FEDERAL SIGNAL CORP /DE/
Form DEF 14A
March 19, 2012
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities

Exchange Act of 1934 (Amendment No.)

Filed by the Registrant þ

Filed by a Party other than the Registrant ¨

Check the appropriate box:

¨ Preliminary Proxy Statement
¨ Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
þ Definitive Proxy Statement
¨ Definitive Additional Materials
¨ Soliciting Material Pursuant to §240.14a-12

FEDERAL SIGNAL CORPORATION

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

þ No fee required.
¨ Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

(1) Title of each class of securities to which transaction applies:
(2) Aggregate number of securities to which transaction applies:
(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
(4) Proposed maximum aggregate value of transaction:
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¨ Fee paid previously with preliminary materials.
¨ Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:
(2) Form, Schedule or Registration Statement No.:
(3) Filing Party:

(4) Date Filed:

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1415 West 22nd Street

Oak Brook, Illinois 60523

Notice of Annual Meeting of Stockholders

To Be Held on April 24, 2012

To the Stockholders of

Federal Signal Corporation:

The Annual Meeting of Stockholders of Federal Signal Corporation will be held at the Regency Towers Conference Center, 1515 West 22nd Street, Oak Brook, Illinois 60523 on Tuesday, April 24, 2012 at 2:30 p.m. local time, for the following purposes:

To elect two (2) Class I directors and three (3) Class III directors;

To provide advisory approval of the Company s executive compensation;

To ratify Ernst & Young LLP s appointment as our independent registered public accounting firm for 2012; and

To transact such other business that may properly come before the meeting or any adjournment(s) or postponement(s) of such meeting.

The Board of Directors has fixed the close of business on March 2, 2012 as the record date for the meeting. This means that if you owned shares of our common stock on that date, you are entitled to receive this notice, and to vote at the meeting or any adjournment(s) or postponement(s) of the meeting.

The Board of Directors recommends that you vote FOR the nominees for director proposed by the Board, FOR the advisory approval of the Company s executive compensation, and FOR the ratification of Ernst & Young LLP as our independent registered public accounting firm for 2012.

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Stockholders to be Held on April 24, 2012

The following materials, also included with this Notice, are available to be viewed, downloaded, and printed, at no charge, by accessing the following Internet address: http://www.federalsignal.com.

1. Proxy Statement for the Annual Meeting of Stockholders, and
2. 2011 Annual Report to Stockholders

YOUR VOTE IS IMPORTANT! Whether or not you expect to attend the meeting, you are urged to vote as promptly as possible in one of the following ways:

Use the toll-free telephone number shown on the enclosed proxy card;

Go to the website address shown on the enclosed proxy card and vote via the Internet; or

Sign, date and promptly return the enclosed proxy card in the postage-paid envelope provided. Any proxy may be revoked at any time prior to its exercise at the Annual Meeting.

Instructions for voting are contained on the enclosed proxy card. If you have any questions or need assistance in voting your shares of our common stock, please call the Corporate Secretary at (630) 954-2008 or email us at info@federalsignal.com.

By order of the Board of Directors,

JENNIFER L. SHERMAN
Corporate Secretary

March 19, 2012

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1415 West 22nd Street

Oak Brook, Illinois 60523

Proxy Statement for Annual Meeting of Stockholders

To Be Held on April 24, 2012

GENERAL INFORMATION

The Board of Directors of Federal Signal Corporation is furnishing this proxy statement to you in order to solicit your proxy for use at the Annual Meeting of Stockholders to be held at the Regency Towers Conference Center, 1515 West 22nd Street, Oak Brook, Illinois 60523 on Tuesday, April 24, 2012 at 2:30 p.m. local time, and any adjournment(s) or postponement(s) of such meeting. The purpose of the Annual Meeting of Stockholders is:

1. To elect two (2) Class I directors and three (3) Class III directors;
2. To provide advisory approval of the Company s executive compensation;
3. To ratify Ernst & Young LLP s appointment as our independent registered public accounting firm for 2012; and
4. To transact such other business that may properly come before the meeting or any adjournment(s) or postponement(s) of such meeting.

The Board of Directors recommends that you vote FOR the nominees for director proposed by the Board, FOR the advisory approval of the Company s executive compensation, and FOR the ratification of Ernst & Young LLP as our independent registered public accounting firm for 2012.

This proxy statement and the accompanying proxy card were first mailed to stockholders on or about March 19, 2012.

Voting Your Shares

You may vote on the above matters in the following ways:

By Telephone or Internet: You may vote by telephone or Internet by following the instructions included on the enclosed proxy card.

By Written Proxy: You may vote by written proxy by signing, dating and returning the enclosed proxy card in the postage-paid envelope provided.

In Person: If you are a record stockholder, you may vote in person at the Annual Meeting. You are a record stockholder if your shares are registered in your name. If your shares are in the name of your broker or bank, your shares are held in street name and you are not a record stockholder. If your shares are held in street name and you wish to vote in person at the Annual Meeting, you will need to contact your broker or bank to obtain a legal proxy allowing attendance at the Annual Meeting. If you plan to attend the Annual Meeting in person, please bring proper identification and proof of ownership of your shares.

You will be entitled to vote at the Annual Meeting only if you held shares of our common stock of record at the close of business on March 2, 2012, the record date. You will be entitled to one vote for each share you owned on the record date for each of the five directorships to be elected and on each other matter presented at the meeting. On the record date, there were 62,184,389 shares of our common stock issued and outstanding.

Our By-Laws provide that a majority of the outstanding shares, present in person or by proxy, will constitute a quorum at the Annual Meeting. For purposes of determining if a quorum is present, we will count all shares that are voted on any proposal as well as those shares that are designated as withholding authority to vote for a nominee or nominees or abstaining from any proposal as shares represented at the Annual Meeting and counted toward establishing the presence of a quorum.

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You can direct how your shares will be voted at the Annual Meeting by signing, dating and returning the enclosed proxy card. If you return a proxy card, but no specific voting instructions are given with respect to a proposal, your shares will be voted for each of the two Class I nominees named on the proxy card, for each of the three Class III nominees named on the proxy card, for the advisory approval of the Company s executive compensation, and for the ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for 2012.

If you hold your shares in more than one account, you will receive a proxy card for each account. To ensure that all of your shares are voted, please vote by telephone or Internet for each account, or sign, date and return a proxy card for each account in the postage-paid envelope provided.

Broker Non-Votes

Under the rules that govern brokers who have record ownership of shares that they hold in street name for clients who beneficially own such shares, a broker may vote such shares in its discretion on routine matters if the broker has not received voting instructions from its client, but a broker cannot exercise its discretion to vote such shares on non-routine matters absent voting instructions from its client. When a broker votes a client s shares on some but not all of the proposals presented at the meeting, each non-routine proposal for which the broker cannot vote because it has not received a voting instruction from the client is referred to as a broker non-vote. Proposals 1 and 2 are non-routine matters. Therefore, if your shares are held in street name and you do not provide instructions as to how your shares are to be voted on Proposals 1 and 2, your broker will not be able to vote your shares on these proposals. **Your vote is important we urge you to provide instructions to your broker so that your votes may be counted.**

Votes Required

Our By-Laws provide that, in an uncontested election, as is the case in this election, a nominee for director shall be elected to the Board if the votes cast for such nominee s election exceed the withhold authority votes cast with respect to such nominee s election (Proposal 1).

Advisory approval of the Company s executive compensation requires the affirmative vote of a majority of shares of our common stock cast in person or by proxy on the proposal (Proposal 2).

Ratification of the appointment of the auditors requires the affirmative vote of a majority of the shares of our common stock cast in person or by proxy on the proposal (Proposal 3).

In tabulating the voting result for any particular proposal, shares that constitute broker non-votes and, pursuant to our By-Laws, abstentions are not considered votes cast on that proposal. Accordingly, broker non-votes and abstentions will not affect the outcome of any matter being voted on at the Annual Meeting.

Shares Held in 401(k) Plan

On March 2, 2012, our 401(k) Plan, which is called the Federal Signal Corporation Retirement Savings Plan, held 1,467,213 shares of our common stock in the name of Vanguard Fiduciary Trust Company, as trustee of the 401(k) Plan. If you are a participant in the 401(k) Plan, you may instruct Vanguard how to vote shares of common stock credited to your 401(k) Plan account by indicating your instructions on your proxy card and returning it by April 19, 2012. A properly executed proxy card will be voted by Vanguard as directed. If no proper voting direction is received, Vanguard, in its capacity as the 401(k) Plan Trustee, will vote your shares held in the 401(k) Plan in the same proportion as votes received from other participants in the 401(k) Plan.

Revocability of Proxy

You may revoke your proxy at any time before it is voted by:

- voting by telephone or Internet on a later date, or delivering a later-dated proxy card prior to or at the Annual Meeting;

filing a written notice of revocation with our Corporate Secretary; or

attending the Annual Meeting and voting your shares in person. Attendance alone at the Annual Meeting will not revoke a proxy.

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Householding of Proxies

The Securities and Exchange Commission has adopted rules that permit companies and intermediaries such as brokers to satisfy delivery requirements for annual reports and proxy statements with respect to two or more stockholders sharing the same address by delivering a single annual report and/or proxy statement addressed to those stockholders. This process, which is commonly referred to as householding, potentially provides extra convenience for stockholders and cost savings for companies. We and some brokers may household annual reports and proxy materials, delivering a single annual report and/or proxy statement to multiple stockholders sharing an address unless contrary instructions have been received from the affected stockholders.

Once you have received notice from your broker or us that they or we will be householding materials to your address, householding may continue until you are notified otherwise or until you revoke your consent. You may request to receive at any time a separate copy of our annual report or proxy statement, by sending a written request to Federal Signal Corporation, 1415 West 22nd Street, Suite 1100, Oak Brook, IL 60523, Attn: Corporate Secretary, or calling 630-954-2008.

If, at any time, you no longer wish to participate in householding and would prefer to receive a separate annual report and/or proxy statement in the future, please notify your broker if your shares are held in a brokerage account or us if your shares are registered in your name. You can notify us by sending a written request to Federal Signal Corporation, 1415 West 22nd Street, Suite 1100, Oak Brook, IL 60523, Attn: Corporate Secretary, or calling 630-954-2008. If, at any time, you and another stockholder sharing the same address wish to participate in householding and prefer to receive a single copy of our Annual Report and/or proxy statement, please notify your broker if your shares are held in a brokerage account or us if your shares are registered in your name. You can notify us by sending a written request to Federal Signal Corporation, 1415 West 22nd Street, Suite 1100, Oak Brook, IL 60523, Attn: Corporate Secretary, or calling 630-954-2008.

Manner of Solicitation and Solicitation Costs

We will bear the costs of solicitation of proxies for the Annual Meeting. Following the original solicitation of proxies by mail, certain of our directors, officers and employees may solicit proxies by correspondence, telephone, e-mail, or in person, but will not receive any extra compensation for such solicitation work. We will reimburse brokers and other nominee holders for their reasonable expenses incurred in forwarding the proxy materials to the beneficial owners. The Company does not presently intend to retain professional proxy solicitation assistance.

Stockholder Questions

If you have any questions about the Annual Meeting or if you need additional copies of this proxy statement or the enclosed proxy card, please contact us by sending a written request to Federal Signal Corporation, 1415 West 22nd Street, Suite 1100, Oak Brook, IL 60523, Attn: Corporate Secretary, or calling 630-954-2008.

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OWNERSHIP OF OUR COMMON STOCK

The following tables set forth information as of March 2, 2012 with respect to beneficial ownership of our common stock by:

- each person we know to beneficially own more than five percent of our common stock, which is our only class of outstanding voting securities;
- each of our directors and Board-proposed director nominees;
- each of our executive officers named in the Summary Compensation Table; and
- all of our directors and executive officers as a group.

BENEFICIAL OWNERS OF MORE THAN FIVE PERCENT OF OUR COMMON STOCK

Name	Amount and Nature of Beneficial Ownership	Percent of Outstanding Common Stock(1)
Heartland Advisors, Inc. 789 North Water Street Milwaukee, WI 53202	8,134,650(2)	13.1%
BlackRock, Inc. 40 East 52nd Street New York, NY 10022	4,902,221(3)	7.9%
Franklin Mutual Advisers, LLC 101 John F. Kennedy Parkway Short Hills, NJ 07078	4,740,079(4)	7.6%
Dimensional Fund Advisors LP Palisades West, Building One 6300 Bee Cave Road Austin, TX 78746	3,576,832(5)	5.8%
Tocqueville Asset Management LP 40 West 57th Street, 19th Floor New York, NY 10019	3,148,000(6)	5.1%

(1) Based upon 62,184,389 shares of common stock issued and outstanding as of March 2, 2012.

(2) Based solely on a Schedule 13G, Amendment No. 5, filed on February 10, 2012 with the Securities and Exchange Commission in which Heartland Advisors, Inc. reported that as of December 31, 2011, it had shared voting power and shared dispositive power over all of these shares as a registered investment advisor. These shares may be deemed beneficially owned by both Heartland Advisors, Inc., by virtue of its investment discretion and voting authority granted by certain clients, which may be revoked at any time, and William J. Nasgovitz, as a result of his ownership interest in Heartland Advisors, Inc., Mr. Nasgovitz disclaims beneficial ownership of these shares.

(3) Based solely on a Schedule 13G, Amendment No. 3, filed on February 13, 2012 with the Securities and Exchange Commission in which BlackRock, Inc. reported that as of December 30, 2011, it had sole and dispositive voting power over all of these shares.

(4) Based solely on a Schedule 13F filed with the Securities and Exchange Commission on February 13, 2012 in which Franklin Resources, Inc., on behalf of Franklin Mutual Advisers, LLC, reported that Franklin Mutual Advisers, LLC had sole voting and dispositive power over all of these shares.

(5) Based solely on a Schedule 13G filed on February 14, 2012 with the Securities and Exchange Commission in which Dimensional Fund Advisors LP reported that as of December 31, 2011, it had sole voting power over 3,451,186 shares and sole dispositive power with respect to 3,576,832 shares in its capacity as an investment advisor registered under the Investment Advisors Act of 1940 to investment companies and as investment manager to certain other commingled group trusts and separate accounts. Dimensional Fund Advisors disclaims beneficial ownership of these shares.

(6) Based solely on a Schedule 13G filed on January 30, 2012 with the Securities and Exchange Commission in which Tocqueville Asset Management LP reported that as of December 31, 2011, it had sole voting and dispositive power over all of these shares.

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EACH DIRECTOR, DIRECTOR NOMINEE AND NAMED EXECUTIVE OFFICER,

AND ALL DIRECTORS AND EXECUTIVE OFFICERS AS A GROUP (1, 2)

Name	Amount and Nature of Beneficial Ownership(3)	Percent of Outstanding Common Stock(4)
James E. Goodwin	160,630	*
Charles R. Campbell	71,690	*
Paul W. Jones	101,587	*
Richard R. Mudge	33,066	*
William F. Owens	22,882	*
Brenda L. Reichelderfer	82,636	*
Dominic A. Romeo	46,282	*
Joseph R. Wright	69,340	*
Dennis J. Martin	130,462	*
William G. Barker, III	81,446	*
Jennifer L. Sherman	188,020	*
Mark D. Weber	208,389	*
Joseph W. Wilson	69,701	*
All Directors and Executive Officers as a Group (17 persons)	2,689,932	4.3%

(1) The information contained in this portion of the table is based upon information furnished to us by the named individuals above and from our records. Except with respect to (i) 1,000 shares beneficially owned by Dr. Mudge, which he jointly owns with his spouse, and (ii) 1,220,311 shares held by a corporation in which one of our executive officers has an ownership interest as to which shares such executive officer disclaims beneficial ownership, each director and officer claims sole voting and investment power with respect to the shares listed beside his or her name.

(2) All of our directors and officers use our Company address which is 1415 West 22nd Street, Suite 1100, Oak Brook, IL 60523.

(3) Totals include shares subject to stock options exercisable within 60 days of March 2, 2012, as follows: Mr. Goodwin, 62,210; Mr. Campbell, 22,659; Mr. Jones, 22,659; Dr. Mudge, 0; Mr. Owens, 0; Ms. Reichelderfer, 9,226; Mr. Romeo, 0; Mr. Wright, 5,000; Mr. Martin, 35,292; Mr. Barker, 45,888; Ms. Sherman, 111,245; Mr. Weber, 147,250 and Mr. Wilson, 54,667; and all directors and executive officers as a group, 643,896. Totals also include shares of restricted stock awarded pursuant to our benefit plans which are subject to certain restrictions under the plans, as follows: Mr. Goodwin, 25,161. Totals also include shares held in our 401(k) Plan as follows: Ms. Sherman, 32,195; Mr. Weber, 6,789; and Mr. Wilson, 4,707. Totals do not include notional shares held in our Savings Restoration Plan (formerly Rabbi Trust), as follows: Ms. Sherman, 2,481; and Mr. Weber, 273.

(4) Based upon 62,184,389 shares of common stock issued and outstanding as of March 2, 2012 and, for each director or executive officer or the group, the number of shares subject to stock options exercisable by such director or executive officer or the group within 60 days of March 2, 2012. The use of * denotes percentages of less than 1%.

PROPOSAL 1 ELECTION OF DIRECTORS

Our Company s Board of Directors is currently comprised of nine directors divided into three classes, Classes I, II and III.

At the 2010 Annual Meeting, our stockholders approved an amendment to our Certificate of Incorporation, which phases-in the declassification of our Board of Directors and provides for the annual election of directors which began at the 2011 Annual Meeting. Pursuant to this amendment, Class I and Class III directors will stand for election at this year s Annual Meeting for one-year terms expiring at the 2013 Annual Meeting of Stockholders. The directors in Class II will continue to hold office until the 2013 Annual Meeting of Stockholders or until their successors are elected and qualified. As a result of the phase-in of the declassification of our Board of Directors, at the 2013 Annual Meeting of Stockholders and each annual meeting of stockholders thereafter, all directors will be elected to hold office for one-year terms expiring at the next annual meeting of stockholders.

Our Board of Directors has nominated, for election at the Annual Meeting, James E. Goodwin and William F. Owens as Class I directors and Paul W. Jones, Dennis J. Martin, and Brenda L. Reichelderfer as Class III directors. Each of these nominees has been recommended for nomination by the Board of Directors acting on the

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recommendation of the Nominating and Governance Committee of the Board of Directors, which consists solely of independent members of the Board of Directors. Current Class I director, Joseph R. Wright, is not standing for reelection at the Annual Meeting. In connection with Mr. Wright s decision to not stand for reelection, effective April 24, 2012, the Board of Directors will be reconstituted from nine (9) directors to eight (8) directors.

Pursuant to our By-Laws, in an uncontested election, as is the case in this election, a nominee for director shall be elected to the Board if the votes cast for such nominee s election exceed the withhold authority votes cast with respect to such nominee s election. Each of the nominees has consented to being named in this proxy statement and to serve if elected. If any of the nominees should decline or be unable to serve as a director, the persons named as proxies in the accompanying proxy card will vote the proxy for such other person(s) as the Nominating and Governance Committee may nominate as director so as to provide for a full Board.

The Board of Directors recommends a vote FOR the election of James E. Goodwin and William F. Owens as Class I directors and FOR the election of Paul W. Jones, Dennis J. Martin and Brenda L. Reichelderfer as Class III directors.

Information Regarding Directors and Nominees

Qualifications of the Board of Directors When identifying nominees to serve as director, our Nominating and Governance Committee considers candidates with diverse professional experience, skills, gender and ethnic background, as appropriate, in light of the current composition and needs of our Board. As part of its evaluation of a candidate s business and professional experience, the Nominating and Governance Committee considers a variety of characteristics including, but not limited to, core competencies, experience, independence, level of commitment, Board and Company needs and considerations, and personal characteristics. The Nominating and Governance Committee may also engage a third party to assist it in identifying potential director nominees.

The composition of our current Board reflects diversity in business and professional experience, skills and gender. When considering whether directors and nominees have the experience, qualifications, attributes and skills, taken as a whole, to enable our Board to satisfy its oversight responsibilities effectively in light of our Company s business and structure, the Nominating and Governance Committee and the Board focused primarily on the information discussed in each of the individual biographies below. In particular, the Nominating and Governance Committee and the Board considered the following individual attributes:

With regard to Mr. Goodwin, his extensive background in global operations as well as his broad management experience, leadership skills, and previous experiences as the interim President and Chief Executive Officer of our Company.

With regard to Mr. Campbell, his managerial, financial, and strategic planning expertise as well as his entrepreneurial know-how and his deep knowledge and understanding of our Company and its operating companies and its lines of business.

With regard to Mr. Jones, his extensive management and manufacturing experience with multinational companies as well as his financial expertise.

With regard to Mr. Martin, his expertise in manufacturing and business process-engineering, his business acumen and his in-depth knowledge of our Company and its operations as President and Chief Executive Officer.

With regard to Dr. Mudge, his expertise across multiple facets of the transportation industry, and his leadership in transportation technology, transportation finance, business, government policy and research, and his experience growing businesses.

With regard to Mr. Owens, his extensive experience in international business, his management expertise across a broad range of industries and his distinguished public service background.

With regard to Ms. Reichelderfer, her expertise in growing technological businesses and extensive experience in operations, innovation, and new product development as well as her significant international business experience.

With regard to Mr. Romeo, his expertise in finance and accounting for several global industrial manufacturers, as well as his extensive experience in efficiently adapting company operations to changing market conditions and government regulations.

With regard to Mr. Wright, his extensive entrepreneurial, operational and financial experience, as well as his distinguished background in the public sector.

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In addition, the Nominating and Governance Committee actively seeks directors who provide our Board with a diversity of perspectives and backgrounds.

Name	Age	Year First Became Director	Year Present Term Expires	Principal Occupation or Employment for Last Five Years(1)
Class I Director Nominees:				
James E. Goodwin	67	2005	2012	Mr. Goodwin has served as Chairman of our Board of Directors since April 2009. Additionally, since September 2008, when Mr. Goodwin s ten-month service as our interim President and Chief Executive Officer ended, Mr. Goodwin resumed his independent consulting business. Prior to his service as our interim President and Chief Executive Officer, Mr. Goodwin was an independent business consultant from October 2001 to December 2007. From July 1999 to October 2001, Mr. Goodwin served as Chairman and Chief Executive Officer of United Airlines, a worldwide airline operator (NASDAQ: UAUA, now NYSE: UAL). Mr. Goodwin also serves as a member of the Board of Directors of AAR Corp., a manufacturer of products for the aviation/aerospace industry (NYSE: AIR); and John Bean Technologies Corporation, a manufacturer of industrial equipment for the food processing and air transportation industries (NYSE: JBT), serving in such positions since April 2002 and July 2008, respectively.
William F. Owens	61	2011	2012	Mr. Owens serves on the Board of Directors of Bill Barrett Corporation, an independent oil and gas company (NYSE: BBG); Cloud Peak Energy, Inc., a sub-bituminous steam coal producer (NYSE: CLD); and Key Energy Services, Inc., an oil well services company (NYSE: KEG), positions he has held since May 2010, January 2010, and January 2007, respectively. Since 2007, he has served on the Board of Directors of Far Eastern Shipping Company Plc., a shipping and railroad company listed on the Moscow exchange (RTS: FESH). Mr. Owens currently serves as Managing Partner of Front Range Resources, LLC, a land and water development firm, and as Senior Advisor for PCL Construction Enterprises, Inc., an industrial and civil infrastructure construction company. Mr. Owens is also a Senior Fellow at the University of Denver s Institute for Public Policy Studies. Mr. Owens served as Governor of Colorado from 1999 to 2007. Prior to that he served as Treasurer of Colorado (1995-1999) and as a member of the Colorado Senate (1989-1995) and the Colorado House of Representatives (1983-1989).
Class II Directors:				
Charles R. Campbell	72	1998	2013	Mr. Campbell is a retired consultant previously working for The Everest Group, a management consulting firm. He was a partner in The Everest Group from 1997 to 2004. Prior to joining The Everest Group, Mr. Campbell was Senior Vice President and Chief Financial and Administrative Officer of our Company from 1985 to 1995.

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Name	Age	Year First Became Director	Year Present Term Expires	Principal Occupation or Employment for Last Five Years(1)
Richard R. Mudge	66	2010	2013	Dr. Mudge serves as the Vice President of the U.S. Infrastructure Division of Delcan Corporation, a privately-held engineering and consulting company (since 2002). Dr. Mudge has served on the Board of Directors of Delcan s U.S. subsidiary since 2005. Dr. Mudge previously served as President of Compass Services, the transportation subsidiary of U.S. Wireless Corporation, from April 2000 to December 2001, and as Managing Director of Transportation for Hagler Bailly, a worldwide provider of management consulting services to the energy and network industries (NASDAQ: HBIX) from 1998 to 2000. In 1986, Dr. Mudge co-founded Apogee Research Inc., an infrastructure consulting firm, and served as its President until 1995 and then as its Chairman of the Board from 1995 until 1997, when Apogee merged with Hagler Bailly. Dr. Mudge also worked for the Congressional Budget Office from 1975 to 1986 where he became Chief of the Public Investment Unit and for the Rand Corporation where he served as Director of Economic Development Studies from 1972 to 1975.
Dominic A. Romeo	52	2010	2013	Mr. Romeo retired in February 2011 as Vice President and Chief Financial Officer of IDEX Corporation, a leading global manufacturer of pump products, dispensing equipment, and other engineered products (NYSE: IEX), a position he had held since 2004. Prior to joining IDEX, Mr. Romeo served in several financial leadership positions at Honeywell International, Inc., a diversified technology and manufacturing company that services customers globally (NYSE: HON), including Vice President and Chief Financial Officer of Honeywell Aerospace from 2001 to 2004; Vice President and Chief Financial Officer of Honeywell International s Engine Systems and Services divisions from 1999 to 2001; and various other senior finance positions from 1994 to 1999. Mr. Romeo also served as Vice President of Finance for AAR Trading, an aircraft products and services provider from 1992 to 1994, and held multiple financial roles in audit and financial planning for GE Aircraft Engines, a subdivision of the General Electric Company (NYSE: GE), from 1987 to 1992.

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Name	Age	Year First Became Director	Year Present Term Expires	Principal Occupation or Employment for Last Five Years(1)
Class III Director Nominees:				
Paul W. Jones	63	1998	2012	Mr. Jones is Chairman and Chief Executive Officer of A.O. Smith Corporation, a manufacturer of water heating and water treatment systems (NYSE: AOS), serving as such since December 2005. From January 2004 until December 2005, Mr. Jones was President and Chief Operating Officer of A.O. Smith Corporation. Mr. Jones has served on the Board of Directors of A.O. Smith Corporation since December 2004. Mr. Jones also serves on the Board of Directors of Integrys Energy Group, Inc, a utility holding company (NYSE: TEG), which directorship began in December 2011. From July 2006 to July 2011, Mr. Jones served as a director of Bucyrus International, Inc., a manufacturer of mining and construction machinery (NASDAQ: BUCY), until its acquisition by Caterpillar Inc. Mr. Jones also serves as a member of the Board of Directors of the United States Chamber of Commerce (since March 2008) and the National Association of Manufacturers (since October 2007), and on the Board of Trustees of Manufacturers Alliance/MAPI (since March 2006), and as a member of the Business Roundtable (since January 2006).
Dennis J. Martin	61	2008	2012	Mr. Martin serves as our Company s President and Chief Executive Officer, and has served as such since October 30, 2010. Prior to becoming our President and Chief Executive Officer, Mr. Martin was an independent business consultant since August 2005. From May 2001 to August 2005, Mr. Martin was the Chairman, President and Chief Executive Officer of General Binding Corporation, a manufacturer and marketer of binding and laminating office equipment. Mr. Martin also serves as a director of HNI Corporation, a provider of office furniture and hearths (NYSE: HNI), and of Coleman Cable, Inc., a manufacturer and innovator of electrical and electronic wire and cable products (NASDAQ: CCIX), serving in such capacities since July 2000 and February 2008, respectively. Mr. Martin also served on the Board of Directors of A.O. Smith Corporation, a manufacturer of water heating systems and electric motors (NYSE: AOS), from January 2004 until December 2005.

Name	Age	Year First Became Director	Year Present Term Expires	Principal Occupation or Employment for Last Five Years(1)
Brenda L. Reichelderfer	53	2006	2012	Ms. Reichelderfer is Senior Vice President and Managing Director of TriVista Business Group, a management consulting and advisory firm, a position she has held since June 2008. Since April of 2009, she has served on the Board of Wencor Group LLC, an aerospace distribution business held by a private equity firm. Since June of 2010, Ms. Reichelderfer has served on the Board of Meggitt PLC, a global defense and aerospace firm whose shares are listed on the London Stock Exchange (MGGT: LN). Ms. Reichelderfer also serves as a member of the Technology Transfer Advisory Board of The Missile Defense Agency, a division of the United States Department of Defense, and has served as such since November 2008. Until May 2008, Ms. Reichelderfer was Senior Vice President, Group President (from December 2002) and Corporate Director of Engineering and Chief Technology Officer (from October 2005) of ITT Corporation, a global engineering and manufacturing company (NYSE: ITT).

(1) The data contained in this table is based upon information furnished to our Company by the individuals named above.

INFORMATION CONCERNING THE BOARD OF DIRECTORS

Independence of Members of the Board of Directors

The Board of Directors has determined that all of its directors, other than Mr. Martin, qualify as independent. In making this determination, the Board of Directors considered the rules of the New York Stock Exchange and the Securities and Exchange Commission, and reviewed information provided by the directors and nominees in questionnaires and other certifications concerning the relationships that we may have with each director or nominee (including each director s immediate family members and other associates), including any charitable contributions that we may have made in the past and/or continue to make to organizations with which such director or nominee is affiliated. As noted in his biography on page 8, since 2002 Dr. Mudge has served as the Vice President of the U.S. Infrastructure Division of Delcan Corporation, a privately-held engineering and consulting company. Dr. Mudge has served on the Board of Directors of Delcan s U.S. subsidiary since 2005. During 2011, our subsidiary, Federal Signal Technologies, LLC, entered into a subcontract agreement with Delcan Corporation, in connection with a tollway project. Dr. Mudge recused himself from the Board of Directors vote approving the project. The Board of Directors determined that the payments made pursuant to the subcontract from the Company to Delcan were below the New York Stock Exchange listing thresholds regarding independence and were not otherwise material and, therefore, did not compromise the independence of Dr. Mudge. See *Certain Relationships and Related Party Transactions* on pages 15 and 16.

Board Leadership Structure and Role in Risk Oversight

We separate the roles of Chief Executive Officer and Chairman of the Board. Separating these positions allows our Chief Executive Officer to focus on the day-to-day leadership and performance of our Company while allowing the Chairman of the Board to lead the Board in its fundamental role of providing advice to and independent oversight of management. Our Board believes that having separate positions with an independent outside director serving as Chairman, is the appropriate leadership structure for our Company at this time and demonstrates our commitment to good corporate governance.

Our Board of Directors has overall responsibility for the oversight of risk management at our Company. Day-to-day risk management is the responsibility of management, which has implemented the Enterprise Risk Management process to identify, assess, manage and monitor risks that our Company must face. Enterprise Risk Management is administered by our Corporate Vice President Strategy and is discussed and reviewed by our senior management. Corporate Internal Audit is responsible for monitoring the program.

Our Board of Directors, either as a whole or through its Committees, regularly discusses with management our major risk exposures, their potential impact on our Company, and the steps we take to monitor and control such exposures. In addition, the Board receives an annual overview of top risks along with risk mitigation plans.

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While our Board is ultimately responsible for risk oversight at our Company, our Board Committees assist the Board in fulfilling its oversight responsibilities in certain areas. In particular, the Audit Committee focuses on the management of financial and accounting risk exposures. The Nominating and Governance Committee focuses on the management of risks associated with Board organization, membership and structure, and the organizational and governance structure of our Company. Finally, the Compensation and Benefits Committee assists our Board in fulfilling its oversight responsibilities with respect to the management of risks arising from our compensation policies and programs.

Committees of the Board of Directors

Pursuant to our By-Laws, we have established standing Audit, Nominating and Governance, and Compensation and Benefits Committees.

On December 2, 2011, the Company s Board of Directors approved the dissolution of the Company s Executive Committee of the Board of Directors. On February 24, 2012, the Company s Board of Directors implemented the dissolution by approving the amendment and restatement of the Company s By-Laws in order to eliminate the existence of the Executive Committee.

Descriptions of our standing committees follow:

Audit Committee The Audit Committee of the Board of Directors is responsible for monitoring:

- the integrity of our financial statements;
- the qualifications and independence of our independent registered public accounting firm;
- the performance of our internal audit function and independent registered public accounting firm; and
- our compliance with legal and regulatory requirements, including our Company Policy for Business Conduct for all employees and Code of Ethics for the Chief Executive Officer and senior financial officers.

In fulfilling its role, the Audit Committee reviews the design and operation of internal control processes and the manner in which we control our major financial risk exposures. The Audit Committee has direct and regular access to our financial executives, including the Vice President of Internal Audit and the Senior Vice President and Chief Financial Officer. Additionally, the Audit Committee has direct and regular access to the independent registered public accounting firm. The Audit Committee has the sole authority to appoint or replace our independent registered public accounting firm, and is directly responsible for overseeing the work of, and determining the appropriate compensation for, our independent registered public accounting firm. In addition, the Audit Committee considers and approves the performance of non-audit services by our independent registered public accounting firm, taking into consideration the effect that the performance of non-audit services may have upon the independence of the independent registered public accounting firm.

The Board of Directors has determined that all of the members of the Audit Committee are independent as defined under the applicable New York Stock Exchange and Securities and Exchange Commission rules. The members of the Audit Committee are Charles R. Campbell (Chair), Richard R. Mudge and Dominic A. Romeo. The Board of Directors has determined that Mr. Campbell qualifies as an audit committee financial expert as defined by the Securities and Exchange Commission. None of the Audit Committee members serves on more than three public companies audit committees (including our Company).

The Board of Directors has adopted a Charter for the Audit Committee to comply with the requirements of the New York Stock Exchange and the Sarbanes-Oxley Act of 2002, a copy of which is available on our website at http://www.federalsignal.com.

Nominating and Governance Committee The Nominating and Governance Committee is responsible for recommending guidelines to the Board of Directors for corporate governance, including the structure and function of our Board of Directors, its Committees and the management of our Company, as well as identification and recommendation to the Board of Directors of candidates to be elected as directors. The Nominating and Governance Committee also advises the Board of Directors as to appropriate compensation for serving as a member of our Board of Directors.

Stockholders may recommend individuals for the Nominating and Governance Committee to consider as potential directors by giving written notice to our Corporate Secretary at least 90 days, but not more than 120 days, prior to the first anniversary of the preceding year s Annual Meeting, along with the specific information required by our By-Laws including, but not limited to, the name and address of the nominee; the

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number of shares of our common stock beneficially owned by the stockholder (including associated persons) nominating such nominee; and a consent by the nominee to serve as a director, if elected, that would be required for a nominee under the Securities and Exchange Commission rules. If you would like to receive a copy of the provisions of our By-Laws setting forth all of these requirements, please send a written request to our executive offices, Attn: Corporate Secretary. The Nominating and Governance Committee has not adopted any specific procedures for considering the recommendation of director nominees by stockholders, but will consider stockholder nominees on the same basis as other nominees.

The Nominating and Governance Committee has set no specific minimum qualification for a nominee to the Board of Directors although, under our revised Corporate Governance Guidelines, no person may stand for election as director: (i) after attaining age 72 without a waiver from the Board; (ii) if he or she serves on more than six boards of publicly traded companies; or (iii) if he or she is the chief executive officer of a publicly traded company, he or she may not serve on more than three publicly traded company boards.

The Company s Corporate Governance Guidelines include a director resignation policy that requires each director nominee who is standing for re-election, prior to each election of directors at an annual meeting, to submit to the Board an irrevocable letter of resignation from the Board which will become effective if that director does not receive the necessary votes and the Board determines to accept such resignation. In such circumstances, the Board s Nominating and Governance Committee will evaluate and make a recommendation to the Board with respect to the submitted resignation. The Board will take action on the recommendation within 180 days following the stockholders meeting at which the election occurred. In such circumstances, we will publicly disclose the Board s decision including, if applicable, the reasons for rejecting a resignation.

The Board of Directors has determined that all of the members of our Nominating and Governance Committee are independent as defined under the applicable New York Stock Exchange rules. The members of the Nominating and Governance Committee are Paul W. Jones (Chair), Richard R. Mudge, James E. Goodwin, William F. Owens and Brenda L. Reichelderfer. Mr. Owens began serving on this committee on April 26, 2011.

The Board of Directors has adopted a Charter for the Nominating and Governance Committee to comply with the requirements of the New York Stock Exchange and the Sarbanes-Oxley Act of 2002, a copy of which is available on our website at http://www.federalsignal.com.

Compensation and Benefits Committee The Compensation and Benefits Committee is responsible for the establishment and oversight of our Company s compensation and benefits philosophy. With respect to our executive officers, the Compensation and Benefits Committee has the authority to establish the objectives of compensation, to determine the components of compensation and to establish and evaluate performance goals. The functions of the Compensation and Benefits Committee are further described in this proxy statement under the heading *Compensation Discussion and Analysis* beginning on page 16.

The Board of Directors has determined that all of the members of our Compensation and Benefits Committee are independent as defined under the applicable New York Stock Exchange rules. The members of the Compensation and Benefits Committee are Brenda L. Reichelderfer (Chair), Paul W. Jones, William F. Owens and Joseph R. Wright. Mr. Wright will no longer serve on the Compensation and Benefits Committee following this year s Annual Meeting.

The Board of Directors has adopted a Charter for the Compensation and Benefits Committee to comply with the requirements of the New York Stock Exchange and the Sarbanes-Oxley Act of 2002, a copy of which is available on our website at http://www.federalsignal.com.

Executive Committee During 2011 and until its dissolution in February 2012, the Executive Committee exercised the power and authority of the Board in the intervals between full Board meetings. The members of the Executive Committee were James E. Goodwin (Chair), Charles R. Campbell, Paul W. Jones, Dennis J. Martin and Brenda L. Reichelderfer.

Meetings of the Board of Directors and Committees

During 2011, our Board of Directors held a total of 12 meetings. The Compensation and Benefits Committee held 7 meetings; the Nominating and Governance Committee held 6 meetings; the Audit Committee held 9 meetings; and the Executive Committee held no meetings. Our Corporate Governance Guidelines require each director to regularly attend meetings of the Board of Directors and all Board Committees upon which the director serves. All directors attended at least 75% of meetings of the Board and Committees of which he or she was a member.

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Director Compensation in the Last Fiscal Year

The following table sets forth information concerning compensation earned by our non-employee directors in fiscal year 2011. Mr. Martin does not receive any additional compensation for serving on the Board or its Committees.

Non-Employee Director Compensation in Fiscal Year 2011

Name	Fees Earned or Paid in Cash ($)(1)	Stock Awards($)(2)	Option Awards ($) (3)	Total ($)
Charles R. Campbell	$ 78,840	$ 60,000	$	$ 138,840
James E. Goodwin(4)	$ 118,840	$ 75,000	$	$ 193,840
Paul W. Jones	$ 78,840	$ 60,000	$	$ 138,840
Richard R. Mudge	$ 77,000	$ 60,000	$	$ 137,000
William F. Owens(5)	$ 50,551	$ 60,000	$ 16,031	$ 126,582
Brenda L. Reichelderfer	$ 79,840	$ 60,000	$	$ 139,840
Dominic A. Romeo	$ 70,500	$ 60,000	$	$ 130,500
Joseph R. Wright	$ 67,000	$ 60,000	$	$ 127,000

(1) Includes the following share amounts which were awarded in lieu of cash fees: Dr. Mudge, 7,455 shares; Mr. Owens, 5,373 shares; Ms. Reichelderfer, 7,725 shares; Mr. Romeo, 6,817 shares; and Mr. Wright, 12,952 shares. The number of shares awarded in lieu of cash fees was determined using the closing share price of our common stock on the date of grant.

(2) Each non-employee director is annually issued a stock award which is determined by dividing $60,000 ($75,000 in the case of the Chairman) by the closing price of the Company s common stock on the date of grant. Amounts stated reflect the aggregate grant date fair value for the fiscal year ended December 31, 2011 computed in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 718, Compensation Stock Compensation. The following awards were granted to the non-employee directors on April 26, 2011 at a closing share price of $6.66: 11,262 shares of common stock to Mr. Goodwin as Chairman; and 9,009 shares of common stock to each of Messrs. Campbell, Jones, Mudge, Owens, Romeo, Wright and Ms. Reichelderfer. As of December 31, 2011 each non-employee director held the following aggregate number of shares: Mr. Goodwin, 73,259 shares; Mr. Campbell, 49,031 shares; Mr. Jones, 78,928 shares; Dr. Mudge, 33,066 shares; Mr. Owens, 22,882 shares; Ms. Reichelderfer, 73,410 shares; Mr. Romeo, 46,282 shares; and Mr. Wright, 64,340 shares.

(3) The amount stated reflects the aggregate grant date fair value for the fiscal year ended December 31, 2011 computed in accordance with FASB ASC Topic 718. In connection with his election to the Board, Mr. Owens received a stock option grant for 5,000 shares of our common stock on April 26, 2011 at an exercise price of $6.66 per share, the closing price of our common stock on the date of grant, all of which vest on the third anniversary of the date of grant. No option awards were granted to any of the other directors during the fiscal year ended December 31, 2011. As of December 31, 2011, each director had options for the following number of shares outstanding: Mr. Goodwin, 62,210; Mr. Campbell, 22,659; Mr. Jones, 22,659; Dr. Mudge, 5,000; Mr. Owens, 5,000; Ms. Reichelderfer, 9,226; Mr. Romeo, 5,000 and Mr. Wright, 5,000.

(4) Includes annual retainer amount of $87,500, committee membership fees of $7,840, meeting fees of $23,500, and, although Mr. Goodwin was entitled to receive additional compensation on a per diem basis for time spent on Board matters, he elected not to receive any per diem fees for the additional time spent on Company matters during 2011.

(5) The annual retainer paid to Mr. Owens was prorated based on his date of election to the Board.

Additional Information about Director Compensation

The Nominating and Governance Committee of our Board of Directors advises our Board on the annual compensation for our non-employee directors. In order to set competitive compensation for our non-employee directors, our Nominating and Governance Committee may consult third party advisors, generally available source material, proxy statements and data from peer companies.

Our non-employee directors receive both cash and equity compensation as detailed below. Our Chairman, based on his key role and time commitment, receives additional compensation in cash on a per diem basis for other time spent on Board matters. During 2011, however, Mr. Goodwin elected not to receive any per diem fees for the additional time spent on Company matters.

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Director Stock Ownership Guidelines

In February 2011, the director stock ownership program was revised to increase the required common stock holdings of the non-employee directors as shown in the table below.

Non-Employee Director Stock Ownership Policy

Previous Policy - Prior to February, 2011	Current Policy
3 × Annual Retainer	5 × Annual Retainer

Until such time as this target ownership is met, each non-employee director is required to receive at least 50% of the annual director compensation fees earned in any given year in shares of our common stock. Additionally, the policy prohibits non-employee directors from selling shares of our common stock until the holding requirement is met, although tendering shares to pay taxes upon the exercise of stock options or vesting of shares of restricted stock or for the exercise price upon the exercise of stock options is allowed. Stock ownership value is calculated annually using the average stock price of our common stock for the prior six-month period; provided, however, that once a determination has been made that the target ownership has been achieved, a decrease in the value of our common stock will not impact that determination. Finally, the new policy provides that after achieving the ownership target, each director is required to hold 50% of the net shares received from exercised options or vested shares of common stock (over and above the target ownership level) for at least two years from the date of exercise or vesting.

Cash Compensation

The following table sets forth our Company s cash compensation fees payable to our directors during 2011. Directors are also reimbursed for their out-of-pocket expenses relating to attendance at meetings.

Cash Compensation of Our Non-Employee Directors

January 1, 2011 - December 31, 2011

	Annual Retainer	Per Diem Fee	Board Meeting Attended in Person	Board Meeting Attended by Telephone
Chairman of the Board	$ 87,500	$ 2,500(1)	$ 3,000	$ 500
Non-employee director (excluding the Chairman)	$ 50,000		$ 1,500	$ 500
Committees				
Audit				
Chair	$ 15,000			
Member	$ 9,000			
Compensation & Benefits				
Chair	$ 10,000			
Member	$ 6,000			
Nominating & Governance				
Chair	$ 10,000			
Member	$ 6,000			
Executive(2)	$ 2,000			

(1) The Chairman of the Board is also eligible to receive a per diem fee for other time spent on Company business (up to a maximum of $150,000 per year). During 2011, however, Mr. Goodwin elected not to receive any per diem amounts for additional time spent on Company matters.

(2) On December 2, 2011, the Company s Board of Directors approved the dissolution of the Company s Executive Committee of the Board of Directors. On February 24, 2012, the Company s Board of Directors implemented the dissolution by approving the amendment and restatement of the Company s By-Laws in order to eliminate the existence of the Executive Committee.

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Equity Compensation

Upon appointment or election to our Board, each non-employee director receives an initial stock option grant to purchase 5,000 shares of our common stock, all of which vest on the third anniversary of the date of grant. Mr. Owens, elected to our Board on April 26, 2011, received an initial stock option grant on April 26, 2011 at an exercise price of $6.66 per share, the closing stock price of our common stock on the date of grant. The table below sets forth our Company s equity award compensation issued to our directors during 2011. These awards were made on April 26, 2011, the date of our Annual Meeting of Stockholders.

Annual Equity Awards of Our Non-Employee Directors

January 1, 2011 - December 31, 2011

	Common Stock Award
Chairman of the Board	$ 75,000
Non-employee director (excluding the Chairman)	$ 60,000

Pursuant to our Director Compensation Policy, the number of shares of the common stock awarded was determined by dividing the amount of the award by the closing market price of our common stock on the date of grant, which was $6.66 per share on April 26, 2011. Accordingly, for 2011, each non-employee director (excluding the Chairman) on the date of our Annual Meeting of Stockholders received a common stock award of 9,009 shares and the Chairman received a common stock award of 11,262 shares.

CORPORATE GOVERNANCE, BUSINESS CONDUCT, AND CODE OF ETHICS;

STOCKHOLDER COMMUNICATIONS WITH DIRECTORS

We are committed to good corporate governance. We believe that the foundation of our corporate governance is the independence of our directors, the separation of the roles of our Chief Executive Officer and Chairman of the Board, responsible corporate citizenship, and a commitment to the interests of our stockholders. In accordance with the requirements of the New York Stock Exchange and the Sarbanes-Oxley Act of 2002, our Board of Directors has adopted Corporate Governance Guidelines as well as charters for the Audit Committee, the Nominating and Governance Committee and the Compensation and Benefits Committee. These guidelines and charters, as well as our Company Policy for Business Conduct and Policy for Business Conduct-Directors (together, the Business Conduct Policies) and a Code of Ethics, which is applicable to our Chief Executive Officer and our senior financial officers, are available for review on our website at http://www.federalsignal.com.

The non-employee directors of the Board meet in executive session without management, as appropriate. The Chairman of the Board of Directors presides over executive sessions. Directors may be contacted as a group, by Committee, or individually, and the Chairman of the Board or the non-employee directors as a group may be contacted on an anonymous and/or confidential basis by addressing a letter to Federal Signal Corporation, 1415 West 22nd Street, Suite 1100, Oak Brook, IL 60523, Attn: Corporate Secretary. All such letters will be forwarded to the Chairman or the non-employee directors, as addressed in the letter. We encourage our directors to attend the 2012 Annual Meeting of Stockholders. All of our directors attended the 2011 Annual Meeting of Stockholders.

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

There were no compensation committee interlocks or insider participation on the part of the members of our Compensation and Benefits Committee. The members and functions of our Compensation and Benefits Committee are set forth above under *Committees of the Board of Directors.*

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

We maintain various policies and procedures relating to the review, approval or ratification of transactions in which our Company is a participant and in which any of our directors, executive officers, 5% stockholders (if any) or their family members have a direct or indirect material interest. Our Business Conduct Policies, which are available on our website at http://www.federalsignal.com, prohibit our directors and employees, including our executive officers, and in some cases their family members, from engaging in certain activities without prior written consent. These activities typically relate to situations where a director, executive officer or employee, and in some cases an immediate family member, may have significant financial or business interests in another company competing with or doing business with our Company, or who stands to benefit in some way from such a relationship or activity. Specifically, our Business Conduct Policies include certain prohibitions against the following: receiving or giving gifts or prizes above a nominal value from or to customers or suppliers; working for a customer or supplier or engaging in outside profit-making activities in any area of business in which our Company operates; representing any outside commercial interest during normal business hours or when traveling on Company business; lending or borrowing money from individuals affiliated with an entity with whom the Company conducts business; owning any part of any customer s or supplier s business (excluding routine investments in publicly traded companies); using Company property, information or positions for improper personal gain or benefit; and engaging in Company business with any entity in which a family member has an executive position or a significant financial interest unless approved in advance. Since all types of prohibited transactions cannot be listed, we encourage our employees to seek advice before proceeding if there is any doubt regarding the appropriateness of an arrangement under our Business Conduct Policies.

Pursuant to our Business Conduct Policies and the Audit Committee Charter, the Chairman, Chief Financial Officer and General Counsel implement our Business Conduct Policies, and the Audit Committee reviews, approves, ratifies and makes recommendations to our Board of Directors regarding related person transactions.

Additionally, each year we require our directors, nominees for director and executive officers to complete a questionnaire which identifies, among other things, any transactions or potential transactions with our Company in which a director, an executive officer, or one of their family members or associated entities has an interest. We also require that directors and executive officers notify our Corporate Secretary as soon as possible of any changes during the course of the year to the information provided in the annual questionnaire.

We believe that the foregoing policies and procedures collectively ensure that all related person transactions requiring disclosure under applicable Securities and Exchange Commission rules are appropriately reviewed.

Except as described below, during the year ended December 31, 2011, it was determined that none of our directors, Board-proposed nominees for director, executive officers, stockholders owning more than 5% of our common stock, or immediately family members of any such persons engaged in a transaction with us in which such director, nominee for director, executive officer, stockholder owning more than 5% of our common stock, or immediate family member of such persons had a direct or indirect material interest that required disclosure under applicable Securities and Exchange Commission rules.

In December of 2011, the Company s subsidiary, Federal Signal Technologies, LLC entered into an agreement with Delcan Corporation to provide services valued at approximately $382,000, subject to adjustment in connection with changes in the scope of work. Dr. Richard Mudge, who is one our directors, is the Vice President of the U.S. Infrastructure Division of Delcan Corporation and a member of the Board of Directors of Delcan s U.S. Subsidiary. The Board of Directors of the Company approved the transaction determining that it was on market terms. Dr. Mudge recused himself from the approval process.

COMPENSATION DISCUSSION AND ANALYSIS

In this section we will describe the material components of our executive compensation program for our Named Executive Officers or NEOs, whose compensation is set forth in the 2011 Summary Compensation Table and other compensation tables contained in this proxy statement:

- Dennis J. Martin, our President and Chief Executive Officer;
- William G. Barker, III, our Senior Vice President and Chief Financial Officer;
- Jennifer L. Sherman, our Senior Vice President, Chief Administrative Officer, General Counsel and Secretary;
- Mark D. Weber, President of our Environmental Solutions Group; and

Joseph W. Wilson, President of the Industrial Systems Division within our Safety and Security Systems Group

This section should be read in conjunction with the advisory vote that we are conducting on the compensation of our NEOs (see Proposal 2 Advisory Approval of the Company s Executive Compensation). The Compensation and Benefits Committee carefully considers the feedback obtained from our stockholders through this vote and for that reason last year recommended that the frequency of stockholder advisory votes on executive compensation should occur on an annual basis. Last year 93% of the advisory votes cast on executive compensation by the quorum of stockholders (91.9% of shares) voting endorsed our compensation program. We encourage you to review the details of our performance and the Compensation and Benefits Committee s processes and decisions as summarized below and in the following pages.

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Executive Summary

2011 was our Company s first full year with Dennis J. Martin in the leadership position of President and Chief Executive Officer. Following the acquisitions and investments made in the prior year, Mr. Martin led the Company s initiative to refocus on its core businesses, maximize opportunities to create organizational efficiencies and capitalize on existing talent and competencies. The practices and programs we have designed to compensate and incent our key executives are summarized below.

2011 Highlights and Recent Developments

2011 was a year of enterprise stabilization and renewed focus on our core businesses and competencies. We consolidated responsibilities where opportunities for new efficiencies could be achieved, modified our long-term incentive compensation design to more closely align pay with performance and stockholders interests, and achieved significant growth in sales in a number of our businesses.

The continuing difficult economic environment in 2011, including the persistent weakness of the global public spending sector, was challenging for our Company, as well as, for many other companies. However, we took significant actions during 2011 intended to grow our industrial businesses and to develop a strategy for either divesting or turning around our non-performing businesses. Specific additional highlights include:

- The Company experienced substantial order growth in a number of key businesses; total orders increased by 35.8% in the Fire Rescue Group, by 39.7% in the Environment Solutions Group and by 86.7% in the Federal Signal Technologies Group (FSTech).

- The Company s backlog totaled $426 million at December 31, 2011 compared to $217 million at December 31, 2010, representing a 96% increase. Backlogs vary by Group due to the nature of the Company s products and buying patterns of its customers. Safety and Security Systems typically maintains an average backlog of two months of shipments, Environmental Solutions maintains an average backlog of three to four months of shipmen