

## **FEDERAL SIGNAL CORPORATION CORPORATE GOVERNANCE GUIDELINES**

### **1. Director Qualification Standards**

A majority of the members of the Board of Directors (the “Board”) of Federal Signal Corporation (the “Company”) must qualify as independent directors in accordance with the applicable provisions of the Securities Exchange Act of 1934, and the rules promulgated thereunder and the applicable rules of the New York Stock Exchange. In addition to the standards set forth in the Securities Exchange Act of 1934 and the rules of the New York Stock Exchange, the Board will carefully consider all relevant facts and circumstances in making determinations of independence.

### **2. Director Responsibilities**

The Board is elected by the stockholders to oversee the interests of the stockholders in the overall success of the business and its long-term financial strength and to oversee senior management.

Directors should exercise their business judgment to act in what they reasonably believe to be in the best interests of the Company in a manner consistent with their fiduciary duties. In discharging their duties, directors may rely on senior management and outside advisors and auditors. Directors should regularly attend meetings of the Board and of all Board committees upon which they serve. To prepare for meetings, directors should review the materials that are sent to directors in advance of those meetings. Directors are strongly encouraged to attend the Company’s annual meeting of stockholders.

The Board will schedule regular executive sessions where non-management directors (i.e., directors who are not Company officers but who do not otherwise have to qualify as “independent” directors) meet without management participation. The Board or the Company will establish methods by which interested parties may communicate directly with the presiding director or with the non-management directors of the Board as a group and cause such methods to be disclosed.

The Board shall at all times maintain an Audit Committee, a Nominating and Governance Committee and a Compensation and Benefits Committee which must operate in accordance with applicable law, their respective charters as adopted and amended from time to time by the Board, and the applicable rules of the Securities and Exchange Commission and the applicable rules of the New York Stock Exchange. The Board may also establish such other committees as it deems appropriate and delegate to such committees such authority permitted by applicable law and the Company’s by-laws as the Board sees fit.

### **3. Director Access to Management and Independent Advisors**

The Company shall provide each director with complete access to the management and the books and records of the Company, subject to reasonable advance notice to the Company and reasonable efforts to avoid disruption of the Company's management, business and operations. The Board and Board committees, to the extent set forth in the applicable committee charter, have the right to consult and retain independent legal and other advisors at the expense of the Company.

### **4. Director Compensation**

The Board or an authorized committee thereof will determine and review the form and amount of director compensation, including cash, equity-based awards and other director compensation. In connection with such director compensation, the Board will be aware that questions may be raised when directors' fees and benefits exceed what is customary. Similarly, the Board will be aware that the independence of directors could be questioned if substantial charitable contributions are made to organizations in which a director is affiliated or if the Company enters into consulting contracts with, or provides other indirect compensation to, a director. The Board will critically evaluate each of these matters when determining the form and amount of director compensation, and the independence of a director.

### **5. Director Orientation and Continuing Education**

The Board or the Company will establish, or identify and provide access to, appropriate orientation programs, sessions or materials for newly elected directors of the Company for their benefit either prior to or within a reasonable period of time after their nomination or election as a director. The Board or the Company will encourage, but not require, directors to periodically pursue or obtain appropriate programs, sessions or materials as to the responsibilities of directors of publicly-traded companies.

### **6. Management Evaluation and Succession**

The Board (not including any members of management of the Company) will conduct an annual review of the performance and compensation of the Chief Executive Officer, taking into account the views and recommendations of the Compensation and Benefits Committee and Nominating and Governance Committee, as applicable, and as set forth in their respective Charters.

The Board will establish and review such formal or informal policies and procedures, consulting with the Nominating and Governance Committee, the Chief Executive Officer and others, as it considers appropriate, regarding succession to the Chief Executive Officer in the event of emergency.

## **7. Annual Performance Evaluation of the Board**

The Board will conduct a self-evaluation annually to determine whether it and its committees are functioning effectively. As part of its annual performance evaluations of the Board and its committees, the Board also evaluates the performance of each of the individual directors during the year. The Board will discuss the evaluation report to determine what, if any, action could improve Board and Board committee performance. The Board, with the assistance of the Nominating and Governance Committee, as appropriate, shall review these Corporate Governance Guidelines on an annual basis to determine whether any changes are appropriate.

## **8. Amendment, Modification and Waiver**

These Corporate Governance Guidelines may be amended, modified or waived by the Board and waivers of these Guidelines may also be granted by the Nominating and Governance Committee, subject to the disclosure and other provisions of the Securities and Exchange Act of 1934, the rules promulgated thereunder and the applicable rules of the New York Stock Exchange.

## **9. Board Nominees**

The Board shall be responsible for nominating members for election to the Board and for filling vacancies on the Board that may occur between annual meetings of stockholders. The Nominating and Corporate Governance Committee is responsible for identifying, screening and recommending candidates to the Board for Board membership and for considering candidates recommended by the stockholders for nomination to the Board. It shall be the policy of the Board that in the event that the Board appoints a new director to fill a vacancy on the Board as permitted by the Company's by-laws, such newly appointed director shall be submitted by the Board to the stockholders of the Company for election at the next regularly scheduled annual meeting of stockholders of the Company.

## **10. Director Resignation Policy Relating to Majority Voting**

The Board shall nominate for re-election as a director only candidates who as a condition to being nominated have tendered an advance irrevocable resignation to the Nominating and Governance Committee that will be effective upon acceptance by the Board within the period set forth in the following paragraph of this policy after the failure of such director to receive more total votes cast "for" his or her election than total "withhold" votes.

The Nominating and Governance Committee shall recommend to the Board the action to be taken with respect to a director's contingent resignation upon the failure to receive more total votes cast "for" his or her election than total "withhold" votes. The Board will act on the contingent resignation, taking into account the Committee's recommendation. The Board will take action on the Committee's recommendation no later than 180 days following the date of the stockholders'

meeting at which the election occurred. In considering the Committee's recommendation, the Board will consider the information, factors and alternatives considered by the Committee and such additional information, factors and alternatives as the Board deems relevant.

Following the Board's decision on the Committee's recommendation, the Company, within four business days after such decision is made, will publicly disclose in a Form 8-K filed with the Securities and Exchange Commission the Board's decision. The Form 8-K will also include an explanation of the process by which the decision was made and, if applicable, the Board's reason or reasons for rejecting the tendered resignation. The Board expects the director whose resignation is under consideration to abstain from participating in any decision regarding his or her resignation.

#### **11. Term Limit; Retirement Age**

Recognizing the value of continuity of directors who have experience with the Company, there are no limits on the number of terms that a director may hold office, but a director may not stand for election after attaining age 72 without a waiver from the Board.

#### **12. Other Directorships; Committee Assignments**

Directors are expected to advise the Chairman of the Board and the Chairman of the Nominating and Governance Committee promptly upon accepting any other public company directorship or any assignment to the audit committee or compensation committee of the board of directors of any public company of which such director is a member.

Directors are expected to devote enough time to responsibly perform their duties as a director of the Company. Therefore, members of the Board may not serve on more than six boards of publicly traded companies. Any director who is also the CEO of a publicly traded company shall serve on no more than three publicly traded company boards (including his or her own company board).

No director shall serve as a director, officer or employee of a company that is determined by the Board to be a competitor of the Company.

#### **13. Change in Job Responsibility**

When a director's work responsibilities or position changes substantially from the conditions that existed at the time the director was nominated for election to the Board, then the director will submit a letter of resignation to the Chairman and the chair of the Nomination and Corporate Governance Committee. The resignation letter will be considered by the Nominating and Corporate Governance Committee and will not become effective unless the Board acts to accept the resignation. Directors will inform the Nominating and Corporate Governance Committee of any other material changes in their circumstances or in relationships that may impact their designation as "independent" or any other requirement for service on the Board.

**14. Advance Board Materials**

Information and data that is important to the Board's understanding of the business to be discussed at meetings will be distributed in advance of meetings to the extent practicable, except when such material is too sensitive to be put in writing.

**15. Confidential Materials**

Directors shall preserve the confidentiality of confidential material given or presented to the Board. Confidential material will be used solely in connection with service on the Board.

**16. Agenda Items**

The Chairman of the Board shall set the agenda of meetings of the Board and the Chairman of each committee shall set the agenda of meetings of the applicable committee. Any director may suggest agenda items and may raise at meetings other matters that he or she considers worthy of discussion.

**17. Conflicts of Interest**

Directors must disclose to other directors any potential conflicts of interest they may have with respect to any matter under discussion and, if appropriate, refrain from voting on a matter in which they may have a conflict.

**18. Public Communications**

Except in unusual circumstances or as required by committee charters or as requested by senior management, directors are expected to follow the principle that senior management, as opposed to individual directors, provides the public voice of the Company. Directors receiving inquiries from institutional investors, the press or others should refer them to the Chief Executive Officer or other appropriate officer of the Company. When a communication from the Board is appropriate, it will normally come from, or be coordinated by, the Chairman.

**19. Committee Membership**

The Board does not believe in mandating fixed rotation of Board committee members and/or chairpersons since at any time there may be reasons for maintaining continuity. The Board believes that ideally there should be some rotation over time on a staggered basis to foster diverse views while at the same time ensuring continuity. The Nominating and Governance Committee shall review annually or more often if appropriate, committee membership and make recommendations as appropriate to the Board.

## **20. Stock Ownership Guidelines**

The Board believes that directors as well as senior management should be stockholders and have a financial stake in the Company. All directors and members of senior management are expected to own stock in the Company in accordance with the policies established by the Board from time to time.

## **21. Succession Planning**

The Chief Executive Officer is to provide an annual short-term succession plan to the Board delineating temporary delegation of authority in the event that the Chief Executive Officer or any other executive officer is unexpectedly unable to perform his or her duties.

## **22. Lead Director**

The Board believes that designating an independent director to act in a lead capacity to perform certain functions (a “Lead Director”) would serve the best interests of the Company and its stockholders. The Chairman of the Board shall be designated as the Lead Director; provided, however, that in the event that the Chairman of the Board is not an independent director, the Lead Director will be elected annually by and from the independent directors. The Lead Director’s responsibilities, along with other responsibilities specified by the Board from time to time, will be to:

- (a) provide the Chairman with input into agendas for Board meetings, with the understanding that agenda items requested on behalf of non- employee directors will be included in the agenda;
- (b) coordinate, develop the agenda for, and chair meetings of the non- employee directors;
- (c) advise the Board as to the quality, quantity and timeliness of the flow of information from management that is necessary for the non-employee directors to perform their duties effectively and responsibility;
- (d) facilitate communications and act as the principal liaison between the non-employee directors and the Chief Executive Officer and Chairman;
- (e) provide input to the Compensation and Benefits Committee regarding the Chief Executive Officer’s performance;
- (f) assist the Nominating and Corporate Governance Committee, the Board and the Company’s officers in assuring compliance with the implementation of these Corporate Governance Guidelines and provide input to the Nominating and Corporate Governance Committee on revisions; and
- (g) chair the Executive sessions of the Board.