

**FEDERAL SIGNAL CORPORATION  
BOARD OF DIRECTORS  
COMPENSATION & BENEFITS COMMITTEE CHARTER**

**Purpose**

The Compensation and Benefits Committee is appointed by the Board to discharge the Board's responsibilities relating to compensation of the Company's officers and review the Company's benefit plans. The Committee has overall responsibility for approving and evaluating the officer and employee compensation plans, policies and programs of the Company.

The Compensation and Benefits Committee is also responsible for producing an annual report on executive compensation for inclusion in the Company's proxy statement.

**Committee Membership**

The Compensation and Benefits Committee shall consist of no fewer than three members. The members of the Compensation and Benefits Committee shall meet the independence requirements of the New York Stock Exchange.

The members of the Compensation and Benefits Committee shall be appointed by the Board on the recommendation of the Corporate Governance Committee. Compensation and Benefits Committee members may be replaced by the Board.

**Committee Authority and Responsibilities**

1. The Compensation and Benefits Committee shall have the authority to retain and terminate any compensation consultant to be used to assist in the evaluation of the CEO, principal officers and group presidents (collectively the "Officers") compensation or senior executive compensation and shall have authority to approve the consultant's fees and other retention terms. The Compensation and Benefits Committee shall also have authority to obtain advice and assistance from internal or external legal, accounting or other advisors.
2. The Compensation and Benefits Committee shall annually review and approve corporate goals and objectives relevant to CEO compensation, evaluate the CEO's performance in light of those goals and objectives, and establish the CEO's compensation levels based on this evaluation. In determining the long-term incentive component of CEO compensation, the Compensation and Benefits Committee will consider the Company's performance and relative

shareholder return, the value of similar incentive awards to CEOs at comparable companies, and the awards given to the CEO in past years.

3. The Compensation and Benefits Committee shall annually review and establish the compensation of the Officers, including participation in incentive-compensation plans and equity-based plans.
4. The Compensation and Benefits Committee shall also be responsible for annually reviewing the costs, funding and investment of funds related to the pension and savings plans.
5. The Compensation and Benefits Committee shall annually review and approve, for the CEO and Officers of the Company, (a) the annual base salary level and (b) the annual incentive opportunity level.
6. The Compensation and Benefits Committee may form and delegate authority to subcommittees when appropriate.
7. The Compensation and Benefits Committee shall make regular reports to the Board.
8. The Compensation and Benefits Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval. The Compensation and Benefits Committee shall annually review its own performance.