

Policy Guide Document

Legal and Ethical Conduct Policy

HR-ER 304

Revised: October 29, 2014

From the Office of the Chairman of the Board:

Since our humble beginnings in 1902, L. B. Foster Company has grown to become a leader in the manufacture, fabrication and distribution of infrastructure products and materials. Since the acquisition of Portec Rail in 2010, our presence continues to expand globally, including into India and Brazil. We are committed to providing superior products and services to our customers worldwide and will continue to do so while exhibiting the highest legal, ethical and moral standards. Our reputation is a valuable asset. Preserving that reputation requires the commitment of all members of our team.

Our Legal and Ethical Conduct Policy applies to all of us including myself and the other members of the Board of Directors, the management team and all employees. It sets forth the guiding principles that we all must adhere to in our business dealings in each of the markets that we serve; next door and around the globe. Please take the time to read and understand the policy. Feel free to share it with our customers and business partners so they can sense the commitment we have for doing the right thing in every circumstance. Together we can satisfy our vision and “Foster Excellence” as we grow with our customers and markets worldwide.

Sincerely,



Lee B. Foster II

INTRODUCTION AND STATEMENT OF POLICY

It is the policy of L.B. Foster Company and its subsidiaries (collectively, the “Company”) to conduct its business affairs in compliance with all applicable laws and with high ethical and moral standards. This Policy applies to all Directors, management personnel and employees worldwide.

The Company has established both the Foster Ethics and Compliance Line (available at 855-219-7327) and an internet reporting system (Ethicspoint) accessible through the Company’s website at www.lbfoster.com. Both are available 24/7 to report any concerns or complaints and both offer the ability to submit concerns in a confidential and anonymous manner, where permitted by local law. In addition, written concerns, particularly with respect to financial or audit matters, may be submitted by mail to the Company’s Internal Audit Department to the Company’s Headquarters at 415 Holiday Drive, Pittsburgh, PA 15220, ATTN: Internal Audit.

The Company will not retaliate against anyone who provides information in good faith concerning compliance with legal and ethical standards or violations of this Policy. In fact, retaliation itself is a violation of this Policy. Reporting of misconduct does not, of course, necessarily absolve the reporting person of responsibility for misconduct if such person participated in or facilitated such misconduct. Any action taken by the Company in response to violations of this Policy shall be reasonably designed to deter wrongdoing and to promote accountability for adherence to the provisions of this Policy.

RELATIONSHIPS WITH CUSTOMERS AND GOVERNMENT OFFICIALS

USE OF THIRD-PARTY AGENTS, CONSULTANTS AND OTHER BUSINESS PARTNERS.

Sales agents, customs brokers, consultants and other third-party business partners are often needed by the Company to achieve its goals. Using third-party business partners creates risks and liabilities for the Company because, under certain circumstances, the Company may be held accountable for the conduct of such partners. The Company therefore has a vested interest in choosing partners who have high ethical standards that are consistent with this Policy. All such partners must be approved by the Company’s General Counsel. Before selecting any sales agent, broker, consultant or other third-party business partner, information must be collected and maintained concerning the partner’s reputation and capabilities. This can include information with respect to the partner’s business history, structure, relationships to government officials, methods of doing business, number of employees and offices, information obtained through public databases or internet searches or information obtained from engaging third-party service providers to screen such partners. The Company expects that its partners will perform services for the Company while adhering to high ethical standards and maintaining compliance with all applicable laws. Inquiries concerning such conduct and compliance should be directed to the Company’s General Counsel.

GIFTS AND ENTERTAINMENT

The Company expects to compete fairly when marketing its products and services to customers. Similarly, our suppliers should compete fairly to supply products to us. The following sets forth

the Company's general policy guidelines in the area of giving or receiving gifts and entertainment:

No Solicitation

No person to whom this Policy applies, nor any immediate family member of such person, shall solicit cash, gifts, entertainment or other preferential treatment from any of the Company's current or potential customers, suppliers, contractors or other third-party business partners in order to influence action or gain an improper advantage.

No Cash Gifts

Accepting or providing gifts in the form of cash, loans, stocks, bonds or other cash equivalents is not permitted.

Permitted Under Local Law

Any gifts or entertainment accepted or provided must be permissible under local law and, if provided, must be acceptable under the policies of the organization employing the recipient.

No Improper Advantage

Gifts and entertainment cannot be accepted or provided in order to influence action or gain an improper advantage.

Nominal Value Only

Only gifts of nominal value can be accepted or provided and, before accepting or providing, consideration should be given to all relevant facts and circumstances, including the timing and occasion, the frequency of other gifts accepted or provided and whether accepting or providing would be likely to raise suspicions of impropriety. Receipt of gifts or entertainment in excess of nominal value, regardless of cultural custom or practice, must be reported in writing to your supervisor and business unit controller and must be consistent with this Policy and all other Company policies.

Legitimate Business Purpose for Entertainment

Entertainment, whether accepting or providing, must serve a legitimate business purpose, must be reasonable in value, and should take into account all relevant facts and circumstances, including the timing and occasion, the frequency of other entertainment accepted or provided and whether accepting or providing would be likely to raise suspicions of impropriety.

Company Books and Records

All gifts and entertainment provided must be properly recorded in the Company's books and records and must be consistent with all other Company policies.

ANTI-BRIBERY

The Company and its Directors, management personnel and employees are prohibited from offering or accepting bribes or kickbacks of any type, even if permitted under local law.

GIFTS OR PAYMENTS TO AND ENTERTAINMENT OF GOVERNMENT OFFICIALS

General Policy Statement

Many of the Company's customers, either directly or indirectly, are U.S. or foreign government entities. Because U.S. federal, state and local laws as well as the laws of many countries around the world in which the Company operates, such as the U.K., Canada, and Brazil, generally prohibit gifts and entertainment if made with the intent to influence action or gain an improper advantage, gifts and entertainment are not permitted to be offered or given to government employees, agents, officials or candidates for political office.

U.S. Foreign Corrupt Practices Act (FCPA)

All contact by the Company (whether through its own employees or any third-party agents acting on our behalf) with any foreign government official or any official of a company owned by a foreign government must be made in compliance with the FCPA.

The FCPA has two distinct provisions:

Anti-bribery: Consistent with the Company's policy against offering or accepting bribes or kickbacks of any type, the FCPA prohibits giving, offering or promising anything of value to a foreign public official, government employee, politician, or candidate for public office for purposes of influencing action or gaining an improper advantage. This prohibition extends liability to the Company for actions of our third-party agents when we knew or should have known that such agent would be contacting foreign government officials in violation of the FCPA.

Books and Records: The FCPA requires: (i) that books, records and accounts are kept in reasonable detail to accurately and fairly reflect transactions and dispositions of assets, and (ii) that a system of internal accounting controls is devised (a) to provide reasonable assurances that transactions are executed in accordance with management's authorization; (b) to ensure that assets are recorded as necessary to permit preparation of financial statements and to maintain accountability for assets; (c) to limit access to assets to management's authorization; and (d) to make certain that recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

U. K. Bribery Act of 2010

All Company business must be conducted in compliance with the U. K. Bribery Act. This Act is similar to the FCPA, but also prohibits (i) payments to non-governmental officials or otherwise in a commercial context and (ii) not just the giving, but the receipt of a bribe. There is no requirement that a corrupt intent be proven in order to violate the Act. Unless an affirmative defense is established, this prohibition extends strict liability for actions of third-party agents regardless of whether we know or should have known of such party's violation of the U.K Bribery Act. As the Company has operations in the U. K., and as the reach of the U. K. Bribery Act may extend well beyond the U. K., please direct any questions in this area to the Company's General Counsel.

CONFLICTS OF INTEREST

The Company requires each of its employees to be free from conflicts of interest when they represent the Company. Employees are required to act in the best interest of the Company without accepting any improper personal gain when dealing with customers, suppliers or other partners.

As an example, a conflict of interest exists when:

- an employee of our Company also is doing work for another company, particularly if that company already is or is likely to become a customer, supplier or other third-party business partner of the Company;
- an employee has a material financial interest in (whether directly or indirectly through a family member or related party) a customer, supplier or other third-party business partner. Owning less than 1% of the shares of a publicly-held company typically does not on its own create a conflict of interest; or
- an employee, family member or close relative has influence or control over a business (whether serving as an officer, director, manager, owning a significant portion of the equity or otherwise) which is an actual or potential competitor with the Company

In addition, employees are prohibited from:

- using the Company's resources for any reason other than valid Company purposes (such as operating a side business or otherwise for personal gain);
- disclosing material non-public information about the Company or using such information to the personal advantage of the employee, his or her family, or friends;
- taking advantage of any existing or potential business opportunity in which the Company has expressed an interest, or which was intended for the Company's benefit, for self-gain or gain by a family member or friend; and
- engaging in any business activities which may result in a conflict or the appearance of a conflict between the private interests of the employee or his or her family, and the interests of the Company or which may interfere with or adversely affect the employee's ability to perform his or her duties for the Company.

Along with the obligations and responsibilities set forth above, members of the Company's Board of Directors are prohibited from: (a) taking for themselves or for their companies opportunities

related to the Company's business; (b) using the Company's property or information for personal gain; or (c) competing with the Company for business opportunities. However, if the Company's disinterested directors determine that the Company will not pursue an opportunity that relates to the Company's business, a director may then do so.

Because conflicts of interest are not permitted without the Company's approval, they should be disclosed when they initially arise to your supervisor and the Company's General Counsel for appropriate review and resolution. In the case of members of the Company's Board of Directors or executive officers, potential conflicts of interest should be disclosed for review and resolution to the Company's General Counsel. Potential conflicts of interest affecting members of the Company's Board of Directors or executive officers also must be reported to the Audit Committee.

You are encouraged to raise any questions you may have regarding potential conflicts of interest and seek guidance from your supervisor, the Human Resources Department, the Company's General Counsel, or ask a question either on the Foster Ethics and Compliance hotline or the Company's internet reporting system (Ethicspoint). Directors and executive officers having questions are encouraged to contact the Company's General Counsel. You must fully disclose the nature of any proposed conduct or transaction that involves, or could involve, a conflict of interest and obtain approval before any action is undertaken. You also must continually review your personal and investment situations to eliminate any possible or apparent conflicts of interest that may arise by virtue of your own activities or the activities of your family members and relatives.

COMPLIANCE WITH LAWS AND OTHER COMPANY POLICIES

The Company and its employees are expected and required to comply with all applicable governmental laws, rules, and regulations. This Legal and Ethical Conduct Policy is designed to deter wrongdoing and promote compliance. The Company is committed to full, fair, accurate, timely, and understandable disclosure in reports filed with or submitted to the United States Securities and Exchange Commission (SEC) and other public communications.

INSIDER TRADING

COMPANY STOCK

The Company is a public company. Its common stock trades on NASDAQ and the Company is subject to the rules of the SEC.

Material information relating to the Company that has not been disclosed to the general public cannot be disclosed under this Policy and is illegal under the rules of the SEC. Information is material if it would be deemed important by a reasonable investor in deciding whether to buy, sell, or refrain from any activity regarding the Company's securities or if it likely would have a significant impact on the market price of the Company's securities. This is commonly referred to as "inside information."

You (and your family, friends, entities controlled by you or other acquaintances) cannot purchase or sell, or advise any other person to purchase or sell, the Company's securities based on inside information. It is illegal and a violation of Company policy to "tip" another person by giving that person non-public information so that the person can buy or sell such securities on

that basis. Transactions that may be necessary or justifiable for your independent reasons (such as the need to raise money for an emergency expenditure) are no exception. Even the appearance of an improper transaction must be avoided.

The misuse of inside information or engaging in insider trading may result in disciplinary action, including termination, as well as the imposition of civil and criminal penalties.

STOCK OF OUR BUSINESS PARTNERS

No person to whom this policy applies (or any of his or her family, friends, entities controlled by such person or other acquaintances) should invest in or sell the securities of a customer, supplier or other third-party business partner based on non-public-knowledge of its business acquired while working for the Company until such time as the information becomes public or is no longer material. Such investments or sales may violate the law as well as the trust of our customers, suppliers and other third-party business partners.

INSIDER TRADING POLICY

The Company also has a specific Insider Trading Policy. If you have a question whether certain information relative to the Company is material or whether it has been disclosed adequately to the public, you should contact the Company's General Counsel and abstain from trading in the Company's securities or disclosing the information to people outside the Company until you have been informed that the information is not material or has been publicly disclosed and disseminated.

BOYCOTTS

U.S. law prohibits the Company and its foreign subsidiaries from complying with or supporting a foreign country's boycott of another country. The U.S. anti-boycott law is primarily concerned with the international boycott of Israel by Arab League nations. As we continue to expand globally, be aware of situations where the Company may be asked to comply with this or other boycotts. These requests can arise with language in the terms and conditions of letters of credit, bills of lading, requests for proposals and other places. The Company is required to report promptly to the U.S. Government any request to support or to furnish information about a boycott by a foreign country or any entity associated with a foreign country. If you receive a request to comply with a boycott or for information related to a boycott (whether orally or as contained in any document) you should report the request immediately to, and no action should be taken until specific direction has been received from, the Company's General Counsel.

POLITICAL CONTRIBUTIONS

Each employee of the Company is encouraged to participate in the electoral process at all levels of government by voting and supporting candidates and issues of his or her choice. However, no Company funds shall be used in connection with any election or political activity unless consistent with applicable law and with prior approval of the Company's General Counsel. Any personal political activity must not create an appearance that the activity is sponsored by the Company and cannot be conducted on or use Company property.

OTHER COMPANY POLICIES

All employees must also comply with all other Company policies, including policies concerning Human Resources and Environmental Health and Safety. Copies of these policies are available from several sources, including the Company's intranet site, and cover a wide range of conduct such as harassment, substance abuse, and workplace violence. Employees are expected to know where to view copies of current policies and should ask their supervisor if there are any questions.

ENFORCEMENT

The Company enforces its policies and handles any violations through progressive counseling and disciplinary action. Depending upon the severity of an infraction, the disciplinary process may begin at any step in the process and may result in suspension without pay, demotion or termination.

RECORDKEEPING AND FINANCIAL INTEGRITY

Maintaining accurate and complete books and records of Company transactions is not only required under many different laws, but also is a key component of running an efficient business operation. All persons to whom this Policy applies shall keep records which accurately and fairly reflect in reasonable detail all transactions of the Company. All transactions must be recorded as appropriate to permit the preparation of financial statements in conformity with generally accepted accounting principles and other applicable rules and regulations in jurisdictions where the Company transacts business. Compliance with the Company's system of internal accounting controls and other Company policies, including but not limited to the Company's Policy on Travel Expenses, is required at all times.

ADMINISTRATION AND CERTIFICATION

Administration of this Policy is under the direction of the Board of Directors. All managers must emphasize to employees under their supervision the importance of complying with the letter and spirit of this policy. All exempt and salaried non-exempt employees shall be given a copy of this policy and shall be required to sign form HR-ER-304-L-1.1. All newly hired salespeople shall also be required to sign a form similar to HR-ER-304-L-1.2. All salaried employees and directors shall each certify annually that the employee or director knows of no violation of this Policy. Any waivers of this Policy for directors and executive officers must be approved by the Board of Directors.

The Company's Internal Audit Department ("IAD") shall review and investigate complaints regarding accounting, internal accounting controls or auditing matters. IAD shall maintain written summaries of such complaints and its investigation of such complaints. If any legitimate complaints (i) relate to matters which could have a material effect on the Company's financial reporting; (ii) relate to a material deficiency in internal controls; or (iii) relate to employee dishonesty IAD shall, after completing its investigation, refer the matter to the Company's Chief Financial Officer ("CFO"). If the matter involves the CFO, it shall be referred to the Chairman of the Audit Committee.

At least once a year, and at any time upon the request of the Audit Committee, IAD and the CFO shall review with the Audit Committee complaints received regarding accounting, internal accounting controls or auditing matters and the investigation of such complaints. IAD shall retain records of all complaints received and investigations conducted for at least 3 years.

Neither IAD nor any other person shall attempt to identify any person who submits a complaint, unless that person agrees that his or her identity may be disclosed. Although an effort will be made to maintain, if requested by the person providing the information, the confidentiality of information, confidentiality may be inconsistent with some investigations and with certain broader duties which the Company may have.