UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-Q

(Mark One)

☒ **Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

for the quarterly period ended March 31, 2018

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	**25-1324733**
(State of Incorporation)	**(I. R. S. Employer Identification No.)**
415 Holiday Drive, Pittsburgh, Pennsylvania	**15220**
(Address of principal executive offices)	**(Zip Code)**

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

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate web site, if any, every Interactive Data File required to be submitted and posted 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 and post 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 definition of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	☐	Accelerated filer	☒
Non-accelerated filer	☐ (Do not check if a smaller reporting company)	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 checkmark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding as of April 30, 2018
Common Stock, Par Value $0.01	10,365,345 Shares

L.B. FOSTER COMPANY AND SUBSIDIARIES

INDEX

	Page
PART I. Financial Information	
Item 1. Financial Statements (unaudited):	
Condensed Consolidated Balance Sheets	3
Condensed Consolidated Statements of Operations	4
Condensed Consolidated Statements of Comprehensive Loss	5
Condensed Consolidated Statements of Cash Flows	6
Notes to Condensed Consolidated Financial Statements	7
Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations	24
Item 3. Quantitative and Qualitative Disclosures about Market Risk	32
Item 4. Controls and Procedures	32
PART II. Other Information	
Item 1. Legal Proceedings	33
Item 1A. Risk Factors	33
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds	33
Item 4. Mine Safety Disclosures	33
Item 6. Exhibits	34
Signature	35

Part I. FINANCIAL INFORMATION

Item 1. Financial Statements

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

	March 31, 2018	December 31, 2017
	(Unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 10,984	$ 37,678
Accounts receivable - net	76,828	76,582
Inventories - net	101,052	97,543
Prepaid income tax	246	188
Other current assets	12,418	9,120
Total current assets	201,528	221,111
Property, plant, and equipment - net	93,892	96,096
Other assets:		
Goodwill	20,129	19,785
Other intangibles - net	56,001	57,440
Investments	159	162
Other assets	1,711	1,962
Total assets	$ 373,420	$ 396,556
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 63,595	$ 52,404
Deferred revenue	10,221	10,136
Accrued payroll and employee benefits	6,282	11,888
Accrued warranty	8,706	8,682
Current maturities of long-term debt	652	656
Other accrued liabilities	10,197	9,764
Total current liabilities	99,653	93,530
Long-term debt	101,752	129,310
Deferred tax liabilities	8,554	9,744
Other long-term liabilities	17,661	17,493
Stockholders' equity:		
Common stock, par value $0.01, authorized 20,000,000 shares; shares issued at March 31, 2018 and December 31, 2017, 11,115,779; shares outstanding at March 31, 2018 and December 31, 2017, 10,365,345 and 10,340,576, respectively	111	111
Paid-in capital	45,307	45,017
Retained earnings	135,453	137,780
Treasury stock - at cost, common stock, shares at March 31, 2018 and December 31, 2017, 750,434 and 775,203, respectively	(18,180)	(18,662)
Accumulated other comprehensive loss	(16,891)	(17,767)
Total stockholders' equity	145,800	146,479
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 373,420	$ 396,556

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

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

	Three Months Ended March 31, 2018	Three Months Ended March 31, 2017
	(Unaudited)	
Sales of goods	$ 91,811	$ 97,629
Sales of services	30,643	21,073
Total net sales	122,454	118,702
Cost of goods sold	75,300	79,401
Cost of services sold	25,126	18,049
Total cost of sales	100,426	97,450
Gross profit	22,028	21,252
Selling and administrative expenses	20,458	19,227
Amortization expense	1,785	1,759
Interest expense	1,958	2,108
Interest income	(71)	(56)
Equity in loss of nonconsolidated investments	3	200
Other (income) expense	(608)	5
	23,525	23,243
Loss before income taxes	(1,497)	(1,991)
Income tax expense	525	431
Net loss	$ (2,022)	$ (2,422)
Basic loss per common share	$ (0.20)	$ (0.23)
Diluted loss per common share	$ (0.20)	$ (0.23)
Dividends paid per common share	$ —	$ —

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
(In thousands)

	Three Months Ended March 31,	
	2018	2017
	(Unaudited)	
Net loss	$ (2,022)	$ (2,422)
Other comprehensive income, net of tax:		
Foreign currency translation adjustment	24	888
Unrealized gain on cash flow hedges, net of tax expense of $0 and $0	738	1
Reclassification of pension liability adjustments to earnings, net of tax expense of $0 and $0*	114	109
Other comprehensive income	876	998
Comprehensive loss	$ (1,146)	$ (1,424)

* Reclassifications out of accumulated other comprehensive loss for pension obligations are charged to selling and administrative expense.

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
(In thousands)

	Three Months Ended March 31, 2018	Three Months Ended March 31, 2017
	(Unaudited)	
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (2,022)	$ (2,422)
Adjustments to reconcile net loss to cash provided (used) by operating activities:		
Deferred income taxes	(1,258)	(85)
Depreciation	2,944	3,282
Amortization	1,785	1,759
Equity in loss of nonconsolidated investments	3	200
Loss on sales and disposals of property, plant, and equipment	3	109
Stock-based compensation	1,082	167
Change in operating assets and liabilities		
Accounts receivable	10	(9,901)
Inventories	(2,882)	940
Other current assets	(2,775)	(1,669)
Prepaid income tax	(277)	2,750
Other noncurrent assets	230	236
Accounts payable	10,759	18,472
Deferred revenue	82	(751)
Accrued payroll and employee benefits	(5,615)	(1,505)
Other current liabilities	576	(805)
Other liabilities	(54)	(29)
Net cash provided by operating activities	2,591	10,748
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from the sale of property, plant, and equipment	9	138
Capital expenditures on property, plant, and equipment	(723)	(3,453)
Net cash used by investing activities	(714)	(3,315)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayments of debt	(60,639)	(28,431)
Proceeds from debt	33,076	24,131
Treasury stock acquisitions	(310)	(97)
Net cash used by financing activities	(27,873)	(4,397)
Effect of exchange rate changes on cash and cash equivalents	(698)	369
Net (decrease) increase in cash and cash equivalents	(26,694)	3,405
Cash and cash equivalents at beginning of period	37,678	30,363
Cash and cash equivalents at end of period	$ 10,984	$ 33,768
Supplemental disclosure of cash flow information:		
Interest paid	$ 964	$ 1,840
Income taxes paid (received)	$ 994	$ (2,105)
Capital expenditures funded through financing agreements	$ —	$ —

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)

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 for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by U.S. generally accepted accounting principles for complete financial statements. In the opinion of management, all estimates and adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. However, actual results could differ from those estimates. The results of operations for interim periods are not necessarily indicative of the results that may be expected for the year ending December 31, 2018. The year-end Condensed Consolidated Balance Sheet as of December 31, 2017 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 the Company's Annual Report on Form 10-K for the year ended December 31, 2017. 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.

Assets Held for Sale

The Company classifies assets as held for sale when management approves and commits to a formal plan of sale with the expectation the sale will be completed within one year. The net assets of the business held for sale are then recorded at the lower of their current carrying value or the fair market value, less costs to sell. See Note 8. Investments of the Notes to Condensed Consolidated Financial Statements contained in this Quarterly Report on Form 10-Q for additional information.

Recently Issued Accounting Standards

In February 2016, the FASB issued ASU 2016-02, "Leases (Topic 842)" ("ASU 2016-02"). The new accounting requirements include the accounting for, presentation of, and classification of leases. The guidance will result in most leases being capitalized as a right-of-use asset with a related liability on our balance sheets. The requirements of the new standard are effective for annual reporting periods beginning after December 15, 2018, and interim periods within those annual periods. The Company is in the process of analyzing the impact of ASU 2016-02 on our financial position. The Company has a significant number of operating leases, and, as a result, expects this guidance to have a material impact on its Condensed Consolidated Balance Sheet. The change will not affect the covenants of the Second Amendment to the Amended and Restated Credit Agreement dated March 13, 2015. The Company has began gathering the necessary data elements for the lease population and is in the initial phase of reviewing potential software service providers. The Company does not anticipate early adoption as it relates to ASU 2016-02.

In March 2017, the FASB issued ASU 2017-07, "Compensation – Retirement Benefits (Topic 715)" ("ASU 2017-07"), which will improve the presentation of net periodic pension cost and net periodic postretirement benefit cost. The guidance requires that the entity report the service cost component in the same line item or items as other compensation costs arising from services rendered by the pertinent employees during the period, and report the other components of net periodic pension cost and net periodic postretirement benefit cost in the income statement separately from the service cost component and outside a subtotal of income from operations. Of the components of net periodic benefit cost, only the service cost component will be eligible for asset capitalization. The new standard will be effective for annual periods beginning after December 15, 2018, including interim periods within those annual periods. The Company is evaluating its implementation approach and assessing the impact of ASU 2017-07 on the presentation of operations.

In February 2018, the FASB issued ASU 2018-02, "Income Statement – Reporting Comprehensive Income" ("ASU 2018-02"), that will permit companies the option to reclassify stranded tax effects caused by the newly-enacted US Tax Cuts and Jobs Act (the "Tax Act") from accumulated other comprehensive income to retained earnings. Consequently, the amendments eliminate the stranded tax effects resulting from the Tax Act and will improve the usefulness of information reported to financial statement users. However, because the amendments only relate to the reclassification of the income tax effects of the Tax Act, the underlying guidance that requires that the effect of a change in tax laws or rates be included in income from continuing operations is not affected. Adoption of the ASU will be optional and companies will need to disclose if it elects not to adopt the ASU. The ASU will be effective for fiscal years beginning after December 15, 2018, and interim periods within those fiscal years. Early adoption will be permitted, including adoption in any interim period, for financial statements that have not yet been issued or made available for issuance. Entities will have the option to apply the amendments retrospectively or to record the reclassification as of the beginning of the period of adoption. The Company is evaluating the impact of ASU 2018-02 on its financial position and whether or not it will choose to adopt the ASU.

Recently Adopted Accounting Standards

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2014-09, "Revenue from Contracts with Customers (Topic 606)" ("ASU 2014-09"), which supersedes the revenue recognition requirements in Accounting Standards Codification 605, "Revenue Recognition" ("ASC 605"). ASU 2014-09 is based on the principle that revenue is recognized to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. It also requires additional disclosure about the nature, amount, timing, and uncertainty of revenue, cash flows arising from customer contracts, including significant judgments and changes in judgments, and assets recognized from costs incurred to obtain or fulfill a contract. ASU 2014-09 is effective for fiscal years beginning after December 15, 2017, including interim periods within that reporting period. The Company adopted the provisions of ASU 2014-09 on January 1, 2018, using the modified retrospective approach. Revenue from the Company's product and service sales continue to be recognized when products are shipped or services are rendered. Revenue from the Company's product and service sales provided under long-term agreements is recognized as the Company transfers control of the product or service to its customers, which approximates the previously used percentage-of-completion method of accounting. The adoption of ASU 2014-09 had no material effect on the Company's financial position, results of operations, cash flows, or backlog, and no adjustment to January 1, 2018 opening retained earnings was needed; the Company has presented the disclosures required by this new standard in Note 3. Revenue of the Notes to Condensed Consolidated Financial Statements contained in this Quarterly Report on Form 10-Q.

In October 2016, the FASB issued ASU 2016-16, "Income Taxes – Intra-Entity Transfers of Assets Other Than Inventory (Topic 740)," ("ASU 2016-16") which requires an entity to recognize the income tax consequences of an intra-entity transfer of an asset, other than inventory, when the transfer occurs. The ASU was effective on January 1, 2018 and has been adopted by the Company on that date, using the modified retrospective approach. Under this approach, the Company recorded a reduction to its January 1, 2018 opening retained earnings of $305 as a result of prior intra-entity transactions.

In March 2018, the FASB issued ASU 2018-05, "Income Taxes (Topic 740): Amendments to SEC Paragraphs Pursuant to SEC Staff Accounting Bulletin No. 118," which allowed SEC registrants to record provisional amounts in earnings for the year ended December 31, 2017 due to the complexities involved in accounting for the enactment of the Tax Act enacted on December 22, 2017. The Company recognized the estimated income tax effects of the Act in its 2017 Consolidated Financial Statements in accordance with SEC Staff Accounting Bulletin No. 118 ("SAB No. 118"). Refer to Note 15. Income Taxes of the Notes to Condensed Consolidated Financial Statements contained in this Quarterly Report on Form 10-Q for further information regarding the provisional amounts recorded by the Company as of December 31, 2017.

Reclassifications and Disclosures

Certain amounts in previously issued financial statements have been reclassified to conform to the current period presentation. These reclassifications represent the change in allocated corporate expenses as disclosed in Note 2. Business Segments and the adoption of ASC 606 disclosed in Note 3. Revenue, Note 5. Accounts Receivable, and Note 6. Inventories of the Notes to Condensed Consolidated Financial Statements contained in this Quarterly Report on Form 10-Q.

2. BUSINESS SEGMENTS

The Company is a leading manufacturer and distributor of products and services for transportation and energy infrastructure with locations in North America and Europe. The Company is organized and evaluated by product group, which is the basis for identifying reportable segments. Each segment represents a revenue-producing component of the Company for which separate financial information is produced internally that is subject to evaluation by the Company's chief operating decision maker ("CODM") in deciding how to allocate resources. Each segment is evaluated based upon its segment profit (loss) contribution to the Company's consolidated results.

The following table illustrates revenues and profits (losses) from operations of the Company by segment for the periods indicated:

	Three Months Ended March 31, 2018		Three Months Ended March 31, 2017	
	Net Sales	Segment Profit	Net Sales	Segment Profit (Loss)
Rail Products and Services	$ 62,170	$ 2,048	$ 56,480	$ 823
Construction Products	28,900	18	37,322	1,666
Tubular and Energy Services	31,384	1,885	24,900	(680)
Total	$ 122,454	$ 3,951	$ 118,702	$ 1,809

Segment profit (loss) from operations, as shown above, includes allocated corporate operating expenses. The allocation of corporate operating expenses differs from the calculation of segment profit (loss) from operations for prior periods, which reflected a cost of capital for the assets used in each segment at a rate of generally 1% per month. Since December 31, 2017, 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 prior year period has been updated to reflect the change in segment measurement by allocating corporate operating expenses.

Management believes the current allocation of corporate operating expenses provides a more accurate presentation of how the segments utilize corporate support activities as compared to the cost of capital method previously used. This provides the CODM more meaningful segment profitability reporting to support operating decisions and allocate resources.

The following table provides a reconciliation of reportable segment net profit from operations to the Company’s consolidated total:

	Three Months Ended March 31,	
	2018	2017
Profit for reportable segments	$ 3,951	$ 1,809
Interest expense	(1,958)	(2,108)
Interest income	71	56
Other income (expense)	608	(5)
LIFO (expense) income	(164)	11
Equity in loss of nonconsolidated investments	(3)	(200)
Unallocated corporate expense and other unallocated charges	(4,002)	(1,554)
Loss before income taxes	$ (1,497)	$ (1,991)

There has been no change in the measurement of segment assets since December 31, 2017. The following table illustrates assets of the Company by segment:

	March 31, 2018	December 31, 2017
Rail Products and Services	$ 171,081	$ 192,038
Construction Products	81,325	83,154
Tubular and Energy Services	97,755	100,706
Unallocated corporate assets	23,259	20,658
Total	$ 373,420	$ 396,556

3. REVENUE

On January 1, 2018, the Company adopted ASU 2014-09, Revenue from Contracts with Customers, and all the related amendments using the modified retrospective approach, which did not result in any changes to the previously reported financial information. The updates related to ASU 2014-09 were applied only to contracts that were not complete as of January 1, 2018.

The Company’s revenues are comprised of product and service sales as well as products and services provided under long-term agreements with its customers. All revenue is recognized when the Company satisfies its performance obligations under the contract, either implicit or explicit, by transferring the promised product or service to its customer either when or as its customer obtains control of the product or service. A performance obligation is a promise in a contract to transfer a distinct product or service to a customer. A contract’s transaction price is allocated to each distinct performance obligation. The majority of the Company’s contracts have a single performance obligation, as the promise to transfer products or services is not separately identifiable from other promises in the contract and, therefore, not distinct. For contracts with multiple performance obligations, the Company allocates the contract’s transaction price to each performance obligation using the Company’s best estimate of standalone selling price for each distinct product or service in the contract, which is generally based on an observable price.

Revenue is measured as the amount of consideration the Company expects to receive in exchange for transferring products or providing services. Revenue is recorded net of returns, allowances, customer discounts, and incentives. Sales, value added, and other taxes collected from customers and remitted to governmental authorities are accounted for on a net (excluded from revenues) basis. Shipping and handling costs are included in cost of goods sold.

The Company’s performance obligations under long-term agreements with its customers are generally satisfied as over time. Revenue from products or services transferred to customers over time accounted for 25.5% and 23.2% of revenue for the three months ended March 31, 2018 and 2017, respectively. Revenue under these long-term agreements are generally recognized over time either using an input measure based upon the proportion of actual costs incurred to estimated total project costs or an input measure based upon actual labor costs as a percentage of estimated total labor costs, depending upon which measure the Company believes best depicts the Company’s performance to date under the terms of the contract. Revenue recognized over time using an input measure was $24,561 and $21,610 for the three months ended March 31, 2018 and 2017, 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 $6,661 and $5,963 for the three months ended March 31, 2018 and 2017, respectively. At March 31, 2018 and December 31, 2017, the Company had contract assets of $24,862 and $25,320, respectively, that were recorded in inventory within the Condensed Consolidated Balance Sheets. At March 31, 2018 and December 31, 2017, the Company had contract liabilities of $564 and $1,420, respectively, that were recorded in deferred revenue within the Condensed Consolidated Balance Sheets.

Accounting for these long-term agreements involves the use of various techniques to estimate total revenues and costs. The Company estimates profit on these long-term agreements as the difference between total estimated revenues and expected costs to complete a contract and recognizes that profit over the life of the contract. Contract estimates are based on various assumptions to project the outcome of future events that may span several years. These assumptions include, among other things, labor productivity, cost and availability of materials, and timing of funding by customers. The nature of these long-term agreements may give rise to several types of variable consideration, such as claims, awards, and incentive fees. Historically, these amounts of variable consideration have not been considered significant. Contract estimates may include additional revenue for submitted contract modifications if there exists an enforceable right to the modification, the amount can be reasonably estimated, and its realization is probable. These estimates are based on historical collection experience, anticipated performance, and the Company’s best judgment at that time. These amounts are generally included in the contract’s transaction price and are allocated over the remaining performance obligations. Changes in judgments on these above estimates could impact the timing and amount of revenue recognized and, accordingly, the timing and amount of associated income. In the event a contract loss becomes known, the entire amount of the estimated loss is recognized in the Condensed Consolidated Statements of Operations.

The majority of the Company’s revenue is from products and services transferred to customers at a point in time and was approximately 74.5% and 76.8% of revenue for the three months ended March 31, 2018 and 2017, respectively. The Company recognizes revenue at the point in time in which the customer obtains control of the product or service, which is generally when 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 its physical location.

The following table summarizes the Company's net sales by major product category:

	Three Months Ended March 31,	
	2018	2017
Rail Products	$ 36,034	$ 34,365
Rail Technologies	26,136	22,115
Rail Products and Services	62,170	56,480
Piling and Fabricated Bridge	18,861	29,223
Precast Concrete Products	10,039	8,099
Construction Products	28,900	37,322
Test, Inspection, and Threading	14,213	10,882
Protective Coatings and Measurement Solutions	17,171	14,018
Tubular and Energy Services	31,384	24,900
Total net sales	$ 122,454	$ 118,702

Net sales by the timing of the transfer of goods and services is as follows:

Three Months Ended March 31, 2018	Rail Products and Services	Construction Products	Tubular and Energy Services	Total
Point in time	$ 45,871	$ 18,926	$ 26,435	$ 91,232
Over time	16,299	9,974	4,949	31,222
Total net sales	$ 62,170	$ 28,900	$ 31,384	$ 122,454

Three Months Ended March 31, 2017	Rail Products and Services	Construction Products	Tubular and Energy Services	Total
Point in time	$ 45,566	$ 24,624	$ 20,939	$ 91,129
Over time	10,914	12,698	3,961	27,573
Total net sales	$ 56,480	$ 37,322	$ 24,900	$ 118,702

The timing of revenue recognition, billings, and cash collections results in billed receivables, costs in excess of billings (contract assets, included in inventory), and billings in excess of costs (contract liabilities, included in deferred revenue) on the Condensed Consolidated Balance Sheets.

Significant changes in contract assets during the three months ended March 31, 2018 include transfers to receivables from contract assets recognized at the beginning of the period of $8,366. Significant changes in contract liabilities during the three months ended March 31, 2018 include $401 of revenue recognized that was included in the contract liability at the beginning of the period, and increases of $346 due to billings in excess of costs, excluding amounts recognized as revenue during the period.

On March 31, 2018, the Company has approximately $220,301 of remaining performance obligations, which is also referred to as backlog. Approximately 2.7% of the March 31, 2018 backlog is related to projects that are anticipated to extend beyond March 31, 2019.

4. GOODWILL AND OTHER INTANGIBLE ASSETS

The following table presents the goodwill balance by reportable segment:

	Rail Products and Services	Construction Products	Tubular and Energy Services	Total
Balance at December 31, 2017	$ 14,638	$ 5,147	$ —	$ 19,785
Foreign currency translation impact	344	—	—	344
Balance at March 31, 2018	$ 14,982	$ 5,147	$ —	$ 20,129

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. No goodwill impairment test was required in connection with these evaluations for the three months ended March 31, 2018. The Company continues to monitor the recoverability of the long-lived assets associated with certain reporting units of the Company and the long-term financial projections of the businesses. Sustained declines in the markets we serve may result in future long-lived asset impairment.

The following table represents the gross other intangible assets balance by reportable segment:

	March 31, 2018	December 31, 2017
Rail Products and Services	$ 58,156	$ 57,654
Construction Products	1,348	1,348
Tubular and Energy Services	29,179	29,179
	$ 88,683	$ 88,181

The components of the Company's intangible assets are as follows:

	March 31, 2018						
	Weighted Average Amortization Period In Years		Gross Carrying Value		Accumulated Amortization		Net Carrying Amount
Non-compete agreements	5	$	4,262	$	(3,339)	$	923
Patents	10		379		(164)		215
Customer relationships	17		38,040		(9,893)		28,147
Trademarks and trade names	14		10,114		(4,310)		5,804
Technology	14		35,888		(14,976)		20,912
		$	88,683	$	(32,682)	$	56,001

	December 31, 2017						
	Weighted Average Amortization Period In Years		Gross Carrying Value		Accumulated Amortization		Net Carrying Amount
Non-compete agreements	5	$	4,238	$	(3,100)	$	1,138
Patents	10		389		(164)		225
Customer relationships	17		37,679		(9,171)		28,508
Trademarks and trade names	14		10,085		(4,091)		5,994
Technology	14		35,790		(14,215)		21,575
		$	88,181	$	(30,741)	$	57,440

Intangible assets are amortized over their useful lives, which range from 4 to 25 years, with a total weighted average amortization period of approximately 15 years at March 31, 2018. Amortization expense for the three months ended March 31, 2018 and 2017 was $1,785 and $1,759, respectively.

Estimated amortization expense for the remainder of 2018 and thereafter is as follows:

		Amortization Expense
2018	$	5,290
2019		6,367
2020		6,039
2021		6,018
2022		5,959
2023 and thereafter		26,328
	$	56,001

5. ACCOUNTS RECEIVABLE

Credit is extended 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 at March 31, 2018 and December 31, 2017 have been reduced by an allowance for doubtful accounts of $2,026 and $2,151, respectively. Reserves for uncollectable accounts are recorded as part of selling and administrative expenses in the Condensed Consolidated Statements of Operations, and were income of $246 and expense of $475 for the three months ended March 31, 2018 and 2017, respectively.

6. INVENTORIES

Inventories at March 31, 2018 and December 31, 2017 are summarized in the following table:

	March 31, 2018	December 31, 2017
Finished goods	$ 54,983	$ 55,846
Contract assets	24,862	25,320
Work-in-process	7,721	4,059
Raw materials	18,837	17,505
Total inventories at current costs	106,403	102,730
Less: LIFO reserve	(5,351)	(5,187)
	$ 101,052	$ 97,543

Inventory is generally valued at the lower of last-in, first-out ("LIFO") cost or market. Other inventories of the Company are valued at average cost or net realizable value, whichever is lower. An actual valuation of inventory under the LIFO method is made at the end of each year based on the inventory levels and costs at that time. Interim LIFO calculations are based on management's estimates of expected year-end levels and costs. Prior to the adoption of ASU 2014-09, contract assets were classified within work-in-process inventory.

7. PROPERTY, PLANT, AND EQUIPMENT

Property, plant, and equipment at March 31, 2018 and December 31, 2017 consist of the following:

	March 31, 2018	December 31, 2017
Land	$ 14,881	$ 14,869
Improvements to land and leaseholds	17,482	17,415
Buildings	34,951	34,929
Machinery and equipment, including equipment under capitalized leases	120,636	120,806
Construction in progress	1,430	1,057
	189,380	189,076
Less accumulated depreciation and amortization, including accumulated amortization of capitalized leases	95,488	92,980
	$ 93,892	$ 96,096

We review our property, plant, and equipment for recoverability whenever events or changes in circumstances indicate that carrying amounts may not be recoverable. We recognize an impairment loss if the carrying amount of a long-lived asset is not recoverable and exceeds its fair value. There were no asset impairments of property, plant, and equipment during the three months ended March 31, 2018.

Depreciation expense for the three-month periods ended March 31, 2018 and 2017 was $2,944 and $3,282, respectively.

8. INVESTMENTS

The Company is a member of a joint venture, L B Pipe & Coupling Products, LLC ("L B Pipe JV"), in which it maintains a 45% ownership interest that is accounted for as held for sale. L B Pipe JV manufactures, markets, and sells various machined components and precision coupling products for the energy, water well, and construction markets and is scheduled to terminate on June 30, 2019.

During the quarter ended September 30, 2017, pursuant to the limited liability company agreement, the Company determined to sell its 45% ownership interest to the other 45% equity holder. The Company concluded that it had met the criteria under applicable guidance for a long-lived asset to be held for sale, and, accordingly, reclassified L B Pipe JV investment of $4,288 as a current asset held for sale within other current assets. The asset was subsequently remeasured to its fair market value of $3,875. The difference between the fair market value and the Company's carrying amount of $413 was recorded as an other-than-temporary impairment during 2017.

At March 31, 2018 and December 31, 2017, the Company had a nonconsolidated equity method investment of $159 and $162, respectively.

The Company recorded equity in the income of L B Pipe JV of $0 and loss of $198 for the three months ended March 31, 2018 and 2017, respectively.

During 2016, the Company and the other 45% member each executed a revolving line of credit with L B Pipe JV with an available limit of $1,350. The Company and the other 45% member each loaned $1,235 to L B Pipe JV in an effort to maintain compliance with L B Pipe JV's debt covenants with an unaffiliated bank. The Company is to receive its outstanding loan balance, including accrued interest, at the 45% equity holder sale date.

The Company's exposure to loss results from its capital contributions and loans, net of the Company's share of L B Pipe JV's income or loss, and its net investment in the direct financing lease covering the facility used by L B Pipe JV for its operations, which is described below.

The carrying amounts with the Company's maximum exposure to loss at March 31, 2018 and December 31, 2017, respectively, are as follows:

	March 31, 2018	December 31, 2017
L B Pipe JV investment	$ 3,875	$ 3,875
Revolving line of credit	1,235	1,235
Net investment in direct financing lease	681	735
	$ 5,791	$ 5,845

The Company is leasing five acres of land and two facilities to L B Pipe JV through June 30, 2019, with a 5.5 year renewal period. The current monthly lease payments approximate $17, with a balloon payment of approximately $488, which is required to be paid either at the termination of the lease, allocated over the renewal period, or during the initial term of the lease. This lease qualifies as a direct financing lease under the applicable guidance in ASC 840-30, "Leases."

The following is a schedule of the direct financing minimum lease payments for the remainder of 2018 and the year 2019:

	Minimum Lease Payments
2018	$ 114
2019	567
	$ 681

9. LONG-TERM DEBT

United States

Long-term debt consists of the following:

	March 31, 2018	December 31, 2017
Revolving credit facility	$ 101,073	$ 128,470
Capital leases and financing agreements	1,331	1,496
Total	102,404	129,966
Less current maturities	652	656
Long-term portion	$ 101,752	$ 129,310

On November 7, 2016, the Company, its domestic subsidiaries, and certain of its Canadian subsidiaries entered into the Second Amendment (the "Second Amendment") to the Second Amended and Restated Credit Agreement dated March 13, 2015 and as amended by the First Amendment dated June 29, 2016 (the "Amended and Restated Credit Agreement"), with PNC Bank, N.A., Bank of America, N.A., Wells Fargo Bank, N.A., Citizens Bank of Pennsylvania, and Branch Banking and Trust Company. This Second Amendment modified the Amended and Restated Credit Agreement, which had a maximum revolving credit line of $275,000. The Second Amendment reduced the permitted revolving credit borrowings to $195,000 and provided for additional term loan borrowing of $30,000 (the "Term Loan"). During 2017, the Company paid off the balance of the Term Loan. Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Second Amendment or Amended and Restated Credit Agreement, as applicable.

The Second Amendment further provided for modifications to the financial covenants as defined in the Amended and Restated Credit Agreement. The Second Amendment calls for the elimination of the Maximum Leverage Ratio covenant through the quarter ending June 30, 2018. After that period, the Maximum Gross Leverage Ratio covenant will be reinstated to require a maximum ratio of 4.25 Consolidated Indebtedness to 1.00 Gross Leverage for the quarter ending September 30, 2018, and 3.75 to 1.00 for all periods thereafter until the maturity date of the credit facility. The Second Amendment also includes a Minimum Last Twelve Months EBITDA covenant (“Minimum EBITDA”). For the quarter ended December 31, 2016 through the quarter ended June 30, 2017, the Minimum EBITDA had to be at least $18,500. For each quarter thereafter, through the quarter ending June 30, 2018, the Minimum EBITDA requirement will increase by various increments. The incremental Minimum EBITDA requirement for the period ended March 31, 2018 was at least $29,000. At June 30, 2018, the Minimum EBITDA requirement will be $31,000. After the quarter ending June 30, 2018, the Minimum EBITDA covenant will be eliminated through the maturity of the Amended and Restated Credit Agreement. The Second Amendment also includes a Minimum Fixed Charge Coverage Ratio covenant. The covenant represents the ratio of the Company’s fixed charges to the last twelve months of EBITDA, and is required to be a minimum of 1.00 to 1.00 through the quarter ended December 31, 2017 and 1.25 to 1.00 for each quarter thereafter through the maturity of the credit facility. The final financial covenant included in the Second Amendment is a Minimum Liquidity covenant which calls for a minimum of $25,000 in undrawn availability on the revolving credit loan at all times through the quarter ending June 30, 2018.

The Second Amendment includes several changes to certain non-financial covenants as defined in the Amended and Restated Credit Agreement. Through the maturity date of the loan, the Company is prohibited from making any future acquisitions. The limitation on permitted annual distributions of dividends or redemptions of the Company’s stock was decreased from $4,000 to $1,700. The aggregate limitation on loans to and investments in non-loan parties was decreased from $10,000 to $5,000. Furthermore, the limitation on asset sales has been decreased from $25,000 annually with a carryover of up to $15,000 from the prior year to $25,000 in the aggregate through the maturity date of the credit facility.

At March 31, 2018, L.B. Foster was in compliance with the Second Amendment’s covenants.

The Second Amendment provided for the elimination of the three lowest tiers of the pricing grid that had previously been defined in the First Amendment. Upon execution of the Second Amendment through the quarter ended March 31, 2018, the Company will be locked into the highest tier of the pricing grid, which provides for pricing of the prime rate plus 225 basis points on base rate loans and the applicable LIBOR rate plus 325 basis points on euro rate loans. For each quarter after March 31, 2018 and through the maturity date of the credit facility, the Company’s position on the pricing grid will be governed by a Minimum Net Leverage ratio, which is the ratio of Consolidated Indebtedness less cash on hand in excess of $15,000 to EBITDA. If, after March 31, 2018, the Minimum Net Leverage ratio positions the Company on the lowest tier of the pricing grid, pricing will be the prime rate plus 150 basis points on base rate loans or the applicable LIBOR rate plus 250 basis points on euro rate loans.

At March 31, 2018, L.B. Foster had outstanding letters of credit of approximately $425 and had net available borrowing capacity of $68,502. The maturity date of the facility is March 13, 2020.

United Kingdom

A subsidiary of the Company has a credit facility with NatWest Bank for its United Kingdom operations, which includes an overdraft availability of £1,500 pounds sterling (approximately $2,103 at March 31, 2018). This credit facility supports the subsidiary’s working capital requirements and is collateralized by substantially all of the assets of its United Kingdom operations. The interest rate on this facility is the financial institution’s base rate plus 2.50%. Outstanding performance bonds reduce availability under this credit facility. The subsidiary of the Company had no outstanding borrowings under this credit facility at March 31, 2018. There was approximately $348 in outstanding guarantees (as defined in the underlying agreement) at March 31, 2018. This credit facility was renewed during the fourth quarter of 2017 with all underlying terms and conditions remaining unchanged as a result of the renewal. It is the Company’s intention to renew this credit facility with NatWest Bank during the annual review within the fourth quarter of 2018.

The United Kingdom credit facility contains certain financial covenants that require the subsidiary to maintain senior interest and cash flow coverage ratios. The subsidiary was in compliance with these financial covenants at March 31, 2018. The subsidiary had available borrowing capacity of $1,755 at March 31, 2018.

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

LIBOR-based interest rate swaps - To reduce the impact of interest rate changes on outstanding variable-rate debt, the Company entered into forward starting LIBOR-based interest rate swaps with notional values totaling $50,000. The fair value of the interest rate swaps is based on market-observable forward interest rates and represents the estimated amount that the Company would pay to terminate the agreements. As such, the swap agreements are classified as Level 2 within the fair value hierarchy. At March 31, 2018, the interest rate swaps were recorded within other current assets.

	Fair Value Measurements at Reporting Date and Using				Fair Value Measurements at Reporting Date and Using			
	March 31, 2018	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	December 31, 2017	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Term deposits	$ 17	$ 17	$ —	$ —	$ 17	$ 17	$ —	$ —
Interest rate swaps	955	—	955	—	222	—	222	—
Total assets	$ 972	$ 17	$ 955	$ —	$ 239	$ 17	$ 222	$ —

The interest rate swaps are accounted for as fair value hedges and substantially offset the changes in fair value of the hedged portion of the underlying debt that are attributable to the changes in market risk. Therefore, the gains and losses related to changes in the fair value of the interest rate swaps are included in interest income or expense, in our Condensed Consolidated Statements of Operations. For the three months ended March 31, 2018 and 2017, interest expense from interest rate swaps was $35 and $90, respectively.

In accordance with the provisions of ASC 820, "Fair Value Measurement," the Company measures certain nonfinancial assets and liabilities at fair value, which are recognized or disclosed on a nonrecurring basis. The fair market value of L B Pipe JV is classified as assets held for sale utilizing a Level 2 fair value measurement. See Note 8. Investments of the Notes to Condensed Consolidated Financial Statements contained in this Quarterly Report on Form 10-Q for additional information.

11. EARNINGS PER COMMON SHARE

(Share amounts in thousands)

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

	Three Months Ended March 31,	
	2018	2017
Numerator for basic and diluted loss per common share:		
Net loss	$ (2,022)	$ (2,422)
Denominator:		
Weighted average shares outstanding	10,351	10,319
Denominator for basic earnings per common share	10,351	10,319
Effect of dilutive securities:		
Stock compensation plans	—	—
Dilutive potential common shares	—	—
Denominator for diluted earnings per common share - adjusted weighted average shares outstanding and assumed conversions	10,351	10,319
Basic loss per common share	$ (0.20)	$ (0.23)
Diluted loss per common share	$ (0.20)	$ (0.23)
Dividends paid per common share	$ —	$ —

There were approximately 212 and 177 anti-dilutive shares during the three-month periods ended March 31, 2018, and 2017, respectively, excluded from the above calculation.

12. STOCK-BASED COMPENSATION

The Company applies the provisions of ASC 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 period. The Company recorded stock compensation expense of $1,082 and $167 for the three-month periods ended March 31, 2018 and 2017, respectively, related to fully-vested stock awards, restricted stock awards, and performance unit awards. At March 31, 2018, unrecognized compensation expense for awards that the Company expects to vest approximated $5,713. The Company will recognize this expense over the upcoming 4 years through March 2022.

Shares issued as a result of vested stock-based compensation 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 and Performance Unit Awards

Under the 2006 Omnibus Plan, the Company grants eligible employees restricted stock and performance unit awards. The forfeitable restricted stock awards granted prior to March 2015 generally time-vest after a four-year period, and those granted subsequent to March 2015 generally time-vest ratably over a three-year period, unless indicated otherwise by the underlying restricted stock agreement. Performance unit awards are offered annually under separate three-year long-term incentive programs. Performance 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 stock awards 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 the separation from their service on the Board of Directors.

During the quarter ended March 31, 2018, the Compensation Committee approved the 2018 Performance Share Unit Program and the Executive Annual Incentive Compensation Plan (consisting of cash and equity components). The Compensation Committee also certified the actual performance achievement of participants in the 2015 Performance Share Unit Program. Actual performance resulted in no payout relative to the 2015 Performance Share Unit Program target performance metrics.

The following table summarizes the restricted stock award, deferred stock units, and performance unit award activity for the period ended March 31, 2018:

	Restricted Stock	Deferred Stock Units	Performance Stock Units	Weighted Average Grant Date Fair Value
Outstanding at December 31, 2017	186,806	26,860	181,341	$ 16.53
Granted	47,905	2,230	62,714	27.02
Vested	(35,946)	—	—	28.27
Adjustment for incentive awards expected to vest	—	—	(2,406)	15.68
Cancelled and forfeited	(14,425)	—	(11,880)	15.60
Outstanding at March 31, 2018	184,340	29,090	229,769	$ 18.43

13. 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 (“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’s subsidiary, L.B. Foster Rail Technologies, Inc. (“Rail Technologies”), maintains two defined contribution plans for its employees in Canada, as well as a post-retirement benefit plan. In the United Kingdom, Rail Technologies maintains two defined contribution plans and a defined benefit plan.

United States Defined Benefit Plan

Net periodic pension costs for the United States defined benefit pension plan for the three-month periods ended March 31, 2018 and 2017 are as follows:

	Three Months Ended March 31,	
	2018	2017
Interest cost	$ 155	$ 171
Expected return on plan assets	(213)	(178)
Recognized net actuarial loss	24	33
Net periodic pension (income) cost	$ (34)	$ 26

The Company does not expect to contribute to its United States defined benefit plan in 2018.

United Kingdom Defined Benefit Plan

Net periodic pension costs for the United Kingdom defined benefit pension plan for the three-month periods ended March 31, 2018 and 2017 are as follows:

	Three Months Ended March 31,	
	2018	2017
Interest cost	$ 53	$ 55
Expected return on plan assets	(72)	(65)
Amortization of prior service costs and transition amount	5	4
Recognized net actuarial loss	49	69
Net periodic pension cost	$ 35	$ 63

United Kingdom regulations require trustees to adopt a prudent approach to funding required contributions to defined benefit pension plans. Employer contributions of approximately $262 are anticipated to the United Kingdom Rail Technologies pension plan during 2018. For the three months ended March 31, 2018, the Company contributed approximately $65 to the plan.

Defined Contribution Plans

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

	Three Months Ended March 31,	
	2018	2017
United States	$ 544	$ 451
Canada	33	59
United Kingdom	117	115
	$ 694	$ 625

14. 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. The product warranty accrual is periodically adjusted 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 at December 31, 2017	$ 8,682
Additions to warranty liability	187
Warranty liability utilized	(163)
Balance at March 31, 2018	$ 8,706

Included within the above table are concrete tie warranty reserves of approximately $7,630 and $7,595 at March 31, 2018 and December 31, 2017, respectively.

Union Pacific Railroad (UPRR) Concrete Tie Matter

On July 12, 2011, UPRR notified (the “UPRR Notice”) the Company and its subsidiary, CXT Incorporated (“CXT”), of a warranty claim under CXT’s 2005 supply contract relating to the sale of pre-stressed concrete railroad ties to UPRR. UPRR asserted that a significant percentage of concrete ties manufactured in 2006 through 2011 at CXT’s Grand Island, NE facility failed to meet contract specifications, had workmanship defects and were cracking and failing prematurely. Of the 3 million ties manufactured between 1998 and 2011 from the Grand Island, NE facility, approximately 1.6 million ties were sold during the period UPRR had claimed nonconformance.The 2005 contract called for each concrete tie which failed to conform to the specifications or had a material defect in workmanship to be replaced with 1.5 new concrete ties, provided, that, within five years of the sale of a concrete tie, UPRR notified CXT of such failure to conform or such defect in workmanship. The UPRR Notice did not specify how many ties manufactured during this period were defective nor the exact nature of the alleged workmanship defect.

Following the UPRR Notice, the Company worked with material scientists and pre-stressed concrete experts to test a representative sample of Grand Island, NE concrete ties and assess warranty claims for certain concrete ties made in its Grand Island, NE facility between 1998 and 2011. The Company discontinued manufacturing operations in Grand Island, NE in early 2011.

2012

During 2012, the Company completed sufficient testing and analysis to further understand this matter. Based upon testing results and expert analysis, the Company believed it discovered conditions, which largely related to the 2006 to 2007 manufacturing period, that can shorten the life of the concrete ties produced during this period. During the fourth quarter of 2012 and first quarter of 2013, the Company reached agreement with UPRR on several matters including a tie rating process for the Company and UPRR to work together to identify, prioritize, and replace defective ties that meet the criteria for replacement. This process applies to the ties the Company shipped to UPRR from its Grand Island, NE facility from 1998 to 2011. During most of this period, the Company's warranty policy for UPRR carried a 5-year warranty with a 1.5:1 replacement ratio for any defective ties. In order to accommodate UPRR and other customer concerns, the Company also reverted to a previously used warranty policy providing a 15-year warranty with a 1:1 replacement ratio. This change provided an additional 10 years of warranty protection. In the amended 2005 supply agreement, the Company and UPRR also extended the supply of Tucson ties by five years and agreed on a cash payment of $12,000 to UPRR as compensation for concrete ties already replaced by UPRR during the investigation period.

During 2012, as a result of the testing that the Company conducted on concrete ties manufactured at its former Grand Island, NE facility and the developments related to UPRR and other customer matters, the Company recorded pre-tax warranty charges of $22,000 in "Cost of Goods Sold" within its Rail Products and Services segment based on the Company's estimate of the number of defective concrete ties that will ultimately require replacement during the applicable warranty periods.

2013

Throughout 2013, at UPRR's request and under the terms of the amended 2005 supply agreement, the Company provided warranty replacement concrete ties for use across certain UPRR subdivisions. The Company attempted to reconcile the quantity of warranty claims for ties replaced and obtain supporting detail for the ties removed. The Company believes that UPRR did not replace concrete ties in accordance with the amended agreement and has not furnished adequate documentation throughout the replacement process in these subdivisions to support its full warranty claim. Based on the information received by the Company to date, the Company believes that a significant number of ties which UPRR replaced in these subdivisions did not meet the criteria to be covered as warranty replacement ties under the amended 2005 supply agreement. The disagreement related to the 2013 warranty replacement activity includes approximately 170,000 ties where the Company provided detailed documentation supporting our position with reason codes that detail why these ties are not eligible for a warranty claim.

In late November 2013, the Company received notice from UPRR asserting a material breach of the amended 2005 supply agreement. UPRR's notice asserted that the failure to honor its claims for warranty ties in these subdivisions was a material breach. Following receipt of this notice, the Company provided information to UPRR to refute UPRR's claim of breach and included the reconciliation of warranty claims supported by substantial findings from the Company's track observation team, all within the 90-day cure period. The Company also proposed further discussions to reach agreement on reconciliation for 2013 replacement activities and future replacement activities and a recommended process that will ensure future replacement activities are done with appropriate documentation and per the terms of the amended 2005 supply agreement.

2014

During the first quarter of 2014, the Company further responded within the 90-day cure period to UPRR's claim and presented a reconciliation for the subdivisions at issue. This proposed reconciliation was based on empirical data and visual observation from Company employees that were present during the replacement process for a substantial majority of the concrete ties replaced. The Company spent considerable time documenting facts related to concrete tie condition and track condition to assess whether the ties replaced met the criteria to be eligible for replacement under the terms of the amended 2005 supply agreement.

During 2014, the Company increased its accrual by an additional $8,766 based on revised estimates of ties to be replaced based upon scientific testing and other analysis, adjusted for ties already provided to UPRR. The Company continued to work with UPRR to identify, replace, and reconcile defective ties related to the warranty claim in accordance with the amended 2005 supply agreement. The Company and UPRR met during the third quarter of 2014 to evaluate each other's position in an effort to work towards agreement on the unreconciled 2013 and 2014 replacement activity as well as the standards and practices to be implemented for future replacement activity and warranty tie replacement.

In November and December of 2014, the Company received additional notices from UPRR asserting that ties manufactured in 2000 were defective and again asserting material breaches of the amended 2005 supply agreement relating to warranty tie replacements as well as certain new ties provided to UPRR being out of specification.

At December 31, 2014, the Company and UPRR had not been able to reconcile the disagreement related to the 2013 and 2014 warranty replacement activity. The disagreement relating to the 2014 warranty replacement activity includes approximately 90,100 ties that the Company believes are not warranty-eligible.

2015

On January 23, 2015, UPRR filed a Complaint and Demand for Jury Trial in the District Court for Douglas County, NE ("Complaint") against the Company and its subsidiary, CXT, asserting, among other matters, that the Company breached its express warranty, breached an implied covenant of good faith and fair dealing, and anticipatorily repudiated its warranty obligations, and that UPRR's exclusive and limited remedy provisions in the supply agreement have failed of their essential purpose which entitles UPRR to recover all incidental and consequential damages. The Complaint seeks to cancel all duties of UPRR under the contract, to adjudge the Company as having no remaining rights under the contracts, and to recover damages in an amount to be determined at trial for the value of unfulfilled warranty replacement ties and ties likely to become warranty eligible, for costs of cover for replacement ties, and for various incidental and consequential damages. The amended 2005 supply agreement provides that UPRR's exclusive remedy is to receive a replacement tie that meets the contract specifications for each tie that failed to meet the contract specifications or otherwise contained a material defect provided that the Company receives written notice of such failure or defect within 15 years after that tie was produced. The amended 2005 supply agreement provides that the Company's warranty does not apply to ties that (a) have been repaired or altered without the Company's written consent in such a way as to affect the stability or reliability thereof, (b) have been subject to misuse, negligence, or accident, or (c) have been improperly maintained or used contrary to the specifications for which such ties were produced. The amended 2005 supply agreement also continues to provide that the Company's warranty is in lieu of all other express or implied warranties and that neither party shall be subject to or liable for any incidental or consequential damages to the other party. The dispute is largely based on (1) claims submitted that the Company believes are for ties claimed for warranty replacement that are inaccurately rated under concrete tie rating guidelines and procedures agreed to in 2012 and incorporated by amendment to the 2005 supply agreement rated and are not the responsibility of the Company and claims that do not meet the criteria of a warranty replacement and (2) UPRR's assertion, which the Company vigorously disputes, that UPRR in future years will be entitled to warranty replacement ties for virtually all of the Grand Island ties. Many thousands of Grand Island ties have been performing in track for over ten years. In addition, a significant amount of Grand Island ties were rated by both parties in the excellent category of the rating system.

In June 2015, UPRR delivered an additional notice alleging deficiencies in certain ties produced in the Company's Tucson and Spokane locations and other claimed material breaches which the Company contends are unfounded. The Company again responded to UPRR that it was not in material breach of the amended 2005 supply agreement relating to warranty tie replacements and that the ties in question complied with the specifications provided by UPRR.

On June 16 and 17, 2015, UPRR issued a formal notice of the termination of the concrete tie supply agreement as well as the termination of the lease agreement at the Tucson, AZ production facility and rejection and revocation of its prior acceptance of certain ties manufactured at the Company's Spokane, WA production facility. Since that time, UPRR has discontinued submitting purchase orders to the Company for shipment of warranty replacement ties.

On May 29, 2015, the Company and CXT filed an Answer, Affirmative Defenses and Counterclaims in response to the Complaint, denying liability to UPRR. As a result of UPRR's subsequent June 16-17, 2015 actions and certain related conduct, the Company on October 5, 2015 amended the pending Answer, Affirmative Defenses and Counterclaims to add, among other things, assertions that UPRR's conduct in question was wrongful and unjustified and constituted additional grounds for the affirmative defenses to UPRR's claims and also for the Company's counterclaims.

2016

By Scheduling Order dated June 29, 2016, an August 31, 2017 deadline for the completion of fact discovery was established with trial to proceed at some future date after October 30, 2017, and UPRR filed an amended notice of trial to commence on October 30, 2017.

2017

By Third Amended Scheduling Order dated September 26, 2017, a June 29, 2018 deadline for completion of discovery has been established with trial to proceed at some future date on or after October 1, 2018. Throughout 2017, the parties continued to conduct discovery, with various disputes that required and will likely require court resolution.

2018

By Fourth Amended Scheduling Order dated March 21, 2018, certain interim pretrial deadlines for the close of discovery and various submittals were changed but the October 1, 2018 trial date remained in place. During the first three months ended March 31, 2018, the Company continued to complete fact discovery and prepared and exchanged expert reports. The Company intends to continue to engage in discussions in an effort to resolve the UPRR matter. However, we cannot predict that such discussions will be successful, or that the results of the litigation with UPRR, or any settlement or judgment amounts, will reasonably approximate our estimated accruals for loss contingencies. Future potential costs pertaining to UPRR's claims and the outcome of the UPRR litigation could result in a material adverse effect on our results of operations, financial condition, and cash flows.

As a result of the preliminary status of the litigation and the uncertainty of any potential judgment, an estimate of any additional loss, or a range of additional loss, associated with this litigation cannot be made based upon currently available information.

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 regarding the Portland Harbor Superfund Site cleanup along with numerous other companies. By letter dated March 16, 2018, the EPA informed the Company of the proposed schedule for consent decree negotiations to implement the Portland Harbor Superfund Site Record of Decision, with negotiations scheduled to commence by the end of 2019. The Company is reviewing the basis for its identification by the EPA and the nature of the historic operations of an L.B. Foster predecessor on the site. Management does not believe that 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.

At March 31, 2018 and December 31, 2017, the Company maintained environmental reserves approximating $6,134 and $6,144, respectively. The following table sets forth the Company's environmental obligation:

	Environmental liability
Balance at December 31, 2017	$ 6,144
Additions to environmental obligations	41
Environmental obligations utilized	(51)
Balance at March 31, 2018	$ 6,134

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 at March 31, 2018.

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 at March 31, 2018, no such disclosures were considered necessary.

15. INCOME TAXES

For the three months ended March 31, 2018 and 2017, the Company recorded an income tax expense of $525 and $431, on pre-tax losses of $1,497 and $1,991, for an effective income tax rate of (35.1)% and (21.6)%, respectively. Due to the full valuation allowance on domestic deferred tax assets, the Company's tax provision for the three months ended March 31, 2018 does not reflect any tax benefit for domestic pre-tax losses, and is primarily comprised of taxes on our Canadian and United Kingdom operations. The Company continued to maintain a full valuation allowance against its U.S. deferred tax assets, which is likely to result in significant variability of the effective tax rate in the current year. Changes in pre-tax income projections and the mix of income across jurisdictions could also impact the effective income tax rate each quarter.

The Tax Act was enacted on December 22, 2017. The Tax Act reduced the U.S. federal corporate tax rate from 35% to 21%, requires companies to pay a one-time transition tax on earnings of certain foreign subsidiaries that were previously tax deferred, and creates new taxes on certain foreign sourced earnings. Due to the complexities involved in accounting for the enactment of the Tax Act, SEC Staff Accounting Bulletin No. 118 (“SAB No. 118”) allowed the Company to record provisional amounts in earnings for the year ended December 31, 2017. The Company has not completed its accounting for the tax effects of the enactment of the Tax Act; however, as described below, the Company made reasonable estimates of the effects of the Tax Act on existing deferred tax balances and the one-time transition tax. In 2017, the Company recognized a $1,508 provisional tax benefit related to the remeasurement of certain deferred tax assets and liabilities, as well as a $3,298 provisional tax expense related to the one-time transition tax on mandatory deemed repatriation of foreign earnings, and related items.

During the three month period ended March 31, 2018, there were no changes made to the provisional amounts recognized in 2017. The Company will continue to analyze the effects of the Tax Act on its Consolidated Financial Statements. Additional impacts from the enactment of the Tax Act will be recorded as they are identified during the measurement period provided for in SAB No. 118, which extends up to one year from the enactment date. The final impact of the Tax Act may differ from the provisional amounts that have been recognized, possibly materially, due to, among other things, changes in the Company’s interpretation of the Tax Act, legislative or administrative actions to clarify the intent of the statutory language provided that differ from the Company’s current interpretation, any changes in accounting standards for income taxes or related interpretations in response to the Tax Act, or any updates or changes to estimates utilized to calculate the impacts.

The Company also continues to evaluate the impact of the global intangible low-taxed income (“GILTI”) provisions of the Tax Act, which are complex and subject to continuing regulatory interpretation. The Company has not yet completed its assessment to make an accounting policy election to either recognize deferred taxes for basis differences expected to reverse as GILTI or to record GILTI as period costs if and when incurred. Adjustments related to the amount of GILTI tax recorded in its consolidated financial statements may be required based on the outcome of this election.

16. SUBSEQUENT EVENTS

Management evaluated all of the activity of the Company and concluded that no subsequent events have occurred that would require recognition in the Condensed Consolidated Financial Statements or disclosure in the Notes to Condensed Consolidated Financial Statements.

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." Forward-looking statements provide 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 may concern, among other things, L.B. Foster Company's (the "Company's") expectations relating to our strategy, goals, projections, and plans regarding our financial position, liquidity, capital resources, and results of operations; the outcome of litigation and product warranty claims; decisions regarding our strategic growth initiatives, market position, and product development; all of which are based on current estimates that involve inherent risks and uncertainties. The Company has based these forward-looking statements on current expectations and assumptions about future events. 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: environmental matters, including any costs associated with any remediation and monitoring; a resumption of the economic slowdown we experienced in previous years in the markets we serve; the risk of doing business in international markets; our ability to effectuate our strategy, including cost reduction initiatives, and our ability to effectively integrate acquired businesses and realize anticipated benefits; costs of and impacts associated with shareholder activism; a decrease in freight or passenger rail traffic; the timeliness and availability of materials from our major suppliers 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; the continuing effective 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; the Company's ability to manage its working capital requirements and indebtedness; domestic and international taxes, including estimates that may impact these amounts, including as a result of any interpretations, regulatory actions, and amendments to the Tax Cuts and Jobs Act (the "Tax Act"); foreign currency fluctuations; inflation; domestic and foreign government regulations, including tariffs; economic conditions and regulatory changes caused by the United Kingdom's pending exit from the European Union; sustained declines in energy prices; a lack of state or federal funding for new infrastructure projects; an increase in manufacturing or material costs; the ultimate number of concrete ties that will have to be replaced pursuant to the previously disclosed product warranty claim of the Union Pacific Railroad ("UPRR") and an overall resolution of the related contract claims as well as the possible costs associated with the outcome of the lawsuit filed by the UPRR; the loss of future revenues from current customers; and risks inherent in litigation. 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 and our other 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

L.B. Foster Company (the "Company") is a leading manufacturer and distributor of products and services for the transportation and energy infrastructure with locations in North America and Europe. The Company is comprised of three business segments: Rail Products and Services, Construction Products, and Tubular and Energy Services.

Quarter-to-Date Results

The segment gross profit measures presented within Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") tables constitute non-GAAP financial measures disclosed by management to provide investors and other users information to evaluate the performance of the Company's segments on a more comparable basis to market trends and peers. The exclusion of significant cost allocations to the reportable segments:

- Allows users to understand the operational performance of our reportable segments;
- Provides greater comparability to other registrants with similar businesses and avoids possible non-comparability at the reportable segment pre-tax profit level resulting from our specific corporate cost allocations; and
- Facilitates a clearer, market-based perspective on the strength or weakness of our reportable segments in their markets to better aid in investment decisions.

In addition, these non-GAAP financial measures have historically been key metrics utilized by segment managers to monitor selling prices and quantities as well as production and service costs to better evaluate key profitability drivers and trends that may develop due to industry and competitive conditions.

Three months ended March 31, 2018	Rail Products and Services	Construction Products	Tubular and Energy Services	Total
Reportable Segment Profit	$ 2,048	$ 18	$ 1,885	$ 3,951
Segment and Allocated Selling & Administrative	8,904	3,977	3,554	16,435
Amortization Expense	961	38	786	1,785
Non-GAAP Segment Gross Profit	$ 11,913	$ 4,033	$ 6,225	$ 22,171

Three months ended March 31, 2017	Rail Products and Services	Construction Products	Tubular and Energy Services	Total
Reportable Segment Profit (Loss)	$ 823	$ 1,666	$ (680)	$ 1,809
Segment and Allocated Selling & Administrative	9,437	4,330	4,096	17,863
Amortization Expense	935	38	786	1,759
Non-GAAP Segment Gross Profit	$ 11,195	$ 6,034	$ 4,202	$ 21,431

	Three Months Ended March 31,		Percent of Total Net Sales Three Months Ended March 31,		Percent Increase/ (Decrease)
	2018	2017	2018	2017	2018 vs. 2017
Net Sales:					
Rail Products and Services	$ 62,170	$ 56,480	50.8 %	47.6 %	10.1 %
Construction Products	28,900	37,322	23.6	31.4	(22.6)
Tubular and Energy Services	31,384	24,900	25.6	21.0	26.0
Total net sales	$ 122,454	$ 118,702	100.0 %	100.0 %	3.2 %

	Three Months Ended March 31,		Non-GAAP / Reported Gross Profit Percentage Three Months Ended March 31,		Percent Increase/ (Decrease)
	2018	2017	2018	2017	2018 vs. 2017
Gross Profit:					
Non-GAAP Rail Products and Services	$ 11,913	$ 11,195	19.2 %	19.8 %	6.4 %
Non-GAAP Construction Products	4,033	6,034	14.0	16.2	(33.2)
Non-GAAP Tubular and Energy Services	6,225	4,202	19.8	16.9	48.1
Non-GAAP Segment gross profit	22,171	21,431			
LIFO (expense) income	(164)	11	(0.1)	—	**
Other	21	(190)	—	(0.2)	111.1
Total gross profit	$ 22,028	$ 21,252	18.0 %	17.9 %	3.7 %

	Three Months Ended March 31,		Percent of Total Net Sales Three Months Ended March 31,		Percent Increase/ (Decrease)
	2018	2017	2018	2017	2018 vs. 2017
Expenses:					
Selling and administrative expenses	$ 20,458	$ 19,227	16.7 %	16.2 %	6.4 %
Amortization expense	1,785	1,759	1.5	1.5	1.5
Interest expense	1,958	2,108	1.6	1.8	(7.1)
Interest income	(71)	(56)	(0.1)	—	26.8
Equity in loss of nonconsolidated investments	3	200	—	0.2	(98.5)
Other (income) expense	(608)	5	(0.5)	—	**
Total expenses	$ 23,525	$ 23,243	19.2 %	19.6 %	1.2 %
Loss before income taxes	$ (1,497)	$ (1,991)	(1.2)%	(1.7)%	24.8 %
Income tax expense	525	431	0.4	0.4	21.8
Net loss	$ (2,022)	$ (2,422)	(1.7)%	(2.1)%	16.5 %

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

First Quarter 2018 Compared to First Quarter 2017 – Company Analysis

Net sales of $122,454 for the period ended March 31, 2018 increased by $3,752, or 3.2%, compared to the prior year quarter. The change was attributable to increases of 26.0% and 10.1%, in Tubular and Energy Services and Rail Products and Services, respectively. This was partially offset by a 22.6% reduction in Construction Products.

Gross profit margin for the quarter ended March 31, 2018 was 18.0% or 10 basis points ("bps") higher than the prior year quarter. The growth in gross profit margin was due to an increase in non-GAAP segment gross profit margin of 290 bps within Tubular and Energy Services. This was partially offset by reductions in non-GAAP segment gross profit margin of 220 bps and 60 bps within Construction Products and Rail Products and Services, respectively.

Selling and administrative expenses increased by $1,231 or 6.4% from the prior year. The increase was primarily driven by litigation costs related to the UPRR matter of $1,182.

Interest expense, net of interest income, decreased by $165, or 8.0%, as a result of the reduction in outstanding debt. Other income increased $613 which primarily relates to gains on foreign exchange as the United States Dollar has strengthened compared to the Canadian Dollar during the current period versus the prior year period.

The Company's effective income tax rate for the three-month period ended March 31, 2018 was (35.1)%, compared to (21.6)% in the prior year quarter. For the three months ended March 31, 2018, the Company recorded a tax expense of $525, compared to $431 in the three months ended March 31, 2017. Due to the full valuation allowance on domestic deferred tax assets, the Company's tax provision for the three months ended March 31, 2018 does not reflect any tax benefit for domestic pre-tax losses, and is primarily comprised of taxes related to our Canadian and United Kingdom operations.

Net loss for the first quarter of 2018 was $2,022, or $0.20 per diluted share, compared to a net loss of $2,422, or $0.23 per diluted share, in the prior year quarter.

Results of Operations – Segment Analysis

Rail Products and Services

	Three Months Ended March 31,		Increase	Percent Increase
	2018	2017	2018 vs. 2017	2018 vs. 2017
Net Sales	$ 62,170	$ 56,480	$ 5,690	10.1%
Segment Profit	$ 2,048	$ 823	$ 1,225	148.8%
Segment Profit Percentage	3.3%	1.5%	1.8%	120.0%

First Quarter 2018 Compared to First Quarter 2017

Rail Products and Services segment sales increased by $5,690, or 10.1%, compared to the prior year period. The sales increase was primarily driven by a $4,076 increase in our European business, which continued to capitalize on opportunities with transit agencies who are expanding to serve further geographic areas and increase passenger traffic. The growth was also attributable to our North American operations, which increased by $1,614, as Class 1 freight rail activity remained strong.

The Rail Products and Services segment profit increased by $1,225 to 3.3% of net sales. The increase was primarily attributable to a reduction in selling and administrative expenses of $533, or 5.6%, compared to the prior year. Non-GAAP gross profit increased by $718, or 6.4%, as a result of increased volume in both our North American and European markets.

During the current quarter, the Rail Products and Services segment had an increase in new orders of 10.2% compared to the prior year period. Additionally, backlog was $104,923 at March 31, 2018, an increase of 14.5%, compared to $91,655 at March 31, 2017. The Company is encouraged by continuing positive trends from increasing carloads in the North American freight rail market and strength in transit system projects expanding globally.

Construction Products

	Three Months Ended March 31,		Decrease	Percent Decrease
	2018	2017	2018 vs. 2017	2018 vs. 2017
Net Sales	$ 28,900	$ 37,322	$ (8,422)	(22.6)%
Segment Profit	$ 18	$ 1,666	$ (1,648)	(98.9)%
Segment Profit Percentage	0.1%	4.5%	(4.4)%	(97.8)%

First Quarter 2018 Compared to First Quarter 2017

Construction Products segment sales decreased by $8,422, or 22.6%, compared to the prior year period. Piling first quarter 2018 sales declined year over year due to lower new orders during the three months ended December 31, 2017 as compared to the three months ended December 31, 2016. Fabricated Bridge sales declined due to reduced activity on the Peace Bridge project compared to the prior year period. Partially offsetting the reductions was an increase in Precast Concrete Products, which continued to be favorably impacted by increasing building sales to federal and state agencies.

The Construction Products segment profit decreased by $1,648, or 98.9%. The decrease was primarily volume related within the Piling and Fabricated Bridge business unit, which was partially offset by decreased selling and administrative expenses of $353, or 8.2%. Non-GAAP gross profit decreased by $2,001, or 33.2%, which was a result of prior quarter order activity that reduced volume levels and produced a lower margin product mix.

During the quarter, the Construction Products segment had an increase in new orders of 3.0% compared to the prior year period. Ending backlog in the Construction segment increased by 8.3% to $85,713 from the prior year period. While sales and profit reductions were experienced during the quarter, the Company is encouraged by increased new orders and strong backlog.

Tubular and Energy Services

	Three Months Ended March 31,		Increase	Percent Increase
	2018	2017	2018 vs. 2017	2018 vs. 2017
Net Sales	$ 31,384	$ 24,900	$ 6,484	26.0%
Segment Profit (Loss)	$ 1,885	$ (680)	$ 2,565	377.2%
Segment Profit (Loss) Percentage	6.0%	(2.7)%	8.7%	322.2%

First Quarter 2018 Compared to First Quarter 2017

Tubular and Energy Services segment sales increased by $6,484, or 26.0%, compared to the prior year period. The increase was due to improvements from each of the business units within the segment, as compared to the prior year period. This was supported by strong orders within both the upstream and midstream businesses.

Tubular and Energy Services segment profit increased by $2,565, or 377.2%, compared to the prior year quarter. The quarter was favorably impacted by a $542, or 13.2%, reduction in selling and administrative expenses. Non-GAAP gross profit increased by $2,023, or 48.1%, which was supported by growth in all business units within the segment.

The Tubular and Energy Services segment had an increase in new orders of 9.6% compared to the prior year period, which resulted in an increase in backlog of 21.1%. Orders for Test, Inspection, and Threading increased by 15.5% and Protective Coatings and Measurement Systems increased by 5.4%. The upstream oil and gas market continues to show signs of recovery. We continue to be encouraged by increased order activity in the midstream market as well.

Other

Segment Backlog

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

	Backlog		
	March 31, 2018	December 31, 2017	March 31, 2017
Rail Products and Services	$ 104,923	$ 68,850	$ 91,655
Construction Products	85,713	71,318	79,150
Tubular and Energy Services	29,665	26,737	24,497
Total Backlog	$ 220,301	$ 166,905	$ 195,302

While a considerable portion of our business is backlog-driven, certain product lines within the Rail Products and Services and Tubular and Energy Services segments are not driven by backlog and therefore have insignificant levels throughout the year.

Warranty

As of March 31, 2018, the Company maintained a total product warranty reserve of $8,706 for its estimate of all potential product warranty claims. Of this total, $7,630 reflects the current estimate of the Company's exposure for potential concrete tie warranty claims. While the Company believes this is a reasonable estimate of its potential exposure related to identified concrete tie warranty matters, the Company may incur future charges associated with new customer claims or further development of information of existing customer claims. Thus, there can be no assurance that future potential costs pertaining to warranty claims will not have a material impact on the Company's results of operations and financial condition. See Note 14. Commitments and Contingent Liabilities of the Notes to Condensed Consolidated Financial Statements contained in this Quarterly Report on Form 10-Q for additional information.

Liquidity and Capital Resources

Total debt was $102,404 and $129,966 as of March 31, 2018 and December 31, 2017, respectively, and was primarily comprised of borrowings under our revolving credit facility.

Our need for liquidity relates primarily to working capital requirements for operations, capital expenditures, joint venture capital obligations, and debt service obligations.

The change in cash and cash equivalents for the periods ended March 31 are as follows:

	March 31,	
	2018	2017
Net cash provided by operating activities	$ 2,591	$ 10,748
Net cash used by investing activities	(714)	(3,315)
Net cash used by financing activities	(27,873)	(4,397)
Effect of exchange rate changes on cash and cash equivalents	(698)	369
Net (decrease) increase in cash and cash equivalents	$ (26,694)	$ 3,405

Cash Flow from Operating Activities

During the current 2018 three-month period, cash flows provided by operating activities were $2,591 compared to $10,748 during the prior year period. For the three months ended March 31, 2018, income and adjustments to income from operating activities provided $2,537 compared to $3,010 in the 2017 period. Working capital and other assets and liabilities provided $54 in the current period compared to $7,738 in the prior year period. The decline in cash flows provided by operating activities is primarily a result of the increase in bonus payments in the amount of $4,110 compared to the prior year and inventory increases of $3,822 in the first quarter of 2018 due to stronger anticipated revenue outlook for the second quarter of 2018.

The Company's calculation for days sales outstanding at March 31, 2018 was 54 days compared to 50 days at December 31, 2018, and we believe our receivables portfolio is strong.

Cash Flow from Investing Activities

Capital expenditures for the three months ended March 31, 2018 and 2017 were $723 and $3,453, respectively. The current year expenditures relate to general plant and operational improvements. Expenditures for the three months ended March 31, 2017 related to expenditures related to rail assets installed as part of a new long-term service contract and, to a lesser extent, general plant and operational improvements. During the three months ended March 31, 2018, the Company received $9 in proceeds from the sale of certain property, plant, and equipment as compared to $138 in the prior year period.

Cash Flow from Financing Activities

During the three months ended March 31, 2018, the Company had a decrease in outstanding debt of $27,563, primarily related to payments against the revolving credit facility. This reduction of debt was facilitated by the repatriation of $24,693 in excess cash from our international locations. During the three months ended March 31, 2017, the Company had a decrease in outstanding debt of $4,300, primarily related to payments against the revolving credit facility. Treasury stock acquisitions represent income tax withholdings from employees in connection with the vesting of restricted stock awards.

Financial Condition

As of March 31, 2018, we had $10,984 in cash and cash equivalents and a domestic credit facility with $68,502 of net availability while we had $102,404 in total debt. We believe this liquidity will provide the flexibility to operate the business in a prudent manner, and enable us to continue to service our revolving credit facility.

Our cash management priority continues to be short-term maturities and the preservation of our principal balances. Approximately $10,665 of our cash and cash equivalents was held in non-domestic bank accounts.

On November 7, 2016, the Company, its domestic subsidiaries, and certain of its Canadian subsidiaries entered into the Second Amendment (the “Second Amendment”) to the Second Amended and Restated Credit Agreement dated March 13, 2015 and as amended by the First Amendment dated June 29, 2016 (the “Amended and Restated Credit Agreement”), with PNC Bank, N.A., Bank of America, N.A., Wells Fargo Bank, N.A., Citizens Bank of Pennsylvania, and Branch Banking and Trust Company. This Second Amendment modified the Amended and Restated Credit Agreement, which had a maximum revolving credit line of $275,000. The Second Amendment reduced the permitted revolving credit borrowings to $195,000 and provided for additional term loan borrowings of $30,000 (the “Term Loan”). During 2017, the Company paid off the balance of the Term Loan. Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Second Amendment or Amended and Restated Credit Agreement, as applicable.

The Second Amendment further provided for modifications to the financial covenants as defined in the Amended and Restated Credit Agreement. The Second Amendment calls for the elimination of the Maximum Leverage Ratio covenant through the quarter ending June 30, 2018. After that period, the Maximum Gross Leverage Ratio covenant will be reinstated to require a maximum ratio of 4.25 Consolidated Indebtedness to 1.00 Gross Leverage for the quarter ending September 30, 2018, and 3.75 to 1.00 for all periods thereafter until the maturity date of the credit facility. The Second Amendment also includes a Minimum Last Twelve Months EBITDA (as defined by the Amendment) covenant (“Minimum EBITDA”). For the quarter ended December 31, 2016 through the quarter ended June 30, 2017, the Minimum EBITDA must be at least $18,500. For each quarter thereafter, through the quarter ending June 30, 2018, the Minimum EBITDA requirement will increase by various increments. The incremental Minimum EBITDA requirement for the period ended March 31, 2018 must be at least $29,000. During the first quarter ended March 31, 2018, the rolling 12-month EBITDA calculation, as defined by the Amended and Restated Credit Agreement, was $38,214. At June 30, 2018, the Minimum EBITDA requirement will be $31,000. After the quarter ending June 30, 2018, the Minimum EBITDA covenant will be eliminated through the maturity of the Amended and Restated Credit Agreement. The Second Amendment also includes a Minimum Fixed Charge Coverage Ratio covenant. The covenant represents the ratio of the Company’s fixed charges to the last twelve months of EBITDA, and is required to be a minimum of 1.00 to 1.00 through the quarter ended December 31, 2017 and 1.25 to 1.00 for each quarter thereafter through the maturity of the credit facility. The final financial covenant included in the Second Amendment is a Minimum Liquidity covenant which calls for a minimum of $25,000 in undrawn availability on the revolving credit loan at all times through the quarter ending June 30, 2018.

The Second Amendment includes several changes to certain non-financial covenants, as defined in the Amended and Restated Credit Agreement. Through the maturity date of the loan, the Company is now prohibited from making any future acquisitions. The limitation on permitted annual distributions of dividends or redemptions of the Company’s stock was decreased from $4,000 to $1,700. The aggregate limitation on loans to and investments in non-loan parties was decreased from $10,000 to $5,000. Furthermore, the limitation on asset sales has been decreased from $25,000 annually with a carryover of up to $15,000 from the prior year to $25,000 in the aggregate through the maturity date of the credit facility.

The Second Amendment provided for the elimination of the three lowest tiers of the pricing grid that had previously been defined in the First Amendment. Upon execution of the Second Amendment through the quarter ended March 31, 2018, the Company will be locked into the highest tier of the pricing grid, which provides for pricing of the prime rate plus 225 basis points on base rate loans and the applicable LIBOR rate plus 325 basis points on euro rate loans. For each quarter after March 31, 2018 and through the maturity date of the credit facility, the Company's position on the pricing grid will be governed by a Minimum Net Leverage ratio, which is the ratio of Consolidated Indebtedness less cash on hand in excess of $15,000 to EBITDA. If, after March 31, 2018, the Minimum Net Leverage ratio positions the Company on the lowest tier of the pricing grid, pricing will be the prime rate plus 150 basis points on base rate loans or the applicable LIBOR rate plus 250 basis points on euro rate loans.

To reduce the impact of interest rate changes on outstanding variable-rate debt, the Company entered into forward starting LIBOR-based interest rate swaps with notional values totaling $50,000. The swaps became effective on February 28, 2017 at which point they effectively convert a portion of the debt from variable to fixed-rate borrowings during the term of the swap contract. At March 31, 2018, the swap asset was $955 compared to $222 as of December 31, 2017.

Cost in Excess of Net Assets Acquired

At March 31, 2018, L.B. Foster had $20,129 of goodwill on its Condensed Consolidated Balance Sheet. Of the total, $14,982 related to the Rail Products and Services segment and $5,147 related to the Construction Products segment. Goodwill is reviewed annually in the fourth quarter of each year for impairment or more frequently if impairment indicators arise. The Company recorded a $32,725 partial goodwill impairment related to the Rail Products and Services segment during the year ended December 31, 2016. Based on considerations of current year financial results, including consideration of macroeconomic conditions, such as performance of the Company's stock price, we do not believe that it is more-likely-than-not that the fair values of these reporting units have decreased below their carrying values at March 31, 2018. Consequently, management concluded that none of the Company's reporting units experienced any triggering event that would have required an interim goodwill impairment analysis at March 31, 2018. However, the previously recorded partial impairment included assumptions for certain market recoveries throughout the year ending December 31, 2018; if these recoveries do not fully develop, the Rail Products and Services segment may require an incremental goodwill impairment.

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. We have updated our revenue recognition policies since December 31, 2017, in conjunction with our adoption of Accounting Standards Codification 606, "Revenue from Contracts with Customers" ("ASC 606") as further described in Note 3. Revenue of the Notes to Condensed Consolidated Financial Statements contained in this Quarterly Report on Form 10-Q. A summary of the Company's critical accounting policies and estimates is included in the Company's Annual Report on Form 10-K for the year ended December 31, 2017.

Off-Balance Sheet Arrangements

The Company's off-balance sheet arrangements include operating leases, purchase obligations, and standby letters of credit. A schedule of the Company's required payments under financial instruments and other commitments as of December 31, 2017 is included in the "Liquidity and Capital Resources" section of the Company's Annual Report on Form 10-K for the year ended December 31, 2017. There were no material changes to these off-balance sheet arrangements during the current quarter. These arrangements provide the Company with increased flexibility relative to the utilization and investment of cash resources.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Interest Rate Risk

The Company is exposed to risks that increases in interest rates may adversely affect funding costs associated with its variable-rate debt. To reduce the impact of interest rate changes on a portion of this variable-rate debt, the Company entered into forward starting interest rate swap agreements which effectively convert a portion of the debt from a variable to a fixed-rate borrowing during the term of the swap contracts. See Note 10. Fair Value Measurements of the Notes to Condensed Consolidated Financial Statements contained in this Quarterly Report on Form 10-Q for additional information.

For the three months ended March 31, 2018, a 1% change in the interest rate for variable rate debt as of March 31, 2018 would increase or decrease interest expense by approximately $330.

The Company does not purchase or hold any derivative financial instruments for trading purposes. It does enter into interest rate hedges to reduce the risk in the variability of interest rate fluctuations. At contract inception, the Company designates its derivative instruments as hedges. The Company recognizes all derivative instruments on the balance sheet at fair value. Fluctuations in the fair values of derivative instruments designated as cash flow hedges are recorded in accumulated other comprehensive income and reclassified into earnings within other income as the underlying hedged items affect earnings. To the extent that a change in a derivative does not perfectly offset the change in the value of the interest rate being hedged, the ineffective portion is recognized in earnings immediately.

As of March 31, 2018 and December 31, 2017, the Company recorded a current asset of $955 and $222, respectively, related to its LIBOR-based interest rate swap agreements.

Foreign Currency Exchange Rate Risk

The Company is subject to exposures to changes in foreign currency exchange rates. The Company may manage its exposure to changes in foreign currency exchange rates on firm sale and purchase commitments by entering into foreign currency forward contracts. The Company's risk management objective is to reduce its exposure to the effects of changes in exchange rates on these transactions over the duration of the transactions. The Company did not engage in foreign currency hedging transactions during the three-month periods ended March 31, 2018 and 2017.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

L.B. Foster Company carried out an evaluation, under the supervision and with the participation of the Company's management, including the Chief Executive Officer and the Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended) as of March 31, 2018. Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures were effective 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

On January 1, 2018, the Company adopted the standards of Accounting Standards Codification 606, "Revenue from Contracts with Customers" ("ASC 606"). The adoption of ASC 606 had an immaterial effect on our financial statements, but required the Company to implement changes to our processes related to revenue recognition and the control activities within them. This included the development of new policies and procedures based on the five-step model provided in ASC 606, ongoing contract review processes, and implementation of processes to obtain information to the new disclosure requirements. There were no other changes to our "internal control over financial reporting" (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the three months ended March 31, 2018, 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 the 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 14. Commitments and Contingent Liabilities 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

There have been no material changes in our risk factors from those disclosed in our Annual Report on Form 10-K for the year ended December 31, 2017. You should carefully consider the factors discussed in Part I, Item 1A. Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2017, as filed with the SEC on February 28, 2018, which could materially affect our business, financial condition, financial results, or future performance. The risks described in our Annual Report on Form 10-K and quarterly reports on Form 10-Q are not the only risks facing the Company. Additional risks and uncertainties not currently known or that we currently deem to be immaterial may also materially affect our business, financial condition, and/or results of operations. Our earnings and sales could be affected by changes to international trade agreements in North America and elsewhere, including potential increases of import tariffs. Changes in government policies in these areas might cause an increase or decrease in our sales, operating margin, and net earnings.

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

The Company’s purchases of equity securities for the three months ended March 31, 2018 were as follows:

	Total number of shares purchased (1)	Average price paid per share	Total number of shares purchased as part of publicly announced plans or programs	Approximate dollar value of shares that may yet be purchased under the plans or programs
January 1, 2018 - January 31, 2018	700	$ 26.25	—	$ —
February 1, 2018 - February 28, 2018	9,605	28.07	—	—
March 1, 2018 - March 31, 2018	872	25.75	—	—
Total	11,177	$ 27.77	—	$ —

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

Item 4. Mine Safety Disclosures

This item is not applicable to the Company.

Item 6. Exhibits

See Exhibit Index below.

Exhibit Index

Exhibit Number	Description
10.1	Second Amendment dated November 7, 2016 to the Second Amended and Restated Credit Agreement dated March 13, 2015, and as amended by the First Amendment dated June 29, 2016, among Registrant and PNC Bank N.A., Bank of America, N.A., Wells Fargo Bank, N.A., Citizens Bank of Pennsylvania, and Branch Banking and Trust Company is incorporated herein by reference to Exhibit 10.1 to the Current Report on Form 8-K/A filed on November 8, 2016, File No. 0-10436.
10.2	Deferred Compensation Plan for Non-Employee Directors under the 2006 Omnibus Incentive Plan.
*10.3	2018 Executive Annual Incentive Compensation Plan.
*10.4	Form of Restricted Stock Award Agreement (2018).
*10.5	Long Term Incentive Performance Share Unit Program (2018-2020).
*10.6	Form of Performance Share Unit Award Agreement (2018-2020).
*10.7	Executive Annual Incentive Compensation Plan (as Amended and Restated).
*10.8	Amended and Restated Key Employee Separation Plan.
*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.
*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.

* Exhibits marked with an asterisk are filed herewith.

SIGNATURE

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

L.B. FOSTER COMPANY
(Registrant)

Date: **May 2, 2018**

By: /s/ James P. Maloney
James P. Maloney
Senior Vice President,
Chief Financial Officer, and Treasurer
(Duly Authorized Officer of Registrant)

Exhibit 10.3

THE L. B. FOSTER COMPANY
2018
EXECUTIVE ANNUAL INCENTIVE COMPENSATION PLAN

The purpose of this document is to establish in writing the 2018 performance goals and other terms applicable to the 2018 awards authorized under the L. B. Foster Company Executive Annual Incentive Compensation Plan ("Plan") for the Fiscal Year (as defined below).

I. DEFINITIONS

Capitalized terms not otherwise defined herein shall have the meaning ascribed thereto in the Plan. The following terms shall be defined as follows:

1.1. **"Company"** shall mean L. B. Foster Company and those subsidiaries thereof in which L. B. Foster Company owns 100% of the outstanding common stock.

1.2. **"Operating Unit"** shall mean the Company's units or divisions which are reported in the Company's internal financial statements and approved by the Committee as applicable to this Plan and set forth on an exhibit on file with the Committee.

1.3. **"Financial Performance Award"** shall mean an award, as determined for each Participant, equal to the amount calculated using the Payout Formula and subject to the Committee's right to exercise discretion with respect to the amount to be paid with respect to any such award to any Participant.

1.4. **"Base Compensation"** shall mean base salary, rounded to the nearest whole dollar, as in effect for a Participant on March 1, 2018. To the extent applicable, Base Compensation for Participants who terminate during the Fiscal Year shall include only such Base Compensation paid to such Participants during the Fiscal Year for the period prior to such termination.

1.5. **"Participant"** shall mean all executive officers of the Company set forth on Schedule 1.10.

1.6. **"Participant's Target Incentive"** shall mean the product of the Base Compensation of a Participant multiplied by the specific target percentage established for a Participant by the Committee as described in Section 3.1 hereof.

1.7. **"Payout Formula"** with respect to a Financial Performance Award, shall be the formula used to determine the cash award payout, if any, to each Participant, which payout shall be equal to: (i) the "Participant's Target Incentive" multiplied by (ii) the applicable aggregate percentage specified for Financial Performance Awards under Section 3.2, with the amount to be paid with respect thereto to be calculated based upon the attainment of the objective financial performance goals established by the Committee for Corporate and Operating Unit Adjusted EBITDA, Corporate and

Operating Unit Working Capital as a Percentage of Sales, and Corporate ROIC for the Fiscal Year, and subject to the Committee's right to exercise discretion with respect to the amount to be paid with respect to any such award to any Participant.

1.8. **"Fiscal Year"** means the 2018 calendar year (January 1, 2018 through December 31, 2018).

1.9. **"Adjusted EBITDA"** (Earnings before interest, taxes, depreciation, and amortization) shall mean with respect to the Company or an Operating Unit, for the Fiscal Year, determined in accordance with generally accepted accounting principles, including the applicable LIFO charge or credit (a) income from continuing operations; (b) plus income tax expense; (c) plus interest expense; (d) minus interest income; (e) plus depreciation expense; and (f) plus amortization expense. Adjusted EBITDA shall be calculated without regard to: (i) the effect of changes in accounting principles, (ii) any on-going and/or one-time costs and/or expenses attributable to an acquisition, including but not limited to, those related to the negotiation, completion and/or integration of an acquisition, incurred during the Fiscal Year, (iii) any costs related to the purchase accounting step up in the basis of tangible or intangible assets not classified as depreciation or amortization, (iv) any on-going and/or one-time costs and/or expenses related to the unsuccessfully attempted acquisition of a business during the Fiscal Year (exclusive of employee travel), (v) any on-going and/or one-time costs and/or expenses (exclusive of employee travel) associated with the sale or attempted sale of a business or investment in the Fiscal Year, (vi) any significant or non-recurring items which are disclosed in management's discussion and analysis of financial condition and results of operations in the Company's Annual Report on Form 10-K for such period and which would have an adverse effect on the pay-out amount of a Participant's Financial Performance Award, (vii) the costs of the Plan for domestic Operating Units, (viii) the impact on any Operating Unit attributable to any administrative intercompany charges related to transfer pricing compliance where the consolidated impact is zero, (ix) the reported results of an acquisition (as well as results of operations and financial position) completed in the Fiscal Year, (x) a reclassification of an operating unit or investment to "Discontinued Operations" or "Held for Sale", if not sold during the Performance Period, and (xi) the gain or loss on sale of a business or assets outside of the normal course of business Notwithstanding the foregoing, in the event that a business or an investment is sold during the 2018 Performance Period, such business' target and adjusted actual results shall be eliminated from all calculations.

1.10. **"Working Capital as a Percentage of Sales"** ("W/C as a % of Sales") shall mean with respect to the Company, or as applicable, for an Operating Unit, for the Fiscal Year, the average monthly balances of Inventory and Accounts Receivable less the average monthly balances of Accounts Payable and Deferred Revenue divided by annual net sales, provided however that all the above items, shall be determined without regard to: (i) any on-going and/or one-time costs and/or expenses relating to acquisitions transacted during the Fiscal Year, (ii) a reclassification of an operating unit or investment to "Discontinued Operations" or "Held for Sale", if not sold during the

Performance Period, (iii) the impact on any Operating Unit attributable to any administrative intercompany charges related to transfer pricing compliance where the consolidated impact is zero, and (iv) the reported results (as well as results of operations and financial position) of an acquisition completed in the Fiscal Year.. Notwithstanding the foregoing, in the event that a business or an investment is sold during the Fiscal Year, such business' target and adjusted actual results shall be eliminated from all calculations.

1.11. **"Return on Invested Capital" ("ROIC")** shall mean, with respect to the Company for the Fiscal Year: (a) pre-tax earnings from continuing operations before interest income and interest expense and amortization charges, divided by (b) an average of month end total assets less the sum of cash, marketable securities and non-interest bearing current liabilities, determined in accordance with generally accepted accounting principles. ROIC shall be expressed as a percentage and shall be determined without regard to: (i) the effect of changes in accounting principles, (ii) any on-going and/or one-time costs and/or expenses attributable to an acquisition, including but not limited to, those related to the negotiation, completion and/or integration of an acquisition, incurred during the Fiscal Year, (iii) any costs related to purchase accounting step up in the basis of tangible or intangible assets not classified as amortization, (iv) the impact of all assets and liabilities purchased or incurred as a result of an acquisition, (v) any on-going and/or one-time costs and/or expenses (exclusive of employee travel) related to the unsuccessfully attempted acquisition of a business during the Fiscal Year, (vi) any on-going and/or one-time costs and/or expenses associated with the successful or unsuccessful sale of a business or investment (exclusive of employee travel), (vii) any significant or non-recurring items which are disclosed in management's discussion and analysis of financial condition and results of operations in the Company's Annual Report on Form 10-K for such period and which would have an adverse effect on the pay-out amount of a Participant's Financial Performance Award, (viii) the reported results (as well as the results of operations and financial position) of an acquisition completed in the Fiscal Year, (ix) a reclassification of an operating unit or an investment to "Discontinued Operations" or "Held for Sale", if not sold during the Performance Period and (x) the gain or loss on sale of a business or the sale of assets outside of the ordinary course of business. Notwithstanding the foregoing, in the event that a business or an investment is sold during the Fiscal Year, such business' target and adjusted actual results shall be eliminated from all calculations. The ROIC calculation shall be rounded to the nearest tenth of a percent.

1.12. **"Target Working Capital as a Percent of Sales (Corporate and Operating Unit), Target Adjusted EBITDA (Corporate and Operating Unit), and Target ROIC"** shall mean the respective targets approved by the Committee as applicable to this Plan and set forth on an exhibit on file with the Committee.

II. ELIGIBILITY CONDITIONS

a. Subject to the terms and conditions set forth herein and in the Plan and unless the Committee determines otherwise, in its sole discretion, a Participant's right, if any, to receive payment of their respective Awards shall be contingent upon satisfaction of each of the following requirements:

b. A Participant executes a Confidentiality, Intellectual Property and Non-Compete Agreement in a form satisfactory to the Committee and deliver the executed agreement to the Company's Vice President, Human Resources and Administration on or before October 1 of the applicable Fiscal Year, provided, however, that if Participant previously executed a Confidentiality, Intellectual Property and Non-Compete Agreement in a form satisfactory to the Committee, the Participant need not execute and deliver another Confidentiality, Intellectual Property and Non-Compete Agreement.

i. Participant's Target Percentage award is specifically established by the Committee as set forth in Section 3.1. In the event a Participant changes from one position to another position or is promoted into one of the positions approved by the Committee as described in Section 3.1 during the Fiscal Year performance period, the Target Percentage for such Participant shall be pro-rated between the Target Percentages of each position held during the Fiscal Year based on which position was held on the first day of each month in the Fiscal Year performance period and may be allocated among different Operating Units as determined by the Committee. Any newly hired Participant shall have a specific Target Percentage established by the Committee, provided their employment began in such position by October 1 of the Fiscal Year performance period.

ii. Company determines that Participant's performance is and has been satisfactory.

iii. The Committee confirms that awards will be paid and the amount of such awards, and

iv. Participant is actively employed on the date the award is paid (with the only exception to this "active employment" requirement being a Board-approved retirement from the Company in which case the Committee may provide a pro-rata payment based on the Participant's active employment before the Board-approved retirement).

In no event is a Participant entitled to any pro-rata payment under the terms of this Plan (although the Committee has discretion in the event of a Board-approved retirement).

III. METHOD FOR CALCULATING AWARDS

3.1. Target Percentages. Each Participant shall have a Target Percentage based upon the position held by such Participant as approved by the Committee on February 21, 2018 and set forth on an exhibit on file with the Committee.

Other employees selected by the Committee may also be made Participants in the Plan on such terms as may be approved by the Committee and consistent with the terms of the Plan.

3.2. Target Amount. The target amount of a Participant's Financial Performance Award, if any, shall be determined and preliminarily allocated based on the percentages specified in the table below:

	Metric	**CEO, Sr VP & CFO; ; VP-Human Resources & Admin; VP & General Counsel; and Controller and CAO**	**VP's and SVP Responsible for Operating Unit(s)**
Financial Performance Awards	Corporate ROIC	15%	--
	Operating Unit Adjusted EBITDA	--	50%
	Working Capital as a % of Sales	15%	20%
	Corporate Adjusted EBITDA	70%	30%

3.3. Financial Performance Award Multiplier. Subject to the terms and conditions set forth herein and in the Plan, the amount of a Financial Performance Award shall be calculated and adjusted upward or downward based on the actual level of attainment of Target W/C as a % of Sales (Corporate and Operating Unit), Target Adjusted EBITDA (Corporate and Operating Unit) and/or Target ROIC (as allocated under Section 3.2) utilizing the percentage multiplier as set forth in the following tables:

a. Adjusted EBITDA Multiplier (Corporate/Operating Unit)

% of Target Adjusted EBITDA	Corporate or Operating Unit Multiplier
170% and over	200%
160%	185%
150%	175%
140%	160%
130%	145%
120%	130%
110%	115%
100%	100%
90%	84%
80%	68%
70%	52%
60%	36%
50%	20%
Less than 50%	0%

b. **ROIC Multiplier**

% of Target ROIC	ROIC Multiplier
127.5% and over	200%
123.0%	167%
112.8%	133%
100.0%	100%
93.7%	73%
87.8%	47%
80.0%	20%
Less than 80.0%	0.0%

c. **W/C as a % of Sales Multiplier**

% of Target Average W/C as a % of Sales	Corporate or Operating Unit Multiplier
86.0% and under	200%
88.7%	175%
91.3%	150%
94.3%	130%
97.4%	115%
100.0%	100%
102.9%	80%
106.5%	60%
110.0%	40%
113.9%	30%
118.0%	20%
121.5%	10%
Greater than 121.5%	0%

The calculation of the percent of target achieved in the above tables shall be adjusted proportionately to reflect whole percentages achieved between the levels in the table. For example, if Corporate achieved 73% of Target Adjusted EBITDA, the percent of target achieved would be 57%; if Corporate achieved 137% of Target Adjusted EBITDA, the percent of target achieved would be 156%.

IV. RECOUPMENT

In the event the Company is required to prepare an accounting restatement applicable to any financial reporting period covering a period within the Fiscal Year due to the material noncompliance of the Company with any financial reporting requirement under the securities laws or other applicable law and if the Committee, in its discretion, so determines, each “Specified Participant” (as defined below) shall pay to the Company, in cash, all cash paid to or on behalf of such Participant under the Plan for the Fiscal Year in excess of the amount of such compensation that would have been paid to the Participant for the Fiscal Year based on the restated financial results. Any such payment shall be made within the time periods prescribed by the Committee. The term “Specified Participant” means any Participant that the Committee has determined, in its sole discretion, has committed fraud, negligence, or intentional misconduct that was a significant contributing factor to the Company having to prepare an accounting restatement. A Specified Participant’s failure to make any such timely payment to the Company constitutes an independent and material breach of the terms and conditions of the Plan, for which the Company may seek recovery of the unpaid amount as liquidated damages, in addition to all other rights and remedies the Company may have against the Participant. By participating in the Plan, each Participant agrees that timely payment to the Company as set forth in this Section IV is (i) reasonable and necessary, (ii) is not a penalty, and (iii) does not preclude the Company from seeking all other remedies that may be available to the Company.

The Committee, in its discretion, shall determine whether the Company shall effect any such recovery (i) by seeking repayment from the Specified Participant, (ii) by reducing (subject to applicable law and the terms and conditions of the applicable plan, program or arrangement) the amount that would otherwise be payable to the Specified Participant under any compensatory plan, program or arrangement maintained by the Company or any of its affiliates, (iii) by withholding payment of future increases in compensation (including the payment of any discretionary bonus amount) or grants of compensatory awards that would otherwise have been made in accordance with the Company's otherwise applicable compensation practices, or (iv) by any combination of the foregoing.

Notwithstanding any other provisions of this document, any awards made hereunder shall be subject to recovery under any law, governmental regulation, stock exchange listing requirement or Company policy applicable to them, including any related deductions, recoupment and/or claw-back as may be required to be made pursuant to such law, government regulation, stock exchange listing requirement, or Company policy, as may be in effect from time to time, and which may operate to create additional rights for the Company with respect to the awards and recovery of amounts relating thereto (the "Clawback Requirement"). By accepting Financial Performance Awards granted hereunder and under the Plan, Participants agree and acknowledge that they are obligated to cooperate with, and provide any and all assistance necessary to, the Company to recover or recoup any award or amounts paid under the Plan subject to claw-back pursuant to such law, government regulation, stock exchange listing requirement or Company policy. Such cooperation and assistance shall include, but is not limited to, executing, completing and submitting any documentation necessary to recover or recoup any award or amounts paid under the Plan from a Participant's accounts, or pending or future compensation or awards. In the event the awards granted pursuant to this document and the Plan become subject to such Clawback Requirement, then the awards shall be subject to such Clawback Requirement, and the foregoing provision of this Section IV shall no longer apply to such awards.

Notwithstanding the foregoing, the Company shall not make any additional payment in the event that the restated financial results would have resulted in a greater payment to any Participant.

V. COMPENSATION COMMITTEE

All determinations with respect to any Financial Performance Award shall be made by the Committee and shall be final, conclusive and binding on the Company, the Participant and any and all interested parties. No payment of a Financial Performance Award shall be made prior to the Committee certifying in writing that the performance goals and other material terms applicable to such awards for the Fiscal Year as set forth herein (including the Schedule attached hereto and/or the applicable exhibits on file with the Committee) have been attained.

The undersigned Chairman of the Committee hereby certifies, on behalf of the Committee, that the performance goals and other material terms applicable to the awards for the Fiscal Year as set forth herein (including the Schedule attached hereto) have been determined and approved at the Committee meeting on February 21, 2018.

Notwithstanding the foregoing, or anything contained in the Plan to the contrary, this Plan is subject to L.B. Foster Company's sole and absolute discretion and L.B. Foster Company retains the right to modify, eliminate or replace the Plan at any time and from time to time. The Committee will interpret and apply this Plan at its discretion, and may increase, decrease or eliminate any award hereunder.

By: _/s/ William H. Rackoff____________
William H. Rackoff
Chairman, Compensation Committee

Schedule 1.10

Participants	Title*	Operating Unit(s)
Robert P. Bauer	President and CEO	Consolidated Corporate
Steven R. Burgess	VP - Concrete Products President - CXT	Rail segment including Precast Conc. Products
Patrick J. Guinee	VP and General Counsel	Consolidated Corporate
John F. Kasel	Sr VP - Rail Business and Construction	Rail segment including Precast Conc. Products (inc. Buildings), and Construction
Brian H. Kelly	VP - Human Resources & Administration	Consolidated Corporate
Gregory W. Lippard	VP - Rail Product Sales	Rail segment including Precast Conc. Products
James P. Maloney	Sr VP and CFO	Consolidated Corporate
Christopher T. Scanlon	Controller	Consolidated Corporate
William F. Treacy	VP – Tubular & Energy Services	Tubular and Energy

* Subject to change pursuant to Section 3.1.

Approved by Committee on this

21st day of February, 2018.

/s/ William H. Rackoff ________
William H. Rackoff
Chairman, Compensation Committee

RESTRICTED STOCK AGREEMENT
(EXECUTIVE)

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

This Restricted Stock Agreement set forth below (this "***Agreement***") is dated as of **February 22, 2018** (the "***Issue Date***") and is between L. B. Foster Company, a Pennsylvania corporation ("***Company***"), and **NAME** (the "***Stockholder***").

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

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

AGREEMENT

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

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

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

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

(b) **All of the Shares will vest 33 1/3% on each of the first, second, and third anniversaries.** However, if a Change of Control occurs prior to the end of the full vesting period and (i) Stockholder experiences an involuntary Separation from Service by the Company other than (A) a Termination for Cause, (B) death, or (C) Disability, or the Stockholder terminates for Good Reason (as defined below) within the 90-day period immediately preceding a Change of Control, or on or within the two-year period immediately following a Change of Control, or (ii) the acquiring entity in a Change of Control does not assume this Agreement and convert the Shares into a substantially comparable award of capital stock or other equity incentive instrument in such acquiring entity as determined by the Board of Directors, any unvested Shares shall immediately vest. Vesting shall be tolled during any period in which Stockholder is on an approved leave of absence from employment with the Company or an affiliate of the Company.

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

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

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

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

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

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

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

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

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

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

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

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

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

Section 7. ***Further Assistance*****.** Stockholder will provide assistance reasonably requested by the Company in connection with actions taken by Stockholder while employed by the Company, including but not limited to assistance in connection with any lawsuits or other claims against the Company arising from events during the period in which Stockholder was employed by the Company.

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

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

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

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

Section 12. *N**otice***. 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 Stockholder, to his or her address as it appears on the Company's records. Either party to this Agreement may send any notice, request, demand, claim, or other communication under this Agreement to the intended recipient at such address using any other means (including personal delivery, expedited courier, messenger service, telecopy, ordinary mail, or electronic mail), but no such notice, request, demand, claim, or other communication shall be deemed to have been duly given unless and until it actually is received by the intended recipient. Either party to this Agreement may change the address to which notices, requests, demands, claims, and other communications hereunder are to be delivered by giving the other party notice in the manner set forth in this section.

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

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

Section 15. ***Acknowledgments.***

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

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

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

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

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

L. B. FOSTER COMPANY

By:

Name: Robert P. Bauer
Title: President and Chief Executive Officer

ACCEPTED AND AGREED TO:

, Stockholder
«Name»

Exhibit A

L. B. FOSTER COMPANY
2018 PERFORMANCE SHARE UNIT PROGRAM
(2018-2020)

L. B. FOSTER COMPANY, a Pennsylvania corporation (the "Company"), hereby establishes this L. B. FOSTER COMPANY 2018 PERFORMANCE SHARE UNIT PROGRAM (the "Program"), in accordance with the provisions of the L. B. FOSTER COMPANY 2006 Omnibus Incentive Plan, as amended (the "Plan"), and the terms and conditions provided herein.

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

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

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

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

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

2. Effective Date. The effective date of this Program is January 1, 2018.

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

4. Performance Share Unit Awards.

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

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

5. Performance Conditions of the Performance Share Units. The total number of shares of the Company’s Common Stock that may be earned by a Participant will be based on the Company's attainment of performance goals relating to the Company's return on invested capital ("ROIC") and Compound Annual Growth Rate of EBITDA (“EBITDA CAGR”) during the Performance Period (as defined below) as approved by (and in accordance with the procedures established by) the Committee on February 21, 2018 and on file with the Committee (the "Performance Conditions"), for the performance period of January 1, 2018 through December 31, 2020 (the "Performance Period"); provided, however, that except as otherwise specifically provided herein, the ability to earn shares of the Company’s Common Stock and to receive payment thereon under the Program is expressly contingent upon achievement of the threshold for the Performance Conditions and otherwise satisfying all other terms and conditions of the Program.

6. Issuance and Distribution.

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

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

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

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

8. Change in Participant's Status. In the event a Participant's employment with the Company or any Subsidiary is terminated (i) by reason of Retirement on or after January 1, 2019 (or such earlier date as may be expressly authorized by the Committee), or (ii) on account of death or total and permanent Disability prior to the Payment Date, the Participant shall be entitled to retain the Performance Share Units and receive payment therefore to the extent earned and payable pursuant to the provisions of this Program; provided, however, the Participant shall only be entitled to retain a prorated portion of the Performance Share Units determined at the

end of the Performance Period and based on the ratio of the number of complete months the Participant is employed or serves during the Performance Period to the total number of months in the Performance Period (or the number of remaining months in the Performance Period if the Participant becomes an employee of the Company and/or its Subsidiaries after the start of the Performance Period). In the event a Participant's employment with the Company or any Subsidiary is terminated for any other reason, including, but not limited to, by the Participant voluntarily, or by the Company on account of a Termination for Cause or without cause, prior to the Payment Date, the Performance Share Units awarded to the Participant shall be cancelled and forfeited, whether payable or not, without payment by the Company or any Subsidiary. Any payments due a deceased Participant shall be paid to his estate as provided herein after the end of the Performance Period.

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

10. Tax Consequences/Withholding.

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

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

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

11. Non-Competition.

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

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

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

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

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

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

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

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

13. Remedies/Forfeiture/Recoupment.

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

(b) At any point after becoming aware of a breach of any obligation set forth in Sections 11 and/or 12 of this Program, the Company shall provide notice of such breach to a Participant. By agreeing to participate in this Program, the Participants agree that within ten (10) days after the date the Company provides such notice, a Participant shall pay to the Company in cash an amount equal to any and all distributions paid to or on behalf of such Participant under this Program within the six (6) months prior to the date of the earliest breach. The Participant agrees that failure to make such timely payment to the Company constitutes an independent and material breach of the terms and conditions of this Program, for which the Company may seek recovery of the unpaid amount as liquidated damages, in addition to all other rights and remedies the Company may have resulting from a Participant's breach of the obligations set forth in Sections 11 and 12. The Participants agree that timely payment to the Company as set forth in this provision of the Program is reasonable and necessary because the compensatory damages that will result from breaches of Sections 11 and/or 12 cannot readily be ascertained. Further, the Participants agree that timely payment to the Company as set forth in this provision of the Program is not a penalty, and it does not preclude the Company from seeking all other remedies that may be available to the Company, including without limitation those set forth in this Section 13.

(c) In the event the Company is required to prepare an accounting restatement applicable to any financial reporting period covering a period within the Performance Period due to the material noncompliance of the Company with any financial reporting requirement under the securities laws or other applicable law and if the Committee, in its discretion, so determines, (i) each “Specified Participant” shall pay to the Company in cash up to the amount equal to the fair market value of any and all shares, cash or other compensation paid to or on behalf of such Participant under this Program, and, without duplication, (ii) each “Specified Participant” shall pay to the Company in cash an amount equal to the fair market value of any and all shares, cash or other compensation paid to or on behalf of such Participant under of this Program in excess of the amount of such compensation that would have been paid to the Participant based on the restated financial results. Any such payment shall be made within the time periods prescribed by the Committee. The Committee, in its discretion, shall determine whether the Company shall effect any such recovery (i) by seeking repayment from the Specified Participant, (ii) by reducing (subject to applicable law and the terms and conditions of the applicable plan, program or arrangement) the amount that would otherwise be payable to the Specified Participant under any compensatory plan, program or arrangement maintained by the Company or any of its affiliates, (iii) by withholding payment of future increases in compensation (including the payment of any discretionary bonus amount) or grants of compensatory Awards that would otherwise have been made in accordance with the Company's otherwise applicable compensation practices, or (iv) by any combination of the foregoing. For purposes of this Program, the term "Specified Participant" means any Participant that the Committee has determined, in its sole discretion, that any fraud, negligence, or intentional misconduct by Participant was a significant contributing factor to the Company having to prepare an accounting restatement. A Participant's failure to make any 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 against the Participant. By participating in the Program, each Participant agrees that timely payment to the Company as set forth in this provision of the Program is reasonable and necessary, and 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. ***Each Participant further acknowledges and agrees that a Participant's Performance Share Units shall be cancelled and forfeited without payment by the Company if such Participant is determined to be a Specified Participant with respect to any financial reporting period covering a period within the Performance Period. Notwithstanding the foregoing, the Company shall not be required to make any additional payment in the event that the restated financial results would have resulted in a greater payment to the Participant.***

Notwithstanding any other provisions of this program or the Plan, the Performance Share Units granted pursuant to this Program shall be subject to recovery under any law, governmental regulation, stock exchange listing requirement or Company policy applicable to them, including any related deductions, recoupment and/or claw-back as may be required to be made pursuant to such law, government regulation, stock exchange listing requirement, or Company policy, as may be in effect from time to time, and which may operate to create additional rights for the Company with respect to the Performance Share Units and recovery of amounts relating thereto (the "Clawback Requirement"). By accepting Performance Share Units granted under the Program and under the Plan, Participants agree and acknowledge that they are obligated to cooperate with, and provide any and all assistance necessary to, the Company to recover or recoup any Award or amounts paid under the Plan subject to claw-back pursuant to such law, government regulation, stock exchange listing requirement or Company policy. Such cooperation and assistance shall include, but is not limited to, executing, completing and submitting any documentation necessary to recover or recoup any Award or amounts paid under the Plan from a Participant's accounts, or pending or future compensation or Awards. In the event the Awards granted pursuant to this document and the Plan become subject to such Clawback Requirement, then the Awards shall be subject to such Clawback Requirement, and the foregoing provisions of this Section 13(c) shall no longer apply to such Awards.

14. Assignment/Nonassignment.

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

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

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

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

17. Governing Law, Jurisdiction, and Venue.

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

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

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

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

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

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

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

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

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

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

Dated: February 21, 2018 /s/ William H. Rackoff
William H. Rackoff
Chairman, Compensation Committee

Exhibit 10.6

L. B. Foster Company
2018 PERFORMANCE SHARE UNIT PROGRAM
(2018-2020)

[DATE]

[NAME AND ADDRESS]

Dear [NAME]:

Pursuant to the terms and conditions of the L. B. Foster Company 2018 Performance Share Unit Program (the "Program"), a component of the Long-Term Incentive Program, the Compensation Committee of the Board of Directors of L. B. Foster Company (the "Committee") has awarded you ___________ Performance Share Units (the "Award"). The terms and conditions of your Award are governed by the provisions of the Program document attached hereto as Exhibit A, the terms of which are hereby incorporated by reference. Capitalized terms not otherwise defined herein shall each have the meaning assigned to them in the Program.

____
Name: ___________________________________
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 11, 12 and 13 of the Program, regardless of whether the Award ever results in a payment under the Program. I further acknowledge receipt of a copy of the Program document and the L. B. Foster Company 2006 Omnibus Incentive Plan, as amended (the "Plan"), and I agree to be bound by all the provisions of the Program and the Plan, as amended from time to time.

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

Signature: ____________________________ Date: ______________________________
Name

Exhibit 10.7

L.B. FOSTER COMPANY
EXECUTIVE ANNUAL INCENTIVE COMPENSATION PLAN
(As Amended and Restated: February 21, 2018)

1. *Purpose of the Plan*

The purpose of the L.B. Foster Company Executive Annual Incentive Compensation Plan (the "Plan") is to advance the interests of the Company and its shareholders by providing incentives to officers and certain other key employees with significant responsibility for achieving performance goals critical to the success and growth of the Company. The Plan is designed to: (i) promote the attainment of the Company's significant business objectives; (ii) encourage and reward management teamwork across the entire Company; and (iii) assist in the attraction and retention of employees vital to the Company's long-term success.

2. *Definitions*

For the purpose of the Plan, the following definitions shall apply:

(a) **"Board"** means the Board of Directors of the Company.

(b) **"Cause"** means (i) termination due to (a) willful or gross neglect of duties or (b) willful misconduct in the performance of such duties, so as to cause material harm to the Company, (ii) termination due to the Participant committing fraud, misappropriation or embezzlement in the performance of such Participant's duties or (iii) termination due to the Participant committing any felony of which such Participant is convicted and which, as determined in good faith by the Committee, constitutes a crime involving moral turpitude and results in material harm to the Company. The Committee shall make all determinations of whether the Participant was terminated for Cause and any such determination shall be final and conclusive.

(c) "**Code**" means the Internal Revenue Code of 1986, as amended, including any successor law thereto.

(d) "**Change of Control**" means the first to occur of any of the following: (i) the consummation of any merger, consolidation or business combination in which the shareholders of L.B. Foster Company immediately prior to the merger, consolidation or business combination do not own at least a majority of the outstanding equity interests of the surviving parent company; (ii) the sale of all or substantially all of the Company's assets in a single transaction or a series of related transactions; (iii) the acquisition of beneficial ownership or control (including, without limitation, power to vote) of a majority of the outstanding common stock of the L.B. Foster Company by any person or entity (including a "group" as defined by or under Section 13(d)(3) of the Securities Exchange Act of 1934, as amended, but excluding the Company, any trustee or other fiduciary holding securities under an employee benefit plan of the Company, and any corporation owned, directly or indirectly, by the shareholders of the Company in substantially the same proportions as their ownership of shares of the Company's common stock); or (iv) a contested election of directors, as a result of which or in connection with which the persons who were directors of the L.B. Foster Company before such election or their nominees cease to constitute a majority of the Board.

(e) "**Committee**" means the Compensation Committee of the Board, or such other committee as is appointed or designated by the Board to administer the Plan, which shall, with respect to awards and payments of awards hereunder intended to qualify as Performance-Based Compensation, be comprised solely of two or more "outside directors" (as defined under Section 162(m)).

(f) "**Company**" means L.B. Foster Company and any subsidiary entity or affiliate thereof, including subsidiaries or affiliates which become such after adoption of the Plan.

(g) **"Forfeit," "Forfeiture," "Forfeited"** means the loss by a Participant of any and all rights to an award granted under the Plan, including the loss of any payment of compensation by the Company under the Plan or any award granted thereunder.

(h) **"Participant"** means any person: (1) who satisfies the eligibility requirements set forth in Paragraph 4; (2) to whom an award has been made by the Committee; and (3) whose award remains outstanding under the Plan.

(i) **"Performance-Based Compensation"** means compensation under the Plan that is intended to qualify as "performance-based compensation" within the meaning of Section 162(m). (Effective for tax years after 2017, the performance-based compensation exception under Section 162(m) was repealed, provided, however, that notwithstanding such repeal, the performance-based compensation exception under Section 162(m) is subject to a transition rule for remuneration that is payable pursuant to a written binding contract that was in effect on November 2, 2017 and is not materially modified thereafter. For the avoidance of doubt, it is the intent of the Company to preserve the Performance-Based Compensation that is or may be payable under this Plan to the maximum extent permissible by law.)

(j) "**Performance Goal**" means, in relation to any Performance Period, the level of performance that must be achieved with respect to a Performance Measure.

(k) "**Performance Measures**" means any one or more of the following performance criteria, either individually, alternatively or in any combination, and subject to such modifications or variations as specified by the Committee, 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 measured over a period of time including any portion of a year, annually or cumulatively over a period of years, on an absolute basis or relative to a pre-established target, to previous years' results or to a designated comparison group, in each case as specified by the Committee" 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; 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 stockholder return; return on capital; return on assets or net assets; revenue; income or net income; operating income or net operating income; operating income adjusted for management fees and depreciation and amortization; 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; and completion of acquisitions, business expansion, product diversification, new or expanded market penetration and other non-financial operating and management performance objectives.

Prior to the repeal of the exception relating to performance-based compensation under Section 162(m), Performance Goals for Performance-Based Compensation were required to be based on Performance Measures in order to comply with the requirements for the qualified performance-based compensation exception under Section 162(m). For the avoidance of doubt, awards that are not intended to be Performance-Based Compensation, including awards to Participants who are “covered employees” under Section 162(m) on or after January 1, 2018 and that are not tax-deductible under Section 162(m), may be based on Performance Measures set forth above.

To the extent consistent with Section 162(m), the Committee may determine that certain adjustments shall apply, in whole or in part, in such manner as specified by the Committee, to exclude or include the effect of events that occur during a Performance Period, including the following: the impairment of tangible or intangible assets; asset write-downs; changes in inventory methods; effects of price escalators; litigation or claim judgments or settlements; acquisitions or divestitures; gains/losses on the sale of assets; foreign exchange gains and/or losses; expenses related to stock offerings and stock repurchases; the effect of changes in tax law, accounting principles or other such laws or provisions affecting reported results; business combinations, reorganizations and/or restructuring programs, including, but not limited to, reductions in force and early retirement incentives; currency fluctuations; any unusual, infrequent or non-recurring items, including, but not limited to, such items described in management's discussion and analysis of financial condition and results of operations or the financial statements and/or notes thereto appearing in the Company's annual report for the applicable period.

(l) "**Performance Period**" means, in relation to any award, the calendar year or other fiscal period within the calendar year of less than 12 months for which a Participant's performance is being calculated, with each such period constituting a separate Performance Period.

(m) "**Retirement**" means retirement of a Participant as determined and authorized by the Committee.

(n) "**Section 162(m)**" shall mean Section 162(m) of the Code and the regulations and other binding guidance promulgated thereunder.

(o) **"Section 409A"** shall mean Section 409A of the Code and the regulations and other binding guidance promulgated thereunder.

(p) **"Total and Permanent Disability**" means: (1) if the Participant is insured under a long-term disability insurance policy or plan which is paid for by the Company, the Participant is totally disabled under the terms of that policy or plan; or (2) if no such policy or plan exists, the Participant shall be considered to be totally disabled as determined by the Committee.

3. ***Administration of the Plan***

(a) The management of the Plan shall be vested in the Committee; provided, however, that all acts and authority of the Committee pursuant to this Plan shall be subject to the provisions of the Committee's Charter, as amended from time to time, and such other authority as may be delegated to the Committee by the Board. The Committee may, other than with respect to Performance-Based Compensation, , delegate such of its powers and authority under the Plan to the Company's officers as it deems necessary or appropriate. In the event of such delegation, all references to the Committee in the Plan shall be deemed references to such officers as it relates to those aspects of the Plan that have been delegated.

(b) Subject to the terms of the Plan, the Committee shall, among other things, have full authority and discretion to determine eligibility for participation in the Plan, make awards under the Plan, establish the terms and conditions of such awards (including the Performance Goal(s) and Performance Measure(s) to be utilized) and determine whether the Performance Goals applicable to any Performance Measures for any awards have been achieved. The Committee's determinations under the Plan need not be uniform among all Participants, or classes or categories of Participants, and may be applied to such Participants, or classes or categories of Participants, as the Committee, in its sole and absolute discretion, considers necessary, appropriate or desirable. The Committee is authorized to interpret the Plan, to adopt administrative rules, regulations, and guidelines for the Plan, and may correct any defect, supply any omission or reconcile any inconsistency or conflict in the Plan or in any award. All determinations by the Committee shall be final, conclusive and binding on the Company, the Participant and any and all interested parties.

(c) Subject to the provisions of the Plan, the Committee will have the authority and discretion to determine the extent to which awards under the Plan will be structured to conform to the requirements applicable to performance-based compensation as described in Section 162(m), and to take such action, establish such procedures, and impose such restrictions at the time such awards are granted as the Committee determines to be necessary or appropriate to conform to such requirements. Notwithstanding any provision of the Plan to the contrary, if an award under this Plan is intended to qualify as performance-based compensation under Section 162(m) and a provision of this Plan would prevent such award from so qualifying, such provision shall be administered, interpreted and construed to carry out such intention (or disregarded to the extent such provision cannot be so administered, interpreted or construed).

(d) The benefits provided under the Plan are intended to be excepted from coverage under Section 409A and shall be construed accordingly. Notwithstanding any provision of the Plan to the contrary, if any benefit provided under this Plan is subject to the provisions of Section 409A (and not excepted therefrom), the provisions of the Plan shall be administered, interpreted and construed in a manner necessary to comply with Section 409A (or disregarded to the extent such provision cannot be so administered, interpreted, or construed)

4. ***Participation in the Plan***

Officers and key employees of the Company, as determined by the Committee, shall be eligible to participate in the Plan. No employee shall have the right to participate in the Plan, and participation in the Plan in any one Performance Period does not entitle an individual to participate in future Performance Periods.

5. ***Incentive Compensation Awards***

(a) The Committee may, in its discretion, from time to time make awards to persons eligible for participation in the Plan pursuant to which the Participant will earn cash compensation. The amount of a Participant’s award may be based on a percentage of such Participant’s salary or such other methods as may be established by the Committee. Each award shall be communicated to the Participant, and shall specify, among other things, the terms and conditions of the award and the Performance Goals to be achieved. The maximum amount that may be awarded and paid under the Plan to a Participant for any calendar year for any Performance-Based Compensation shall not exceed USD $1,500,000.

(b) With respect to awards that are intended to be performance-based compensation under Section 162(m), each award shall be conditioned upon the achievement of one or more Performance Measure(s) established by the Committee. No later than ninety (90) days after the beginning of the applicable Performance Period, the Committee shall establish in writing the Performance Goals, Performance Measures and the method(s) for computing the amount of compensation which will be payable under the Plan to each Participant if the Performance Goals established by the Committee are attained; provided however, that for a Performance Period of less than one year, the Committee shall take any such actions prior to the lapse of 25% of the Performance Period. In addition to establishing minimum Performance Goals below which no compensation shall be payable pursuant to an award of Performance-Based Compensation, the Committee, in its discretion, may create a performance schedule under which an amount less than or more than the target award for such Performance-Based Compensation may be paid so long as the Performance Goals have been achieved.

(c) The Committee, in its sole discretion, may also establish such additional restrictions or conditions that must be satisfied as a condition precedent to the payment of all or a portion of any awards. Such additional restrictions or conditions need not be performance-based and may include, among other things, the receipt by a Participant of a specified annual performance rating, the continued employment by the Participant and/or the achievement of specified performance goals by the Company, business unit or Participant. Furthermore and notwithstanding any provision of the Plan to the contrary, the Committee, in its sole discretion, may increase or reduce the amount of any award to a Participant if it concludes that such increase or reduction is necessary or appropriate based upon: (i) an evaluation of such Participant's performance; (ii) comparisons with compensation received by other similarly situated individuals working within the Company's industry; (iii) the Company's financial results and conditions; or (iv) such other factors or conditions that the Committee deems relevant. Notwithstanding any provision of this Plan to the contrary, the Committee shall not use its discretionary authority to increase any award that is intended to be performance-based compensation under Section 162(m).

6. ***Payment of Individual Incentive Awards***

(a) After the end of the Performance Period, the Committee shall certify in writing the extent to which the applicable Performance Goals and any other material terms have been achieved. Subject to the provisions of the Plan, earned Awards shall be paid in the first calendar year immediately following the end of the Performance Period on or before March 15th of such calendar year ("Payment Date"). For purposes of this provision, and for so long as the Code permits, the approved minutes of the Committee meeting in which the certification is made may be treated as written certification.

Unless otherwise determined by the Committee or provided herein, Participants who have terminated employment with the Company prior to the actual payment of an award for any reason shall Forfeit any and all rights to payment under any awards then outstanding under the terms of the Plan and shall not be entitled to any cash payment for such period. If a Participant's employment with the Company should terminate prior to the Payment Date by reason of death, Retirement or Total and Permanent Disability, the Participant's award shall be prorated to reflect the period of service during the Performance Period prior to death, Retirement or Total and Permanent Disability, and shall be paid either to the Participant or, as appropriate, the Participant's estate, subject to the Committee's certification that the applicable Performance Goals and other material terms have been met. For purposes of this subparagraph, the prorated portion of an award shall be based on the ratio of the number of complete months the Participant is employed or serves during the Performance Period to the total number of months in the Performance Period.

(b) In the event of a Change of Control during a Participant's employment with the Company, in lieu of the payment provided in subparagraphs 6(a) hereof, the Participant shall be entitled to receive a lump sum cash payment equal to a pro rata target bonus for the year in which the Change of Control occurs, which shall be based on the portion of such year that the Participant was employed by the Company prior to the effective date of the Change of Control; provided, however, that the Committee may, in its sole discretion, determine that the Participant is not entitled to such payment upon a Change of Control. Any payment made pursuant to the immediately preceding sentence shall be made contemporaneous with the Change of Control, or as soon as administratively feasible thereafter (but in no event later than 60 days following the effective date of the Change of Control). For purposes of this subparagraph 6(b), the prorated portion of an award shall be based on the ratio of the number of complete months the Participant is employed or serves during the Performance Period through the date of the Change of Control to the total number of months in the Performance Period.

(c) The Committee shall determine whether, to what extent, and under what additional circumstances amounts payable with respect to an award under the Plan shall be deferred either automatically, at the election of the Participant, or by the Committee. All deferrals shall be made in accordance with the terms and procedures of the deferred compensation plan under which any such amounts are deferred.

7. ***Amendment or Termination of the Plan***

While the Company intends that the Plan shall continue in force from year to year, the Committee reserves the right to amend, modify or terminate the Plan at any time; provided, however, that no such modification, amendment or termination shall, without the consent of the Participant, materially adversely affect the rights of such Participant to any payment that has been determined by the Committee to be due and owing to the Participant under the Plan but not yet paid. Any and all actions permitted under this Paragraph 7 may be authorized and performed by the Committee in its sole and absolute discretion.

Notwithstanding the foregoing or any provision of the Plan to the contrary, the Committee may at any time (without the consent of the Participant) modify, amend or terminate any or all of the provisions of the Plan to the extent necessary to conform the provisions of the Plan with Section 409A or Section 162(m) or an exception thereto regardless of whether such modification, amendment, or termination of the Plan shall adversely affect the rights of a Participant under the Plan. Notwithstanding any provision of the Plan to the contrary, in no event shall the Committee or Board (or any member thereof), or the Company (or its employees, officers, directors or affiliates) have any liability to any Participant (or any other person) due to the failure of the Plan to satisfy the requirements of Section 409A or any other applicable law.

8. ***Rights Not Transferable***

A Participant's rights under the Plan may not be assigned, pledged, or otherwise transferred except, in the event of a Participant's death, to the Participant's designated beneficiary, or in the absence of such a designation, by will or by the laws of descent and distribution.

9. ***Funding/Payment***

The Plan is not funded and all awards payable hereunder shall be paid from the general assets of the Company. No provision contained in this Plan and no action taken pursuant to the provisions of this 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 Plan, such right shall be no greater than the right of any unsecured general creditor of the Company. If any earned Award is not paid by the Payment Date due to administrative impracticality, such earned Award will be paid, without earnings, as soon as administratively practicable thereafter.

10. ***Withholdings***

The Company shall have the right to withhold from any awards payable under the Plan or other wages payable to a Participant such amounts sufficient to satisfy federal, state and local tax withholding obligations arising from or in connection with the Participant's participation in the Plan and such other deductions as may be authorized by the Participant or as required by applicable law.

11. ***No Employment or Service Rights***

Nothing contained in the Plan shall confer upon any Participant any right with respect to continued employment with the Company (or any of its affiliates) nor shall the Plan interfere in any way with the right of the Company (or any of its affiliates) to at any time reassign the Participant to a different job, change the compensation of the Participant or terminate the Participant's employment for any reason.

12. ***Other Compensation Plans***

Nothing contained in this Plan shall prevent the Company from adopting other or additional compensation arrangements for employees of the Company, including arrangements that are not intended to comply with Section 162(m) of the Code.

13. ***Governing Law***

The Plan shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania, without giving effect to its conflict of law provisions.

14. ***Effective Date***

The Plan, as amended and restated, became effective on February 22, 2018. Notwithstanding the foregoing, or anything else contained herein to the contrary, with respect to any Performance-Based Compensation to be paid under the Plan with respect to a written binding contract that was in effect on November 2, 2017, all terms and conditions of the payment of any such compensation shall be governed by the terms and conditions of this Plan and any underlying documents that combined to constitute the applicable written binding contract relating to such compensation that was in effect on November 2, 2017.

15. ***Clawback***

Notwithstanding any other provisions in the Plan, any award granted hereunder which is or becomes subject to recovery under any Company policy adopted hereafter and required by law, regulation, or stock exchange listing requirement, shall be subject to such deductions, recoupment and clawback as may be required to be made pursuant to such Company policy.

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

As Amended and Restated
Effective February 22, 2018

L. B. FOSTER COMPANY
KEY EMPLOYEE SEPARATION PLAN

ARTICLE 1.INTRODUCTION

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

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

ARTICLE 2. DEFINITIONS

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

(a) "Affiliate" shall mean any parent entities, affiliated Subsidiaries and/or divisions of the Company.

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

(c) "Benefit Factor" shall mean the multiple which has been assigned to each Participant for purposes of determining the Participant's benefit under Section 4.1(b).

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

(e) "Board" shall mean the Board of Directors of the L. B. Foster Company.

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

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

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

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

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

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

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

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

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

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

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

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

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

(h) "COBRA" means the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended.

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

(j) "Code" shall mean the Internal Revenue Code of 1986, as amended.

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

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

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

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

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

(p) "Effective Date" shall mean December 9, 2008.

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

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

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

(ii) The Company makes or causes to be made a material adverse change in the Participant's position, authority, duties or responsibilities which results in a significant diminution in the Participant's position, authority, duties or responsibilities, excluding any change made in connection with (A) a reassignment to a New Job Position, or (B) a termination of Participant's employment with the Company for Disability, Cause, death, or temporarily as a result of Participant's incapacity or other absence for an extended period;

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

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

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

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

(t) “New Job Position” shall mean a change in the Participant’s position, authority, duties or responsibilities with the Company or any Affiliate due to the Participant’s demonstrated inadequate or unsatisfactory performance, provided the Participant had been notified of such inadequate performance and had been given at least 30 days to cure such inadequate performance.

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

(v) “Participant” shall have the meaning ascribed by Article 3 hereof.

(w) “Plan” shall mean this L. B. Foster Company Key Employee Separation Plan, as it may be amended from time to time in accordance with Article 7 hereof.

(x) “Plan Administrator” shall have the meaning ascribed by Article 12 hereof.

(y) “Release” shall have the meaning ascribed by Section 4.3.

(z) “Securities Exchange Act” shall mean the Securities Exchange Act of 1934, as amended.

(aa) “Separation from Service” shall mean a Participant’s termination of employment with the Company (including all persons treated as a single employer under Section 414(b) and 414(c) of the Code) that constitutes a “separation from service” within the meaning of Section 409A of the Code and the regulations promulgated thereunder (“Section 409A”). For purposes hereof, the determination of controlled group members shall be made pursuant to the provisions of Section 414(b) and 414(c) of the Code; provided that the language “at least 50 percent” shall be used instead of “at least 80 percent” in each place it appears in Section 1563(a)(1), (2) and

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

(bb) "Stock" shall mean the common stock, par value $.01 per share, of the L. B. Foster Company.

(cc) "Subsidiary" shall mean any Company controlled entity.

ARTICLE 3. PARTICIPATION

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

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

ARTICLE 4. BENEFITS

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

(a) (i) any Base Pay earned, accrued or owing to him or her through the Date of Termination, (ii) any individual bonuses or individual incentive compensation not yet paid, but due and payable under the Company's and/or its Affiliates' plans for years prior to the year of Participant's termination of employment, (iii) reimbursement for all reasonable and customary expenses incurred by Participant in performing services for the Company prior to the Date of Termination, subject to receipt by the Company of appropriate documentation in accordance with policies established from time to time and (iv) payment equal to the amount of accrued, but unused, vacation time in accordance with the Company's policies and practices with respect to vacation time.

(b) A lump sum cash payment equal to the applicable Benefit Factor multiplied by: (i) Participant's Base Pay in effect as of the Date of Termination; plus (ii) the Participant's target annual bonus opportunity under the L.B. Foster Company Executive Annual Incentive Compensation Plan, or any successor executive annual bonus plan thereto, for the year in which the Date of Termination occurs multiplied by the Participants average percentage of target achievement under such plan for the three full calendar years preceding the year in which the Date of Termination occurs or, if greater, the three full calendar years ended before the Change in Control; provided, however, that if the Participant was not employed for three full calendar years preceding the year in which the Date of Termination occurs, then the product of the Participant's target annual bonus opportunity be multiplied by the aggregate average percentage of target achievement of all participants under the plan during the relevant three year period for purposes of this subsection (b)(ii).

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

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

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

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

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

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

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

ARTICLE 5. ADMINISTRATION

5.1 The Plan shall be administered by the Committee. The Committee shall be the "administrator" and a "named fiduciary" under the Plan for purposes of ERISA.

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

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

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

ARTICLE 6. PARACHUTE TAX PROVISIONS

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

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

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

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

ARTICLE 7. AMENDMENT AND TERMINATION

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

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

ARTICLE 8. EMPLOYMENT RIGHTS

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

ARTICLE 9. MISCELLANEOUS

9.1 (a) The Company and its Affiliates shall require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business or assets of the Company and its Affiliates (taken as a whole) expressly to assume and agree to perform under the terms of the Plan in the same manner and to the same extent that the Company and its Affiliates would be required to perform it if no such succession had taken place (provided that such a requirement to perform which arises by operation of law shall be deemed to satisfy the requirements for such an express assumption and agreement), and in such event the Company and its Affiliates (as constituted prior to such succession) shall have no further obligation under or with respect to the Plan. Failure of the Company and its Affiliates to obtain such assumption and agreement with respect to any particular Participant prior to the effectiveness of any such succession shall be a breach of the terms of the Plan with respect to such Participant and shall constitute Good Reason for purposes of this Plan. Effective upon a transfer or assignment of this Plan, the term "Company" shall mean any successor to the Company's business or assets as aforesaid which assumes and agrees (or is otherwise required) to perform the Plan. Nothing in this Section 9.1(a) shall be deemed to cause any event or condition which would otherwise constitute a Change in Control not to constitute a Change in Control.

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

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

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

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

9.4 Notwithstanding any provision of this Plan to the contrary, the Company shall not be liable for, and nothing provided or contained in this Plan will be construed to obligate or cause the Company to be liable for, any tax, interest or penalties imposed on a Participant related to, or arising with respect to, any violation of Section 409A.

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

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

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

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

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

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

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

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

ARTICLE 10. CLAIMS PROCEDURE

Adverse Benefit Determinations

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

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

1 the specific reason(s) for the denial;

2 specific reference to the specific Plan provisions on which the denial is based;

3 a description of any additional material or information which must be submitted for the Participant to perfect the claim, and an explanation of why such material or information is necessary;

4 in the case of any claim necessitating a determination of Disability, a copy of any internal rule, guideline, protocol, or other similar criterion relied upon in making the initial determination or a statement that such a rule, guideline, protocol, or other criterion was relied upon in making the determination and that a copy of such rule will be provided to the terminated employee upon request and free of charge or a statement that such rules, guidelines, protocols, standards or other similar criteria do not exist; and

5 an explanation of the Plans claims review procedure and the time limits applicable to such procedures, including a statement of the Participant’s right to bring a civil action under section 502(a) of ERISA following an adverse benefit determination on appeal.

Appeal of Adverse Benefit Determinations

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

1. request a review upon written notice to the Plan Administrator within 60 days (or 180 days in the case of a claim necessitating a determination of Disability) after receipt of a notice of the denial of a claim for benefits;

2. submit written comments, documents, records, and other information relating to the claim for benefits; and

3. examine the Plan and obtain, upon request and without charge, copies of all documents, records, and other information relevant to the Participant's claim for benefits.

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

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

1. the specific reason or reasons for the decision;

2. specific reference to the specific Plan provisions on which the decision is based;

3. the terminated employee's right to receive, upon request and without charge, reasonable access to, and copies of, all documents, records and other information relevant to the claim for benefits;

4. in the case of any claim necessitating a determination of Disability, a copy of any internal rule, guideline, protocol, standards or other similar criterion relied upon in making the initial determination or a statement that such a rule, guideline, protocol, or other criterion was relied upon in making the determination and that a copy of such rule will be provided to the terminated employee upon request and free of charge or a statement that such rules, guidelines, protocols, standards or other similar criteria do not exist; and

5. a statement of the employee's right to bring a civil action under section 502(a) of ERISA.

<u>Requirement to Exhaust Claims Procedure</u>

No person may bring an action for any alleged wrongful denial of Plan benefits in a court of law unless the claims and appeals procedures set forth above are exhausted and a final determination is made by the Plan Administrator. If the Participant or other interested person challenges a decision of the Plan Administrator, a review by the court of law will be limited to

the facts, evidence and issues presented to the Plan Administrator during the claims and appeals procedure set forth above. Issues not raised with the Plan Administrator will be deemed waived. Any lawsuit claiming entitlement to benefits under the Plan, seeking clarification of any right to future benefits or alleging any other right or remedy derived from or related to the Plan shall be brought no later than six (6) months after the claims and appeals procedure has been exhausted.

ARTICLE 11. STATEMENT OF ERISA RIGHTS

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

Receive Information About the Plan and Benefits

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

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

Prudent Actions by Plan Fiduciaries

In addition to creating rights for Participants, ERISA imposes duties upon the people who are responsible for the operation of the employee benefit plan. The people who operate the Plan, called "fiduciaries" of the Plan, have a duty to do so prudently and in the interest of Participants and beneficiaries. No one, including a Participant's employer or any other person, may fire such Participant or otherwise discriminate against a Participant in any way to prevent such Participant from obtaining a welfare benefit or exercising such Participant's rights under ERISA. However, this rule neither guarantees continued employment, nor affects the Company's right to terminate a Participant's employment for other reasons.

Enforce Participant Rights

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

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

Assistance with Participant Question

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

ARTICLE 12. SUMMARY INFORMATION

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

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

Plan Sponsor: The Sponsor of the Plan is:

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

Plan Administrator: The Plan Administrator of the Plan is:

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

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

Type of Plan: Severance Pay Employee Welfare Benefit Plan.

Type of Administration: The Plan is self-administered.

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

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

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

EXHIBIT A

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

GENERAL RELEASE, NON-DISPARAGEMENT AND NON-COMPETITION AGREEMENT

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

WHEREAS, the Employee formerly was employed by the Company;

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

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

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

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

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

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

1. General Release.

(a) To the fullest extent permitted by law, the Employee, for and in consideration of the commitments of the Company as set forth in paragraph 7 of this Agreement and the Plan, and intending to be legally bound, does hereby REMISE, RELEASE AND FOREVER DISCHARGE the Company, its affiliates, predecessors, subsidiaries and parents, and their present or former officers, directors, managers, stockholders, employees, members and agents, and its and their respective successors, assigns, heirs, executors, and administrators and the current and former trustees or administrators of any pension or other benefit plan applicable to the employees or former employees of the Company (collectively, "Releasees") from all causes of action, suits, debts, claims and demands whatsoever in law or in equity, which the Employee ever had, now has, or hereafter may have, whether known or unknown, or which the Employee's heirs, executors, or administrators may have, by reason of any matter, cause or thing whatsoever, from any time prior to the date of this Agreement, and particularly, but without limitation of the foregoing general terms, any claims arising from or relating in any way to the Employee's employment relationship with the Company, the terms and conditions of that employment relationship, and the termination of that employment relationship, including, but not limited to, any claims arising under the Age Discrimination in Employment Act, the Older Workers Benefit Protection Act, the Americans with Disabilities Act, the Employee Retirement Income Security Act of 1974, the Civil Rights Act of 1991, the Genetic Information Non-Discrimination Act, the Family and Medical Leave Act, Section 1981 of U.S.C., Title VII of the Civil Rights Act, the Equal Pay Act, the Pennsylvania Human Relations Act, the Pennsylvania Equal Pay Law, the Pennsylvania Whistleblower Law, the Pennsylvania Wage Payment and Collection Law, the Pennsylvania Minimum Wage Law, the Pennsylvania Pregnancy, Childbirth and Childrearing Law; if applicable, as well as any claims for alleged wrongful discharge, discrimination or harassment, breach of an express or implied contract, breach of the implied covenant of good faith and fair dealing, defamation, intentional or negligent infliction of emotional distress, promissory estoppel, whistleblower retaliation, other personal injury, fraud or misrepresentation, invasion of privacy, negligence, retaliation, violation of public policy and any other claims under any federal, state or local common law, statutory, or regulatory provision, now or hereafter recognized, and any claims for attorneys' fees and costs. This Agreement is effective without regard to the legal nature of the claims raised and without regard to whether any such claims are based upon tort, equity, implied or express contract or discrimination of any sort. The Employee is not waiving Employee's right to vested benefits under the written terms of the Company's 401(k) Plan, claims for unemployment or workers' compensation benefits, any medical claim incurred during the Employee's employment that is payable under applicable medical plans or an employer-insured liability plan, or claims that are not otherwise waivable under applicable law.

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

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

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

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

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

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

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

(b) The Employee shall promptly and fully disclose all Work Product to the Company and shall cooperate and perform all actions reasonably requested by the Company (whether during or after the term of employment) to establish, confirm and protect the Company's and/or its affiliates' right, title and interest in such Work Product. Without limiting the generality of the foregoing, the Employee agrees to assist the Company, at the Company's expense, to secure the Company's and its affiliates' rights in the Work Product in any and all countries, including the execution by the Employee of all applications and all other instruments and documents which the Company and/or its affiliates shall deem necessary in order to apply for and obtain rights in such Work Product and in order to assign and convey to the Company and/or its affiliates the sole and exclusive right, title and interest in and to such Work Product. If the Company is unable because of the Employee's mental or physical incapacity or for any other reason (including the Employee's refusal to do so after request therefor is made by the Company) to secure the Employee’s signature to apply for or to pursue any application for any United States or foreign patents or copyright registrations covering Work Product belonging to or assigned to the Company and/or its affiliates pursuant to Section 3(a) above, then the Employee by this Agreement irrevocably designates and appoints the Company and its duly authorized officers and agents as the Employee’s agent and attorney-in-fact to act for and in the Employee’s behalf and stead to execute and file any such applications and to do all other lawfully permitted acts to further the prosecution and issuance of patents or copyright registrations thereon with the same legal force and effect as if executed by the Employee. The Employee agrees not to apply for or pursue any application for any United States or foreign patents or copyright registrations covering any Work Product other than pursuant to this paragraph in circumstances where such patents or copyright registrations are or have been or are required to be assigned to the Company or any of its affiliates.

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

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

4. Covenant Not To Compete.

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

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

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

(c) The Employee agrees that during the Non-Compete Period, the Employee will not, directly or indirectly, influence or attempt to influence any customers, distributors or suppliers of the Company or any of its affiliates to divert their business to any competitor of the Company or any of its affiliates or in any way interfere with the relationship between any such customer, distributor or supplier and the Company and/or any of its affiliates (including, without limitation, making any negative statements or communications about the Company and its affiliates). The Employee agrees that during such Non-Compete Period, the Employee will not, directly or indirectly, acquire or attempt to acquire any business in the contiguous United States to which the Company or any of its affiliates, prior to the Employee's Date of Termination, has made an acquisition proposal relating to the possible acquisition of such business by the Company or any of its affiliates, or has planned, discussed or contemplated making such an acquisition proposal (such business, an "Acquisition Target"), or take any action to induce or attempt to induce any

Acquisition Target to consummate any acquisition, investment or other similar transaction with any person other than the Company or any of its affiliates.

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

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

(f) Each of the covenants of Sections 3 and 4 hereof are given by the Employee as part of the consideration for the benefits to be received by the Employee under the Plan and as an inducement to the Company to grant such benefits under the Plan and accept the obligations thereunder.

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

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

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

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

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

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

10. The Employee represents that the Employee does not, without the Company’s prior written consent, presently have in the Employee’s possession any records and business documents, whether on computer or hard copy, and other materials (including but not limited to computer disks and tapes, computer programs and software, office keys, correspondence, files, customer lists, technical information, customer information, pricing information, business strategies and plans, sales records and all copies thereof) (collectively, the “Corporate Records”) provided by the Company and/or its predecessors, subsidiaries or affiliates or obtained as a result of the Employee’s

prior employment with the Company and/or its predecessors, subsidiaries or affiliates, or created by the Employee while employed by or rendering services to the Company and/or its predecessors, subsidiaries or affiliates. The Employee acknowledges that all such Corporate Records are the property of the Company. In addition, the Employee shall promptly return in good condition any and all Company owned equipment or property, including, but not limited to, automobiles, personal data assistants, facsimile machines, copy machines, pagers, credit cards, cellular telephone equipment, business cards, laptops, computers, and any other items requested by the Company. As of the Date of Termination, the Company will make arrangements to remove, terminate or transfer any and all business communication lines including network access, cellular phone, fax line and other business numbers.

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

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

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

perform such material obligation and (ii) such failure remains uncorrected and/or uncontested by the Company for 15 days following the date of such notice.

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

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

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

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

18. The Employee certifies and acknowledges as follows:

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

(b) That the Employee has signed this Agreement voluntarily and knowingly in exchange for the consideration described herein, which the Employee acknowledges is adequate and satisfactory to him or her and which the Employee acknowledges is in addition to any other benefits to which the Employee is otherwise entitled; and

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

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

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

(f) The Employee acknowledges that this Agreement may be revoked by him within seven (7) days after execution, and it shall not become effective until the expiration of such seven (7) day revocation period. The Employee may revoke the Agreement by sending a statement that he or she is revoking this Agreement, addressed and delivered to **[NAME], [TITLE],**

[MAILING ADDRESS], [EMAIL ADDRESS], [FAX NO., IF ANY]. In the event of a timely revocation by the Employee, this Agreement will be deemed null and void and the Company will have no obligations hereunder.

[SIGNATURE PAGE FOLLOWS]

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

Witness:__

EMPLOYEE

[COMPANY]

By:__ Witness:__
Name:__

Title:__

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

I, Robert P. Bauer, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of L.B. Foster Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d–15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: **May 2, 2018**

/s/ Robert P. Bauer
Name: Robert P. Bauer
Title: President and Chief Executive Officer

Exhibit 31.2

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

I, James P. Maloney, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of L.B. Foster Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d–15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: **May 2, 2018**

/s/ James P. Maloney
Name: James P. Maloney
Title: Senior Vice President,
Chief Financial Officer, and Treasurer

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 March 31, 2018, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned certify pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in this Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: **May 2, 2018**

/s/ Robert P. Bauer
Name: Robert P. Bauer
Title: President and Chief Executive Officer

Date: **May 2, 2018**

/s/ James P. Maloney
Name: James P. Maloney
Title: Senior Vice President,
Chief Financial Officer, and Treasurer