



# Federal Signal Corporation

## Standard Policies and Practices

SPP No.  
1.1.7

### TRAVEL POLICY

#### I. PURPOSE

Federal Signal Corporation, together with its subsidiaries (collectively the “Company”), understands that efficiencies and cost savings can be achieved by implementing a uniform travel solution. The Company has partnered with Egencia Travel Management Company (“Egencia”) to provide such a solution. This Policy sets forth the required procedures to be followed when booking business travel.

#### II. SCOPE

This Policy applies to all employees of the Company, and its foreign and domestic subsidiaries (sometimes referred to as “Business Units”), who are based in North America. Unless there are exceptions approved by a member of the Company’s Executive Committee, all content of this Policy is applicable.

#### III. POLICY

##### A. Signed Acknowledgment Required

In order to travel on Company matters, employees must have a signed acknowledgement of their receipt of this SPP and the Company’s “Travel and Expense Reimbursement Policy & Procedures Implementation Manual” on file with their HR Department.

##### B. Booking Travel

All travel reservations (air, hotel, rental car) must be booked through Egencia, opting for on-line booking whenever possible.

All travel reservations should be secured utilizing a Company-issued credit card (P-Card) whenever possible. Effective July 1, 2016, personal cards may be used only if the employee’s annual out-of-pocket spend is expected to be below \$1,000. All other employees travelling on Company business are required to obtain a P-Card and to use it for all Company spending to the extent reasonably possible. Exceptions require written approval from the CFO.

##### C. Air Travel

All travelers must book air travel using the Lowest Logical Airfare (“LLA”) option. LLA is automatically generated by Egencia for all travel searches using a +/- 2 hour window from the selected travel time. Travelers may only reject the LLA option when the difference in airfare is USD \$150 or less for domestic flights or 15% or less of the total airfare for international flights.

Direct flights can save a considerable amount of time. For domestic travel, travelers may book a direct flight itinerary provided the cost is no more than USD \$300 of a LLA flight with one or more stops. For international flights, travelers may book a direct flight itinerary provided the cost is no more than USD \$500 of a LLA flight with one or more stops. If there is no direct flight and a traveler is choosing between multi-stop alternatives, he/she should adhere to the above-stated thresholds when selecting an itinerary with fewer stops. If the thresholds cannot be satisfied, a traveler desiring a direct flight or a flight with few stops should obtain prior approval from his/her Supervisor.

Travelers must book flights with airtime of 6 hours or less in Coach Class. For flights between 6-12 hours duration of airtime in any 24 hour period, travelers may upgrade to Economy Plus or the airline's equivalent. Flights in excess of 12 hours duration of airtime in any 24 hour period may be booked in Business Class.

When travelling by air with co-workers, travelers should adhere to the following Duty of Care "10-5-5-3" rule:

- a. No more than 10 employees should travel on the same flight;
- b. No more than 5 members of the Executive Committee should travel on the same flight;
- c. No more than 5 employees from the same Business Unit (i.e., Corporate, SSG, ESG, FRG) should travel on the same flight; and
- d. No more than 3 Named Executive Officers (as defined in our Annual Proxy Statement) should travel on the same flight.

Proposed air travel costs in excess of USD \$1,500 for domestic flights and USD \$2,000 for international flights must be approved by Supervisors in advance of booking, as described below.

#### **D. Hotels**

Travelers are encouraged to use Company preferred hotels, when available. Non-preferred hotels may be booked if the hotel is a comparable standard of hotel (based on "star" level) and the general guidelines regarding hotel costs on a city-by-city basis are followed.

#### **E. Car Rentals**

Travelers must select Company preferred car rental vendors, when available. When no cars are available from preferred vendors, travelers may use an alternate provider provided they purchase a Loss Damage Waiver.

#### **F. "Out of Policy" Travel**

Certain travel is automatically identified by Egencia as "Out of Policy," including when the costs exceed the above-stated limits. Whenever "Out of Policy" travel is selected by travelers, they must select an accurate "Out of Policy" Reason Code within Egencia to complete the booking.

## **G. Supervisor Notification**

Supervisors will automatically receive a "Purchase Notification" via Egencia for all travel bookings made by their direct reports for their monitoring and internal audit purposes. Unless otherwise indicated in the Purchase Notification, no further action is required by the Supervisor.

Purchase Notifications will specifically indicate to the Supervisor if the travel is considered "Out of Policy" and the Reason Code selected by the traveler. Supervisors are not required to take any specific action for the following types of "Out of Policy" travel bookings, but should monitor for compliance and abuse:

- a. Travel is booked inside of 2 weeks from dates of travel;
- b. Travel is booked with a "non-preferred" air or rental car vendor;
- c. Traveler did not select the LLA option;
- d. Traveler did not select appropriate class of service; and
- e. Guideline per night hotel rate is exceeded.

"Out of Policy" travel associated with proposed air travel costs in excess of the above-stated limits (i.e., \$1,500 for domestic flights and \$2,000 for international flights) must be approved by Supervisors in order to complete the booking. When such travel is scheduled, a notification will automatically be sent to the traveler's Supervisor who must either "Approve" or "Decline" the travel itinerary. The booking cannot be completed within Egencia under these circumstances absent timely Supervisor approval.

## Federal Signal U.S. Travel and Expense Guidelines

*This matrix is provided to guide spending decisions and is not meant to be a restatement or complete summary of expense policies. Please see appropriate company policies or consult with approving managers or the finance department for additional details. In case of conflict, company policies prevail over these guidelines for audit and compliance purposes.*

Category	Limits *	Additional Guidance
Air Fare	<p>Generally, choose the lowest-fare route that reasonably meets travel requirements.</p> <p>Economy-plus fares are permitted for travel exceeding 6 hours (see policy for details).</p> <p>Whenever possible, reservations should be made at least two weeks in advance of travel.</p>	<p>Travel should be scheduled only when necessary for business objectives.</p> <p>Schedule flexibility is expected to help minimize cost, but it need not unreasonably invade personal time and convenience.</p> <p>Non-refundable fares should be weighed against the cost savings and the risks for plan changes. Generally, select non-refundable fares if the cost savings exceed the fee for changing the ticket.</p>
Air Fare Surcharges	<p>Small charges (up to \$25 per flight) for boarding priority are acceptable.</p> <p>When free iPass connections are not available, reasonable charges for internet access are permissible when required for work while in flight.</p>	<p>If otherwise unavoidable, baggage charges should be minimized.</p> <p>Avoid all charges for seat assignments and seat upgrades, except as noted in the T&amp;E policy based on flight duration.</p>
Hotel	<p>Up to \$150 per night or as otherwise permitted by policy (see attached listing).</p>	<p>Choose reasonable, cost-effective hotels.</p> <p>Corporate-wide negotiated rates are available for many locations and chains.</p> <p>If free Wi-Fi connectivity is not available, check for iPass connections before <u>paying for access that may be needed for work.</u></p>
Meals – Traveling Employee Only	<p>Up to \$20 for breakfast or lunch; up to \$50 for dinner (per person).</p>	<p>Applicable to travel only outside the local area. "Meals" category should not be used for more than one attendee.</p>
Group Meals/ Entertainment – Employee Attendees Only	<p>Up to \$20 for breakfast or lunch; up to \$50 for dinner (per person).</p>	<p>Intended for (a) group meals while traveling out of town or (b) working sessions in which business is conducted, generally not to exceed one such meeting per quarter for the same group. May also apply to <b>occasional</b> recognition or departmental outings.</p>
Group Meals/ Entertainment – Including Customers or Other Third Parties	<p>Up to \$150 per person.</p>	<p>Includes food, beverage and/or entertainment of attendees <b>with a customer or other third party in attendance</b>, where a business benefit is expected.</p> <p><b>Beverages, including wine, should be no more than moderately priced</b> for the circumstances, and alcohol should be consumed in moderation.</p>
Gratuities on Meals	<p>Up to 20%</p>	<p>Generally, good service earns 15-20%.</p>
Car Rental	<p>Compact or intermediate class; refill the tank rather than pre-pay for gas.</p>	<p>Car size exceptions apply to large group travel (3 or more travelers).</p>
Airport Parking	<p>Short-term parking should be used only for short trips (no more than one overnight).</p>	<p>Minimize costs when possible. For multi-day trips, use long-term or remote parking. If the costs of driving and parking exceed the cost of a taxi/car service, choose the latter.</p>
Car and Taxi Services	<p>Use suburban taxi services when appropriate.</p>	<p>Use of the wrong services can result in extraordinary charges. Tips should generally range 10-15%. Uber and similar services may provide cost-effective alternatives.</p>
Cell Phones		<p>Contact the IT Service Desk before international travel for the best rate plan on your company or personal phone.</p>

\* The main guideline is to spend prudently on things that create value for Federal Signal. Limits are intended to be upper limits for most circumstances, not an expected spend amount. Amounts in excess of these (a) should be reserved for exceptional situations such as expensive destinations (major cities), (b) may be "flagged" in Concur for approving managers, and (c) should be explained in expense reports. Entertainment and meal exceptions should generally be discussed **in advance** with the approving manager.

**Issued and effective as of October 4, 2016**

## Federal Signal Hotel Expense Guidelines

### *In U.S. Dollars per Night*

Travelers are required to use the following nightly rates as a guide when selecting lodging when our preferred vendors are unavailable or when booking with a non-preferred hotel. Generally speaking, the per-night hotel lodging rate (excluding taxes) in the following locations should not exceed the guidelines outlined below (in US Dollars). We recognize that conferences and other special events being held in your destination city may necessitate bookings that exceed these amounts. However, we expect such circumstances to be rare, and these guidelines should be followed whenever possible. We also recognize that international hotel rates may vary significantly. In the event that the hotel rates per-night exceed the thresholds below, Supervisor approval will be required.

#### **UNITED STATES \***

ANAHEIM, CA	175	MINNEAPOLIS/ST. PAUL, MN	175
ATLANTA, GA	150	NEW BRUNSWICK, NJ	200
AUSTIN, TX	200	NEW YORK, NY	245
BIRMINGHAM, AL	150	OAK BROOK, IL	175
BOSTON, MA	260	ORLANDO, FL	175
CHICAGO, IL	175	OTTAWA, IL	150
CHARLOTTE, NC	175	PHILADELPHIA, PA	200
CINCINNATI, OH	175	PASADENA, TX	250
COLUMBUS, OH	150	PHOENIX, AZ	175
CRANBERRY TOWNSHIP, PA	150	PORTLAND, OR	175
DALLAS, TX	175	SACRAMENTO, CA	175
DENVER, CO	200	SAN ANTONIO, TX	150
DETROIT, MI	175	SAN DIEGO, CA	200
ELGIN, IL	150	SAN FRANCISCO, CA	275
GONZALES, LA	150	SAN JOSE, CA	175
HIGHLAND, IN	150	SEATTLE, WA	200
HONOLULU, HI	250	SAINT CHARLES, IL 150	150
HOUSTON, TX	200	SAINT LOUIS, MO 175	175
INDIANAPOLIS, IN	150	STREATOR, IL 150	150
JACKSONVILLE, FL	150	TACOMA/LAKEWOOD, WA	150
KANSAS CITY, MO	175	TINLEY PARK, IL	150
LA PORTE, TX	200	TOLEDO, OH	150
LAS VEGAS, NV	175	UNIVERSITY PARK, IL	150
LEEDS, AL	150	WASHINGTON, DC	250
LEXINGTON, SC	150	WEST COVINA, CA	175
LONG BEACH, CA	250	WILLISTON, ND	150
LOS ANGELES, CA	250	US CITY NOT LISTED	150
LOUISVILLE, KY	150		

#### **INTERNATIONAL \***

LONDON, UK		250
MANCHESTER, UK		200
NEWCASTLE, UK		160
INTERNATIONAL CITY NOT LISTED		220