

- e. Reviewing and making recommendations to the Board with respect to the Company's policies and practices related to the timing of incentive compensation and stock-based awards.
- f. Administering annual and long-term incentive plans, in which the Company's executive officers participate, to the extent contemplated in the applicable plan;
- g. Overseeing management's responses to any shareholder proposal relating to executive compensation;
- h. Reviewing and discussing with management the Company's Compensation Discussion and Analysis ("CD&A") and the related executive compensation information, recommending that the CD&A and related executive compensation information be included in the Company's Annual Proxy Statement or other applicable filings; and, preparing the Compensation Committee Report that is required to be included in the Company's Annual Proxy Statement or other applicable filings;
- i. Reviewing the Company's incentive compensation arrangements to determine whether they encourage excessive risk-taking, reviewing and discussing at least annually the relationship between risk management policies and practices and compensation, and evaluating compensation policies and practices that could mitigate any such risk;
- j. Monitoring the officers' compliance with the Stock Ownership Policy of the Company;
- k. Reviewing, through direct work of the Committee or through participation in or cooperation with any *ad hoc*, special, or select committee which may be established by the Board, matters relating to human capital resources, including any human capital measures or objectives that management focuses on to address the attraction, development, and retention of personnel, and provide guidance to the Board and management on these matters as the Committee deems appropriate;
- l. Review and determine the comparator group(s) and criteria used for benchmarking executive compensation levels; and

II. REVIEW, ADOPT, AND APPROVE AMENDMENTS TO ANY CLAWBACK POLICY ALLOWING THE COMPANY TO RECOUP CERTAIN COMPENSATION RECEIVED BY THE COMPANY'S OFFICERS AND OTHER EMPLOYEES. COMMITTEE POWERS

This Committee shall have the following powers:

- a. To select, retain and obtain, in its sole discretion, the advice of any compensation consultant, independent legal counsel and/or other compensation advisers (collectively, "Advisers") to assist the Committee in its

responsibilities hereunder. The Committee shall be directly responsible for the appointment, compensation and oversight of the work of any such Advisers retained by the Committee. The Company shall provide for appropriate funding, as determined by the Committee, for payment of reasonable compensation to any Advisers retained by the Committee.

Except as otherwise provided by applicable law or rule, the Committee may select, or receive advice from, any Adviser only after taking into consideration all factors relevant to that person's independence from management, including the factors set forth in applicable Nasdaq Stock Market ("Nasdaq") rules, such other criteria as determined by the Committee, or otherwise required by law or regulation.

The Committee shall have no obligation to implement or act consistently with the advice or recommendations of any Adviser retained by the Committee. The Committee shall exercise its own best judgment in fulfilling its duties described herein;

- b. To interview and meet with any employee of the Company without the presence of any officer of the Company;
- c. To delegate authority, duties and responsibilities (or functions) to one or more members of the Committee or the Board, and/or to the Company's officers, when appropriate, but no such delegation shall be permitted if the authority is required by law, regulation, or listing standard to be exercised by the Committee as a whole or is otherwise prohibited by law, regulation or listing standard; and
- d. Such other powers as may be necessary or appropriate to fulfill its purposes.

III. MEETINGS

This Committee shall meet at least three (3) times a year, or more frequently as circumstances dictate. A majority of the members of this Committee shall constitute a quorum for the transaction of business. The agenda of each Committee meeting shall be established by the Chairperson with the assistance of the Corporate Secretary, the Company's Human Resources Department or other persons selected by the Chairperson.

IV. MEMBERS

The members of the Committee shall be appointed by the Board based on recommendations from the Nomination and Governance Committee of the Board. The members of the Committee shall serve for such term or terms as the Board may determine or until earlier resignation or death. The Board may remove any member from the Committee at any time with or without cause.

The Committee will consist of at least two (2) directors, each of whom shall meet the independence and other requirements of Nasdaq, the Securities and Exchange Commission and any other applicable regulatory authority, as determined by the Board. The Board shall affirmatively determine that each independent director has no relationship with the Company that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. A director may not serve on the Committee unless the director is a “non-employee” director within the meaning of Rule 16b-3 under the Exchange Act.

V. ANNUAL REVIEW OF CHARTER

The Committee shall review and reassess the adequacy of this Charter on an annual basis.