

FREIGHTCAR AMERICA, INC.

CODE OF BUSINESS CONDUCT AND ETHICS

Effective May 1, 2010

I. INTRODUCTION

It is the policy of FreightCar America, Inc. (the “Company”) to conduct business in an ethical manner. The Board of Directors of the Company (the “Board”) has adopted this Code of Business Conduct and Ethics (this “Code”) to help the directors, officers and employees of the Company and its subsidiaries recognize and deal with ethical issues, to provide for reporting of unethical conduct, and to maintain a culture of integrity, honesty and accountability in the Company.

The Code is also designed to deter wrongdoing and to promote (i) honest and ethical conduct, (ii) full, fair, accurate, timely and understandable disclosure in the Company’s filings with the Securities and Exchange Commission (“SEC”) and in other public communications, (iii) compliance with laws, rules and regulations, (iv) prompt internal reporting of actual or potential violations of the Code, and (v) accountability for compliance with the Code.

It is our responsibility to be familiar with this Code and to comply with its provisions at all times. While this Code covers a wide range of business practices and procedures, it does not cover every issue that may arise. This Code also should be provided to and followed by the Company’s agents, consultants and contract employees as if such individuals were employees of the Company.

Those who violate this Code will be subject to disciplinary action up to and including termination of employment. Any waiver of this Code must be granted in accordance with Section XI, Waivers of the Code. If you are in a situation that you believe may violate or lead to a violation of this Code, you must follow the procedures described in Section XII, Compliance Procedures and Whistleblower Policy. In some situations involving moral or ethical judgment, it may be difficult for you to determine the proper course of action. In such instances, you should not rely solely on your own judgment, but must discuss the matter with the appropriate person(s) identified in Section XII, Compliance Procedures and Whistleblower Policy. Managers are expected to make every effort to ensure that their team members comply with this Code.

II. COMPLIANCE WITH LAWS, RULES AND REGULATIONS

Obeying the law is fundamental to the Company’s ethical standards. You must comply with all applicable laws, rules and regulations. Although you are not expected to know the details of these laws, rules and regulations, you should know when to seek advice from your supervisor or the General Counsel.

If a law conflicts with a policy in this Code, you must comply with the law; however, if a local custom or policy conflicts with this Code, you must comply with this Code. If you have any questions about potential conflicts, you should seek assistance from your supervisor or the General Counsel.

III. SEC FILINGS AND PUBLIC DISCLOSURES

The federal securities laws require the Company to disclose certain information in various reports submitted to the SEC. In addition, from time to time, the Company makes other public communications, such as press releases.

The Company expects all directors, officers and employees who are involved in the preparation of SEC reports or other public documents to ensure that the information disclosed in these documents is full, fair, accurate, timely and understandable.

The Company's senior management shall review each SEC report and material press release prior to the time it is submitted or made public, as applicable. Any material inaccuracy or misstatement in, or any material omission from, any SEC filing or press release should be immediately disclosed to the Audit Committee of the Board of Directors.

IV. CONFLICT OF INTEREST POLICY

A conflict of interest exists when you are involved in an outside interest or activity that might either conflict with your duty to the Company or adversely affect your judgment in the performance of your responsibilities to the Company. A conflict of interest can also exist when the outside interest or activity involves your family member or friend.

You are required to remain free of influences that may result in a loss of objectivity about the Company's business. When presented with a situation involving a potential conflict of interest, you should consider whether an outside observer would believe that the situation is improper. The best policy is to avoid any direct or indirect connection with customers, suppliers or competitors of the Company, except on behalf of the Company.

Employees must promptly discuss any questions about a particular situation with their supervisor or the General Counsel. The General Counsel will review potential conflicts of interest involving non-officer employees. The Nominating and Corporate Governance Committee of the Board of Directors will review potential conflicts of interest involving the Company's executive officers (other than the Chief Executive Officer). The full Board will review potential conflicts of interest involving the Chief Executive Officer or any director.

A. **Prohibited Transactions**

1. *Financial Interest in Customers and Suppliers.* You may not have a financial interest in any customer or supplier, unless (a) you have no involvement in business transactions between the customer or supplier and the Company; (b) your investment in the customer or supplier consists of less than 1 percent of the stock of a publicly traded company; or (c) the only business relationship between the Company and the customer or supplier in

which you have an interest consists of the provision of a service or product by the Company (in the case of a customer) or by the supplier (in the case of a supplier) that is typically offered to other parties on the same terms. You also may not permit a customer or supplier to arrange an investment for your account or a family member's account, nor should you participate in investments sponsored by a customer or supplier under circumstances that might create a conflict of interest or the appearance of a conflict.

2. *Financial Interest in Competitors.* You may not have a financial interest in any competitor of the Company, other than investments of less than 1 percent of any class of publicly traded securities, investments in diversified mutual funds and other immaterial investments or financial interests.

B. Outside Employment and Activities

1. *Outside Employment.* You should avoid outside employment that creates a conflicting demand on your time and energy or is likely to affect your job performance at the Company. If you find that outside employment is necessary, you must discuss it with your supervisor or the General Counsel. You may not work for a vendor, customer or competitor of the Company, because such employment would create a conflict of interest.

2. *Outside Activities.* We encourage our employees to participate in civic welfare, industry, political and similar activities. However, if you are confronted with situations that may present an actual, potential or even the appearance of a conflict of interest, you are expected to seek guidance from your supervisor or the General Counsel before making such a commitment. Normally, volunteer activities must take place outside of regular working hours.

3. *Outside Directorship.* A Company director may serve as a board member of a customer or supplier of the Company, provided that (a) with respect to an independent director, such service would not affect his or her status as an independent director, (b) such director complies with the applicable limitations for such commitments in the Company's Corporate Governance Guidelines, and (c) such director provides notice to the Board of such directorship. An officer or employee of the Company (other than the Chief Executive Officer) may serve as a board member of a customer or supplier of the Company with the approval of the Nominating and Corporate Governance Committee. The Chief Executive Officer may serve as a board member of a customer or supplier of the Company with the approval of the Board.

4. *Political Activity and Contributions.* Political contributions by the Company must be made in compliance with all applicable federal, state, local and foreign laws and regulations. For purposes of this Code, the use of corporate facilities and equipment for political activities is deemed to be a contribution. You may not solicit Company employees for political contributions or coerce others into contributing to any organization on Company property or during working hours. You may make personal contributions to candidates or political parties of your choice as long as the contributions are made in your name and not on behalf of the Company.

C. **Corporate Opportunities**

You owe a duty to the Company to advance the Company's legitimate interests when the opportunity to do so arises. Without the prior consent of the Board, you are prohibited from taking, for yourself personally or for the benefit of others, opportunities or potential opportunities discovered during your employment or directorship that are in the Company's line of business. You may not compete with the Company, directly or indirectly, while you are employed by the Company (and for any additional post-employment period to the extent provided for in any separate agreement you have entered into with the Company).

D. **Gifts, Entertainment and Other Benefits**

The purpose of business entertainment and gifts in a commercial setting is to create good will and sound working relationships, not to gain unfair advantage with our customers or suppliers. You should never offer, give, provide or accept any gift or entertainment unless it: (i) is consistent with customary business practices; (ii) is not excessive in value; (iii) cannot be construed as a bribe or payoff; and (iv) does not violate any laws or regulations. A gift in the form of cash is prohibited. You should take particular care to avoid accepting any favor or anything of value which could be interpreted as influencing your judgment in performing your duties for the Company. If you are not certain whether a gift or proposed gift is appropriate, you should ask your supervisor or the General Counsel. Each year you will be asked to disclose, in the annual questionnaire relating to compliance with this Code, any gift or entertainment you have given or received within the prior year that has a value in excess of fifty dollars (\$50).

V. **COMPETITION AND FAIR DEALING**

We seek to outperform our competition fairly and honestly.

- *Proprietary or Confidential Information.* Stealing proprietary information of other companies, possessing proprietary information of other companies that was improperly obtained, or inducing past or present employees of other companies to disclose such information is prohibited. You are required to respect the proprietary rights of the Company's customers, suppliers and competitors.
- *Quality Processes and Safety Requirements.* To maintain the Company's valuable reputation, compliance with our quality processes and safety requirements is essential. All inspection and testing documents must be handled with appropriate confidentiality restrictions and in accordance with all applicable regulations and Company procedures.
- *Commissions or Fees.* All commissions or fees paid to agents or other representatives of the Company shall be in accordance with sound business practice, for legitimate commercial reasons, and reasonably related in value to the services performed. Where there is reason to suspect that any commission or fee paid by the Company may be used for improper payments, the employee

in charge of such commission or fee must promptly report the matter to his or her supervisor or the General Counsel.

VI. RECORD-KEEPING, EXPENSES AND COMMUNICATIONS

All of the Company's books, records, accounts and financial statements must be maintained in reasonable detail and in a timely fashion, completely and accurately reflect the Company's assets, liabilities and transactions, and conform both to applicable legal requirements and to the Company's system of internal controls. No transaction shall be carried out in a manner such that the substance of the transaction is obscured or recorded improperly.

Business expense accounts must be documented and recorded accurately. If you are not certain whether an expense is legitimate, you should ask your supervisor or the Chief Financial Officer.

You should avoid exaggeration, derogatory remarks, guesswork, or improper characterizations of people, events and companies in the Company's business records and communications. This prohibition applies equally to e-mail, voicemail, internal memos, reports and business letters. The Company's e-mail systems and information technology systems should be used only to advance the legitimate business purposes of the Company, although incidental personal use may be permitted. Records should always be retained or destroyed according to the Company's record retention policies. In no event should records be destroyed that relate to an existing dispute or investigation, unless directed by the General Counsel.

VII. CONFIDENTIALITY

You must not disclose confidential information of the Company or confidential information provided to the Company, except when disclosure is authorized by the General Counsel or required by laws or regulations. Confidential information includes all non-public information that might be of use to competitors or harmful to the Company if disclosed, and may include information that a supplier or customer has entrusted to the Company. Your obligation to preserve confidential information continues after your employment with the Company ends. Company employees should not discuss internal Company matters with anyone outside of the Company, except as required in the performance of their regular Company duties and in compliance with applicable laws and confidentiality agreements.

This prohibition applies specifically (but not exclusively) to responding to inquiries about the Company from the media, investment analysts and others. It is important that all such communications on behalf of the Company be made through an appropriately designated officer, in accordance with the Company's corporate disclosure policy. If you receive any inquiries of this nature, you should decline comment and refer the inquiry to the Chief Financial Officer.

VIII. PROTECTION AND PROPER USE OF COMPANY ASSETS

You should protect the Company's assets and ensure their proper and efficient use. All Company assets should be used for legitimate business purposes. Any suspected incident of fraud, theft or misuse should be immediately reported for investigation.

Your obligation to protect the Company's assets includes its proprietary information. Proprietary information includes intellectual property, such as trade secrets, patents, trademarks, copyrights and know-how, as well as business, sales, marketing and service plans, engineering and manufacturing ideas and practices, designs, databases, records, salary and other compensation/benefit information and any unpublished financial data and reports. Unauthorized use or distribution of the Company's proprietary information is prohibited and could also be illegal, resulting in the imposition of civil or criminal penalties.

IX. THE WORKPLACE

A. **Discrimination and Harassment**

The Company is firmly committed to providing equal opportunity in all aspects of employment and will not tolerate any illegal discrimination or harassment of any kind. Examples include derogatory comments based on race, gender or ethnicity and unwelcome sexual advances.

B. **Health and Safety**

The Company strives to provide a safe and healthy work environment. You are responsible for maintaining a safe and healthy workplace for all employees by following safety and health rules and practices and reporting accidents, injuries and unsafe equipment, practices or conditions. Violence or threatening behavior or use of illegal drugs and alcohol is not permitted under any circumstances in the workplace.

X. PAYMENTS TO GOVERNMENT PERSONNEL

The U.S. government has a number of laws and regulations regarding business gratuities to U.S. government personnel. The promise, offer or delivery to an official or employee of the U.S. government of a gift, favor or other gratuity in violation of these rules would violate Company policy and may also be a criminal offense. State and local governments, as well as foreign governments, have similar rules. You should consult the General Counsel with any questions on this subject.

In addition, the U.S. Foreign Corrupt Practices Act prohibits giving anything of value, directly or indirectly, to officials of foreign governments or foreign political candidates in order to obtain or retain business. We strictly prohibit the making of illegal payments to government officials of any country.

XI. WAIVERS OF THE CODE

Supervisors may not authorize actions by a non-officer employee that constitute a conflict of interest without first filing a written description of the activity with the General Counsel. The conflict of interest will then be reviewed by the General Counsel. A waiver of this Code for any employee (other than an officer) may be made only by the General Counsel or a person authorized by the General Counsel.

A waiver of this Code for officers or directors may be made only by the Board and will be promptly disclosed to the extent required by applicable law, rules and regulations.

XII. COMPLIANCE PROCEDURES AND WHISTLEBLOWER POLICY

The Company is committed to conducting its business in an ethical manner and depends on its ability to discover and remedy any potential or actual violations of this Code. Disclosure or reporting of any potential or actual conflict of interest or other violation of this Code is essential to this process. Consequently, the Company has established procedures to accept and handle disclosures of actual or potential violations, even if the reporting person is unsure of whether the conduct is prohibited.

A. Awareness, Training and Review

To facilitate compliance with this Code, the Company has implemented a program of Code awareness, training and review. The Company has entrusted the General Counsel with overseeing this program. You are encouraged to contact the General Counsel using any of the procedures set forth below under “Methods of Disclosure.”

B. Methods of Disclosure

1. *“Whistleblower Hotline.”* The Company has established a “Whistleblower Hotline” by which you may report unethical, illegal or suspicious behavior. You can use the Whistleblower Hotline to confidentially, anonymously and openly communicate a suspicion of business misconduct to Company management or to the Board. As described in the annual Whistleblower Hotline information letter, initiation of this process may be made by direct telephone communication to the Hotline (1-800-448-1297), by access to the Hotline website (www.submitreport.com/freightcaramerica.jsp), or by the direct link provided on the Company’s employee intranet website. (In the lower right-hand corner of the employee intranet home page you will find a link captioned “Whistleblower.” Click on that link to access the Hotline website, and then follow the prompts on the website.)

2. *Other Methods of Disclosure.* In addition to the “whistleblower” process described above, disclosures of an actual or potential conflict of interest or a potential or actual violation of this Code, or questions or concerns about this Code, may be communicated as follows:

Employees	Report to your supervisor or the General Counsel for review of the matter by the Nominating and Corporate Governance Committee.
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Officers	Report to the General Counsel for review of the matter by the Nominating and Corporate Governance Committee (with respect to officers other than the Chief Executive Officer) or the Board (with respect to the Chief Executive Officer).
Directors	Report to the General Counsel for review of the matter by the Board.

If you have any concerns with respect to accounting, internal accounting controls, auditing matters, or fraud or suspected fraud, you should report them to your supervisor or the Chief Financial Officer. The Company's Audit Committee will oversee treatment of all concerns in this area. If you do not feel comfortable reporting such a matter to your supervisor or the Chief Financial Officer, you should report such matter directly to the Chairman of the Audit Committee at the address provided below.

It is the policy of the Company not to allow retaliation for any allegations made by an employee in good faith. The Company will take prompt disciplinary action against any employee who retaliates against a reporting employee, up to and including termination of employment.

You may communicate to the Chief Financial Officer and the General Counsel as follows:

- *By mail:* Please write to FreightCar America, Inc., Two North Riverside Plaza, Suite 1250, Chicago, Illinois 60606, specifying whether the communication should be directed to the Chief Financial Officer or the General Counsel or the Chairman of the Audit Committee.
- *By telephone to the Chief Financial Officer or the General Counsel:* Please call (312) 928-0850.

You may communicate to the Audit Committee by mail by writing to FreightCar America, Inc., Attention: Audit Committee Chairman, at Two North Riverside Plaza, Suite 1250, Chicago, Illinois 60606.

You may also send communications to the Board or the Company's independent directors in accordance with the Company's Corporate Governance Guidelines.

Any submissions to the Chief Financial Officer, the General Counsel, the Audit Committee, the Board or the Company's independent directors may be made anonymously and/or confidentially. The submission should contain, to the extent applicable, a full and complete description of the matter, the parties involved, the date of the occurrence or, if the matter is ongoing, the date the matter was initiated and any other information that the reporting party believes would assist investigation of such matter.

C. Methods of Investigation

Supervisors must promptly report any disclosures to the General Counsel. The General Counsel will investigate all disclosures or reports promptly, except that all disclosures or reports received by the General Counsel regarding a potential conflict of interest or Code violations involving an executive officer or director will be disclosed to the Nominating and Corporate Governance Committee for review by such committee or the full Board, as appropriate. Whether you identify yourself or remain anonymous, your contact with the General Counsel will be kept strictly confidential to the extent reasonably possible within the objectives of this Code. Your cooperation in the investigation will be expected.

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