

Stock Ownership Guidelines for Executives and Non-Employee Directors of Federal Signal Corporation

Equity ownership plays a key role in aligning the interests of executives and non-employee directors with Company stockholders. In accordance with the Company's continuing commitment to ensure this alignment, certain executives and non-employee directors of the Company are required to own substantial holdings of Federal Signal Corporation common stock ("Company stock") while employed and/or serving on the Board of Directors.

Stock Ownership Guidelines for Executives

These Federal Signal Corporation Stock Ownership Guidelines for Executives are directed at those executives with the strongest ability to influence the Company's stock price. The Benefits Planning Committee will conduct an annual review to determine those executives who will be subject to the provisions of these guidelines for the following calendar year (hereafter, "executives").

Target Ownership Levels

The following guidelines set forth the holdings of Company stock expected for various executives. Executives are required to hold, and are not permitted to sell, shares of Company stock prior to achieving their target ownership levels and must maintain their target ownership levels thereafter.

Target ownership is expressed as a multiple of the executive's current base salary (i.e., the total stock value of the executive's holdings must equal or exceed the specified target value).

Position / Title	Target Ownership Level
President & Chief Executive Officer	5 × Base Salary
Chief Operating Officer and Chief Financial Officer	3 × Base Salary
All other Section 16 Officers	2 × Base Salary
Selected Key Management Personnel and other Corporate Officers	1 x Base Salary

Target ownership is measured annually. Required and actual levels of stock ownership can fluctuate over time based on the value of the underlying shares. However, target ownership must be maintained throughout the executive's employment with the Company, and no sale of the total number of shares relied upon to meet the target will be permitted during the executive's employment with the Company.

Except in limited situations, executives are not permitted to sell shares prior to achieving their ownership target. Sales of Company stock held in the 401(k) plan are excluded from this restriction. However, an executive may tender shares to: (i) satisfy withholding taxes upon the vesting of restricted stock shares, PSUs or exercise of stock options, to the extent permitted under applicable law and any terms and conditions applicable to such award; or (ii) pay the exercise price upon the exercise of stock options ("Permitted Tenders").

If an executive wishes to sell shares and is under the target ownership level, he or she must request that the Chief Executive Officer approve an exception prior to the sale. Exceptions to the guidelines may be granted depending upon the circumstances and if the executive is making adequate progress toward achieving his or her ownership target.

After an executive has met his or her target ownership requirement, at least 50% of all vested shares acquired pursuant to any equity award granted by the Company to the executive (whether by option exercise, stock award, vesting of restricted stock units, or otherwise) must in the aggregate with respect to such award be: (i) retained by such executive for two years from the date of vesting; and/or (ii) tendered to the Company pursuant to Permitted Tenders.

There is no minimum time period required to achieve the guidelines.

Stock Ownership Guidelines for Non-Employee Directors

Non-employee directors are required to hold shares of Company stock valued at five (5) times the amount of the annual retainer (excluding Committee retainers) paid to non-employee directors.

Until target ownership is achieved, 50% of a non-employee director's total compensation will be paid in shares of Company common stock. Target ownership is measured annually. Required and actual levels of stock ownership can fluctuate over time based on the value of the underlying shares. However, target ownership must be maintained throughout the non-employee director's tenure on the Company's Board of Directors, and no sale of the total number of shares relied upon to meet the target will be permitted during the Director's tenure on the Company's Board of Directors.

Non-employee directors are not permitted to sell shares prior to achieving their ownership target. However, a non-employee director may tender shares to: (i) satisfy withholding taxes upon the vesting of restricted stock shares, PSUs or exercise of stock options, to the extent permitted under applicable law and any terms and conditions applicable to such award;; or (ii) pay the exercise price upon the exercise of stock options.

After a non-employee director has met his or her target ownership requirement, at least 50% of all vested shares acquired pursuant to any equity award granted by the Company to the non-employee director (whether by option exercise, stock award, vesting of restricted stock units, or otherwise) must in the aggregate with respect to such award be: (i) retained by such non-employee director for two years from the date of vesting; and/or (ii) tendered to the Company pursuant to Permitted Tenders.

Definition of Shares Owned

Shares that count towards satisfaction of the ownership targets (for both executives and non-employee directors) include:

- Direct ownership (i.e., shares the executive or non-employee director owns outright from any source);
- Beneficial ownership (i.e., shares owned by immediate family of the executive or non-employee director);
- Shares owned in the Company's 401(k) plan;
- Unvested restricted stock;
- Shares owned in the Rabbi Trust;
- Earned performance-based restricted stock units; and
- Deferred stock units

Outstanding stock options (unvested and vested) and unearned performance-based restricted stock units will not count towards the achievement of target ownership levels until exercised and retained (for stock options) or earned (for performance-based restricted stock units), respectively.

Reporting Stock Transactions

In situations where an executive or non-employee director is permitted to sell shares of Company stock under these guidelines, the Company's Chief Executive Officer and/or General Counsel must be notified in writing prior to any such sale.

All executives and non-employee directors are subject to the securities laws as they apply to purchases and sales of Company stock, as well as applicable reporting requirements. All executives and non-employee directors subject to these Stock Ownership Guidelines must obtain prior approval for any purchase and sale of Company stock from the Company's General Counsel.

In addition, as part of Federal Signal's Insider Trading Policy, all employees, including the executives and non-employee directors subject to these Stock Ownership Guidelines, are prohibited from certain speculative trading activities, including selling shares of Federal Signal stock "short," holding shares of stock in margin accounts, or pledging stock. These restrictions prohibit certain transactions whereby the individual continues to own Company stock, but without the full risks and rewards of ownership.

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