

SIGNET JEWELERS LTD  
Form PRE 14A  
April 15, 2011  
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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**

Filed by the Registrant

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))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

**SIGNET JEWELERS LIMITED**

(Name of Registrant as Specified In Its Charter)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

- (1) Title of each class of securities to which the transaction applies:
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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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# Signet Jewelers Limited

(Registered in Bermuda, No. 42069)

*Registered Office:*

Clarendon House

2 Church Street

Hamilton HM11

Bermuda

Dear Shareholder

April 26, 2011

**ANNUAL GENERAL MEETING ( Meeting )**

It is my pleasure to invite you to the 2011 Annual General Meeting of the Shareholders of Signet Jewelers Limited, which will be held on Thursday, June 16, 2011 at 11.00 a.m. EDT, at Hilton Akron/Fairlawn, 3180 W. Market Street, Akron, Ohio, 44333, United States.

In accordance with best practice governance principles, at the Meeting you will be asked to approve an amendment to the Bye-laws of the Company providing for the annual election of Directors effective at the Meeting. In the event the amendment is approved, you will be asked to elect seven directors to the Company's Board to serve until the 2012 annual general meeting of shareholders or until their respective successors are elected in accordance with the amended Bye-laws of the Company. The Shareholder vote required to approve this amendment is very high (75 percent of the outstanding shares). Our Board of Directors is committed to strong and effective corporate governance and so, in the event that the required majority is not reached, you will still be asked to elect seven directors to the Company's Board, because each of the seven members of the Board intends to resign from the Board and offer himself or herself for election. In that event, four directors will retire in accordance with the current Bye-laws, and three directors will retire voluntarily. You are also being asked to appoint KPMG LLP, the US member firm of KPMG International, as our independent registered public accounting firm, in place of KPMG Audit plc, the UK member firm of KPMG International. This change is occurring in recognition that our accounting function is relocating to the United States. Further, we are asking you to approve the Signet Jewelers Limited Annual Performance Bonus Plan, which is designed to enable our Compensation Committee to grant incentive compensation that is not subject to the deduction limitation of Section 162(m) of the U.S. Internal Revenue Code. We are also providing Shareholders with an advisory vote to approve the compensation of named executive officers as disclosed in the Proxy Statement (referred to as a "Say-on-Pay" vote) and an advisory vote on the frequency of the Say-on-Pay vote (referred to as a "frequency vote"), pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act.

Information regarding the matters to be voted upon at this year's Meeting is contained in the Notice of Meeting and Proxy Statement which are included in the following pages.

The Company's audited financial statements for the fiscal year ended January 29, 2011 ( "Fiscal 2011" ) as approved by the Board will be presented at the Meeting.

This year we are again taking advantage of the rules under the Securities Exchange Act of 1934 that allow companies to furnish proxy materials to Shareholders electronically by the internet. You will receive a notice regarding the availability of Proxy Materials (the "Notice") by mail or email. You will not receive a printed copy of the proxy materials unless you specifically request one or have previously requested one. The Notice instructs you how to access and review all of the important information contained in the Proxy Statement, as well as how to submit your proxy electronically by the internet or, additionally for US Shareholders, by telephone. If you would like to receive a printed copy of our proxy materials, you should follow the instructions for requesting these materials which are included in the Notice. The Notice, form of proxy and form of direction include instructions on how you can access and review the Notice of Meeting and Proxy Statement on the Company's website.

It is important that your shares are represented and voted at the Meeting, regardless of the size of your holdings. Your vote is important.

**Sir Malcolm Williamson**

Chairman

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## **Notice of Annual General Meeting**

Notice is hereby given that the 2011 Annual General Meeting ( Meeting ) of the Shareholders of Signet Jewelers Limited (the Company ) will be held at the Hilton Akron/Fairlawn, 3180 W. Market Street, Akron, Ohio, 44333, United States on Thursday, June 16, 2011 at 11.00 a.m. EDT, to consider the following items of business:

1. To vote on a proposal to amend the Company s Bye-laws to provide for the annual election of Directors in the manner contemplated in Appendix 1 to the Proxy Statement accompanying this notice.
2. If proposal 1 is approved, to elect seven directors to the Company s Board of Directors to serve until the next Annual General Meeting of the Company or until their respective successors are elected in accordance with the amended Bye-laws of the Company.
3. If proposal 1 is not approved, to elect the four directors who will retire in accordance with the current Bye-laws of the Company and the three directors who will retire voluntarily.
4. To appoint KPMG LLP as independent auditor of the Company, to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company and to authorize the Audit Committee to determine its compensation.
5. To approve the Signet Jewelers Limited Annual Performance Bonus Plan.
6. To hold a non-binding, advisory vote to approve the compensation of our named executive officers as disclosed in the Proxy Statement (the Say-on-Pay vote).
7. To hold a non-binding, advisory vote on the frequency of the Say-on-Pay vote.

In addition, we will consider the transaction of any other business properly brought at the Meeting or any adjournment or postponement thereof.

Each of the matters to be presented at the Meeting will be voted upon by poll.

The Company s audited financial statements for the Fiscal 2011 as approved by our Board will be presented at the Meeting.

The Board of Directors has fixed the close of business on April 14, 2011, as the record date for the Meeting. All Shareholders of record at the close of business on that date are entitled to notice of, and to be present and vote at, the Meeting and at any adjournment and continuation thereof.

Attendance at the Meeting will be limited to Shareholders of record, beneficial owners of Company Common Shares entitled to provide instructions to vote at the Meeting having evidence of ownership, proxies and corporate representatives of Shareholders, and invited guests of management. Any person claiming to be an authorized representative of a Shareholder must, upon request, produce written evidence of such authorization.

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The Meeting will be conducted pursuant to the Company's By-laws and rules of order prescribed by the Chairman of the Meeting.

By Order of the Board

**Mark A. Jenkins**

Group Company Secretary

*Registered Office:*

Clarendon House

2 Church Street

Hamilton HM11

Bermuda

Registered in Bermuda No. 42069

April 26, 2011

**WHETHER OR NOT YOU PLAN TO ATTEND THE ANNUAL GENERAL MEETING IN PERSON AND REGARDLESS OF THE NUMBER OF SHARES YOU OWN, PLEASE REGISTER YOUR VOTE BY APPOINTING A PROXY ELECTRONICALLY BY THE INTERNET OR, FOR U.S. SHAREHOLDERS, BY TELEPHONE IN ACCORDANCE WITH THE INSTRUCTIONS ON THE FORM OF PROXY OR ALTERNATIVELY MARK, SIGN AND DATE THE FORM OF PROXY IN ACCORDANCE WITH THE INSTRUCTIONS THEREON AND MAIL IT PROMPTLY TO ENSURE THAT YOUR SHARES WILL BE REPRESENTED. YOU MAY VOTE IN PERSON IF YOU ATTEND THE ANNUAL GENERAL MEETING. YOUR PROXY IS REVOCABLE AT ANY TIME BY SENDING WRITTEN NOTICE OF REVOCATION OR BY SUBMISSION OF A PROPERLY EXECUTED PROXY BEARING A LATER DATE TO THE TRANSFER AGENT OR BY VOTING IN PERSON AT THE MEETING.**

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**SIGNET JEWELERS LIMITED**

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**SIGNET JEWELERS LIMITED**  
**2011 Annual General Meeting of Shareholders**

Registered in Bermuda No. 42069

April 26, 2011

**PROXY STATEMENT**

For

Annual General Meeting of Shareholders

To Be Held On June 16, 2011

This Proxy Statement (the "Proxy Statement") is being furnished to the holders of Common Shares, par value \$0.18 per share (the "Common Shares") of Signet Jewelers Limited (the "Company" or "Signet"), a company registered in Bermuda, in connection with the solicitation of proxies by and on behalf of the Board of Directors of the Company (the "Board of Directors" or the "Board") for use at the Annual General Meeting of Shareholders to be held on Thursday June 16, 2011 at 11:00 a.m. EDT, at the Hilton Akron/Fairlawn, 3180 W. Market Street, Akron, Ohio, 44333, United States, and at any adjournments or postponements thereof (the "Annual General Meeting" or the "Meeting"). The purpose of the Annual General Meeting is to conduct the following items of business:

1. To vote on a proposal to amend the Company's Bye-laws to provide for the annual election of Directors in the manner contemplated in Appendix 1 to the Proxy Statement.
2. If proposal 1 is approved, to elect seven directors to the Company's Board of Directors to serve until the next Annual General Meeting of the Company or until their respective successors are elected in accordance with the amended Bye-laws of the Company.
3. If proposal 1 is not approved, to elect the four directors who will retire in accordance with the current Bye-laws of the Company and the three directors who will retire voluntarily.
4. To appoint KPMG LLP as independent auditor of the Company, to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company and to authorize the Audit Committee to determine its compensation.
5. To approve the Signet Jewelers Limited Annual Performance Bonus Plan.
6. To hold a non-binding, advisory vote to approve the compensation of our named executive officers as disclosed in the Proxy Statement (the "Say-on-Pay" vote).
7. To hold a non-binding, advisory vote on the frequency of the Say-on-Pay vote.

In addition we will consider the transaction of any other business properly brought at the Meeting or any adjournment or postponement thereof.



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The Company's audited financial statements for Fiscal 2011 as approved by our Board will be presented at the Meeting.

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**INFORMATION ABOUT ANNUAL GENERAL MEETING & PROXY VOTING**

**Electronic Delivery Of Proxy Materials**

This year, the Company is again furnishing proxy materials to Shareholders electronically by internet. You will receive a Notice regarding the availability of Proxy Materials ( Internet Notice ) by mail or e-mail, and you will not receive a printed copy of the proxy materials, unless you specifically request one or have previously requested one. If you would like to receive a printed copy of our proxy materials, you should follow the instructions for requesting these materials included in the Internet Notice or by any of the following methods: by internet at [www.signetjewelers.com/shareholders](http://www.signetjewelers.com/shareholders), by telephone 808-776-9962 for US Shareholders or 0871 664 0300 for UK Shareholders; or by sending an e-mail to [info@amstock.com](mailto:info@amstock.com) for US Shareholders or [ssd@capitaregistrars.com](mailto:ssd@capitaregistrars.com) for UK Shareholders with Proxy Materials Signet Jewelers Limited in the subject line. We plan to mail the Internet Notice to Shareholders on April 27, 2011.

**Record Date and Quorum**

We first made available the proxy solicitation materials on April 26, 2011 by filing them with the United States Securities and Exchange Commission (the SEC ) and posting them on our website, [www.signetjewelers.com](http://www.signetjewelers.com). We expect to begin to mail the proxy solicitation materials to Shareholders who requested hard copies on April 27, 2011.

Each outstanding Common Share entitles the holder thereof as of the close of business on April 14, 2011 (the Record Date ) to one vote on each matter to come before the Annual General Meeting. As of the Record Date, excluding treasury shares, there were 86,408,697 Common Shares outstanding. There are no other outstanding voting securities of the Company other than the Common Shares.

The presence at the Annual General Meeting in person or by proxy of two holders of Common Shares outstanding and entitled to vote will constitute a quorum for the transaction of business. Abstentions and broker non-votes are treated as present and entitled to vote, and therefore are counted in determining the existence of a quorum. A broker non-vote occurs when a nominee holding shares for a beneficial owner does not vote on a particular proposal because the nominee does not have discretionary voting power with respect to that item and has not received voting instructions from the beneficial owner with respect to such item. At the Annual General Meeting, the Group Company Secretary will determine whether or not a quorum is present.

**Voting and Who May Vote**

Voting on the matters to come before the meeting will be conducted by way of a poll. After each resolution has been introduced, Shareholders will have an opportunity to ask questions relating to the resolution. Voting on the specific resolution will be deferred to the end of the Meeting in order to simplify and aid the voting procedure other than Proposal 1 (Amendment of Bye-laws). The Company's transfer agent, American Stock Transfer & Trust Company, will explain and conduct the poll on each resolution, count the votes and certify the results. The final figures of the proxy votes cast for, against and in abstention from the resolutions will be filed with the SEC and the London Stock Exchange and will be published on the Company's website as soon as practicable, after the conclusion of the Meeting. Only Shareholders who were recorded in the register of Shareholders of the Company at the Record Date will be entitled to vote. Other than Shareholders, only proxies or corporate representatives are entitled to vote at the meeting. In order to do so, the proxy card must be signed by the Shareholder, or the proxy. Holders of depositary interests should see the paragraph headed Electronic Voting through CREST for Depositary Interest Holders below for details of the deadline to register their vote.

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**Electronic Voting Instruction through CREST for Depository Interest Holders**

This method of voting instruction is only open to persons who hold interests in the Company's shares through depository interests held in CREST outside the United States.

CREST Shareholders who wish to appoint Capita IRG Trustees (Nominees) Limited to vote on their behalf utilizing the CREST proxy voting service may do so for the Meeting and any adjournment(s) thereof by using the procedures described in the CREST manual. CREST personal Shareholders or other CREST sponsored Shareholders, and those CREST Shareholders who have appointed a voting service provider(s) should refer to their CREST sponsor or voting service provider(s), who will be able to take appropriate action on their behalf.

In order for a voting instruction made using the CREST service to be valid, the appropriate CREST message (a CREST Voting Instruction) must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions as described in the CREST manual. The CREST message must, in order to be valid, be transmitted so as to be received by Capita Registrars (CREST participant ID RA 10) no later than 72 hours before the time appointed for the holding of the Meeting or adjourned Meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the CREST message by the CREST Applications Host) from which the Company's agent is able to retrieve the CREST message by enquiry to CREST in the manner prescribed by CREST. After this time any change of voting instructions through CREST should be communicated through other means.

CREST Shareholders and, where applicable, their CREST sponsors or voting service provider(s), should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Voting Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that the CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a CREST message is transmitted by means of the CREST system by any particular time. In this connection, CREST Shareholders and, where applicable, their CREST sponsors or voting service provider(s) is/are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system timings which can be found at [www.euroclear.com/site/public/EU](http://www.euroclear.com/site/public/EU).

The Company may treat as invalid a CREST Voting Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

**Appointment of Proxies**

A Shareholder entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend, speak and vote on his behalf. A proxy may be appointed by returning a proxy card or by internet at [www.signetjewelers.com](http://www.signetjewelers.com), and, for US Shareholders, by telephone. For more information refer to the form of proxy card for instruction. A proxy need not be a Shareholder of the Company, but must attend the Meeting in person to represent the Shareholder. If a Shareholder appoints more than one proxy, each proxy must be appointed to exercise the rights attaching to different shares held by that Shareholder. If you do not nominate your own proxy, the Chairman of the Meeting will be appointed as your proxy.

To be valid, the form of proxy and any power of attorney or other authority under which it is signed must be received at the office of the Company's registrars/transfer agents, American Stock Transfer & Trust Company Operations Center, 6201 15th Avenue, Brooklyn, NY 11219 for US Shareholders, or Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU for UK Shareholders, by 12:00 am EDT (5.00 am UK time) on June 15, 2011. Completing and returning a form of proxy will not prevent a Shareholder from attending and voting at the Meeting should he so wish. To change your proxy instructions you may return a new

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proxy appointment using the methods set out above. Where you have appointed a proxy using the form of proxy and would like to change the instructions using another form of proxy, please contact the Company's relevant registrars. Where two or more valid separate appointments of proxy are received in respect of the same share in respect of the same Meeting, the one which is last sent will be treated as replacing and revoking the other or others.

### **Proxies**

If you submit your proxy by mail, please ensure that the form of proxy is properly completed signed, dated and returned to the Company as directed by 12:00 am EDT (5.00 am UK time) on June 15, 2011, which is 11 hours before the start of the meeting. The individual(s) identified as proxies thereon will vote the shares represented by the form of proxy in accordance with the directions noted thereon. Alternatively, you can appoint a proxy to cast your vote electronically by internet or, if you are a US Shareholder, by telephone as set out in the Internet Notice. If you do not indicate how your shares should be voted on a matter, the shares represented by your properly completed form of proxy, in which no named proxy is appointed, will be voted as the Board of Directors recommends. The Company's management does not know of any matters other than those discussed in this Proxy Statement that will be presented at the Annual General Meeting. If, however, other matters are presented, all proxies, in which no named proxy is appointed, will be voted in accordance with the recommendations of the Board of Directors.

Returning your completed proxy card or appointing a proxy electronically by the internet or by telephone will not prevent you from voting in person at the Annual General Meeting if you are able to attend and wish to vote.

### **Revocation of Proxy**

You may revoke your proxy at any time before it is voted by sending written notice of revocation, or by submission of a properly executed form of proxy bearing a later date to the Company's Registrars/transfer agents prior to the Annual General Meeting at: American Stock Transfer & Trust Company Operations Center, 6201 15<sup>th</sup> Avenue, Brooklyn, NY 11219 for US Shareholders or Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU for UK Shareholders or by attending the Annual General Meeting and giving notice of revocation in person.

### **Required Votes**

***Proposal One (Proposal to Amend the Company's Bye-laws):*** Certain Bye-laws of the Company (including those relating to election of directors) cannot be rescinded, altered or amended without the affirmative vote of the holders of at least 75% of the outstanding Common Shares represented in person or by proxy. Abstentions and broker non-votes are not counted as votes cast for the purpose of amending the Bye-laws, and accordingly will have the effect of a no vote. In accordance with the New York Stock Exchange ( NYSE ) rules, brokers will be able to vote shares with respect to the amendment of the Bye-laws without instructions from the underlying Shareholders.

***Proposal Two (Election of Seven Directors if Proposal 1 is Approved):*** The election of Directors is decided by the affirmative vote of a majority of the votes cast by the holders of Common Shares represented in person or by proxy at the Annual General Meeting entitled to vote in the election. Abstentions and broker non-votes are not counted as votes cast for the purpose of electing Directors. Accordingly, abstentions and broker non-votes will not be taken into account and, therefore, will not affect the outcome of the election of Directors. In accordance with the NYSE rules, brokers will not be able to vote shares with respect to the election of Directors without instructions from the underlying Shareholders.

***Proposal Three (Election of Seven Directors if Proposal 1 is Not Approved):*** The election of Directors is decided by the affirmative vote of a majority of the votes cast by the holders of Common Shares represented in

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person or represented by proxy at the Annual General Meeting entitled to vote in the election. Abstentions and broker non-votes are not counted as votes cast for the purpose of electing Directors. Accordingly, abstentions and broker non-votes will not be taken into account and, therefore, will not affect the outcome of the election of Directors. In accordance with the NYSE rules, brokers will not be able to vote shares with respect to the election of directors without instructions from the underlying Shareholders.

***Proposal Four (Appointment of KPMG LLP, Independent Registered Public Accounting Firm as Auditor):*** The affirmative vote of a majority of the votes cast by the holders of Common Shares represented in person or by proxy at the Annual General Meeting and entitled to vote on this proposal is required to appoint KPMG LLP as the Company's independent registered public accounting firm as auditor to the Company until the end of the next Annual General Meeting of the Company and to authorize the Audit Committee to determine its compensation. Abstentions and broker non-votes are not counted as votes cast for the purpose of the appointment of KPMG LLP. Accordingly, abstentions and broker non-votes will not be taken into account and, therefore, will not affect the outcome of the appointment of the Company's independent registered public accounting firm. In accordance with NYSE rules, brokers will be able to vote shares with respect to the appointment of the Company's independent registered public accounting firm without instructions from the underlying Shareholders.

***Proposal Five (Approval of the Signet Jewelers Limited Annual Performance Bonus Plan):*** The affirmative vote of a majority of the votes cast by the holders of Common Shares represented in person or by proxy at the Annual General Meeting and entitled to vote on this proposal is required to approve the Signet Jewelers Limited Annual Performance Bonus Plan. Abstentions and broker non-votes are not counted as votes cast for the purpose of the approval. Accordingly, abstentions and broker non-votes will not be taken into account and, therefore, will not affect the outcome of the approval of the bonus plan. In accordance with NYSE rules, brokers will not be able to vote shares with respect to the bonus plan without instruction from the underlying Shareholders.

***Proposal Six (Advisory Vote to Approve the Compensation of Named Executive Officers as Disclosed in the Proxy Statement):*** The affirmative vote of a majority of the votes cast by the holders of Common Shares represented in person or by proxy at the Annual General Meeting and entitled to vote on this proposal is required to approve, on a non-binding, advisory basis, the compensation of the named executive officers as disclosed in the Proxy Statement. The Say-on-Pay vote is advisory, and therefore not binding on the Company, the Compensation Committee or our Board of Directors. Abstentions and broker non-votes are not counted as votes cast for the purpose of the advisory vote. Accordingly, abstentions and broker non-votes will not be taken into account and, therefore, will not affect the outcome of the advisory vote. In accordance with NYSE rules, brokers will not be able to vote shares with respect to the Say-on-Pay advisory vote without instruction from the underlying Shareholders.

***Proposal Seven (Advisory Vote on the Frequency of the Say-on-Pay Vote):*** The option of one year, two years or three years that receives the highest number of votes cast by the holders of Common Shares represented in person or by proxy at the Annual General Meeting and entitled to vote on this proposal will be the frequency for the advisory vote on executive compensation that has been selected by Shareholders. However, because this vote is advisory and not binding on the Board of Directors or the Company in any way, the Board may decide that it is in the best interests of our Shareholders and the Company to hold an advisory vote on executive compensation more or less frequently than the option approved by our Shareholders. Abstentions and broker non-votes are not counted as votes cast for the purpose of the advisory vote. Accordingly, abstentions and broker non-votes will not be taken into account and, therefore, will not affect the outcome of the advisory vote. In accordance with NYSE rules, brokers will not be able to vote shares with respect to the frequency vote without instruction from the underlying Shareholders.

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**Other Matters**

***Shareholder Proposals for Inclusion in the Proxy Statement for the 2012***

***Annual General Meeting***

Shareholder proposals submitted pursuant to Rule 14a-8 under the Exchange Act will be considered for inclusion in the Company's 2012 Proxy Statement and proxy card for the 2012 Annual General Meeting if the proposal is received in writing by the Group Company Secretary by no later than December 28, 2011. The notice of proposal must comply with the requirements established by the SEC, and must include the information specified in Bye-law 26 of the Company's Bye-laws and must be a proper subject for Shareholder action under Bermuda law. A copy of the Company's Bye-Laws may be found on the Company's website, [www.signetjewelers.com](http://www.signetjewelers.com).

Notice of business to be brought at the 2012 Annual General Meeting submitted pursuant to Bye-law 26 of the Company's Bye-laws must be received in writing by the Group Company Secretary between February 17 and March 18, 2012. Bye-law 26 of the Company's Bye-laws sets forth the procedures (including, without limitation, advance notice requirements disclosed above) a Shareholder must follow to request that an item be put on the agenda of a general meeting of Shareholders.

Additionally, under Bermuda law, Shareholders holding not less than five percent of the total voting rights or 100 or more Shareholders together may require us to give notice to our Shareholders of a proposal to be submitted at an annual general meeting. Generally, notice of such a proposal must be received not less than six weeks before the date of the meeting and must otherwise comply with the requirements of Bermuda law.

Proposals should be sent to the Company at Clarendon House, 2 Church Street, Hamilton HM11 Bermuda, addressed to the attention of Mark A. Jenkins, Group Company Secretary.

***Householding***

Exchange Act rules allow the Company to deliver a single Internet Notice (or proxy materials and Annual Report on Form 10-K in the case of Shareholders who receive paper copies of proxy materials) to an address shared by two or more of our Shareholders. This delivery method, referred to as "householding," can result in significant cost savings for the Company. In order to take advantage of this opportunity, the Company and the banks and brokerage firms that hold your shares have delivered only one Internet Notice (or proxy materials and Annual Report on Form 10-K in the case of Shareholders who receive paper copies) to multiple Shareholders who share an address unless one or more of the Shareholders has provided contrary instructions. The Company will deliver promptly, upon written or oral request, a separate copy of the Internet Notice (or, proxy materials and Annual Report on Form 10-K in the case of Shareholders who receive paper copies), to a Shareholder at a shared address to which a single copy of the document was delivered. A Shareholder who wishes to receive a separate copy of the Internet Notice (or proxy materials and Annual Report on Form 10-K in the case of Shareholders who receive paper copies), now or in the future, may obtain one, promptly and without charge, by addressing a request to, Signet Jewelers Limited c/o Signet Group Services Limited 15, Golden Square, London, W1F 9JG or by calling +44 (0) 20 7317 9700. You may also download a copy of each of these documents from the Company's website [www.signetjewelers.com](http://www.signetjewelers.com). Shareholders of record sharing an address who are receiving multiple copies of these materials and wish to receive a single copy of such materials in the future should submit their request by contacting us in the same manner.

If you are the beneficial owner, but not the record holder, of Common Shares and wish to receive only one copy of these materials in the future, you will need to contact your broker, bank or other nominee to request that only a single copy of each document be mailed to all Shareholders at the shared address in the future.

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**Solicitation of Proxies**

The Company will bear the cost of the solicitation of proxies. The Company has instructed the firm of Innisfree M&A Incorporated to assist in the solicitation of proxies on behalf of the Board. Innisfree M&A Incorporated has agreed to perform this service for a fee of not more than \$10,000, plus any out of pocket expenses. In addition, solicitation may occur by internet, by mail and/or by telephone. The Company will request banks, brokers and the custodian nominees and fiduciaries to supply proxy materials to the beneficial owners of the Company's Common Shares of whom they have knowledge, and will reimburse them for their expenses in so doing. Certain Directors, officers and other employees of the Company, not specially employed for the purpose, may solicit proxies, without additional remuneration, by personal interview, mail, telephone, facsimile or email.

**Table of Contents****OWNERSHIP OF THE COMPANY**

Except to the extent noted below, each director, named executive officer or entity has sole voting and investment power over the Common Shares reported.

**Shareholders Who Beneficially Own At Least Five Percent****of the Common Shares**

The following table shows all persons who were known to us to be beneficial owners (determined in accordance with Rule 13d-3 of the Exchange Act) of at least five percent of the Common Shares as of April 14, 2011. This table is based upon reports filed with the SEC. Copies of these reports are publicly available from the SEC on its website, [www.sec.gov](http://www.sec.gov).

<b>Name and address of beneficial holder</b>	<b>% of Class</b>	<b>Number of shares</b>	<b>Nature of holding</b>
Group consisting of Artisan Partners Holdings LP, Artisan Investment Corporation, Artisan Partners Limited Partnership, Artisan Investments GP LLC, ZFIC, Inc., Andrew A. Ziegler and Carlene M. Ziegler  875 East Wisconsin Avenue  Suite 800  Milwaukee  WI 53202  USA	11.6	9,981,234	(1)
Sprucegrove Investment Management Ltd  181 University Avenue  Suite 1300  Toronto  Ontario  Canada  M5H 3M7	6.81	5,842,374	(2)
Select Equity Group, Select Offshore Advisors, LLC and George S. Loening  380 Lafayette Street, 6th Floor  New York, NY 10003  USA	5.90	5,061,695	(3)



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Investec Asset Management Limited	5.86	5,028,945	(4)
2 Gresham Street			
London			
EC2V 7QP			
England			
FMR LLC	5.86	5,023,062	(5)
82 Devonshire Street			
Boston			
MA 02109			
USA			
Harris Associates L.P.	5.28	4,527,040	(6)
Two North LaSalle Street			
Suite 500			
Chicago			
IL 60602 3790			
USA			

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None of the Company's Common Shares entitle the holder to any preferential voting rights.

- (1) Based upon a Schedule 13G filed on February 10, 2011, by Artisan Partners Holdings LP, Artisan Investment Corporation, Artisan Partners Limited Partnership, Artisan Investments GP LLC, ZFIC, Inc., Andrew A. Ziegler and Carlene M. Ziegler (together, "Artisan"), the 9,981,234 shares reported in Artisan's Schedule 13G have been acquired on behalf of discretionary clients of Artisan Partners Limited Partnership and Artisan Partners Holdings LP, including 9,163,359 shares over which there is shared voting power and 9,981,234 shares over which there is shared dispositive power.
- (2) Based upon a Schedule 13G filed on February 2, 2011, Sprucegrove Investment Management Ltd may be deemed to be the beneficial owner of 5,842,374 shares, including 321,617 shares over which there is shared voting power.
- (3) Based upon a Schedule 13G filed on February 15, 2011, Select Equity Group, Inc. ("Select") may be deemed to be the beneficial owner of 3,961,733 shares, and Select Offshore Advisors, LLC ("Select Offshore") may be deemed to be the beneficial owner of 1,099,962 shares. As the Chairman and controlling Shareholder of Select and the Manager of Select Offshore, George S. Loening has the power to vote or to direct the voting of and the power to dispose or direct the disposition of the securities owned by Select and Select Offshore. Accordingly, George S. Loening may also be deemed to be the beneficial owner of those securities.
- (4) Based upon a Schedule 13G filed on February 10, 2011, Investec Asset Management Limited, in its capacity as discretionary investment adviser to its various clients, may be deemed to be the beneficial owner of 5,028,945 shares owned by such clients or for such clients benefit.
- (5) Based upon a Schedule 13G filed on February 14, 2011, FMR LLC may be deemed to be the beneficial owner of 5,023,062 shares owned by various persons, who have the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of shares.
- (6) Based upon a Schedule 13G filed on January 7, 2011, by reason of advisory and other relationships with the person who owns the shares, Harris Associates L.P. may be deemed to be the beneficial owner of 4,527,040 shares.

**Ownership by Directors, Director Nominees and Executive Officers**

The following table shows the number of Common Shares of the Company beneficially owned (determined in accordance with Rule 13d-3 of the Exchange Act) as of April 14, 2011 by each current Director, each executive officer named in the Summary Compensation Table, and all of the Company's executive officers and Directors as a group:

Name of beneficial owner	Common Shares <sup>(1)</sup>	Shares that may be acquired upon exercise of options within 60 days <sup>(2)</sup>	Total <sup>(3)</sup>
Sir Malcolm Williamson <sup>(4)</sup>	17,459		17,459
Michael W. Barnes <sup>(4)(5)(6)</sup>	66,329		66,329
Robert Blanchard <sup>(4)</sup>	10,359		10,359
Walker Boyd <sup>(7)</sup>	5,000	43,922	51,419
Terry Burman <sup>(8)</sup>	1,851	165,399	167,235
Dale Hilpert <sup>(4)</sup>	10,859		10,859

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Marianne Parrs <sup>(4)</sup>	9,859		9,859
Thomas Plaskett <sup>(4)</sup>	7,864		7,864
Ronald Ristau <sup>(5)</sup>			
Russell Walls <sup>(4)</sup>	7,251		7,251
Mark Light <sup>(5)</sup>	4,573	100,641	105,220
William Montalto <sup>(5)</sup>	10,000	65,777	75,872
Robert Anderson <sup>(5)</sup>	1,114	43,847	44,961
All Executive Officers and Directors as a group (16 persons)	155,830	524,270	680,100

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- (1) No shares are pledged as security and all are owned directly.
- (2) Shares issuable upon the exercise of vested stock options.
- (3) All holdings represent less than 1% of the class outstanding.
- (4) Director.
- (5) Executive officer.
- (6) Did not serve as an executive officer during Fiscal 2011.
- (7) Former director and executive officer.
- (8) Director and Chief Executive Officer during Fiscal 2011.

See Compensation Discussion and Analysis below for a discussion of the Company's Common Share ownership policy.

**Section 16(a) Beneficial Ownership Reporting Compliance**

Section 16(a) of the Exchange Act requires the Company's Directors, executive officers and persons who beneficially own more than 10% of a registered class of our equity securities to file with the SEC reports of ownership and changes in ownership. Based solely upon a review of the copies of the forms furnished to us and written representations from our executive officers, Directors and greater than 10% Shareholders, we believe that during Fiscal 2011, all persons subject to the reporting requirements of Section 16(a) filed the required reports on a timely basis.

**PROPOSALS FOR THE ANNUAL GENERAL MEETING**

**PROPOSAL ONE**

*(Item 1 on the Proxy Card)*

**Amendment of the Bye-laws of the Company**

On February 23, 2011, the Board of Directors voted to approve and to recommend to the Company's Shareholders that they approve a proposal to amend the Company's current Bye-laws to eliminate the requirement for one-third of the Directors or if their number is not three or a multiple of three, the number nearest to one-third to retire at every annual general meeting and to provide instead for the annual election of directors effective at the Annual General Meeting. If approved, the Shareholders will be asked to elect seven directors at the Annual General Meeting, each of whom will serve until the next annual general meeting of the Company or until his or her successor is duly elected (see Proposal 2). Because our board of directors is committed to strong and effective corporate governance, in the event that Proposal 1 is not approved, each of the seven members of the Board intends to resign from the Board and offer himself or herself for election to the Board (see Proposal 3). In such case, four directors will retire in accordance with the current Bye-laws of the Company and three directors will retire voluntarily.

**Background of Proposal**

This proposal is the result of an ongoing review of corporate governance matters by the Board. The Board, assisted by the Nomination and Corporate Governance Committee, considered the advantages and disadvantages of maintaining the current board structures (where approximately one-third of the Directors retire at every annual general meeting). The Board believes that the current board structure reduces accountability of directors to Shareholders as the structure limits the ability of Shareholders to evaluate and elect all directors on an annual basis. The election of directors is the primary means for Shareholders to influence corporate governance and annual election of the entire board of directors is in line with best corporate governance standards in the US and UK.

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### **Text of Amendments**

Paragraphs 40, 41 and 79 of the Company's Bye-laws contain the provisions that will be affected if this proposal is adopted. Appendix 1 to this Proxy Statement shows the proposed changes.

THE BOARD OF DIRECTORS RECOMMENDS THAT SHAREHOLDERS VOTE **FOR** THE AMENDMENT TO THE COMPANY'S BYE-LAWS

### **PROPOSAL TWO**

*(Item 2 on the Proxy Card)*

#### **Election of Seven Directors if Proposal 1 is Approved**

If our Shareholders approve Proposal 1 at the Annual General Meeting, our Shareholders will be asked to consider seven nominees for election to our Board of Directors to serve until the next annual general meeting of the Company or until their successors are duly elected. If our Shareholders do not approve Proposal 1, this Proposal 2 will not be submitted to a vote of our Shareholders at the Annual General Meeting, and instead Proposal 3 (Election of Seven Directors if Proposal 1 is Not Approved) will be submitted in its place. If Proposal 1 is approved, the amended Bye-laws of the Company will provide that at every Annual General Meeting, each member of the Board of Directors shall retire from office. This will commence with the 2011 Annual General Meeting. Biographical details for each of our current Directors, all of whom stand for election with the endorsement of the Board and the Nominating and Corporate Governance Committee, is set out below under **NOMINEES FOR DIRECTORS**.

### **PROPOSAL THREE**

*(Item 3 on the Proxy Card)*

#### **Election of Seven Directors if Proposal 1 is Not Approved**

The Bye-laws of the Company currently specify that at every Annual General Meeting, a total of one-third of the Directors, or the nearest number to one-third, shall retire from office, as shall any Director who was not elected to the Board by Shareholders. If the Shareholders do not approve Proposal 1, each of the seven members of the Board intends to resign from the Board and offer himself or herself for election. Sir Malcolm Williamson, Dale Hilpert and Russell Walls will retire from the Board having been appointed in 2008, and offer themselves for election in accordance with the current Bye-laws of the Company. Michael W. Barnes, having been appointed to the Board since the last Annual General Meeting, will also retire in accordance with the Bye-laws and offer himself for election. Robert Blanchard, Marianne Parris and Thomas Plaskett will voluntarily retire from the Board and also offer themselves for election.

Each of our current Directors, whose biographical details are set forth below under **NOMINEES FOR DIRECTORS**, offers himself or herself for election with the endorsement of the Board and the Nomination and Corporate Governance Committee.

### **NOMINEES FOR DIRECTORS**

Set forth below is biographical information concerning each of our nominees for Director of the Company. (An asterisk connotes an Independent Director who satisfies the definitions of independence and has been affirmed by the Board as being independent in accordance with NYSE Listing Standards.)

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**Sir Malcolm Williamson\***, 72, Chairman of the Board, appointed a director of the Company in 2005 and Chairman since June 2006. He was President and Chief Executive Officer of Visa International between 1998 and 2004 before which he was Group Chief Executive of Standard Chartered PLC from 1993 to 1998. He is Chairman of National Australia Group Europe Limited and Youth Business International Advisory Board. He is also Chairman of Friends Provident Holdings (UK) Plc, a non-executive director of National Australia Bank Limited and Friends Provident Group plc, a member of the Board of Trustees for The Prince of Wales International Business Leaders Forum and Chairman of the Cass Business School Strategy & Development Board. He was, until May 2008, a Director and Deputy Chairman of Resolution Plc, and until May 2008 and January 2010, respectively, a non-executive director of G4S PLC and of JP Morgan Cazenove Holdings. He was also Chairman of CDC Group plc until January 2010. Sir Malcolm joined the Board with a view to becoming Chairman. It was on the basis of his proven leadership skills and ability to take on the responsibility of Chairman of the Board that he was invited to do so, together with his previous Board and banking experience, which was a specialization that the Board did not have and one which was considered to be a benefit. The Board has concluded that Sir Malcolm should continue to serve on the Board for these reasons.

**Robert Blanchard\***, 66, Director, appointed to the Board of the Company in 2000. He was a Group Vice President of Procter & Gamble and President of its Global Skin Care and Cosmetics business until his retirement in 1999. He was an independent Director of Bandag Inc. and Best Buy Co. Inc. until May 2006 and June 2005, respectively. Mr. Blanchard was invited to join the Board as both his general management skills together with his marketing specialization were attributes the Board felt would add to the effectiveness of the Board. The Board has concluded that Mr. Blanchard should continue to serve on the Board for these reasons.

**Dale W. Hilpert\***, 68, Director, appointed to the Board of the Company in 2003. Mr. Hilpert has served on the Board of Ann Taylor Stores Corporation since 2004. He was Chief Executive of Williams-Sonoma, Inc. from April 2001 until his retirement in January 2003. Prior to this he was Chairman and Chief Executive of Foot Locker, Inc. which he joined as President and Chief Operating Officer in 1995. Mr. Hilpert was asked to join the Board in order that it might benefit from his general management and retail specific skills. The Board has concluded that Mr. Hilpert should continue to serve on the Board for these reasons.

**Marianne Miller Parrs\***, 67, Director, appointed to the Board in October 2008. Ms. Parrs has served on the boards of Stanley Black & Decker, Inc. (previously The Stanley Works Inc.), and CIT Group Inc. as an independent director since April 2008 and 2003 respectively. In addition, Ms. Parrs serves on the board of United Way of the Mid-South. Ms. Parrs retired in 2007 as Executive Vice President and Chief Financial Officer of International Paper Company where she had been since joining in 1974 as a Pension Trust Investment Manager and holding a number of positions before first being appointed Senior Vice President and Chief Financial Officer in 1995. She held this position until 1999 when she was appointed Executive Vice President with responsibility for Information Technology, Global Sourcing, Global Supply Chain and Investor Relations. She held this role for six years and she was also reappointed Chief Financial Officer in 2005. Previously Ms. Parrs was a Security Analyst at a number of firms including Merrill Lynch. The Board considered it necessary to recruit to the Board a director with substantial US financial reporting experience. The Board has concluded that Ms. Parrs should continue to serve on the Board for these reasons.

**Thomas G. Plaskett\***, 67, Director, appointed to the Board in October 2008. Since 1991 Mr. Plaskett has been Chairman of Fox Run Capital Associates, a private consulting firm focusing on financial advisory and corporate governance services for emerging companies. From 1999 until 2000 he served as the Chairman, President and Chief Executive Officer of Probex Corp, an energy technology company. He also served as Vice Chairman of Legend Airlines, from 1997 until 2001. Mr. Plaskett served as Interim President, Chief Executive Officer, and Acting Chief Financial Officer of Greyhound Lines for two years before becoming Chairman from 1995 until 1999, when the company was sold. Previously, he was Chairman, President and Chief Executive Officer of Pan Am Corporation from 1988 until 1991. Prior to that, Mr. Plaskett was President and Chief Executive Officer of Continental Airlines from 1986 to 1987. Mr. Plaskett also held several senior management positions at American Airlines and AMR Company between 1974 and 1986. Mr. Plaskett currently serves as a director of Alcon

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Laboratories, Inc. and Radioshack Corporation and was a director of Novell Corporation until April 2010. Mr. Plaskett joined the Board as his considerable general management skills were considered to be an enhancement to the overall efficiency and effectiveness of the Board. The Board has concluded that Mr. Plaskett should continue to serve on the Board for these reasons.

**Russell Walls\***, 67, Director, appointed to the Board of the Company in 2002. He was Group Finance Director of BAA plc until his retirement in August 2002 and was the senior independent director of Hilton Group plc until May 2003 and Stagecoach Group plc until August 2006. Mr. Walls is a non-executive director of Aviva plc, is Treasurer of the British Red Cross Society and was a non-executive director of Delphic Diagnostics Limited until January 2010. He is a Fellow of the Association of Chartered Certified Accountants. Mr. Walls has considerable experience as a financial manager and as such has developed a financial expertise considered to be of significant benefit to the efficiency and effectiveness of the Board. The Board has concluded that Mr. Walls should continue to serve on the Board for these reasons.

**Michael W. Barnes**, 50, Chief Executive Officer and Director, was appointed to the Board in January 2011. Mr. Barnes joined the Company as Chief Executive Officer Designate on December 1, 2010, and succeeded Mr. Burman as Chief Executive Officer and Director upon Mr. Burman's retirement on January 29, 2011. Prior to joining the Company, Mr. Barnes was President, Chief Operating Officer and a director of Fossil, Inc., having served in those and other executive capacities at Fossil since 1985, and as a director of Fossil since it became a public company in 1993. Mr. Barnes has diverse functional expertise, a broad retail skill set and substantial leadership experience, with responsibilities ranging from overseeing Fossil's state-of-the-art international sourcing and supply chain operations to leading business development and managing the relationships with many of Fossil's current retail and licensing/brand partners. The Board has concluded that Mr. Barnes should continue to serve on the Board for these reasons.

No Director is or was the subject of legal proceedings that are required to be disclosed pursuant to SEC rules.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE ABOVE NAMED NOMINEES **FOR** ELECTION AS DIRECTORS.

## **PROPOSAL FOUR**

*(Item 4 on the Proxy Card)*

### **Appointment of Independent Registered Public Accounting Firm**

Proposal 4 is to appoint KPMG LLP as independent auditor to the Company until the end of the next Annual General Meeting and to authorize the Audit Committee of the Board to determine its compensation.

### **Change in Independent Registered Public Accounting Firm**

KPMG Audit Plc, the UK member firm of KPMG International ( KPMG UK ), has served as the Company's long standing independent registered public accounting firm and auditor. In view of the fact that the Company's accounting function will relocate from the UK to the US during Fiscal 2012, the Audit Committee believes a change from KPMG UK to KPMG LLP, the U.S. member firm of KPMG International ( KPMG US ), is appropriate.

The Audit Committee has selected KPMG US as the independent registered public accounting firm to audit the Company's financial statements and effectiveness of internal control over financial reporting of the Company until the end of the next Annual General Meeting in 2012. While the Shareholders are required to appoint the independent auditor pursuant to Bermuda law, the Audit Committee is responsible for recommending which independent auditors should be appointed.

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On March 28, 2011, the Audit Committee, in consultation with KPMG UK as determined to terminate the engagement of KPMG UK, effective May 1, 2011 and to appoint KPMG US as independent registered public auditor on an interim basis effective on the same date. If the Audit Committee's selection of KPMG US is approved by Shareholders at the Annual General Meeting, KPMG US will be engaged until the conclusion of the next Annual General Meeting as the Company's independent registered public accounting firm as of the day of the Annual General Meeting.

KPMG UK (being the auditors of the Company for Fiscal 2011) have appointed Adam Wieler of KPMG US as the authorised proxy representative to attend, speak and respond to appropriate questions (as the case may be) on behalf of KPMG UK at the Annual General Meeting and at any adjournment of the meeting.

The audit reports of KPMG UK on the Company's consolidated financial statements as of and for Fiscal 2010 and Fiscal 2011 did not contain any adverse opinion or disclaimer of opinion, and were not qualified or modified as to uncertainty, audit scope, or accounting principles. The audit reports of KPMG UK on the effectiveness of internal control over financial reporting as of January 30, 2010 and January 29, 2011 did not contain any adverse opinion or disclaimer of opinion, and were not qualified or modified as to uncertainty, audit scope, or accounting principles. During Fiscal 2010 and Fiscal 2011, and the subsequent interim period through the date of the Audit Committee's determination to transfer accounting responsibilities from KPMG UK to KPMG US, (1) there were no disagreements within the meaning set forth in Item 304(a)(1)(iv) of Regulation S-K between the Company and KPMG UK on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which disagreements, if not resolved to the satisfaction of KPMG UK, would have caused KPMG UK to make reference to the subject matter of the disagreements in connection with its reports on the consolidated financial statements of the Company, and (2) there were no reportable events involving the Company within the meaning set forth in Item 304(a)(1)(v) of Regulation S-K.

Other than consultations during the normal course of the client auditor relationship described above, the Company has not, nor has anyone on its behalf, consulted KPMG US during Fiscal 2010 and Fiscal 2011 and the subsequent interim period through the date of the Audit Committee's nomination of KPMG US regarding either (1) the application of accounting principles to a specific transaction, either completed or proposed, or the type of audit opinion that might be rendered on the consolidated financial statements of the Company, or (2) any matter that was either the subject of a disagreement within the meaning set forth in Item 304(a)(1)(iv) of Regulation S-K or a reportable event as described in the preceding paragraph. Further, no written report or oral advice was provided by KPMG US to the Company that KPMG US concluded was an important factor considered by the Company in reaching a decision as to any accounting, auditing or financial reporting issue.

The Company provided KPMG UK and KPMG US with a copy of the foregoing disclosure and each has stated in response that it agrees with such disclosure in all respects.

**Fees and Services of KPMG**

The Audit Committee has adopted a policy requiring advance approval of the Company's independent registered public accounting firm's fees and services by the Audit Committee (subject to a de minimis amount). The Audit Committee reviews all approved services and fees at subsequent meetings. This policy also prohibits the Company's independent registered public accounting firm from performing certain non-audit services for the Company including: (i) bookkeeping, (ii) systems design and implementation, (iii) appraisal or valuation, (iv) actuarial, (v) internal audit, (vi) management or human resources, (vii) investment advice or investment banking, (viii) legal services, and (ix) expert services unrelated to the audit. All fees paid to KPMG UK by the Company as shown in the table that follows were approved by the Audit Committee pursuant to this policy.



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The following table presents fees for professional audit services rendered by KPMG UK for the audit of the Company's consolidated financial statements and the effectiveness of internal control over financial reporting for Fiscal 2011, Fiscal 2010<sup>(1)</sup> and for its reviews of the Company's unaudited condensed consolidated interim financial statements. This table also reflects fees for other services rendered by KPMG UK.

	Fiscal 2011 \$million	Fiscal 2010 \$million
Audit Fees	1.2	1.2
Audit-related Fees <sup>(2)</sup>	0.5	0.3
<b>Total Fees</b>	<b>1.7</b>	<b>1.5</b>

THE BOARD OF DIRECTORS RECOMMENDS A VOTE **FOR** THIS PROPOSAL.

(1) Fiscal 2010 is the fiscal year ended January 30, 2010.

(2) During Fiscal 2011 and Fiscal 2010, audit related fees consisted principally of assurance and audit related services that are reasonably related to the performance of the audit or review of financial statements.

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### PROPOSAL FIVE

*(Item 5 on the Proxy Card)*

#### **Approval of the Signet Jewelers Limited Annual Performance Bonus Plan**

Proposal 5 is to ratify and approve the adoption of the Signet Jewelers Limited Annual Performance Bonus Plan.

The Board of Directors has adopted the Signet Jewelers Limited Annual Performance Bonus Plan (the **Bonus Plan**), subject to Shareholder approval. The Bonus Plan is designed to provide performance based cash incentive awards to employees in order to attract, motivate, maintain and reward employees who have outstanding skills and abilities and who achieve superior performance. Under the terms of the Bonus Plan, a cash incentive compensation award may be paid to a participant upon satisfaction of specified performance goals for a particular performance period (as described below).

#### **Description of the Bonus Plan**

The following is a summary of the material features of the Plan. The following summary does not purport to be complete and is qualified in its entirety by reference to the terms of the Plan, which are attached to this Proxy Statement as Appendix 2.

**Purpose of Plan.** The purpose of the Bonus Plan is to motivate and reward employees of the Company by providing for annual incentive bonuses if pre-established annual performance goals are achieved. The Bonus Plan is also intended to qualify as a performance-based compensation plan under Section 162(m) of the United States Internal Revenue Code of 1986, as amended (the **Code**).

#### **Administration**

The Bonus Plan shall be administered by the compensation committee (the **Committee**), each of whose members will be an outside director for purposes of Section 162(m) of the Code. The Committee has the authority (a) to select the employees eligible to participate in the Bonus Plan; (b) to establish and administer the Performance Goals (defined below) and bonus opportunities applicable to each participant and to certify whether the goals have been attained; (c) to construe and interpret the Bonus Plan and any agreement or instrument entered into under or in connection with the Bonus Plan; and (d) to make all other determinations that may be necessary or advisable for the administration of the Bonus Plan. Any determination by the Committee pursuant to the Bonus Plan shall be final and binding upon the participants, the Company, and all other interested individuals.

#### **Eligibility**

Eligibility to participate in the Bonus Plan shall be limited to employees of the Company who qualify as **covered employees** within the meaning of Code Section 162(m)(4) and United States Treasury Regulation § 1.162-27(c)(2) and such other employees, as determined by the Committee in its discretion. The Committee, in its discretion, shall designate in writing those eligible employees of the Company who shall participate in the Bonus Plan (each, a **Participant**) for any fiscal year or other period selected by the Committee no later than the applicable deadline (the **Determination Date**) for the establishment of Performance Goals (as defined below) under United States Treasury Regulation § 1.162-27(e). Designation as a Participant shall be conclusive for the fiscal year or period to which the designation applies whether or not such employee is deemed a **covered employee** (within the meaning of Code Section 162(m)) in respect of such period. Designation as a Participant for any fiscal year or period shall not entitle an employee to participate in the Bonus Plan for any other fiscal year or period.

#### **Performance Goals**

**Establishment of Performance Goals.** A Participant's bonus shall be determined based on the attainment of written performance goals (the **Performance Goals**) established by the Committee as of the beginning of

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each of the Company's fiscal years or other accounting periods selected by the Committee ( **Performance Periods** ). The Performance Goals shall be established (a) while the outcome for the Performance Period is substantially uncertain and (b) no later than ninety (90) days after the commencement of the Performance Period to which the Performance Goal relates (or, if the Performance Period is less than one (1) year, no later than the number of days which is equal to twenty-five percent (25%) of such Performance Period). The Performance Goals need not be the same for all Participants.

**Performance Measures.** Performance Goals shall be based on any of the following business criteria (the **Performance Measures** ), either alone or in any combination, on either a consolidated or business unit or divisional level, as the Committee may determine: (a) consolidated earnings before or after taxes (including earnings before interest, taxes, depreciation and amortization); (b) net income; (c) operating income; (d) earnings per Share; (e) book value per Share; (f) return on Shareholders' equity; (g) expense management; (h) return on investment; (i) improvements in capital structure; (j) profitability of an identifiable business unit or product; (k) maintenance or improvement of profit margins; (l) stock price; (m) market share; (n) revenues or sales; (o) costs; (p) cash flow; (q) working capital; (r) return on assets, (s) store openings or refurbishment plans, (t) staff training, and (u) corporate social responsibility policy implementation.

Any Performance Measure may be (i) used to measure the performance of the Company as a whole, any business unit thereof or any combination thereof against any goal including past performance or (ii) compared to the performance of a group of comparable companies, or a published or special index, in each case that the Committee, in its sole discretion, deems appropriate. Subject to Section 162(m) of the Code, the Committee may adjust the Performance Goals (including to pro-rate goals and payments for a partial Performance Period) in the event of the following occurrences and may include such adjustments when setting a Performance Goal: (i) non-recurring events, including divestitures, spin-offs, or changes in accounting standards or policies; (ii) mergers and acquisitions; and (iii) financing transactions, including selling accounts receivable.

## **Bonus Opportunity**

No later than the Determination Date for each Performance Period, the Committee shall establish, in writing, the method for computing the amount of compensation that will be payable under the Bonus Plan to each Participant if the Performance Goals established by the Committee for such Performance Period are attained in whole or in part. Such method shall be stated in terms of an objective formula that precludes discretion to increase the amount of the bonus that would otherwise be payable under the Bonus Plan. The method need not be the same for all Participants. Notwithstanding anything to the contrary contained herein, the Committee may exercise negative discretion (within the meaning of United States Treasury Regulation § 1.162-27(e)(2)(iii)(A)) with respect to any bonus payable hereunder to reduce any amount that would otherwise be payable hereunder. Except as expressly provided in a Participant's employment agreement, a Participant must be employed on the last day of the Performance Period to be eligible to receive a bonus.

## **Maximum Bonus**

The maximum amount of compensation that may be paid under the Bonus Plan to any Participant for any fiscal year shall be \$4,000,000.

## **Certification of Performance Goals and Payment of Bonus**

**Certification by Committee.** As soon as practicable after the close of the Performance Period and prior to the payment of any bonus, the Committee shall review the Company's performance and certify in writing the extent to which the applicable Performance Goals have been achieved. In accordance with Code Section 162(m), for this purpose, approved minutes of the Committee meeting in which the certification is made are treated as written certification.

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**Payment of Bonus After Certification.** Each bonus, to the extent earned, shall be paid in a single lump sum cash payment, less applicable withholding taxes, as soon as practicable following the Committee's certification described in the preceding sentence. Payments under the Bonus Plan are intended to qualify as short-term deferrals under Code Section 409A and shall be made no later than the 15<sup>th</sup> day of the third month following the later of Signet's taxable year or the Participant's taxable year in which the bonus is no longer subject to a substantial risk of forfeiture (as defined under Code Section 409A); *provided, however*, that any payment that is delayed due to an event described in United States Treasury Regulation § 1.409A-1(b)(4)(ii), shall be paid as soon as practicable.

## **Funding**

The Bonus Plan shall be unfunded. The Company shall not be required to segregate any assets to ensure payment of any bonus under the Bonus Plan.

## **Amendment and Termination**

The Company may amend or terminate the Bonus Plan at any time; *provided, however*, that no amendment shall cause any performance-based bonus payable under the Bonus Plan not to qualify under Code Section 162(m).

## **Shareholder Approval**

Payment of any bonus under the Bonus Plan shall be contingent upon approval of the Bonus Plan (including the applicable Performance Goals relating thereto), in a separate vote, by a majority of the votes cast on this issue by Shareholders (including abstentions to the extent abstentions are counted as voting under applicable Bermuda law). Unless and until such Shareholder approval is obtained, no bonus shall be paid pursuant to the Bonus Plan. To the extent necessary for purposes of Code Section 162(m), the Bonus Plan shall be resubmitted to Shareholders, for their reapproval with respect to bonuses payable for the taxable years of Signet commencing on or after the fifth (5<sup>th</sup>) anniversary of the initial Shareholder approval, or at such earlier time required by Code Section 162(m).

## **Effective Date**

The Bonus Plan shall be effective on the date that Shareholder approval is received.

## **Interpretation and Construction the Bonus Plan**

Any contrary provision of the Bonus Plan notwithstanding, (a) bonuses to be granted under the Bonus Plan are intended to qualify as qualified performance-based compensation under Treasury Regulation § 1.162-27(e) and (b) any provision of the Bonus Plan that would prevent any bonus under the Bonus Plan from so qualifying shall be administered, interpreted and construed to carry out such intention and any provision that cannot be so administered, interpreted and construed shall be disregarded. No provision of the Bonus Plan, nor the selection of any Participant participate in the Bonus Plan, shall constitute an employment agreement or affect the duration of any Participant's employment, which shall remain employment at will unless an employment agreement between the Company and the Participant provides otherwise. All references in the Bonus Plan to sections of the Code or to Treasury Regulations shall be interpreted to include any amendment or successor provisions thereto. All bonuses awarded under the Bonus Plan shall be subject to the written policies of the Board, including any policy relating to the clawback of compensation, as they exist from time to time.

THE BOARD OF DIRECTORS RECOMMENDS THAT SHAREHOLDERS VOTE **FOR** APPROVAL OF THE BONUS PLAN.

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**BOARD OF DIRECTORS AND CORPORATE GOVERNANCE**

**The Role of the Board**

The Board is currently comprised of seven members. The Board's prime objective is the sustainable enhancement of business performance and Shareholder value. It is responsible for determining all major policies, ensuring that effective strategies and management are in place, assessing Signet's performance and its senior management, reviewing the systems of internal control and setting policy relating to social, ethical, environmental and other matters.

**Separate and Independent Chairman**

The Company has a Chairman of the Board who is separate from its Chief Executive Officer and whom the Board has determined to be independent under the listing standards of the NYSE. The Board considers it to be important for its effectiveness and efficiency to maintain a clear division of responsibilities between the running of the Board and the executive responsibility for the running of the Company's business; therefore the Board has agreed that the roles of Chairman and Chief Executive Officer should be separate.

The division of responsibilities between the Chairman and the Chief Executive Officer has been specifically agreed by the Board.

In summary, the Chairman is responsible for:

effective running of the Board, including evaluating its performance and that of the individual Directors, and the Board's compliance with corporate governance requirements and best practice;

reviewing, prior to their presentation to the Board by executive management, strategy, medium term plans and the annual budget;

reviewing, prior to their presentation to the Compensation Committee, the recommendations of the Chief Executive Officer regarding the compensation of senior executive officers and for making a recommendation regarding the compensation of the Chief Executive Officer;

maintaining contact with major Shareholders to understand directly their issues and concerns;

keeping the other independent Directors appropriately informed of developments within the business and Shareholders' attitude toward the Company; and

safeguarding Signet's reputation, and representing it both internally and externally.

**Chief Executive Officer**

In summary the Board has agreed that the Chief Executive Officer is responsible for:

the executive leadership of the business;

developing and presenting to the Board, strategy, medium term plans and budgets;

within this framework, the performance of the business;

complying with legal and corporate governance requirements, together with the social, ethical and environmental principles of Signet; and

making recommendations on the appointment and compensation of senior Executive Officers and management development.

**Executive Sessions of Independent Directors**

Independent Directors meet regularly in executive session without management participation. At those meetings the Chairman presides. This encourages open discussion. In addition, at least once per year the independent

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Directors, excluding the Chairman, meet separately in executive session to consider the independent Chairman's performance. At those meetings, Russell Walls, Chairman of the Audit, and Nomination and Corporate Governance Committees, presides.

### **Independent Directors Constitute a Majority of the Board**

The Board currently comprises one executive Director and six independent Directors including the Chairman.

The Board has affirmatively determined that each of the following Directors is independent under the NYSE listing standards: Sir Malcolm Williamson, Robert Blanchard, Dale Hilpert, Marianne Parrs, Thomas Plaskett, and Russell Walls. In considering independence the Board considers any commercial, consulting, legal, accounting, charitable or any other business or non-business relationships that a Director or his or her immediate family may have with the Company. No such relationship exists for any of the independent Directors.

### **Self-evaluation**

The Directors conduct an annual evaluation of the workings and efficiency of the Board and of each of the Board committees on which they serve and make recommendations for change, if required.

### **Director Attendance at Annual General Meetings**

All of the Directors are required to attend the Annual General Meeting. The Board schedules a Board meeting on the date of the Annual General Meeting of Shareholders to facilitate attendance at the Annual General Meeting by the Directors. All of the Directors attended the Annual General Meeting held in June 2010, other than Thomas Plaskett, who although able to attend the Board Meeting scheduled just prior to the Annual General Meeting, was unexpectedly unable to remain for the Annual General Meeting.

### **Meetings and Attendance During Fiscal 2011**

In Fiscal 2011, the Board met six times (including meetings by telephone). All incumbent Directors attended at least 94% of the aggregate number of meetings of the Board and those Board committees on which they served during their period of service in Fiscal 2011.

### **Communication with Directors**

Any member of the public who wishes to send communications to the Board of Directors, the Chairman or any other individual Director may do so in writing, addressed to Mark Jenkins, Group Company Secretary c/o Signet Group Limited, at 15 Golden Square, London, W1F 9JG, UK. All such communications will be reviewed promptly by the Group Company Secretary and sent to the appropriate director or Committee Chair with a copy to the Chairman.

### **Transactions with Related Persons**

The Board has adopted written policies and procedures for the review, approval or ratification of transactions in which the Company participates and in which any Director or executive officer, any nominee for election as a Director, or any five percent holder of the Company's securities, or any immediate family member of such an officer, director or nominee or security holder, has a direct or indirect material interest. In determining whether to approve or ratify any such transaction the Board, on the recommendation of the Nomination and Corporate Governance Committee and/or the Audit Committee (dependent upon the nature of the transaction), would consider whether based on the specific facts and circumstances of the transaction, such a transaction would be in the best interests of the Company. Any transaction considered to jeopardize the independence of the Director, be contrary to law or regulation, or potentially create or give the appearance of a conflict of interest (also prevented by the Code of Ethics) would be prohibited.

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The Company did not participate in any related person transactions in Fiscal 2011.

### **Risk Management**

The identification of major business risks is carried out in conjunction with operational management and appropriate steps are taken to monitor and mitigate risks. The Business Risk Assurance Manager, who is not a named executive officer of the Company, co-ordinates the collection of risk management information and is responsible for assessing Signet's day to day risk management processes and internal control structure, ensuring such processes satisfy the applicable standards in both the US and UK division. His findings are reported to the Audit Committee.

The Risk Management Committee (the RMC), which is chaired by the Business Risk Assurance Manager, has a written charter approved by the Board and its members include the Chief Financial Officer, the Group Financial Controller, the Divisional Chief Financial Officers and the Divisional Heads of Risk. The RMC meets at least four times a year and reviews Signet's risk management processes, the consolidated principal risks identified by the Company, emerging issues and new regulations. The external auditor and the Chairman of the Audit Committee receive copies of all papers submitted to the RMC. The Business Risk Assurance Manager and the Chairman of the Audit Committee meet periodically to discuss key matters arising from Signet's risk management process. A report from each RMC meeting highlighting any material non-compliance or emerging issue is provided to the Board. Risk and control committees also have been established at both divisional and corporate levels. The divisional committees are chaired by the divisional Chief Executive Officers and the corporate committee is chaired by the Chief Financial Officer. Each committee has a formalized charter and requires participation by the executive management teams. The Business Risk Assurance Manager attends all divisional and corporate risk management committee meetings to provide a consistent approach and independent review.

In its role in the oversight of risk management, the Board will on an annual basis: agree the prioritized risks impacting the Board and associated responsibilities; invite the Chief Executive Officer from each division to present to the Board their prioritized risks and strategies for risk mitigation; and review Signet's internal controls and risk governance framework and developments thereof. In addition, on a periodic basis the Board reviews risk and internal audit updates provided by the Chairman of the Audit Committee and on a quarterly basis it reviews and discusses reports provided by the Business Risk Assurance Manager on divisional risk management activity.

### **Compensation Policies and Risk Taking**

The Board has evaluated the policies and practices of compensating its employees and has determined that they are not reasonably likely to have a material adverse effect on the Company. The Board has reached this conclusion based on a number of factors, including an evaluation of the nature of the performance targets, concluding that the targets set for the strategic and financial development of the Company are appropriate in terms of short and long term horizons and that the allocation of the performance pay and the payments to be made to employees if the maximum target is achieved is not material either on an individual or aggregated basis and have been taken into account in establishing performance targets.

### **Corporate Governance Guidelines**

The Company has adopted a set of corporate governance guidelines that address a number of corporate governance matters, in accordance with section 303A of the NYSE Rules and are available at [www.signetjewelers.com/sj/pages/shareholders/corp-governance/cg-statement](http://www.signetjewelers.com/sj/pages/shareholders/corp-governance/cg-statement). The Company strives to act in accordance with the laws and customs of each country in which it operates; to adopt proper standards of business practice and procedure; to operate with integrity; and to observe and respect the culture of each country in which it operates. To that end, Signet has adopted a statement of social, ethical and environmental principles and supporting policies applicable to all officers and employees of the Company and complies with the requirements of the NYSE. In addition, Signet has a policy on business integrity, as well as more detailed guidance and regulations on Signet's staff induction, training and operational procedures. These policies include a code of



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business conduct and ethics that is applicable to all directors, officers and employees as well as a Code of Ethics for the Chairman, CEO and senior officers. Copies of these codes are available from [www.signetjewelers.com](http://www.signetjewelers.com).

### **Internal Controls and Risk Management Systems**

The Board exercises ultimate responsibility for Signet's system of internal controls and for monitoring its effectiveness. The internal controls system is designed to safeguard shareholders' investments and the Signet's assets, both tangible and intangible, including the reputation of the Signet with its various stakeholders. Procedures are in place to ensure the maintenance of proper accounting records, the reliability of the financial information used within the business or for publication and the determination of disclosure obligations and of materiality. These procedures also cover disclosure on a timely basis of information to the investment markets. However, such procedures are designed to manage rather than wholly eliminate the risk of failure to achieve business objectives and can provide only reasonable, not absolute, assurance against material misstatement or loss.

Signet's disclosure control procedures are designed to help ensure that processes and procedures for information management are in place at all levels of Signet. The disclosure control procedures aim to provide reasonable assurance that any information disclosed by Signet is recorded, processed, verified, and summarised appropriately and on a consistent basis. The procedures are also designed to provide reasonable assurance that information is accumulated and communicated to management to allow timely decisions to be made regarding required disclosure. Signet's Disclosure Control Committee has formalised terms of reference and consult with Signet's external advisers and auditor, as necessary. These procedures are designed to enable Signet to make timely, appropriate and accurate public disclosures. The activities and findings of the Disclosure Control Committee are reported to the Audit Committee and are subject to periodical internal audit review.

Key procedures designed to provide effective internal controls are:

**Control environment** control is exercised through an organisational structure with clearly defined levels of responsibility and authority together with appropriate reporting procedures, particularly with respect to financial information, capital expenditure, investment, granting of guarantees and the use of treasury products as well as health, safety, environmental and customer service issues.

**Reporting and information systems** Signet has a comprehensive budgeting and strategic planning system with an annual budget and strategic plan approved by the Board. Reported monthly trading results and balance sheets include the corresponding figures for the budget or revised forecast and for the previous year. Any significant variances are examined by divisional operating management and discussed with senior management, with action being taken as appropriate. A forecast of the full year's results is updated regularly, based on performance to date and any changes in outlook. The senior executives regularly report to the Board on the development of the business, the competitive environment and any material breaches of procedure. Through these mechanisms, Signet's performance is continually monitored, risks identified in a timely manner and their implications assessed.

**Control procedures** each operating division maintains documented financial and operating controls as well as procedures appropriate to its own business environment and in conformity with Signet's guidelines. Each of the operating divisions has an internal audit function which primarily reviews the processes in the store operations but also reviews central service functions. The work of internal audit is monitored by senior divisional executives, and/or Signet management, the RMC and the Audit Committee.

**Reviews of effectiveness** the Board, in addition to receiving summaries of the RMC reports, annually reviews the effectiveness of the internal controls system on the basis of a report from, and the recommendation of, the Audit Committee. Signet's Disclosure Control Committee reports to the Audit Committee on a quarterly basis as to the effectiveness of the disclosure control procedures.

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**Board Committees**

Certain matters are delegated to Board Committees, each with a charter setting out defined terms of reference, procedures, responsibilities and powers. The principal committees are the Audit, Compensation, and Nomination and Corporate Governance Committees. The composition of the Board Committees is set out below and the Group Company Secretary acts as secretary to each of them. Each of the Committees acts in accordance with its charter as adopted by the Board, which is reviewed annually and which is available on request from the Group Company Secretary or may be downloaded from [www.signetjewelers.com](http://www.signetjewelers.com).

The composition of the Board Committees, all members of which are independent under the NYSE listing standards, are as follows:

<b>Audit Committee</b>	<b>Compensation Committee</b>	<b>Nomination and Corporate Governance Committee</b>
Russell Walls (Chairman)	Robert Blanchard (Chairman)	Russell Walls (Chairman)
Dale Hilpert	Dale Hilpert	Robert Blanchard
Marianne Parrs	Thomas Plaskett	Marianne Parrs Thomas Plaskett

As part of the Board's succession planning process, the Board has agreed that with effect from the date of the Annual General Meeting, Mr. Plaskett will replace Mr. Blanchard as Chair of the Compensation Committee and Ms. Parrs will replace Mr. Walls as Chair of the Audit Committee. Mr. Blanchard and Mr. Walls will each continue to serve as a member of the Compensation and Audit Committees respectively.

**Audit Committee**

The primary function of the Audit Committee is to assist the Board in fulfilling its oversight responsibilities with respect to the Company's financial matters.

All of the members of the Audit Committee have significant financial experience as a result of senior executive positions held in other companies. The Audit Committee met nine times in Fiscal 2011.

The Board has determined that all members of the Audit Committee are financially literate, and that Mr. Walls is qualified as the audit committee financial expert within the meaning of SEC regulation.

The Audit Committee's responsibilities include:

reviewing Signet's financial statements, earnings releases and audit findings, and reviewing its accounting principles and policies;

recommending for appointment by Shareholders and terminating the Company's independent registered public accounting firm, providing oversight of such firm, reviewing the quality-control procedures and independence of such firm and evaluating its proposed audit scope, performance and fee arrangements;

approving in advance all audit and non-audit services to be rendered by the independent registered public accounting firm;

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providing oversight of Signet's system of internal control over financial reporting, disclosure controls and procedures and risk management;

reviewing the effectiveness of the Company's internal auditors, and the Disclosure Control Committee; and

establishing procedures for complaints regarding accounting, internal accounting controls or auditing or other matters.

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### **The Compensation Committee**

The Compensation Committee's responsibilities include:

setting the overall compensation policy which will attract and retain superior executives needed to deliver exceptional results;

setting specific compensation for the Chairman as well as the Chief Executive Officer, the Chief Financial Officer, the divisional CEOs, the Group Company Secretary and other executive officers;

recommending to the Board any amendment to the fee level or structure of fees paid to the independent Directors;

ensuring that executives are fairly rewarded for their individual contributions to the business, having due regard for the interests of Shareholders, Signet's financial and commercial health and pay and other conditions throughout the business; and

approving any share based compensation awarded to any employees of the Company.

The Compensation Committee sets the compensation of the Chairman of the Board and of the Chief Executive Officer. The compensation of the Chief Financial Officer, the divisional CEOs and the Group Company Secretary and other executive officers, is set by the Compensation Committee based on recommendations made by the Chief Executive Officer after consultation with the Chairman. At the commencement of each fiscal year, the Compensation Committee sets annual performance targets for executive officers. Where executive officers are involved in assisting the Compensation Committee, care is taken to recognize and avoid possible conflicts of interest.

The compensation of the independent Directors is determined by the full Board on the basis of recommendations made by the Committee as a result of consultation with the Chairman and Chief Executive Officer. Such recommendations will be made after consideration of, among other factors, external comparisons, the time commitment and the responsibilities of the independent Directors.

The Compensation Committee met seven times during Fiscal 2011.

For additional information regarding the operation of the Compensation Committee, including the role of consultants and management in the process of determining the amount and form of executive compensation, see Compensation Discussion and Analysis below.

### **The Nomination and Corporate Governance Committee**

The Nomination and Corporate Governance Committee's responsibilities include:

assisting the Board in the selection and nomination of Directors and other senior management;

reviewing the composition and balance of the Board and its Committees, as well as Board and senior management succession; and

assisting the Board in the consideration and development of appropriate corporate governance guidelines and other matters of corporate governance.

The Nomination and Corporate Governance Committee uses the services of external recruitment agencies to identify suitable candidates for senior executive posts and for all Board appointments with interviews carried out in accordance with a formal process.

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The Nomination and Corporate Governance Committee has no formal requirements, standards, or a diversity policy in relation to the individuals that it nominates, but considers each candidate on his or her own merits. In

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evaluating candidates, the criteria that the Nomination and Corporate Governance Committee generally views as relevant and likely to consider includes experience, particularly experience that is specifically relevant to the business, or reflects a discipline or diversity that the Committee feels is either missing or would be particularly important to the Board's effectiveness and efficiency. The candidate must also be able to demonstrate the highest personal and professional ethics and integrity and be prepared to commit to the time and effort on a consistent basis that are necessary to fulfill the duties and responsibilities of the position.

When the role of the Chairman or any matter relating to succession to that role is discussed, the Chairman may be consulted, but the responsibility for preparing a job specification and making any recommendation to the Board rests solely with the Nomination and Corporate Governance Committee, which also reviews a number of other senior appointments within Signet, such as that of the Group Company Secretary.

A Shareholder who wishes to propose an individual to the Nomination and Corporate Governance Committee for its consideration as a nominee for election to the Board may do so in writing to the Group Company Secretary, Signet Jewelers Limited c/o Signet Group Limited, 15 Golden Square, London, W1F 9JG UK. As more fully described in the Company's Bye-laws, a Shareholder desiring to propose a person for election as a director must include in a written notice all of the information required to be disclosed in solicitations of proxies for election of directors, or as otherwise required pursuant to Regulation 14A under the Exchange Act. This includes the person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected and the name and address of the Shareholder and the number of shares of the Company owned as of record by such Shareholder.

The Nomination and Corporate Governance Committee met six times in Fiscal 2011.

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**REPORT OF THE AUDIT COMMITTEE**

The Company's Annual Report to Shareholders on Form 10-K includes the audited consolidated balance sheets of the Company and its subsidiaries as of January 29, 2011, and January 30, 2010, and the related audited consolidated income statements, shareholders' equity, accumulated other comprehensive income, and cash flows for each of Fiscal 2011, Fiscal 2010 and Fiscal 2009. These balance sheets and statements (the Audited Financial Statements) are the subject of a report by the Company's independent registered public accounting firm, KPMG UK. The Audited Financial Statements are also available from [www.signetjewelers.com](http://www.signetjewelers.com).

The Audit Committee reviewed and discussed the Audited Financial Statements with the Company's management and otherwise fulfilled the responsibilities set forth in its charter. The Audit Committee has also discussed with the Company's management and independent registered public accounting firm their evaluations of the effectiveness of the Company's internal control over financial reporting.

The Audit Committee has discussed with KPMG UK the matters required to be discussed by Statement on Auditing Standards No. 61, as amended, (AICPA, Professional Standards, Vol.1 AU Section 380), as amended by the Public Company Accounting Oversight Board in Rule 3200T.

The Audit Committee received from KPMG UK the written disclosures and letter from KPMG UK required by applicable requirements of the Public Company Accounting Oversight Board and has discussed the independence of KPMG UK with that firm.

Based upon the review and discussions referred to above, the Audit Committee recommended to the Company's Board that the Audited Financial Statements be included in the Company's Annual Report on Form 10-K for Fiscal 2011.

Members of the Audit Committee

Russell Walls (Chairman)

Dale Hilpert

Marianne Parrs

***The information contained in the foregoing report shall not be deemed to be soliciting material or to be filed with the Securities and Exchange Commission, nor shall the information be incorporated by reference into any future filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, except to the extent that the Company specifically incorporates it by reference in a filing.***

**Table of Contents****EXECUTIVE OFFICERS OF THE COMPANY**

The Executive Officers of the Company are:

NAME	AGE	Position	Year Joined Signet
<b>Michael W. Barnes</b>	50	Chief Executive Officer	2010
<b>Ronald Ristau</b>	57	Chief Financial Officer	2010
<b>Mark Jenkins</b>	53	Group Company Secretary	2004
<b>Mark Light</b>	49	CEO US Division	1978
<b>Robert Anderson</b>	52	CEO UK Division	2000
<b>William Montalto</b>	64	COO US Division	1986
<b>Robert Trabucco</b>	56	CFO US Division	2003
<b>Michael Povall</b>	52	CAO UK Division	2002
<b>Kenneth Pratt</b>	49	CFO UK Division	2007
<b>Kevin Ryan</b>	53	Operations Director UK Division	2000
<b>Sebastian Hobbs</b>	41	Commercial Director UK Division	2011

**Michael W. Barnes, 50**, Chief Executive Officer and Director, was appointed to the Board in January 2011. Mr. Barnes joined the Company as Chief Executive Officer Designate on December 1, 2010 and succeeded Terry Burman as Chief Executive Officer and Director upon Mr. Burman's retirement on January 29, 2011. Prior to joining the Company, Mr. Barnes was President, Chief Operating Officer and director of Fossil, Inc., having served in those and other executive capacities at Fossil since 1985, and as a director of Fossil since it became a public company in 1993.

**Ronald Ristau, 57**, joined Signet as Chief Financial Officer Designate on April 15, 2010, and became Chief Financial Officer on June 26, 2010. Prior to joining the Company he spent ten years with New York & Company, Inc., most recently as President, CFO and director. He has also held posts at Revlon, Inc., Playtex International, United Technologies Corporation and Peat, Marwick Mitchell & Co. Mr. Ristau is a Certified Public Accountant.

**Mark Jenkins, 53**, Group Company Secretary, was appointed in 2004. Previously, he was director and Company Secretary at COLT Telecom Group plc and Group Company Secretary at Peek plc. He is a barrister.

**Mark Light, 49**, became Chief Executive of Signet's US division in January 2006 having been President and Chief Operating Officer of the US division from 2002. He joined Signet in 1978.

**Robert Anderson, 52**, became Chief Executive of Signet's UK division in January 2003 having joined the Company as Chief Operating Officer of the UK division in August 2000. Mr. Anderson is a non-executive director of Provident Financial Plc. Prior to joining Signet, Mr. Anderson worked at Marks & Spencer Plc for 19 years, lastly as Business Unit Director.

**William Montalto, 64**, was promoted to Executive Vice President and Chief Operating Officer of the US division in 2006. Mr. Montalto had previously held the positions of Executive Vice President and Chief Administrative Officer (2002), Executive Vice President Strategic Services (1995) and Senior Vice President Management Information Systems & Distribution (1990), having joined the US division in 1986 as Vice President Management Information Systems.

**Robert Trabucco, 56**, joined the US division in 2003 as Executive Vice President and Chief Financial Officer of the US division. He had previously worked for KLS Associates, a retail consulting practice.

**Michael Povall, 52**, joined Signet's UK division in April 2002. Prior to this, his career was predominantly in retail working in the food retail sector including roles in supply chain and retail operations. In his current role as Chief Administrative Officer of the UK division, he is responsible for IT, Human Resources and Central Facilities.



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**Kenneth Pratt, 49**, re-joined Signet in April 2007 as CFO of the UK division, having first joined the Company in 1987 and was Group Financial Controller from 1991 until 1997. From 1997 to 2007, Mr. Pratt worked for a European Division of Liz Claiborne, Inc. in a number of positions with leadership roles spanning Finance, Retail Operations, Supply Chain, Human Resources and IT. In his current role as CFO of Signet's UK division, Mr. Pratt is responsible for the Finance, Logistics, Corporate Sales and Compliance functions, as well as strategic planning.

**Kevin Ryan, 53**, joined Signet's UK division in February 2000. Previously Mr. Ryan spent his career predominantly in retail fulfilling a number of field operational roles. As Operations Director of the UK division, Mr. Ryan is currently responsible for all store operations within the UK including management of the field team, property portfolio and the capital fit out program.

**Sebastian Hobbs, 41**, joined Signet's UK division in March 2011. Prior to joining Signet, Mr. Hobbs worked in a number of retail companies, most recently at Blacks Leisure Group plc for 5 years. In his current role as Commercial Director of the UK division, he is responsible for marketing and purchasing of watches and jewelry for the UK division.

No Executive Officer is or was the subject of legal proceedings that are required to be disclosed pursuant to SEC rules.

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**EXECUTIVE COMPENSATION**

**Compensation Discussion and Analysis**

**Overview**

This Compensation Discussion and Analysis ( CDA ) describes the objectives and the role of the Compensation Committee and further discusses the philosophy upon which the Compensation Committee bases its decisions in its endeavors to meet the objectives. It also describes the principles that are the foundation of the Company s executive compensation policies and details the individual material elements of compensation awarded to, earned by, or paid to the named executive officers. Compensation for named executive officers residing in the US is paid in US dollars, while compensation for named executive officers residing in the UK is paid in pounds sterling.

**Introduction**

Signet s compensation program has been designed to assist in achieving its business objective of consistently outperforming the specialty retail jewelry market segment and thereby deliver superior returns to Shareholders.

In order to accomplish a superior performance, we have to be able to employ, motivate and retain superior management. The primary compensation principle, therefore, is to target total delivered compensation at approximately the median of a customized group of comparator companies. Those companies are specifically chosen as they reflect various attributes similar to ours but also because they pose a potential threat as to solicitation of our executives if their compensation is not competitive. Executives are paid in a range related to that median dependent upon experience and proven ability to consistently deliver a superior performance. The Company does not conduct any wealth accumulation analysis in determining executive compensation.

Our named executive officers have considerable individual and collective experience, both general and specific. Although some are new to Signet, all of our named executive officers have a proven track record of superior performance. The aggregate total direct compensation at target performance places the compensation of the named executive officers, at approximately the 54th percentile of the comparator company median.

A number of sub-principles have also been developed as follows:

1. The compensation program must align the interests of senior management with those of Shareholders. This is achieved by delivering approximately 60% of total compensation for named executive officers as incentives dependent on factors that should produce long-term share price growth.
2. The only element of guaranteed pay is base salary with the percentage of at risk compensation increasing in line with the responsibility and experience of each executive. Base salary accounts for only 33% of the annual value of the Chief Executive Officer s potential total cash compensation versus approximately 40% for other named executive officers.
3. Elements of compensation that are at risk should separately reward both annual and multi-year performance as well as reward exceptional performance. This is achieved through the annual bonus plan, which represents approximately 20% to 25% of the named executive officers target total direct compensation, together with awards of performance restricted stock units, which account for approximately another 15% to 20% of the total.
4. Compensation should include a retention component, which encourages high performing executives to remain with the Company. An award of service-based restricted stock which accounts for approximately 15% to 20% of named executive officers total compensation and which doesn t vest until the third anniversary of the grant, strengthens the retention value of the compensation.
- 5.

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The compensation program should be simply constructed and easily understood so that the named executive officers are in no doubt as to the performance requirements and their relationship to the level of payments and therefore remain motivational.

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6. The compensation program should encourage all senior executives to build a substantial holding of the Company's shares. The Committee has awarded compensation in Fiscal 2011 on the basis of continuing superior performance. The Company has continued to increase profitable market share during the year in the face of an uncertain economic outlook, which reflects the strong performance of the Company in Fiscal 2011: positive free cash flow (determined as described in the Company's Annual Report on Form 10-K for Fiscal 2011) of \$315.8 million (excluding a make whole payment resulting from the Company's prepayment of its then outstanding private placement notes in November 2010); an increase in income before income tax of 50.9% (excluding the make whole payment) with basic diluted earnings per share of \$2.32 (\$2.66, excluding the make whole payment), and year end net cash (determined as described in the Company's Annual Report on Form 10-K for Fiscal 2011) of \$271.1 million.

### **The Role of the Compensation Committee**

The Compensation Committee's role is to set the compensation for Signet's named executive officers to ensure that they are fairly rewarded for their individual contributions to Signet's performance having due regard to the interests of Shareholders, the financial and commercial health of the business and pay and conditions throughout Signet. It is also the role of the Committee to ensure that Signet's compensation remains competitive.

Surveys are undertaken on a regular basis to ensure that total compensation packages remain in the percentile range close to the comparator company median described herein. Recognizing that approximately 80% of Signet's sales and profits are generated in the US, and that significant differences in compensation practices exist between the US and the UK, separate surveys are conducted in each country.

### **The Role of Compensation Consultants**

The Compensation Committee regularly uses external professional advice and annually uses competitive market surveys conducted independently in both the US and in the UK.

The Committee has retained PayGovernance (formerly part of Towers Watson) as advisers who were not retained by Signet in any other capacity in Fiscal 2011 such that would require additional disclosure. PayGovernance is a human resources and compensation consulting firm which assists the Compensation Committee in its review, evaluation and analysis of Signet's executive compensation program. In this role, PayGovernance collects relevant market data in order to assist the Compensation Committee in delivering effective and competitive executive compensation. PayGovernance also advises the Compensation Committee on the best ways of motivating, rewarding and retaining executives in terms of both short and long term performance and advising the Committee of the most effective way of linking the interests of management and Shareholders.

PayGovernance collects market data of compensation programs both within and outside the retail sector. In analyzing the market data provided by PayGovernance, the Compensation Committee focuses on established peer groups of companies for benchmarking purposes. The Compensation Committee annually reviews the composition of the peer groups in order to ensure that they continue to comprise appropriate representative companies. The Committee did so in Fiscal 2011 and