

L. B. FOSTER COMPANY

CORPORATE GOVERNANCE GUIDELINES

1. **Statement of Governance.** The Board of Directors represents the shareholders' interest in perpetuating a successful business. The Board of Directors has delegated to management the responsibility to manage the day-to-day operations of the Company, with the Board overseeing the effectiveness of management's policies and decisions.

The Board has adopted these guidelines to promote the interests of the Company and its shareholders.

2. **Responsibilities of the Board.** In addition to the duties of care and loyalty imposed by law, each director has the following responsibilities:
 - (a) Each director will make every effort to attend Board and applicable Committee meetings, except in unavoidable circumstances. Each director will ensure that other commitments do not materially interfere with the director's service as a director.
 - (b) A meeting agenda and materials related to agenda items will be provided prior to all meetings and each director will carefully review these materials before the relevant meeting.
 - (c) Each director will hold in confidence non-public information obtained as a director.
 - (d) The Board believes that management speaks for the Company. Individual Board members may, from time to time, meet or otherwise communicate with various constituencies that are involved with the Company; directors should do this with management's knowledge and, in most instances, only at management's request. Nothing herein, however, shall be deemed to limit directors' access to the Company's officers or independent professional advisors under Section 6 of these Guidelines.
3. **Committees.** The Board currently maintains the following committees: a Compensation Committee, a Nomination and Governance Committee and an Audit Committee.

- (a) Audit Committee. All members of the Audit Committee shall be independent Directors and must comply with all SEC and NASDAQ qualification requirements for audit committee members.

The Audit Committee's duties are set forth in its Charter.

- (b) Compensation Committee

All members of the Compensation Committee must be independent directors and must comply with all SEC and NASDAQ qualification requirements.

The Compensation Committee's duties are set forth in its Charter.

- (c) Nomination and Governance Committee. All members of the Nomination and Governance Committee must be independent directors and must comply with all SEC and NASDAQ qualification requirements.

The Nomination and Governance Committee's duties are set forth in its Charter.

4. Board Composition

- (a) Director of Selection and Qualification. The Board seeks candidates who possess the background, skills, expertise and time to make a significant contribution to the Board, to the Company and its stockholders. The Nomination and Governance Committee reviews the qualifications and backgrounds of the directors, as well as the overall composition of the Board, and recommends to the full Board the slate of directors to be nominated for election at the annual meeting of shareholders.

Nominees for directorship will be proposed by the Nomination and Governance Committee, for approval by the Board, in accordance with the policies and principles in its charter.

A director should not serve on more than six public company boards. In evaluating participation on other boards, consideration shall be given to the number of audit committees on which an individual participates, particularly if it is anticipated that the individual may serve on the company's Audit Committee.

Before joining the board of directors of any other "for profit" corporation, a director shall notify the Chief Executive Officer and the Chair of the Nomination and Governance Committee so as to enable the Nomination and Governance

Committee to make, in a timely manner, a determination as to whether there is an “interlocking directorate” issue or other conflict and to communicate such determination and any related recommendation to such director and to the Board.

- (b) Majority Independence. The majority of the directors will be “independent directors”, as such term is defined under applicable SEC and NASDAQ rules. The Board shall annually determine which directors are “independent directors”. “Independent directors” will hold regular executive sessions without management.
- (c) Tenure. The Board does not believe it should establish term limits since term limits could deprive the Company of directors who have developed insight into the Company and its operations. As an alternative to term limits, the Nomination and Governance Committee periodically will review each director’s continuation on the Board.

5. Director Compensation Guidelines.

- (a) The Nomination and Governance Committee shall annually review directors’ compensation, after consultation with the Company’s human resources department and any consultant that the Nomination and Governance Committee wishes to retain.
- (b) Compensation should consist of an appropriate mix of cash and equity in the form of stock grants and/or options.
- (c) Audit Committee members may not receive any remuneration from the Company other than compensation for board and committee service.

6. Board Access to Management and Professional Advisors.

- (a) Directors shall have full access to the Company’s officers.
- (b) The directors may, in their discretion, retain independent professional advisors.

7. CEO Selection, Evaluation and Succession.

- (a) The Chief Executive Officer’s performance will be reviewed by the Board of Directors at least annually. Such review will follow recommendations from the Compensation Committee with respect

to long and short term corporate goals and the Chief Executive Officer's performance.

- (b) The Chief Executive Officer will report annually to the Board on the Company's program for succession and management development. The Chief Executive Officer should make available to the Board his or her recommendations and evaluations of potential successors at all senior management positions, including Chief Executive Officer.

8. **Board and Committee Meetings**

- (a) Once a year, the Chief Executive Officer will prepare, and the Board will receive, a schedule of agenda subjects to be considered during the year. The Chairman will establish the agenda for each Board meeting. Each director is free to suggest the inclusion of items on the agenda. Each director is free to raise at any Board meeting subjects that are not on the agenda for that meeting.
- (b) The chair of each committee, in consultation with the appropriate members of management and staff, will develop the committee's agenda. Once a year, each committee will establish a schedule of agenda subjects to be discussed during the year. The schedule for each committee will be furnished to all directors.