

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. Other than as set forth below, 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 other than as set forth below.

* In addition to Section 16 Officers, Corporate Officers include, but are not limited to, Presidents of Business Unit Groups, the Corporate Treasurer, and the Corporate Controller.

Executives are not permitted to sell shares prior to achieving their ownership target with the following exceptions:

- Executives who are not Section 16 Officers may sell up to 25% of their vested shares and conduct a cashless exercise of up to 25% of their vested stock options at the time they become subject to these Stock Ownership Guidelines, and up to 25% of each tranche of shares and stock options that vest thereafter, prior to achieving their ownership target.
- Executives may sell Company stock held in the 401(k) plan; such sales are excluded from these stock ownership restrictions.
- An executive may tender shares to: (i) satisfy withholding taxes upon the vesting of restricted stock awards, restricted stock units, or performance-based awards, or the net-settled 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 net-settled exercise of stock options (“Permitted Tenders”).

If an executive wishes to sell shares and is under the target ownership level and none of the exceptions listed above are applicable, the executive 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 their ownership target.

After an executive has met their 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, or vesting of restricted stock, performance-based awards, or otherwise) must in the aggregate with respect to such award be: (i) retained by such executive for two years from the date of grant in the case of stock options, or for two years from the date of vesting in the case of restricted stock awards, restricted stock units, or performance-based awards; 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 sell shares to: (i) satisfy taxes upon the vesting of restricted

stock awards, restricted stock units, or performance-based awards, or the net-settled 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 net-settled exercise of stock options.

After a non-employee director has met their 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, or vesting of restricted stock, performance-based awards, 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 grant in the case of stock options, or for two years from the date of vesting in the case of restricted stock, restricted stock units, or performance-based awards; and/or (ii) sold pursuant to an exception set forth in the preceding paragraph.

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 time-based restricted stock awards;
- Unvested time-based restricted stock units;
- Shares owned in the Rabbi Trust;
- Earned performance-based restricted stock awards; and
- Deferred stock units (e.g., stock units held by directors pursuant to the Director Deferral Election Program)

Outstanding stock options (unvested and vested) and unearned performance-based awards will not count towards the achievement of target ownership levels until exercised (for stock options) or earned (for performance-based awards), respectively. Performance-based awards are considered to be earned once the performance metric has been achieved.

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.