

**STOCK OWNERSHIP GUIDELINES FOR EXECUTIVES
OF FREIGHTCAR AMERICA, INC.**

(Effective September 20, 2011)

1. **Ownership Requirements.** The Board of Directors expects that each member of the Company's senior management will meet minimum stock ownership requirements that are consistent with industry standards. Accordingly, each of the Company's corporate officers will maintain Company stock holdings at least equal to the aggregate number of shares (including options or shares granted but not vested) that the Company has awarded to the officer during the three-year period ending on any given date of determination. The officer may reduce the amount of required stock holdings by the number of shares the officer has applied directly to the payment of taxes on such awards (*e.g.*, in a "withhold to cover" transaction).

2. **Included Holdings.** Company stock holdings that count towards meeting ownership requirements include:
 - (a) Shares owned outright or in trust; and
 - (b) Stock options, restricted stock and restricted stock units, including options and shares granted but not vested.

3. **Stock Sales; Compliance Review; Changes to Guidelines.**
 - (a) An officer who is in compliance with the above ownership requirements may sell Company stock down to the minimum ownership requirements in accordance with the Company's stock trading policy. However, if the officer falls out of compliance with the ownership requirements (*e.g.*, due to a stock sale), he or she must return to compliance within twelve (12) months.
 - (b) Upon first becoming subject to the above ownership requirements, whether by being newly hired, promoted or otherwise, an officer will have three years to come into compliance.
 - (c) The Compensation Committee will review each officer's compliance with the ownership requirements annually, as part of the officer's annual performance review. The Compensation Committee has the authority to review and alter the provisions of these Guidelines as it deems appropriate.

4. **Enforcement Provisions.** If an officer consistently fails to comply with the above ownership requirements, the Compensation Committee will take such actions as it deems appropriate, including but not limited to allocating an additional amount of the officer's annual compensation to the purchase of Company stock or reducing future equity compensation awards.