



Federal Signal Corporation

Standard Policies and Practices

SPP No.
1.1.8

EXPENSE REIMBURSEMENT 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 expense reimbursement solution. The Company has partnered with JD Edwards to provide such a solution. This Policy sets forth the Company’s general expense reimbursement procedures.

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 be reimbursed for Company expenses, 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. P-Card Usage

All business expenses should be incurred 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 incurring expenses for business purposes are required to obtain a P-Card and to use it for all Company spending to the extent reasonably possible. Exceptions require the written approval of the CFO.

C. Time Limits

When costs are incurred, employees must submit an Expense Report at least monthly. Out of pocket/ cash expenses submitted more than 60 days from the date of purchase may not be reimbursed.

D. Receipt Requirements

Receipts must be submitted meeting the following criteria:

1. An itemized, detailed receipt is needed for all expenses over \$25; and
2. For business travel purchased using the Company P-Card, the Egencia travel itinerary will be required. Note that if additional charges are incurred, the hotel bill may also be required.
3. For business travel purchased using a personal credit card, matching proof of travel (e.g., boarding pass, hotel bill) is required in addition to the Egencia travel itinerary.

Receipts captured via mobile device are acceptable.

E. Business Meals/ Entertainment/ Employee Relations

The most senior employee in attendance should incur the expense utilizing his/her P-Card. In cases where this is not followed, the most senior employee's Supervisor (who was not in attendance) must approve the expense. If any member or multiple members of the Executive Committee attends the event, any attending Executive Committee member (or his/her approved delegate) may incur the expense without further approval required.

F. Supervisor Approval

Absent rare and extenuating circumstances, Supervisors shall review and make determinations on Expense Reports within one week of receiving.

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&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 occasional 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 with a customer or other third party in attendance, where a business benefit is expected.</p> <p>Beverages, including wine, should be no more than moderately priced 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