

**FEDERAL SIGNAL CORPORATION
BOARD OF DIRECTORS
FINANCE COMMITTEE CHARTER**

Purpose

The Finance Committee (the “Committee”) is a temporary committee of the Board of Directors (the “Board”) of Federal Signal Corporation (the “Company”). The Board may terminate the Committee at any time at its discretion. The Committee shall have principal oversight responsibility with respect to the Company’s material investment and finance matters including capital investment and funding determinations and the repositioning and/or restructuring of the Company’s business lines and assets. In the case of a conflict or apparent conflict between the responsibilities of the Committee and the standing committees of the Board, the conflict will be resolved in favor of the standing committee’s primary authority on the matter. The Committee shall not have oversight responsibility with respect to the Company’s financial reporting or disclosure, which is the responsibility of the Audit Committee of the Board.

Committee Membership, Structure and Operations

- A. *Number and Qualifications.* The Committee shall consist of no fewer than three members. At least a majority of the members of the Committee must meet the independence requirements of the New York Stock Exchange.
- B. *Appointment, Removal and Resignations.* Members of the Committee shall be appointed by the Board on the recommendation of the Nominating and Governance Committee of the Company. Committee members may be replaced by the Board at any time. Notwithstanding the above, any member of the Committee may resign upon providing at least thirty days prior written notice to the Board.
- C. *Chair and Guidelines.* Unless the Board appoints a Chair, the members of the Committee shall designate a Chair by majority vote of the members of the Committee. The Chair of the Committee shall establish such rules for the Committee and its members as may from time to time be necessary and proper for the conduct of the Committee’s business in conformity with the applicable laws, rules and regulations.
- D. *Meetings.* The Committee shall meet periodically as circumstances dictate. A majority of the members of the Committee shall constitute a quorum and such majority shall be able to conduct any business brought before the Committee. The Committee shall make a report to the Board after each Committee meeting.
- E. *Subcommittees.* The Committee may form and delegate authority to subcommittees when appropriate.

- F. **Annual Review and Assessment.** Until terminated, the Committee shall review and reassess the adequacy of this Charter annually and make changes as appropriate. The Committee shall also perform an annual self-evaluation of the Committee's performance in accordance with the applicable laws, rules and regulations.

Committee Authority and Responsibilities

- A. *Long-Term Strategy.* The Committee shall review and make recommendations to the Board regarding management's long-term capital investment and finance strategy for the Company, which shall include the allocation and efficient use of corporate resources.
- B. *Finance Policies.* The Committee shall recommend capital investment and finance policies that maintain and improve the financial health and integrity of the Company. The Committee shall also recommend policies with respect to financial risk assessment and management.
- C. *Acquisitions; Divestitures.* The Committee shall review the financial aspects of potential material acquisitions (or other equity investments) and divestitures of any material operations of the Company including the related financing of, or use of proceeds from, any such transactions. The Committee may also approve the financial terms of transactions that have been approved in principle by the Board if delegated to do so by the Board.
- D. *Capital Structure.* The Committee will periodically review the capital structure of the Company and will make recommendations to the Board for consideration with respect thereto, including the issuance of additional equity securities, the incurrence of indebtedness and increase or decrease of shareholder dividends and distributions, and share repurchases.
- E. *Banking Arrangements.* The Committee shall periodically review the Company's principal commercial and investment banking relationships, including its banking and treasury authorizations, and the material terms of the Company's indebtedness in light of the Company's operating strategy, risk exposures, financial policies and changes in applicable law or accounting requirements.
- F. *Capital Expenditures.* The Committee will review the proposed annual capital expenditures budget of the Company and make recommendations to the Board with respect thereto.
- G. *Retention of Advisors.* The Committee shall have the authority to retain and terminate advisors such as consultants and legal, accounting or other professionals. The Committee may use such advisors to provide advice and assistance that the Committee deems necessary and/or advisable in performing its duties.
- H. *Other Duties.* The Committee shall also carry out such other duties as may be delegated to it by the Board from time to time.