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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

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**FORM 10-Q**

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(Mark One)

**Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

for the quarterly period ended **October 29, 2016** or

**Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

for the transition period from to  
Commission file number **1-32349**

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**SIGNET JEWELERS LIMITED**

(Exact name of Registrant as specified in its charter)

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**Bermuda**

(State or other jurisdiction of incorporation)

**Not Applicable**

(I.R.S. Employer Identification No.)

**Clarendon House  
2 Church Street  
Hamilton HM11  
Bermuda  
(441) 296 5872**

(Address and telephone number including area code of principal executive offices)

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Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the Registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the Registrant was required to submit and post such files). Yes  No

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one).

Large accelerated filer  Accelerated filer  Non-accelerated filer  Smaller reporting company

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes  No

Indicate the number of shares outstanding of each of the issuer's classes of Common Stock, as of the latest practicable date

Common Stock, \$0.18 par value, 69,580,711 shares as of November 25, 2016

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## PART I. FINANCIAL INFORMATION

## ITEM 1. FINANCIAL STATEMENTS

**SIGNET JEWELERS LIMITED**  
**CONDENSED CONSOLIDATED INCOME STATEMENTS**  
**(Unaudited)**

	13 weeks ended		39 weeks ended		Notes
	October 29, 2016	October 31, 2015	October 29, 2016	October 31, 2015	
<i>(in millions, except per share amounts)</i>					
Sales	\$ 1,186.2	\$ 1,216.4	\$ 4,138.5	\$ 4,157.6	3
Cost of sales	(836.2)	(848.7)	(2,723.2)	(2,733.2)	
Gross margin	350.0	367.7	1,415.3	1,424.4	
Selling, general and administrative expenses	(386.5)	(395.0)	(1,264.9)	(1,301.0)	
Other operating income, net	68.6	60.9	213.6	187.2	
Operating income	32.1	33.6	364.0	310.6	3
Interest expense, net	(12.7)	(11.7)	(36.4)	(33.8)	
Income before income taxes	19.4	21.9	327.6	276.8	
Income taxes	(2.4)	(6.9)	(81.9)	(80.8)	8
Net income	\$ 17.0	\$ 15.0	\$ 245.7	\$ 196.0	
Dividends on redeemable convertible preferred shares	(2.2)	—	(2.2)	—	5
Net income attributable to common shareholders	\$ 14.8	\$ 15.0	\$ 243.5	\$ 196.0	
Earnings per common share:					
Basic	\$ 0.20	\$ 0.19	\$ 3.19	\$ 2.46	6
Diluted	\$ 0.20	\$ 0.19	\$ 3.18	\$ 2.45	6
Weighted average common shares outstanding:					
Basic	73.5	79.3	76.4	79.7	6
Diluted	73.6	79.5	76.5	79.9	6
Dividends declared per common share	\$ 0.26	\$ 0.22	\$ 0.78	\$ 0.66	5

The accompanying notes are an integral part of these condensed consolidated financial statements.

**SIGNET JEWELERS LIMITED**  
**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)**  
**(Unaudited)**

<i>(in millions)</i>	13 weeks ended					
	October 29, 2016			October 31, 2015		
	Pre-tax amount	Tax (expense) benefit	After-tax amount	Pre-tax amount	Tax (expense) benefit	After-tax amount
Net income			\$ 17.0			\$ 15.0
Other comprehensive income (loss):						
Foreign currency translation adjustments	\$ (28.9)	\$ —	(28.9)	\$ (4.2)	\$ —	(4.2)
Available-for-sale securities:						
Unrealized gain (loss)	(0.4)	0.2	(0.2)	(0.1)	—	(0.1)
Cash flow hedges:						
Unrealized gain (loss)	1.9	—	1.9	2.2	(1.1)	1.1
Reclassification adjustment for losses to net income	(0.2)	0.1	(0.1)	1.1	(0.2)	0.9
Pension plan:						
Reclassification adjustment to net income for amortization of actuarial losses	0.4	—	0.4	0.9	(0.2)	0.7
Reclassification adjustment to net income for amortization of net prior service credits	(0.5)	0.1	(0.4)	(0.6)	0.1	(0.5)
Total other comprehensive income (loss)	\$ (27.7)	\$ 0.4	\$ (27.3)	\$ (0.7)	\$ (1.4)	\$ (2.1)
Total comprehensive income (loss)			\$ (10.3)			\$ 12.9

<i>(in millions)</i>	39 weeks ended					
	October 29, 2016			October 31, 2015		
	Pre-tax amount	Tax (expense) benefit	After-tax amount	Pre-tax amount	Tax (expense) benefit	After-tax amount
Net income			\$ 245.7			\$ 196.0
Other comprehensive income (loss):						
Foreign currency translation adjustments	\$ (38.0)	\$ —	(38.0)	\$ (1.4)	\$ —	(1.4)
Available-for-sale securities:						
Unrealized gain (loss)	0.3	(0.1)	0.2	(0.4)	—	(0.4)
Cash flow hedges:						
Unrealized gain (loss)	11.2	(3.0)	8.2	(15.0)	4.7	(10.3)
Reclassification adjustment for losses to net income	2.4	(0.8)	1.6	2.9	(0.7)	2.2
Pension plan:						
Reclassification adjustment to net income for amortization of actuarial losses	1.2	(0.2)	1.0	2.6	(0.5)	2.1
Reclassification adjustment to net income for amortization of net prior service credits	(1.5)	0.3	(1.2)	(1.7)	0.3	(1.4)
Total other comprehensive income (loss)	\$ (24.4)	\$ (3.8)	\$ (28.2)	\$ (13.0)	\$ 3.8	\$ (9.2)
Total comprehensive income			\$ 217.5			\$ 186.8

The accompanying notes are an integral part of these condensed consolidated financial statements.

**SIGNET JEWELERS LIMITED**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(Unaudited)

<i>(in millions, except par value per share amount)</i>	October 29, 2016	January 30, 2016	October 31, 2015	Notes
<b>Assets</b>				
Current assets:				
Cash and cash equivalents	\$ 82.7	\$ 137.7	\$ 77.2	
Accounts receivable, net	1,581.1	1,756.4	1,451.5	9
Other receivables	74.2	84.0	55.4	
Other current assets	146.8	152.6	141.4	
Income taxes	20.8	3.5	24.6	
Inventories	2,649.4	2,453.9	2,727.0	10
<b>Total current assets</b>	<b>4,555.0</b>	<b>4,588.1</b>	<b>4,477.1</b>	
Non-current assets:				
Property, plant and equipment, net of accumulated depreciation of \$1,015.4, \$949.2 and \$939.7, respectively	791.1	727.6	718.0	
Goodwill	517.0	515.5	517.6	11
Intangible assets, net	419.8	427.8	434.3	11
Other assets	157.5	154.6	136.4	12
Deferred tax assets	—	—	1.8	
Retirement benefit asset	47.1	51.3	40.7	16
<b>Total assets</b>	<b>\$ 6,487.5</b>	<b>\$ 6,464.9</b>	<b>\$ 6,325.9</b>	
<b>Liabilities and Shareholders' equity</b>				
Current liabilities:				
Loans and overdrafts	\$ 288.8	\$ 57.7	\$ 248.0	17
Accounts payable	382.2	269.1	371.4	
Accrued expenses and other current liabilities	402.9	498.3	408.0	
Deferred revenue	256.7	260.3	241.4	18
Income taxes	4.4	65.7	0.7	
<b>Total current liabilities</b>	<b>1,335.0</b>	<b>1,151.1</b>	<b>1,269.5</b>	
Non-current liabilities:				
Long-term debt	1,324.2	1,321.0	1,330.6	17
Other liabilities	219.9	230.5	226.6	
Deferred revenue	632.1	629.1	597.5	18
Deferred tax liabilities	133.4	72.5	56.7	
<b>Total liabilities</b>	<b>3,644.6</b>	<b>3,404.2</b>	<b>3,480.9</b>	
Commitments and contingencies				21
Series A redeemable convertible preferred shares of \$.01 par value: 500 shares authorized, 0.625 shares outstanding	611.7	—	—	4
Shareholders' equity:				
Common shares of \$0.18 par value: authorized 500 shares, 69.6 shares outstanding (January 30, 2016: 79.4 outstanding; October 31, 2015: 79.5 outstanding)	15.7	15.7	15.7	
Additional paid-in capital	128.5	279.9	274.7	
Other reserves	0.4	0.4	0.4	
Treasury shares at cost: 17.6 shares (January 30, 2016: 7.8 shares; October 31, 2015: 7.7 shares)	(1,338.9)	(495.8)	(480.3)	5
Retained earnings	3,727.8	3,534.6	3,280.3	
Accumulated other comprehensive loss	(302.3)	(274.1)	(245.8)	7
<b>Total shareholders' equity</b>	<b>2,231.2</b>	<b>3,060.7</b>	<b>2,845.0</b>	
<b>Total liabilities, redeemable convertible preferred shares and shareholders' equity</b>	<b>\$ 6,487.5</b>	<b>\$ 6,464.9</b>	<b>\$ 6,325.9</b>	

The accompanying notes are an integral part of these condensed consolidated financial statements.

**SIGNET JEWELERS LIMITED**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Unaudited)

<i>(in millions)</i>	39 weeks ended	
	October 29, 2016	October 31, 2015
<b>Cash flows from operating activities</b>		
Net income	\$ 245.7	\$ 196.0
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	138.8	129.5
Amortization of unfavorable leases and contracts	(14.9)	(24.6)
Pension benefit	(1.3)	—
Share-based compensation	14.0	11.8
Deferred taxation	60.9	8.0
Excess tax benefit from exercise of share awards	(1.3)	(5.1)
Amortization of debt discount and issuance costs	2.2	2.6
Other non-cash movements	1.9	2.7
Changes in operating assets and liabilities:		
Decrease in accounts receivable	174.0	116.3
Decrease in other receivables and other assets	9.0	1.6
Increase in other current assets	(15.4)	(12.8)
Increase in inventories	(217.0)	(289.3)
Increase in accounts payable	114.1	93.6
Decrease in accrued expenses and other liabilities	(82.2)	(60.5)
(Decrease) increase in deferred revenue	(2.5)	25.0
Decrease in income taxes payable	(62.6)	(104.1)
Pension plan contributions	(2.5)	(2.0)
Net cash provided by operating activities	360.9	88.7
<b>Investing activities</b>		
Purchase of property, plant and equipment	(195.6)	(170.8)
Purchase of available-for-sale securities	(10.4)	(3.8)
Proceeds from sale of available-for-sale securities	10.0	3.6
Net cash used in investing activities	(196.0)	(171.0)
<b>Financing activities</b>		
Dividends paid on common shares	(57.5)	(49.6)
Proceeds from issuance of common shares	0.4	3.3
Proceeds from issuance of redeemable convertible preferred shares, net of issuance costs	611.6	—
Excess tax benefit from exercise of share awards	1.3	5.1
Repayments of term loan	(12.0)	(17.5)
Proceeds from securitization facility	1,837.1	1,738.9
Repayments of securitization facility	(1,837.1)	(1,738.9)
Proceeds from revolving credit facility	598.0	177.0
Repayments of revolving credit facility	(339.0)	(30.0)
Payment of debt issuance costs	(2.7)	—
Repurchase of common shares	(1,000.0)	(111.9)
Net settlement of equity based awards	(4.8)	(8.3)
Principal payments under capital lease obligations	(0.2)	(0.8)
Repayment of short-term borrowings	(13.3)	(1.5)
Net cash used in financing activities	(218.2)	(34.2)
Cash and cash equivalents at beginning of period	137.7	193.6
Decrease in cash and cash equivalents	(53.3)	(116.5)
Effect of exchange rate changes on cash and cash equivalents	(1.7)	0.1
Cash and cash equivalents at end of period	\$ 82.7	\$ 77.2

The accompanying notes are an integral part of these condensed consolidated financial statements.



**SIGNET JEWELERS LIMITED**  
**CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY**  
**(Unaudited)**

<i>(in millions)</i>	Common shares at par value	Additional paid-in capital	Other reserves	Treasury shares	Retained earnings	Accumulated other comprehensive loss	Total shareholders' equity
Balance at January 30, 2016	\$ 15.7	\$ 279.9	\$ 0.4	\$ (495.8)	\$ 3,534.6	\$ (274.1)	\$ 3,060.7
Net income	—	—	—	—	245.7	—	245.7
Other comprehensive loss	—	—	—	—	—	(28.2)	(28.2)
Dividends on common shares	—	—	—	—	(58.2)	—	(58.2)
Dividends on redeemable convertible preferred shares	—	—	—	—	(0.1)	—	(0.1)
Repurchase of common shares	—	(157.5)	—	(842.5)	—	—	(1,000.0)
Net settlement of equity based awards	—	(7.9)	—	(1.0)	5.8	—	(3.1)
Share options exercised	—	—	—	0.4	—	—	0.4
Share-based compensation expense	—	14.0	—	—	—	—	14.0
<b>Balance at October 29, 2016</b>	<b>\$ 15.7</b>	<b>\$ 128.5</b>	<b>\$ 0.4</b>	<b>\$ (1,338.9)</b>	<b>\$ 3,727.8</b>	<b>\$ (302.3)</b>	<b>\$ 2,231.2</b>

The accompanying notes are an integral part of these condensed consolidated financial statements.



**SIGNET JEWELERS LIMITED**  
**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(Unaudited)**

**1 . Organization and principal accounting policies**

Signet Jewelers Limited (“Signet” or the “Company”), a holding company incorporated in Bermuda, is the world's largest retailer of diamond jewelry. The Company operates through its 100% owned subsidiaries with sales primarily in the US, UK and Canada. Signet manages its business as five reportable segments: the Sterling Jewelers division, the Zale division, which consists of the Zale Jewelry and Piercing Pagoda segments, the UK Jewelry division and Other. The “Other” reportable segment consists of all non-reportable segments, including subsidiaries involved in the purchasing and conversion of rough diamonds to polished stones and unallocated corporate administrative functions. See Note 3 for additional discussion of the Company’s segments.

Signet’s sales are seasonal, with the first quarter slightly exceeding 20% of annual sales, the second and third quarters each approximating 20% and the fourth quarter accounting for almost 40% of annual sales, with December being by far the most important month of the year. The “Holiday Season” consists of results for the months of November and December. As a result, approximately 45% to 55% of Signet’s annual operating income normally occurs in the fourth quarter, comprised of nearly all of the UK Jewelry and Zale divisions’ annual operating income and about 40% to 45% of the Sterling Jewelers division’s annual operating income.

***Basis of preparation***

These condensed consolidated financial statements are prepared, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission (“SEC”). Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America (“US GAAP”) have been condensed or omitted from this report, as is permitted by such rules and regulations. In the opinion of management, the accompanying condensed consolidated financial statements reflect all adjustments, which are of a normal recurring nature, necessary for a fair presentation of the results for the interim periods. It is suggested that these condensed consolidated financial statements be read in conjunction with the consolidated financial statements and notes included in Signet’s Annual Report on Form 10-K for the fiscal year ended January 30, 2016 filed with the SEC on March 24, 2016 .

***Preferred shares***

On October 5, 2016 , the Company issued 625,000 shares of Series A Convertible Preference Shares (“preferred shares”) for an aggregate price of \$625.0 million , or \$1,000 per share (the “Stated Value”). The preferred shares were issued under an effective registration statement filed with the SEC. The accounting guidance under Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 480, “Distinguishing Liabilities from Equity,” requires preferred securities that are redeemable for cash or other assets to be classified outside of permanent equity if redeemable at a fixed or determinable price on a fixed or determinable date, at the option of the holder, or upon the occurrence of an event that is not solely within the control of the issuer. The Company's preferred shares were classified as temporary equity and recorded in the condensed consolidated balance sheets at fair value upon issuance.

See Note 4 for additional information regarding the Company's preferred shares.

***Use of estimates***

The preparation of these condensed consolidated financial statements, in conformity with US GAAP and SEC regulations for interim reporting, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the condensed consolidated financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates and assumptions are primarily made in relation to the valuation of accounts receivables, inventories, deferred revenue, derivatives, employee benefits, income taxes, contingencies, asset impairments, indefinite-lived intangible assets, as well as depreciation and amortization of long-lived assets.

***Fiscal year***

The Company’s fiscal year ends on the Saturday nearest to January 31<sup>st</sup>. Fiscal 2017 and Fiscal 2016 refer to the 52 week periods ending January 28, 2017 and January 30, 2016 , respectively. Within these condensed consolidated financial statements, the third quarter of the relevant fiscal years 2017 and 2016 refer to the 13 and 39 weeks ended October 29, 2016 and October 31, 2015 , respectively.

### ***Foreign currency translation***

The financial position and operating results of certain foreign operations, including the UK Jewelry division and the Canadian operations of the Zale Jewelry segment, are consolidated using the local currency as the functional currency. Assets and liabilities are translated at the rates of exchange on the balance sheet date, and revenues and expenses are translated at the monthly average rates of exchange during the period. Resulting translation gains or losses are included in the accompanying condensed consolidated statements of equity as a component of accumulated other comprehensive income (loss) ("AOCI"). Gains or losses resulting from foreign currency transactions are included within the condensed consolidated income statements, whereas translation adjustments and gains or losses related to intercompany loans of a long-term investment nature are recognized as a component of AOCI.

See Note 7 for additional information regarding the Company's foreign currency translation.

### ***Reclassification***

The Company has reclassified the presentation of certain prior year amounts to conform to the current year presentation. During the fourth quarter of Fiscal 2016, the Company adopted FASB Accounting Standards Update ("ASU") No. 2015-17, "Income Taxes (Topic 740): Balance Sheet Classification of Deferred Taxes." As a result, the Company adjusted the presentation of deferred taxes in the condensed consolidated balance sheet as of October 31, 2015 to reflect a reduction in current assets of \$3.6 million, a reduction in non-current assets of \$130.3 million, a reduction in current liabilities of \$170.5 million and an increase in non-current liabilities of \$36.6 million. See Note 2 for additional information regarding new accounting guidance adopted in Fiscal 2017.

## **2. New accounting pronouncements**

### ***New accounting pronouncements adopted during the period***

#### ***Share-based compensation***

In June 2014, the FASB issued ASU No. 2014-12, "Compensation - Stock Compensation (Topic 718): Accounting for Share-Based Payments When the Terms of an Award Provide That a Performance Target Could Be Achieved after the Requisite Service Period." The new guidance requires that a performance target that affects vesting and that could be achieved after the requisite service period be treated as a performance condition. As such, the performance target should not be reflected in estimating the grant-date fair value of the award. ASU No. 2014-12 is effective for annual periods, and interim periods within those annual periods, beginning after December 15, 2015, with early adoption permitted. Signet adopted this guidance during the first quarter of Fiscal 2017. The adoption of this guidance did not have a material impact on the Company's financial position or results of operations.

#### ***Debt issuance costs***

In April 2015, the FASB issued ASU No. 2015-03, "Interest - Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs." The new guidance requires that debt issuance costs related to a recognized debt liability be presented on the balance sheet as a direct deduction from the debt liability, similar to the presentation of debt discounts. In August 2015, the FASB issued ASU No. 2015-15, "Interest - Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs." The new guidance provides clarity that the SEC would not object to the deferral and presentation of debt issuance costs related to line-of-credit arrangements as an asset and subsequently amortizing the deferred debt issuance costs ratably over the term of the line-of-credit arrangement. ASU Nos. 2015-03 and 2015-15 are effective for annual periods, and interim periods within those annual periods, beginning after December 15, 2015, with early adoption permitted. Signet adopted this guidance during the first quarter of Fiscal 2017. Accordingly, the Company adjusted the condensed consolidated balance sheets as of January 30, 2016 and October 31, 2015 by reducing total assets and debt for amounts classified as deferred debt issuance costs of \$9.5 million and \$9.9 million, respectively. Signet continues to present debt issuance costs relating to its revolving credit facility and asset-backed securitization facility as assets in the condensed consolidated balance sheets.

See Note 17 for additional discussion of the Company's debt issuance costs.

*New accounting pronouncements to be adopted in future periods*

*Credit Losses*

In June 2016, the FASB issued ASU No. 2016-13, “Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments.” The new guidance requires entities to measure and recognize expected credit losses for financial assets measured at amortized cost basis. The estimate of expected credit losses should consider historical information, current information, and reasonable and supportable forecasts of expected losses over the remaining contractual life that affect collectibility. ASU No. 2016-13 is effective for annual periods, and interim periods within those annual periods, beginning after December 15, 2019, with early adoption permitted. Signet is currently assessing the impact the adoption of this guidance will have on the Company's financial position or results of operations.

*Revenue recognition*

In May 2014, the FASB issued ASU No. 2014-09, “Revenue from Contracts with Customers (Topic 606).” The new guidance affects any entity that either enters into contracts with customers to transfer goods or services or enters into contracts for the transfer of nonfinancial assets, unless those contracts are within the scope of other standards (for example, insurance contracts or lease contracts). The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. ASU No. 2014-09 provides alternative methods of retrospective adoption. In August 2015, the FASB issued an update (ASU No. 2015-14) that defers the effective date by one year. As a result, ASU No. 2014-09 is effective for annual periods, and interim periods within those annual periods, beginning after December 15, 2017, with early adoption permitted for annual periods beginning after December 15, 2016, including interim periods within that annual period.

There are many aspects of this new accounting guidance that are still being interpreted. The FASB has recently issued updates to certain aspects of the guidance to address implementation issues. In March 2016, the FASB issued additional guidance concerning "Principal versus Agent" considerations (reporting revenue gross versus net); in April 2016, the FASB issued additional guidance on identifying performance obligations and licensing; and in May 2016, the FASB issued additional guidance on collectibility, noncash consideration, presentation of sales tax, and transition. These updates are intended to improve the operability and understandability of the implementation guidance and have the same effective date and transition requirements as ASU No. 2014-09 guidance discussed above.

Signet continues to assess the impact, as well as the available methods of implementation, the adoption of this guidance will have on the Company's financial position or results of operations.

*Inventory*

In July 2015, the FASB issued ASU No. 2015-11, “Inventory (Topic 330): Simplifying the Measurement of Inventory.” The new guidance states that inventory will be measured at the lower of cost and net realizable value. The ASU defines net realizable value as the estimated selling prices in the ordinary course of business, less reasonably predictable costs of completion, disposal and transportation. ASU No. 2015-11 is effective for annual periods, and interim periods within those annual periods, beginning after December 15, 2016. Early adoption is permitted and is to be applied prospectively. Signet does not expect the adoption of this guidance to have a material impact on the Company's financial position or results of operations.

*Financial instruments*

In January 2016, the FASB issued ASU No. 2016-01, “Financial Instruments - Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities.” The new guidance primarily impacts accounting for equity investments and financial liabilities under the fair value option, as well as, the presentation and disclosure requirements for financial instruments. Under the new guidance, equity investments will generally be measured at fair value, with subsequent changes in fair value recognized in net income. ASU No. 2016-01 is effective for annual periods, and interim periods within those annual periods, beginning after December 15, 2017. Signet does not expect the adoption of this guidance to have a material impact on the Company's financial position or results of operations.

### *Leases*

In February 2016, the FASB issued ASU No. 2016-02, “Leases (Topic 842).” The new guidance primarily impacts lessee accounting by requiring the recognition of a right-of-use asset and a corresponding lease liability on the balance sheet for long-term lease agreements. The lease liability will be equal to the present value of all reasonably certain lease payments. The right-of-use asset will be based on the liability, subject to adjustment for initial direct costs. Lease agreements that are 12 months or less are permitted to be excluded from the balance sheet. In general, leases will be amortized on a straight-line basis with the exception of finance lease agreements. ASU No. 2016-02 is effective for annual periods, and interim periods within those annual periods, beginning after December 15, 2018, with early adoption permitted. Signet is currently assessing the impact the adoption of this guidance will have on the Company’s financial position or results of operations.

### *Liabilities*

In March 2016, the FASB issued ASU No. 2016-04, “Liabilities - Extinguishments of Liabilities (Subtopic 405-20).” The new guidance addresses diversity in practice related to the derecognition of a prepaid stored-value product liability. Liabilities related to the sale of prepaid stored-value products within the scope of this update are financial liabilities. ASU No. 2016-04 is effective for annual periods, and interim periods within those annual periods, beginning after December 15, 2017, with early adoption permitted. Signet does not expect the adoption of this guidance to have a material impact on the Company’s financial position or results of operations.

### *Share-based compensation*

In March 2016, the FASB issued ASU No. 2016-09, “Compensation - Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting.” The new guidance simplifies several aspects of the accounting for share-based payment transactions, including the income tax consequences, classification of awards as either equity or liabilities, and classification on the statement of cash flows. ASU No. 2016-09 is effective for annual periods, and interim periods within those annual periods, beginning after December 15, 2016, with early adoption permitted. Signet is currently assessing the impact the adoption of this guidance will have on the Company’s results of operations.

## **3 . Segment information**

Financial information for each of Signet’s reportable segments is presented in the tables below. Signet’s chief operating decision maker utilizes sales and operating income, after the elimination of any inter-segment transactions, to determine resource allocations and performance assessment measures. Signet’s sales are derived from the retailing of jewelry, watches, other products and services as generated through the management of its five reportable segments: the Sterling Jewelers division, the Zale division, which consists of the Zale Jewelry and Piercing Pagoda segments, the UK Jewelry division and Other.

The Sterling Jewelers division operates in all 50 US states. Its stores operate nationally in malls and off-mall locations principally as Kay Jewelers (“Kay”), Kay Jewelers Outlet, Jared The Galleria Of Jewelry (“Jared”) and Jared Vault. The division also operates a variety of mall-based regional brands.

The Zale division operates jewelry stores (Zale Jewelry) and kiosks (Piercing Pagoda), located primarily in shopping malls throughout the US, Canada and Puerto Rico. Zale Jewelry includes the US store brand Zales (Zales Jewelers and Zales Outlet), which operates in all 50 US states, and the Canadian store brand Peoples Jewellers, which operates in nine provinces. The division also operates regional brands Gordon’s Jewelers and Mappins. Piercing Pagoda operates through mall-based kiosks.

The UK Jewelry division operates stores in the UK, Republic of Ireland and Channel Islands. Its stores operate in shopping malls and off-mall locations (i.e. high street) principally as H.Samuel and Ernest Jones.

The Other reportable segment consists of all non-reportable segments, including subsidiaries involved in the purchasing and conversion of rough diamonds to polished stones, that are below the quantifiable threshold for separate disclosure as a reportable segment and unallocated corporate administrative functions.

<i>(in millions)</i>	13 weeks ended		39 weeks ended	
	October 29, 2016	October 31, 2015	October 29, 2016	October 31, 2015
<b>Sales:</b>				
Sterling Jewelers	\$ 712.5	\$ 733.5	\$ 2,532.3	\$ 2,536.2
Zale Jewelry	282.4	281.9	994.8	991.2
Piercing Pagoda	53.4	48.0	179.4	165.1
UK Jewelry	130.3	149.4	419.5	455.0
Other	7.6	3.6	12.5	10.1
<b>Total sales</b>	<b>\$ 1,186.2</b>	<b>\$ 1,216.4</b>	<b>\$ 4,138.5</b>	<b>\$ 4,157.6</b>

<b>Operating income:</b>				
Sterling Jewelers	\$ 78.6	\$ 77.2	\$ 417.8	\$ 413.2
Zale Jewelry <sup>(1)</sup>	(19.3)	(18.3)	(0.5)	(9.9)
Piercing Pagoda <sup>(2)</sup>	(5.4)	(6.0)	2.2	(1.0)
UK Jewelry	—	—	3.0	3.7
Other <sup>(3)</sup>	(21.8)	(19.3)	(58.5)	(95.4)
<b>Total operating income</b>	<b>\$ 32.1</b>	<b>\$ 33.6</b>	<b>\$ 364.0</b>	<b>\$ 310.6</b>

(1) Includes net operating loss of \$3.7 million and \$13.2 million related to the effects of purchase accounting associated with the acquisition of Zale Corporation for the 13 and 39 weeks ended October 29, 2016 and \$3.6 million and \$17.1 million for the 13 and 39 weeks ended October 31, 2015, respectively.

(2) Includes net operating loss of \$0.1 million and \$0.3 million related to the effects of purchase accounting associated with the acquisition of Zale Corporation for the 13 and 39 weeks ended October 29, 2016 and \$0.1 million and \$3.1 million for the 13 and 39 weeks ended October 31, 2015, respectively.

(3) Includes \$7.9 million and \$18.5 million for the 13 and 39 weeks ended October 29, 2016 of integration costs for consulting services associated with IT implementations and severance related to organizational changes. Includes \$9.8 million and \$59.8 million for the 13 and 39 weeks ended October 31, 2015 of transaction and integration expenses primarily attributable to the legal settlement over appraisal rights and expenses associated with legal, tax, accounting and consulting services.

<i>(in millions)</i>	October 29, 2016	January 30, 2016	October 31, 2015
<b>Total assets:</b>			
Sterling Jewelers	\$ 3,715.6	\$ 3,788.0	\$ 3,586.7
Zale Jewelry	2,061.7	1,955.1	1,977.6
Piercing Pagoda	136.1	141.8	135.4
UK Jewelry	407.1	427.8	470.5
Other	167.0	152.2	155.7
<b>Total assets</b>	<b>\$ 6,487.5</b>	<b>\$ 6,464.9</b>	<b>\$ 6,325.9</b>

#### 4 . Redeemable preferred shares

On October 5, 2016, the Company issued 625,000 preferred shares to Green Equity Investors VI, L.P., Green Equity Investors Side VI, L.P., LGP Associates VI-A LLC and LGP Associates VI-B LLC, all affiliates of Leonard Green & Partners, L.P., (together, the “Investors”) for an aggregate purchase price of \$625.0 million, or \$1,000 per share pursuant to the investment agreement dated August 24, 2016. In connection with the issuance of the preferred shares, the Company incurred direct and incremental expenses of \$13.4 million, including financial advisory fees, closing costs, legal expenses and other offering-related expenses. These direct and incremental expenses originally reduced the preferred shares carrying value, and will be accreted through retained earnings as a deemed dividend from the date of issuance through the first possible known redemption date, November 2024. Accretion relating to these fees of \$0.1 million was recorded in the condensed consolidated balance sheets as of October 29, 2016.

**Dividend rights:** The preferred shares rank senior to the Company's common shares, with respect to dividend rights and rights on the distribution of assets on any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Company. The liquidation preference for preferred shares is equal to the greater of (a) the Stated Value per share, plus all accrued but unpaid dividends and (b) the consideration holders would have received if preferred shares were converted into common shares immediately prior to the liquidation. As of October 29, 2016, the liquidation preference was \$627.2 million. Preferred shareholders are entitled to a cumulative dividend at the rate of 5% per annum, payable quarterly in arrears, commencing on February 15, 2017, either in cash or by increasing the Stated Value at the option of the Company. In addition, preferred shareholders were entitled to receive dividends or distributions declared or paid on common shares on an as-converted basis, other than the Company's regularly declared quarterly cash dividends not in excess of 130% of the arithmetic average of the regular, quarterly cash dividends per common share, if any, declared by the Company during the preceding four calendar quarters.

On November 2, 2016, the Board of Directors approved certain changes to the rights of the preferred shareholders, including the following: (a) elimination of the right of preferred shareholders to receive dividends or other distributions declared on the Company's common shares and inclusion of adjustments to the conversion rate in the event of any dividend, distribution, spin-off or certain other events or transactions in respect of the common shares; and (b) addition of a requirement for approval by the holders of the majority of the issued preferred shares for the declaration or payment by the Company of any dividends or other distributions on the common shares other than (i) regularly declared quarterly cash dividends paid on the issued common shares in any calendar quarter in an amount per share that is not more than 130% of the arithmetic average of the regular, quarterly cash dividends per common share, if any, declared by the Company during the preceding four calendar quarters for such quarter and (ii) any dividends or other distributions which are paid or distributed at the same time on the common shares and the preferred shares, provided that the amount paid or distributed to the preferred shares is based on the number of common shares into which such preferred shares could be converted on the applicable record date for such dividends or other distributions.

**Conversion features:** Preferred shares are convertible at the option of the holders at any time into common shares at the then applicable conversion rate. The initial conversion rate of 10.6529 common shares per preferred share was established as the Stated Value divided by the defined conversion price of \$93.8712. As of October 29, 2016, the maximum number of common shares that could be required to be issued if converted was 6.7 million shares. The conversion rate is subject to certain anti-dilution and other adjustments, including stock split / reverse stock split transactions, regular dividends declared on common shares, share repurchases (excluding amounts through open market transactions or accelerated share repurchases) and issuances of common shares or other securities convertible into common shares. The initial issuance did not include a beneficial conversion feature as the conversion price used to set the conversion ratio at the time of issuance was greater than the Company's common stock price.

At any time on or after October 5, 2018, all or a portion of outstanding preferred shares are convertible at the option of the Company if the closing price of common shares exceeds 175% of the then applicable conversion price for at least 20 consecutive trading days.

**Redemption rights:** At any time after November 15, 2024, the Company will have the right to redeem any or all, and the holders of the preferred shares will have the right to require the Company to repurchase any or all, of the preferred shares for cash at a price equal to the Stated Value plus all accrued but unpaid dividends. Upon certain change of control or delisting events involving the Company, preferred shareholders can require the Company to repurchase, subject to certain exceptions, all or any portion of its preferred shares at (a) an amount in cash equal to 101% of the Stated Value plus all accrued but unpaid dividends or (b) the consideration the holders would have received if they had converted their preferred shares into common shares immediately prior to the change of control event.

**Voting rights:** Preferred shareholders are entitled to vote with the holders of common shares on an as-converted basis. Holders of preferred shares are entitled to a separate class vote with respect to certain designee(s) for election to the Company's Board of Directors, amendments to the Company's organizational documents that have an adverse effect on the preferred shareholders and issuances by the Company of securities that are senior to, or equal in priority with, the preferred shares.

**Registration rights:** Preferred shareholders have certain customary registration rights with respect to the preferred shares and the shares of common shares into which they are converted, pursuant to the terms of a registration rights agreement.

## **5 . Shareholders' equity**

### ***Share repurchases***

In February 2016, the Board of Directors authorized the repurchase of Signet's common shares up to \$750.0 million (the "2016 Program"). In August 2016, the Board of Directors increased its authorized share repurchase program by \$625.0 million, bringing the total authorization for the 2016 Program to \$1,375.0 million. The 2016 Program may be suspended or discontinued at any time without notice.

To facilitate the share repurchase program, the Company periodically repurchases shares in the open market. On October 5, 2016, the Company entered into an accelerated share repurchase agreement (“ASR”) with a large financial institution to repurchase \$525.0 million of the Company’s common shares. At inception, the Company paid \$525.0 million to the financial institution and took delivery of 4.7 million shares with an initial estimated cost of \$367.5 million .

The total number of shares to be delivered upon settlement will be calculated using the volume-weighted average price of the Company's common shares traded during the pricing period, less an agreed discount. If the total number of shares to be delivered exceeds the number of shares initially delivered, the Company will receive the remaining balance of shares from the financial institution. Based on the current trading prices of the Company’s common stock, additional shares are expected to be received. If the total number of shares to be delivered is less than the number of shares initially delivered, the Company has the contractual right to deliver either shares of the Company’s common stock or cash equal to the value of those shares to the financial institution. The pricing period is scheduled to end in December 2016, but may conclude sooner at the election of the financial institution.

The Company reflected shares delivered as treasury shares as of the date the shares were physically delivered in computing the weighted average common shares outstanding for both basic and diluted earnings per share. The ASR agreement was accounted for as a treasury stock transaction and a forward stock purchase contract. The forward stock purchase contract was determined to be indexed to the Company’s own stock and met all of the applicable criteria for equity classification. As of October 29, 2016 , the Company recorded the \$525.0 million payment to JPMorgan Chase Bank as a decrease to equity in the condensed consolidated balance sheets, consisting of decreases in treasury shares and additional paid-in capital.

During the 39 weeks ended October 29, 2016 , the Company also repurchased 5.2 million common shares through open market transactions for a total cost of \$475.0 million .

Common shares repurchased during the 39 weeks ended October 29, 2016 and October 31, 2015 were as follows:

<i>(in millions, except per share amounts)</i>	39 weeks ended October 29, 2016				39 weeks ended October 31, 2015			
	Amount authorized	Shares repurchased	Amount repurchased	Average repurchase price per share	Shares repurchased	Amount repurchased	Average repurchase price per share	
2016 Program <sup>(1)</sup>	\$ 1,375.0	8.7	\$ 706.9	\$ 81.32	n/a	n/a	n/a	
2013 Program <sup>(2)</sup>	\$ 350.0	1.2	\$ 135.6	\$ 111.26	0.9	\$ 111.9	\$ 128.91	
<b>Total</b>		<b>9.9</b>	<b>\$ 842.5</b>	<b>\$ 85.00</b>	<b>0.9</b>	<b>\$ 111.9</b>	<b>\$ 128.91</b>	

<sup>(1)</sup> The 2016 Program had \$510.6 million remaining as of October 29, 2016 .

<sup>(2)</sup> The 2013 Program was completed in May 2016.

n/a Not applicable.

**Dividends on common shares**

<i>(in millions, except per share amounts)</i>	Fiscal 2017		Fiscal 2016	
	Cash dividend per share	Total dividends	Cash dividend per share	Total dividends
First quarter	\$ 0.26	\$ 20.4	\$ 0.22	\$ 17.6
Second quarter	0.26	19.7	0.22	17.6
Third quarter <sup>(1)</sup>	0.26	18.1	0.22	17.5
<b>Total</b>	<b>\$ 0.78</b>	<b>\$ 58.2</b>	<b>\$ 0.66</b>	<b>\$ 52.7</b>

<sup>(1)</sup> Signet’s dividend policy for common shares results in the dividend payment date being a quarter in arrears from the declaration date. As a result, as of October 29, 2016 and October 31, 2015 , \$18.1 million and \$17.5 million , respectively, has been recorded in accrued expenses and other current liabilities in the condensed consolidated balance sheets reflecting the cash dividends on common shares declared for the third quarter of Fiscal 2017 and Fiscal 2016 , respectively.

**Dividends on preferred shares**

As of October 29, 2016 , no dividends were declared by the Company on preferred shares. As disclosed in the condensed consolidated income statement, cumulative undeclared dividends on the preferred shares since the date of issuance totaled \$2.2 million and reduced net income attributable to common shareholders.

## 6 . Earnings per share

In calculating basic earnings per share ("EPS"), the Company follows the two-class method, which distinguishes between classes of securities based on the proportionate participation rights of each security type in the Company's undistributed income. The preferred shares issued on October 5, 2016 are considered participating securities as of October 29, 2016 . Under the two-class method, income available to common shareholders is reduced by (a) the cumulative dividend on the Company's preferred shares whether or not declared or paid during the period, (b) accretion relating to issuance costs of preferred shares and (c) the hypothetical distribution of undistributed earnings to preferred shareholders in accordance with contractual rights. For the 13 and 39 weeks ended October 29, 2016 , the two-class method did not impact EPS as no hypothetical distribution of undistributed earnings were allocable to preferred shareholders. See Note 4 for additional discussion of the Company's preferred shares, including changes to the rights of preferred shareholders as of November 2, 2016 which will result in the preferred shares no longer being considered participating securities, and consequently, the two-class method will no longer apply.

The dilutive effect of share awards represents the potential impact of outstanding awards issued under the Company's share-based compensation plans, including restricted shares and restricted stock units issued under the Omnibus Plan and stock options issued under the Share Saving Plans and the Executive Plans. The dilutive effect of preferred shares represents the potential impact for common shares that would be issued upon conversion. In computing diluted EPS, the Company also adjusts the numerator used in the basic EPS computation, subject to anti-dilution requirements, to add back the dividends (declared or cumulative undeclared) applicable to the preferred shares. Potential common share dilution related to share awards and preferred shares is determined using the treasury stock and if-converted methods, respectively.

The following table sets forth the computation of EPS for the 13 and 39 weeks ended October 29, 2016 and October 31, 2015 :

	13 weeks ended		39 weeks ended	
	October 29, 2016	October 31, 2015	October 29, 2016	October 31, 2015
<i>(in millions, except per share amounts)</i>				
Net income	\$ 17.0	\$ 15.0	\$ 245.7	\$ 196.0
Less: Dividends on preferred shares	(2.2)	—	(2.2)	—
Net income attributable to common shareholders	\$ 14.8	\$ 15.0	\$ 243.5	\$ 196.0
Basic weighted average number of shares outstanding	73.5	79.3	76.4	79.7
Plus: Dilutive effect of share awards	0.1	0.2	0.1	0.2
Plus: Dilutive effect of preferred shares	—	n/a	—	n/a
Diluted weighted average number of shares outstanding	73.6	79.5	76.5	79.9
Earnings per share – basic	\$ 0.20	\$ 0.19	\$ 3.19	\$ 2.46
Earnings per share – diluted	\$ 0.20	\$ 0.19	\$ 3.18	\$ 2.45

The calculation of diluted EPS for the 13 and 39 weeks ended October 29, 2016 and October 31, 2015 excludes the following share awards and potential impact of preferred shares on the basis that their effect would be anti-dilutive.

	October 29, 2016	October 31, 2015
<i>(in millions)</i>		
Share awards	0.3	0.1
Preferred shares	6.7	—
Total anti-dilutive shares	7.0	0.1



## 7. Accumulated other comprehensive income (loss)

The following tables present the changes in AOCI by component and the reclassifications out of AOCI, net of tax:

<i>(in millions)</i>	Foreign currency translation	Losses on available-for-sale securities, net	Gains (losses) on cash flow hedges	Pension plan		Accumulated other comprehensive loss
				Actuarial losses	Prior service credits	
Balance at January 30, 2016	\$ (237.8)	\$ (0.4)	\$ (3.9)	\$ (43.1)	\$ 11.1	\$ (274.1)
Other comprehensive income (loss) ("OCI") before reclassifications	(38.0)	0.2	8.2	—	—	(29.6)
Amounts reclassified from AOCI to net income	—	—	1.6	1.0	(1.2)	1.4
Net current period OCI	(38.0)	0.2	9.8	1.0	(1.2)	(28.2)
<b>Balance at October 29, 2016</b>	<b>\$ (275.8)</b>	<b>\$ (0.2)</b>	<b>\$ 5.9</b>	<b>\$ (42.1)</b>	<b>\$ 9.9</b>	<b>\$ (302.3)</b>

The amounts reclassified from AOCI were as follows:

<i>(in millions)</i>	Amounts reclassified from AOCI				Income statement caption
	13 weeks ended		39 weeks ended		
	October 29, 2016	October 31, 2015	October 29, 2016	October 31, 2015	
(Gains) losses on cash flow hedges:					
Foreign currency contracts	\$ (0.4)	\$ (0.1)	\$ (1.0)	\$ —	Cost of sales (see Note 14)
Interest rate swaps	0.5	0.8	1.7	1.9	Interest expense, net (see Note 14)
Commodity contracts	(0.3)	0.4	1.7	1.0	Cost of sales (see Note 14)
Total before income tax	(0.2)	1.1	2.4	2.9	
Income taxes	0.1	(0.2)	(0.8)	(0.7)	
Net of tax	(0.1)	0.9	1.6	2.2	

### Defined benefit pension plan items:

Amortization of unrecognized actuarial losses	0.4	0.9	1.2	2.6	Selling, general and administrative expenses <sup>(1)</sup>
Amortization of unrecognized net prior service credits	(0.5)	(0.6)	(1.5)	(1.7)	Selling, general and administrative expenses <sup>(1)</sup>
Total before income tax	(0.1)	0.3	(0.3)	0.9	
Income taxes	0.1	(0.1)	0.1	(0.2)	
Net of tax	—	0.2	(0.2)	0.7	
<b>Total reclassifications, net of tax</b>	<b>\$ (0.1)</b>	<b>\$ 1.1</b>	<b>\$ 1.4</b>	<b>\$ 2.9</b>	

<sup>(1)</sup> These items are included in the computation of net periodic pension benefit. See Note 16 for additional information.

## 8. Income taxes

Signet has business activity in all states within the US and files income tax returns for the US federal jurisdiction and all applicable states. Signet also files income tax returns in the UK, Canada and certain other foreign jurisdictions. The provision for income taxes is based on the current estimate of the consolidated annual effective tax rate. As of October 29, 2016, the effective tax rate for the Company was 25.0% compared to 28.9% in Fiscal 2016. The effective tax rate as of October 29, 2016 excludes the effects of any discrete items that may be recognized in future periods.

During the third quarter of Fiscal 2017, there has been no material change in the amounts of unrecognized tax benefits, or the related accrued interest and penalties (where appropriate), in respect of uncertain tax positions identified as of January 30, 2016.

## 9 . Accounts receivable, net

Signet's accounts receivable primarily consist of US customer in-house financing receivables. The accounts receivable portfolio consists of a population that is of similar characteristics and is evaluated collectively for impairment.

<i>(in millions)</i>	October 29, 2016	January 30, 2016	October 31, 2015
Accounts receivable by portfolio segment, net:			
Sterling Jewelers customer in-house finance receivables	\$ 1,546.3	\$ 1,725.9	\$ 1,437.2
Zale customer in-house finance receivables	26.4	13.6	—
Other accounts receivable	8.4	16.9	14.3
<b>Total accounts receivable, net</b>	<b>\$ 1,581.1</b>	<b>\$ 1,756.4</b>	<b>\$ 1,451.5</b>

Signet grants credit to customers based on a variety of credit quality indicators, including consumer financial information and prior payment experience. On an ongoing basis, management monitors the credit exposure based on past due status and collection experience, as it has found a meaningful correlation between the past due status of customers and the risk of loss.

During the third quarter of Fiscal 2016, Signet implemented a program to provide in-house credit to customers in the Zale division's US locations ("second look"). The allowance for credit losses associated with Zale customer in-house finance receivables was immaterial as of October 29, 2016, January 30, 2016 and October 31, 2015.

Other accounts receivable is comprised primarily of accounts receivable relating to the insurance loss replacement business in the UK Jewelry division of \$7.7 million (January 30, 2016 and October 31, 2015 : \$13.6 million and \$9.3 million, respectively).

The allowance for credit losses on Sterling Jewelers customer in-house finance receivables is shown below:

<i>(in millions)</i>	39 weeks ended	
	October 29, 2016	October 31, 2015
Beginning balance:	\$ (130.0)	\$ (113.1)
Charge-offs, net	143.1	121.5
Recoveries	26.8	27.0
Provision	(172.9)	(157.6)
Ending balance	\$ (133.0)	\$ (122.2)
Ending receivable balance evaluated for impairment	1,679.3	1,559.4
<b>Sterling Jewelers customer in-house finance receivables, net</b>	<b>\$ 1,546.3</b>	<b>\$ 1,437.2</b>

Net bad debt expense is defined as the provision expense less recoveries.

The credit quality indicator and age analysis of Sterling Jewelers customer in-house finance receivables are shown below:

<i>(in millions)</i>	October 29, 2016		January 30, 2016		October 31, 2015	
	Gross	Valuation allowance	Gross	Valuation allowance	Gross	Valuation allowance
Performing:						
Current, aged 0 – 30 days	\$ 1,294.9	\$ (39.3)	\$ 1,473.0	\$ (45.4)	\$ 1,212.2	\$ (36.8)
Past due, aged 31 – 60 days	250.6	(8.1)	259.6	(8.3)	226.0	(7.3)
Past due, aged 61 – 90 days	50.7	(2.5)	49.2	(2.2)	45.2	(2.1)
Non Performing:						
Past due, aged more than 90 days	83.1	(83.1)	74.1	(74.1)	76.0	(76.0)
	<b>\$ 1,679.3</b>	<b>\$ (133.0)</b>	<b>\$ 1,855.9</b>	<b>\$ (130.0)</b>	<b>\$ 1,559.4</b>	<b>\$ (122.2)</b>

(as a % of the ending receivable balance)	October 29, 2016		January 30, 2016		October 31, 2015	
	Gross	Valuation allowance	Gross	Valuation allowance	Gross	Valuation allowance
<b>Performing</b>						
Current, aged 0 – 30 days	77.2%	3.0%	79.4%	3.1%	77.7%	3.0%
Past due, aged 31 – 60 days	14.9%	3.2%	14.0%	3.2%	14.5%	3.2%
Past due, aged 61 – 90 days	3.0%	4.9%	2.6%	4.5%	2.9%	4.6%
<b>Non Performing</b>						
Past due, aged more than 90 days	4.9%	100.0%	4.0%	100.0%	4.9%	100.0%
	<b>100.0%</b>	<b>7.9%</b>	<b>100.0%</b>	<b>7.0%</b>	<b>100.0%</b>	<b>7.8%</b>

### *Securitized credit card receivables*

The Sterling Jewelers division securitizes its credit card receivables through its Sterling Jewelers Receivables Master Note Trust. See Note 17 for additional information regarding this asset-backed securitization facility.

## 10 . Inventories

The following table summarizes the Company's inventory by classification:

(in millions)	October 29, 2016	January 30, 2016	October 31, 2015
Raw materials	\$ 71.2	\$ 81.8	\$ 101.6
Finished goods	2,578.2	2,372.1	2,625.4
<b>Total inventories</b>	<b>\$ 2,649.4</b>	<b>\$ 2,453.9</b>	<b>\$ 2,727.0</b>

## 11 . Goodwill and intangibles

### *Goodwill*

The following table summarizes the Company's goodwill by reportable segment:

(in millions)	Sterling Jewelers	Zale Jewelry	Piercing Pagoda	UK Jewelry	Other	Total
Balance at January 31, 2015	\$ 23.2	\$ 492.4	\$ —	\$ —	\$ 3.6	\$ 519.2
Impact of foreign exchange	—	(3.7)	—	—	—	(3.7)
Balance at January 30, 2016	23.2	488.7	—	—	3.6	515.5
Impact of foreign exchange	—	1.5	—	—	—	1.5
<b>Balance at October 29, 2016</b>	<b>\$ 23.2</b>	<b>\$ 490.2</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 3.6</b>	<b>\$ 517.0</b>

There have been no goodwill impairment losses recognized during the fiscal periods presented in the condensed consolidated income statements. If future economic conditions are different than those projected by management, future impairment charges may occur.

## Intangibles

The following table provides detail regarding the composition of intangible assets and liabilities:

(in millions)	Balance sheet location	October 29, 2016			January 30, 2016			October 31, 2015		
		Gross carrying amount	Accumulated amortization	Net carrying amount	Gross carrying amount	Accumulated amortization	Net carrying amount	Gross carrying amount	Accumulated amortization	Net carrying amount
<b>Definite-lived intangible assets:</b>										
Trade names	Intangible assets, net	\$ 1.4	\$ (0.7)	\$ 0.7	\$ 1.4	\$ (0.5)	\$ 0.9	\$ 1.5	\$ (0.4)	\$ 1.1
Favorable leases	Intangible assets, net	47.5	(32.6)	14.9	47.0	(22.3)	24.7	47.6	(19.2)	28.4
<b>Total definite-lived intangible assets</b>		<b>48.9</b>	<b>(33.3)</b>	<b>15.6</b>	<b>48.4</b>	<b>(22.8)</b>	<b>25.6</b>	<b>49.1</b>	<b>(19.6)</b>	<b>29.5</b>
Indefinite-lived trade names	Intangible assets, net	404.2	—	404.2	402.2	—	402.2	404.8	—	404.8
<b>Total intangible assets, net</b>		<b>\$ 453.1</b>	<b>\$ (33.3)</b>	<b>\$ 419.8</b>	<b>\$ 450.6</b>	<b>\$ (22.8)</b>	<b>\$ 427.8</b>	<b>\$ 453.9</b>	<b>\$ (19.6)</b>	<b>\$ 434.3</b>
<b>Definite-lived intangible liabilities:</b>										
Unfavorable leases	Other liabilities	\$ (48.1)	\$ 34.7	\$ (13.4)	\$ (47.7)	\$ 23.7	\$ (24.0)	\$ (48.3)	\$ 20.4	\$ (27.9)
Unfavorable contracts	Other liabilities	(65.6)	32.1	(33.5)	(65.6)	28.1	(37.5)	(65.6)	27.6	(38.0)
<b>Total intangible liabilities, net</b>		<b>\$(113.7)</b>	<b>\$ 66.8</b>	<b>\$ (46.9)</b>	<b>\$(113.3)</b>	<b>\$ 51.8</b>	<b>\$ (61.5)</b>	<b>\$(113.9)</b>	<b>\$ 48.0</b>	<b>\$ (65.9)</b>

## 12 . Other assets

(in millions)	October 29, 2016	January 30, 2016	October 31, 2015
Deferred ESP selling costs	\$ 81.8	\$ 79.4	\$ 74.6
Investments <sup>(1)</sup>	27.5	26.8	25.0
Other assets <sup>(2)</sup>	48.2	48.4	36.8
<b>Total other assets</b>	<b>\$ 157.5</b>	<b>\$ 154.6</b>	<b>\$ 136.4</b>

<sup>(1)</sup> See Note 13 for additional information.

<sup>(2)</sup> Amounts adjusted to reflect the reclassification of capitalized debt issuance costs in accordance with Signet's adoption of FASB ASU 2015-03 during the first quarter of Fiscal 2017. See Note 2 for additional information.

In addition, other current assets include deferred direct selling costs in relation to the sale of ESP of \$27.6 million as of October 29, 2016 ( January 30, 2016 and October 31, 2015 : \$26.4 million and \$24.0 million , respectively).

## 13 . Investments

Investments in debt and equity securities are held by certain insurance subsidiaries and are reported at fair value as other assets in the accompanying condensed consolidated balance sheets. All investments are classified as available-for-sale and include the following:

(in millions)	October 29, 2016			January 30, 2016			October 31, 2015		
	Cost	Unrealized gain (loss)	Fair Value	Cost	Unrealized gain (loss)	Fair Value	Cost	Unrealized gain (loss)	Fair Value
US Treasury securities	\$ 8.8	\$ (0.5)	\$ 8.3	\$ 9.2	\$ (0.4)	\$ 8.8	\$ 9.2	\$ (0.4)	\$ 8.8
US government agency securities	4.6	(0.1)	4.5	4.0	—	4.0	2.3	—	2.3
Corporate bonds and notes	11.0	0.1	11.1	10.8	—	10.8	10.5	—	10.5
Corporate equity securities	3.5	0.1	3.6	3.5	(0.3)	3.2	3.4	—	3.4
<b>Total investments</b>	<b>\$ 27.9</b>	<b>\$ (0.4)</b>	<b>\$ 27.5</b>	<b>\$ 27.5</b>	<b>\$ (0.7)</b>	<b>\$ 26.8</b>	<b>\$ 25.4</b>	<b>\$ (0.4)</b>	<b>\$ 25.0</b>

Realized gains and losses on investments are determined on the specific identification basis. There were no material net realized gains or losses during the 13 and 39 weeks ended October 29, 2016 and October 31, 2015 . Investments with a carrying value of \$6.6 million were on deposit with various state insurance departments at October 29, 2016 ( January 30, 2016 and October 31, 2015 : \$7.1 million and \$7.2 million , respectively), as required by law.

Investments in debt securities outstanding as of October 29, 2016 mature as follows:

<i>(in millions)</i>	Cost	Fair Value
Less than one year	\$ 1.3	\$ 0.8
Year two through year five	12.6	12.6
Year six through year ten	10.5	10.5
After ten years	—	—
<b>Total investment in debt securities</b>	<b>\$ 24.4</b>	<b>\$ 23.9</b>

#### 14 . Derivatives

Derivative transactions are used by Signet for risk management purposes to address risks inherent in Signet's business operations and sources of financing. The main risks arising from Signet's operations are market risk including foreign currency risk, commodity risk, liquidity risk and interest rate risk. Signet uses derivative financial instruments to manage and mitigate certain of these risks under policies reviewed and approved by the Board of Directors. Signet does not enter into derivative transactions for speculative purposes.

##### *Market risk*

Signet generates revenues and incurs expenses in US dollars, Canadian dollars and British pounds. As a portion of UK Jewelry purchases and purchases made by the Canadian operations of the Zale division are denominated in US dollars, Signet enters into forward foreign currency exchange contracts and foreign currency swaps to manage this exposure to the US dollar.

Signet holds a fluctuating amount of British pounds and Canadian dollars reflecting the cash generative characteristics of operations. Signet's objective is to minimize net foreign exchange exposure to the income statement on non-US dollar denominated items through managing cash levels, non-US dollar denominated intra-entity balances and foreign currency swaps. In order to manage the foreign exchange exposure and minimize the level of funds denominated in British pounds and Canadian dollars, dividends are paid regularly by subsidiaries to their immediate holding companies and excess British pounds and Canadian dollars are sold in exchange for US dollars.

Signet's policy is to minimize the impact of precious metal commodity price volatility on operating results through the use of outright forward purchases of, or by entering into options to purchase, precious metals within treasury guidelines approved by the Board of Directors. In particular, Signet undertakes some hedging of its requirements for gold through the use of options, net zero-cost collar arrangements (a combination of call and put option contracts), forward contracts and commodity purchasing, while fluctuations in the cost of diamonds are not hedged.

##### *Liquidity risk*

Signet's objective is to ensure that it has access to, or the ability to generate, sufficient cash from either internal or external sources in a timely and cost-effective manner to meet its commitments as they become due and payable. Signet manages liquidity risks as part of its overall risk management policy. Management produces forecasting and budgeting information that is reviewed and monitored by the Board of Directors. Cash generated from operations and external financing are the main sources of funding, which supplement Signet's resources in meeting liquidity requirements.

The main external sources of funding are a senior unsecured credit facility, senior unsecured notes and securitized credit card receivables, as described in Note 17 .

##### *Interest rate risk*

Signet has exposure to movements in interest rates associated with cash and borrowings. Signet may enter into various interest rate protection agreements in order to limit the impact of movements in interest rates.

Interest rate swap (designated)— The Company entered into an interest rate swap in March 2015 with an aggregate notional amount of \$300.0 million that is scheduled to mature through April 2019 . Under this contract, the Company agrees to exchange, at specified intervals, the difference between fixed contract rates and floating rate interest amounts calculated by reference to the agreed notional amounts. This contract was entered into to reduce the consolidated interest rate risk associated with variable rate, long-term debt. The Company designated this derivative as a cash flow hedge of the variability in expected cash outflows for interest payments. The Company has effectively converted a portion of its variable-rate senior unsecured term loan into fixed-rate debt.

The fair value of the swap is presented within the condensed consolidated balance sheets, and the Company recognizes any changes in the fair value as an adjustment of AOCI within equity to the extent the swap is effective. The ineffective portion, if any, is recognized in current period earnings. As interest expense is accrued on the debt obligation, amounts in AOCI related to the interest rate swap are reclassified into income resulting in a net interest expense on the hedged amount of the underlying debt obligation equal to the effective yield of the fixed rate of the swap. In the event that the interest rate swap is dedesignated prior to maturity, gains or losses in AOCI remain deferred and are reclassified into earnings in the periods in which the hedged forecasted transaction affects earnings.

***Credit risk and concentrations of credit risk***

Credit risk represents the loss that would be recognized at the reporting date if counterparties failed to perform as contracted. Signet does not anticipate non-performance by counterparties of its financial instruments, except for customer in-house financing receivables as disclosed in Note 9 of which no single customer represents a significant portion of the Company's receivable balance. Signet does not require collateral or other security to support cash investments or financial instruments with credit risk; however, it is Signet's policy to only hold cash and cash equivalent investments and to transact financial instruments with financial institutions with a certain minimum credit rating. Management does not believe Signet is exposed to any significant concentrations of credit risk that arise from cash and cash equivalent investments, derivatives or accounts receivable.

***Commodity and foreign currency risks***

The following types of derivative financial instruments are utilized by Signet to mitigate certain risk exposures related to changes in commodity prices and foreign exchange rates:

Forward foreign currency exchange contracts (designated)— These contracts, which are principally in US dollars, are entered into to limit the impact of movements in foreign exchange rates on forecasted foreign currency purchases. The total notional amount of these foreign currency contracts outstanding as of October 29, 2016 was \$27.8 million ( January 30, 2016 and October 31, 2015 : \$10.7 million and \$20.9 million , respectively). These contracts have been designated as cash flow hedges and will be settled over the next 15 months ( January 30, 2016 and October 31, 2015 : 6 months and 9 months , respectively).

Forward foreign currency exchange contracts (undesignated) — Foreign currency contracts not designated as cash flow hedges are used to limit the impact of movements in foreign exchange rates on recognized foreign currency payables and to hedge currency flows through Signet's bank accounts to mitigate Signet's exposure to foreign currency exchange risk in its cash and borrowings. The total notional amount of these foreign currency contracts outstanding as of October 29, 2016 was \$53.2 million ( January 30, 2016 and October 31, 2015 : \$32.0 million and \$35.5 million , respectively).

Commodity forward purchase contracts and net zero-cost collar arrangements (designated)— These contracts are entered into to reduce Signet's exposure to significant movements in the price of the underlying precious metal raw material. The total notional amount of these commodity derivative contracts outstanding as of October 29, 2016 was 57,000 ounces of gold ( January 30, 2016 and October 31, 2015 : 76,000 ounces and 73,000 ounces , respectively). These contracts have been designated as cash flow hedges and will be settled over the next 15 months ( January 30, 2016 and October 31, 2015 : 12 months and 14 months , respectively).

The bank counterparties to the derivative instruments expose Signet to credit-related losses in the event of their non-performance. However, to mitigate that risk, Signet only contracts with counterparties that meet certain minimum requirements under its counterparty risk assessment process. As of October 29, 2016 , Signet believes that this credit risk did not materially change the fair value of the foreign currency or commodity contracts.

The following table summarizes the fair value and presentation of derivative instruments in the condensed consolidated balance sheets:

<i>(in millions)</i>	Balance sheet location	Fair value of derivative assets		
		October 29, 2016	January 30, 2016	October 31, 2015
<b>Derivatives designated as hedging instruments:</b>				
Foreign currency contracts	Other current assets	\$ 3.5	\$ 0.8	\$ 0.1
Commodity contracts	Other current assets	0.6	0.6	0.3
Commodity contracts	Other assets	—	—	0.1
<b>Total derivative assets</b>		<b>\$ 4.1</b>	<b>\$ 1.4</b>	<b>\$ 0.5</b>

<i>(in millions)</i>	Balance sheet location	Fair value of derivative liabilities		
		October 29, 2016	January 30, 2016	October 31, 2015
<b>Derivatives designated as hedging instruments:</b>				
Foreign currency contracts	Other current liabilities	\$ —	\$ —	\$ (0.1)
Commodity contracts	Other current liabilities	(0.7)	(0.8)	(1.1)
Interest rate swaps	Other liabilities	(2.3)	(3.4)	(2.1)
		<b>(3.0)</b>	<b>(4.2)</b>	<b>(3.3)</b>
<b>Derivatives not designated as hedging instruments:</b>				
Foreign currency contracts	Other current liabilities	(0.1)	(0.2)	—
<b>Total derivative liabilities</b>		<b>\$ (3.1)</b>	<b>\$ (4.4)</b>	<b>\$ (3.3)</b>

***Derivatives designated as cash flow hedges***

The following table summarizes the pre-tax gains (losses) recorded in AOCI for derivatives designated in cash flow hedging relationships:

<i>(in millions)</i>	October 29, 2016	January 30, 2016	October 31, 2015
Foreign currency contracts	\$ 6.4	\$ 1.4	\$ 0.5
Commodity contracts	3.8	(3.7)	(3.9)
Interest rate swaps	(2.3)	(3.4)	(2.1)
<b>Gains (losses) recorded in AOCI</b>	<b>\$ 7.9</b>	<b>\$ (5.7)</b>	<b>\$ (5.5)</b>

The following tables summarize the effect of derivative instruments designated as cash flow hedges in OCI and the condensed consolidated income statements:

***Foreign currency contracts***

<i>(in millions)</i>	Income statement caption	13 weeks ended		39 weeks ended	
		October 29, 2016	October 31, 2015	October 29, 2016	October 31, 2015
Gains recorded in AOCI, beginning of period		\$ 3.8	\$ 0.4	\$ 1.4	\$ 0.9
Current period gains (losses) recognized in OCI		3.0	0.2	6.0	(0.4)
(Gains) losses reclassified from AOCI to net income	Cost of sales	(0.4)	(0.1)	(1.0)	—
<b>Gains recorded in AOCI, end of period</b>		<b>\$ 6.4</b>	<b>\$ 0.5</b>	<b>\$ 6.4</b>	<b>\$ 0.5</b>

### Commodity contracts

(in millions)	Income statement caption	13 weeks ended		39 weeks ended	
		October 29, 2016	October 31, 2015	October 29, 2016	October 31, 2015
Gains (losses) recorded in AOCI, beginning of period		\$ 6.2	\$ (8.3)	\$ (3.7)	\$ 5.7
Current period gains (losses) recognized in OCI		(2.1)	4.0	5.8	(10.6)
(Gains) losses reclassified from AOCI to net income	Cost of sales	(0.3)	0.4	1.7	1.0
<b>Gains (losses) recorded in AOCI, end of period</b>		<b>\$ 3.8</b>	<b>\$ (3.9)</b>	<b>\$ 3.8</b>	<b>\$ (3.9)</b>

### Interest rate swaps

(in millions)	Income statement caption	13 weeks ended		39 weeks ended	
		October 29, 2016	October 31, 2015	October 29, 2016	October 31, 2015
Losses recorded in AOCI, beginning of period		\$ (3.8)	\$ (0.9)	\$ (3.4)	\$ —
Current period gains (losses) recognized in OCI		1.0	(2.0)	(0.6)	(4.0)
Losses reclassified from AOCI to net income	Interest expense, net	0.5	0.8	1.7	1.9
<b>Losses recorded in AOCI, end of period</b>		<b>\$ (2.3)</b>	<b>\$ (2.1)</b>	<b>\$ (2.3)</b>	<b>\$ (2.1)</b>

There was no material ineffectiveness related to the Company's derivative instruments designated in cash flow hedging relationships for the 13 and 39 weeks ended October 29, 2016 and October 31, 2015. Based on current valuations, the Company expects approximately \$7.6 million of net pre-tax derivative gains to be reclassified out of AOCI into earnings within the next 12 months.

### Derivatives not designated as hedging instruments

The following table presents the effects of the Company's derivatives instruments not designated as cash flow hedges in the condensed consolidated income statements:

(in millions)	Income statement caption	13 weeks ended		39 weeks ended	
		October 29, 2016	October 31, 2015	October 29, 2016	October 31, 2015
Derivatives not designated as hedging instruments:					
Foreign currency contracts	Other operating income, net	\$ 1.6	\$ (1.4)	\$ 3.2	\$ (1.0)

## 15. Fair value measurement

The estimated fair value of Signet's financial instruments held or issued to finance Signet's operations is summarized below. Certain estimates and judgments were required to develop the fair value amounts. The fair value amounts shown below are not necessarily indicative of the amounts that Signet would realize upon disposition nor do they indicate Signet's intent or ability to dispose of the financial instrument. Assets and liabilities that are carried at fair value are required to be classified and disclosed in one of the following three categories:

Level 1—quoted market prices in active markets for identical assets and liabilities

Level 2—observable market based inputs or unobservable inputs that are corroborated by market data

Level 3—unobservable inputs that are not corroborated by market data

Signet determines fair value based upon quoted prices when available or through the use of alternative approaches, such as discounting the expected cash flows using market interest rates commensurate with the credit quality and duration of the investment. The methods Signet uses to determine fair value on an instrument-specific basis are detailed below:



(in millions)	October 29, 2016			January 30, 2016			October 31, 2015		
	Carrying Value	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Carrying Value	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Carrying Value	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)
<b>Assets:</b>									
US Treasury securities	\$ 8.3	\$ 8.3	\$ —	\$ 8.8	\$ 8.8	\$ —	\$ 8.8	\$ 8.8	\$ —
Corporate equity securities	3.6	3.6	—	3.2	3.2	—	3.4	3.4	—
Foreign currency contracts	3.5	—	3.5	0.8	—	0.8	0.1	—	0.1
Commodity contracts	0.6	—	0.6	0.6	—	0.6	0.4	—	0.4
US government agency securities	4.5	—	4.5	4.0	—	4.0	2.3	—	2.3
Corporate bonds and notes	11.1	—	11.1	10.8	—	10.8	10.5	—	10.5
<b>Total assets</b>	<b>\$ 31.6</b>	<b>\$ 11.9</b>	<b>\$ 19.7</b>	<b>\$ 28.2</b>	<b>\$ 12.0</b>	<b>\$ 16.2</b>	<b>\$ 25.5</b>	<b>\$ 12.2</b>	<b>\$ 13.3</b>
<b>Liabilities:</b>									
Foreign currency contracts	\$ (0.1)	\$ —	\$ (0.1)	\$ (0.2)	\$ —	\$ (0.2)	\$ (0.1)	\$ —	\$ (0.1)
Commodity contracts	(0.7)	—	(0.7)	(0.8)	—	(0.8)	(1.1)	—	(1.1)
Interest rate swaps	(2.3)	—	(2.3)	(3.4)	—	(3.4)	(2.1)	—	(2.1)
<b>Total liabilities</b>	<b>\$ (3.1)</b>	<b>\$ —</b>	<b>\$ (3.1)</b>	<b>\$ (4.4)</b>	<b>\$ —</b>	<b>\$ (4.4)</b>	<b>\$ (3.3)</b>	<b>\$ —</b>	<b>\$ (3.3)</b>

Investments in US Treasury securities and corporate equity securities are based on quoted market prices for identical instruments in active markets, and therefore were classified as Level 1 measurements in the fair value hierarchy. Investments in US government agency securities and corporate bonds and notes are based on quoted prices for similar instruments in active markets, and therefore were classified as Level 2 measurements in the fair value hierarchy. See Note 13 for additional information related to the Company's available-for-sale investments. The fair value of derivative financial instruments has been determined based on market value equivalents at the balance sheet date, taking into account the current interest rate environment, foreign currency forward rates or commodity forward rates, and therefore were classified as Level 2 measurements in the fair value hierarchy. See Note 14 for additional information related to the Company's derivatives.

The carrying amounts of cash and cash equivalents, accounts receivable, other receivables, accounts payable, accrued expenses, other liabilities, income taxes and the revolving credit facility approximate fair value because of the short-term maturity of these amounts.

The fair values of long-term debt instruments were determined using quoted market prices in inactive markets or discounted cash flows based upon current observable market interest rates and therefore were classified as Level 2 measurements in the fair value hierarchy. See Note 17 for classification between current and long-term debt. The carrying amount and fair value of outstanding debt at October 29, 2016, January 30, 2016 and October 31, 2015 were as follows:

(in millions)	October 29, 2016		January 30, 2016		October 31, 2015	
	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
<b>Long-term debt:</b>						
Senior notes (Level 2)	\$ 393.4	\$ 390.5	\$ 392.8	\$ 405.9	\$ 392.6	\$ 398.5
Securitization facility (Level 2)	599.6	600.0	599.6	600.0	599.1	600.0
Term loan (Level 2)	349.3	353.0	361.3	365.0	368.6	372.5
Capital lease obligations (Level 2)	—	—	0.2	0.2	0.3	0.3
<b>Total</b>	<b>\$ 1,342.3</b>	<b>\$ 1,343.5</b>	<b>\$ 1,353.9</b>	<b>\$ 1,371.1</b>	<b>\$ 1,360.6</b>	<b>\$ 1,371.3</b>

## 16. Pension plans

Signet operates a defined benefit pension plan in the UK (the "UK Plan") for participating eligible employees of the UK Jewelry division. The components of net periodic pension benefit for the UK Plan are as follows:

<i>(in millions)</i>	13 weeks ended		39 weeks ended	
	October 29, 2016	October 31, 2015	October 29, 2016	October 31, 2015
<b>Components of net periodic pension benefit (cost):</b>				
Service cost	\$ (0.5)	\$ (0.7)	\$ (1.5)	\$ (2.0)
Interest cost	(1.7)	(1.9)	(5.5)	(5.8)
Expected return on UK Plan assets	2.5	2.9	8.0	8.7
Amortization of unrecognized actuarial losses	(0.4)	(0.9)	(1.2)	(2.6)
Amortization of unrecognized net prior service credits	0.5	0.6	1.5	1.7
<b>Net periodic pension benefit</b>	<b>\$ 0.4</b>	<b>\$ —</b>	<b>\$ 1.3</b>	<b>\$ —</b>

In the 39 weeks ended October 29, 2016, Signet contributed \$2.5 million to the UK Plan and expects to contribute a minimum of \$3.5 million at current exchange rates to the UK Plan in Fiscal 2017. The level of contributions is in accordance with an agreed upon deficit recovery plan and based on the results of the actuarial valuation as of April 5, 2015.

## 17. Loans, overdrafts and long-term debt

<i>(in millions)</i>	October 29, 2016	January 30, 2016	October 31, 2015
<b>Debt:</b>			
Senior unsecured notes due 2024, net of unamortized discount	\$ 398.7	\$ 398.6	\$ 398.6
Securitization facility	600.0	600.0	600.0
Senior unsecured term loan	353.0	365.0	372.5
Revolving credit facility	259.0	—	147.0
Bank overdrafts	11.1	24.4	70.1
Capital lease obligations	—	0.2	0.3
<b>Total debt</b>	<b>\$ 1,621.8</b>	<b>\$ 1,388.2</b>	<b>\$ 1,588.5</b>
Less: Current portion of loans and overdrafts	(288.8)	(57.7)	(248.0)
Less: Unamortized capitalized debt issuance fees <sup>(1)</sup>	(8.8)	(9.5)	(9.9)
<b>Total long-term debt</b>	<b>\$ 1,324.2</b>	<b>\$ 1,321.0</b>	<b>\$ 1,330.6</b>

<sup>(1)</sup> Presentation of capitalized debt issuance costs was revised during the first quarter of Fiscal 2017 upon adoption of ASU 2015-03. See Note 2 for additional information.

### *Revolving credit facility and term loan (the "Credit Facility")*

During the second quarter of Fiscal 2017, Signet amended and restated its Credit Facility agreement to (i) increase the borrowing capacity under the revolving credit facility from \$400 million to \$700 million and extend the maturity date to July 2021 and (ii) extend the maturity date of the term loan facility to July 2021 and revise the scheduled quarterly principal repayments to align with the July 2021 maturity date. The amendment of the Credit Facility was accounted for as a modification of existing debt in accordance with ASC Topic 470-50, "Debt Modifications and Extinguishments."

In connection with the amendment of the revolving credit facility, incremental fees of \$1.4 million were incurred and capitalized. Capitalized fees associated with the amended revolving credit facility as of October 29, 2016 total \$2.6 million with the unamortized balance recorded as an asset within the condensed consolidated balance sheets. Accumulated amortization related to these capitalized fees as of October 29, 2016 was \$0.7 million (January 30, 2016 and October 31, 2015: \$0.4 million and \$0.3 million, respectively). Amortization relating to these fees of \$0.1 million and \$0.3 million was recorded as interest expense in the condensed consolidated income statements for the 13 and 39 weeks ended October 29, 2016, respectively (\$0.0 million and \$0.2 million for the 13 and 39 weeks ended October 31, 2015, respectively). As of October 29, 2016, January 30, 2016 and October 31, 2015, the Company had stand-by letters of credit outstanding of \$14.8 million, \$28.8 million and \$21.3 million, respectively, that reduce remaining borrowing availability. The revolving credit facility had a weighted average interest rate of 1.68% and 1.18% during the 39 weeks ended October 29, 2016 and October 31, 2015, respectively.

The senior unsecured term loan had an outstanding principal balance of \$357.5 million as of the amendment date. Beginning in October 2016, the Company is required to make scheduled quarterly principal payments equal to the amounts per annum of the outstanding principal balance as follows: 5% in the first year, 7.5% in the second year, 10% in the third year, 12.5% in the fourth year and 15% in the fifth year after the initial payment date, with the balance due in July 2021. Excluding the impact of the interest rate swap designated as a cash flow hedge discussed in Note 14, the term loan had a weighted average interest rate of 1.74% and 1.46% during the 39 weeks ended October 29, 2016 and October 31, 2015, respectively. In connection with the amendment of the term loan facility, incremental fees of \$0.7 million were incurred and capitalized. Capitalized fees associated with the amended term loan facility as of October 29, 2016 total \$6.2 million with the unamortized balance recorded as a direct deduction from the outstanding liability within the condensed consolidated balance sheets. Accumulated amortization related to these capitalized fees as of October 29, 2016 was \$2.5 million ( January 30, 2016 and October 31, 2015 : \$1.8 million and \$1.6 million, respectively). Amortization relating to these fees of \$0.2 million and \$0.7 million was recorded as interest expense in the condensed consolidated income statements for the 13 and 39 weeks ended October 29, 2016, respectively ( \$0.4 million and \$0.8 million for the 13 and 39 weeks ended October 31, 2015, respectively).

#### ***Senior unsecured notes due 2024***

Signet UK Finance plc (“Signet UK Finance”), a wholly owned subsidiary of the Company, issued \$400 million aggregate principal amount of its 4.700% senior unsecured notes due in 2024 (the “Notes”). The Notes were issued under an effective registration statement previously filed with the SEC. The Notes are jointly and severally guaranteed, on a full and unconditional basis, by the Company and by certain of the Company’s wholly owned subsidiaries (such subsidiaries, the “Guarantors”). See Note 22 for additional information.

Capitalized fees relating to the senior unsecured notes total \$7.0 million. Accumulated amortization related to these capitalized fees as of October 29, 2016 was \$1.7 million ( January 30, 2016 and October 31, 2015 : \$1.2 million and \$1.0 million, respectively). The remaining unamortized capitalized fees are recorded as a direct deduction from the outstanding liability within the condensed consolidated balance sheets. Amortization relating to these fees of \$0.2 million and \$0.5 million was recorded as interest expense in the condensed consolidated income statements for the 13 and 39 weeks ended October 29, 2016, respectively ( \$0.2 million and \$0.5 million for the 13 and 39 weeks ended October 31, 2015, respectively).

#### ***Asset-backed securitization facility***

The Company sold an undivided interest in certain credit card receivables to Sterling Jewelers Receivables Master Note Trust (the “Issuer”) and issued two -year revolving asset-backed variable funding notes. During the second quarter of Fiscal 2017, Signet amended the note purchase agreement associated with the asset-backed securitization facility to extend the term of the facility by one year to May 2018 with remaining terms substantially consistent with the existing agreement. The amendment was accounted for as a modification of existing debt in accordance with ASC 470-50. In connection with the amendment of the note purchase agreement, incremental fees of \$0.6 million were incurred and capitalized. Capitalized fees associated with the existing and amended asset-backed securitization facility as of October 29, 2016 total \$3.4 million with the unamortized balance recorded as an asset within the condensed consolidated balance sheets. Accumulated amortization related to these capitalized fees as of October 29, 2016 was \$3.0 million ( January 30, 2016 and October 31, 2015 : \$2.4 million and \$1.9 million, respectively). Amortization relating to these fees of \$0.1 million and \$0.6 million was recorded as interest expense in the condensed consolidated income statements for the 13 and 39 weeks ended October 29, 2016, respectively ( \$0.3 million and \$1.0 million for the 13 and 39 weeks ended October 31, 2015, respectively). The asset-backed securitization facility had a weighted average interest rate of 1.98% and 1.56% during the 39 weeks ended October 29, 2016 and October 31, 2015, respectively.

#### ***Other***

As of October 29, 2016, January 30, 2016 and October 31, 2015, the Company was in compliance with all debt covenants.

## 18 . Deferred revenue

Deferred revenue is comprised primarily of ESP and voucher promotions and other as follows:

<i>(in millions)</i>	October 29, 2016	January 30, 2016	October 31, 2015
Sterling Jewelers ESP deferred revenue	\$ 710.2	\$ 715.1	\$ 684.7
Zale ESP deferred revenue	155.2	146.1	132.6
Voucher promotions and other	23.4	28.2	21.6
<b>Total deferred revenue</b>	<b>\$ 888.8</b>	<b>\$ 889.4</b>	<b>\$ 838.9</b>

Disclosed as:

Current liabilities	\$ 256.7	\$ 260.3	\$ 241.4
Non-current liabilities	632.1	629.1	597.5
<b>Total deferred revenue</b>	<b>\$ 888.8</b>	<b>\$ 889.4</b>	<b>\$ 838.9</b>

*ESP deferred revenue*

<i>(in millions)</i>	13 weeks ended		39 weeks ended	
	October 29, 2016	October 31, 2015	October 29, 2016	October 31, 2015
Sterling Jewelers ESP deferred revenue, beginning of period	\$ 720.3	\$ 691.4	\$ 715.1	\$ 668.9
Plans sold	52.8	51.8	190.4	180.2
Revenue recognized	(62.9)	(58.5)	(195.3)	(164.4)
<b>Sterling Jewelers ESP deferred revenue, end of period</b>	<b>\$ 710.2</b>	<b>\$ 684.7</b>	<b>\$ 710.2</b>	<b>\$ 684.7</b>

<i>(in millions)</i>	13 weeks ended		39 weeks ended	
	October 29, 2016	October 31, 2015	October 29, 2016	October 31, 2015
Zale ESP deferred revenue, beginning of period	\$ 156.2	\$ 132.3	\$ 146.1	\$ 120.3
Plans sold <sup>(1)</sup>	28.3	26.7	100.8	91.3
Revenue recognized	(29.3)	(26.4)	(91.7)	(79.0)
<b>Zale ESP deferred revenue, end of period</b>	<b>\$ 155.2</b>	<b>\$ 132.6</b>	<b>\$ 155.2</b>	<b>\$ 132.6</b>

<sup>(1)</sup> Includes impact of foreign exchange translation.

## 19. Warranty reserve

Sterling Jewelers and Zale Jewelry segments provide a product lifetime diamond guarantee as long as six-month inspections are performed and certified by an authorized store representative. Provided the customer has complied with the six-month inspection policy, the Company will replace, at no cost to the customer, any stone that chips, breaks or is lost from its original setting during normal wear. Management estimates the warranty accrual based on the lag of actual claims experience and the costs of such claims, inclusive of labor and material. Sterling Jewelers also provides a similar product lifetime guarantee on color gemstones. The warranty reserve for diamond and gemstone guarantee, included in accrued expenses and other current liabilities, and other non-current liabilities, is as follows:

<i>(in millions)</i>	13 weeks ended		39 weeks ended	
	October 29, 2016	October 31, 2015	October 29, 2016	October 31, 2015
Warranty reserve, beginning of period	\$ 40.4	\$ 43.1	\$ 41.9	\$ 44.9
Warranty expense	3.7	3.0	9.4	7.9
Utilized <sup>(1)</sup>	(3.6)	(3.6)	(10.8)	(10.3)
<b>Warranty reserve, end of period</b>	<b>\$ 40.5</b>	<b>\$ 42.5</b>	<b>\$ 40.5</b>	<b>\$ 42.5</b>

<sup>(1)</sup> Includes impact of foreign exchange translation.

<i>(in millions)</i>	October 29, 2016	January 30, 2016	October 31, 2015
Disclosed as:			
Current liabilities	\$ 12.9	\$ 12.3	\$ 17.8
Non-current liabilities	27.6	29.6	24.7
<b>Total warranty reserve</b>	<b>\$ 40.5</b>	<b>\$ 41.9</b>	<b>\$ 42.5</b>

## 20. Share-based compensation

Signet recorded share-based compensation expense of \$5.2 million and \$14.0 million for the 13 and 39 weeks ended October 29, 2016, respectively, related to the Omnibus Plan and Share Saving Plans (13 and 39 weeks ended October 31, 2015: \$4.7 million and \$11.8 million, respectively).

## 21. Commitments and contingencies

### *Legal proceedings*

#### *Employment practices*

As previously reported, in March 2008, a group of private plaintiffs (the "Claimants") filed a class action lawsuit for an unspecified amount against SJI, a subsidiary of Signet, in the US District Court for the Southern District of New York alleging that US store-level employment practices are discriminatory as to compensation and promotional activities with respect to gender. In June 2008, the District Court referred the matter to private arbitration where the Claimants sought to proceed on a class-wide basis. The Claimants filed a motion for class certification and SJI opposed the motion. A hearing on the class certification motion was held in late February 2014. On February 2, 2015, the arbitrator issued a Class Determination Award in which she certified for a class-wide hearing Claimants' disparate impact declaratory and injunctive relief class claim under Title VII, with a class period of July 22, 2004 through date of trial for the Claimants' compensation claims and December 7, 2004 through date of trial for Claimants' promotion claims. The arbitrator otherwise denied Claimants' motion to certify a disparate treatment class alleged under Title VII, denied a disparate impact monetary damages class alleged under Title VII, and denied an opt-out monetary damages class under the Equal Pay Act. On February 9, 2015, Claimants filed an Emergency Motion To Restrict Communications With The Certified Class And For Corrective Notice. SJI filed its opposition to Claimants' emergency motion on February 17, 2015, and a hearing was held on February 18, 2015. Claimants' motion was granted in part and denied in part in an order issued on March 16, 2015. Claimants filed a Motion for Reconsideration Regarding Title VII Claims for Disparate Treatment in Compensation on February 11, 2015. SJI filed its opposition to Claimants' Motion for Reconsideration on March 4, 2015. Claimants' reply was filed on March 16, 2015. Claimants' Motion was denied in an order issued April 27, 2015. SJI filed with the US District Court for the Southern District of New York a Motion to Vacate the Arbitrator's Class Certification Award on March 3, 2015. Claimants' opposition was filed on March 23, 2015 and SJI's reply was filed on April 3, 2015. SJI's motion was heard on May 4, 2015. On November 16, 2015, the US District Court for the Southern District of New York granted SJI's Motion to Vacate the Arbitrator's Class Certification Award in part and denied it in part. On November 25, 2015, SJI filed a Motion to Stay the AAA Proceedings while SJI appeals the decision of the US District Court for the Southern District of New York to the United States Court of Appeals for the Second Circuit. Claimants filed their opposition on December 2, 2015. On December 3, 2015, SJI filed with the United States Court of Appeals for the Second Circuit SJI's Notice of Appeal of the Southern District's November 16, 2015 Opinion and Order. The arbitrator issued an order denying SJI's Motion to Stay on February 22, 2016. SJI filed its Brief and Special Appendix with the Second Circuit on March 16, 2016. The matter was fully briefed and oral argument was heard by the U.S. Court of Appeals for the Second Circuit on November 2, 2016. On April 6, 2015, Claimants filed in the AAA Claimants' Motion for Clarification or in the Alternative Motion for Stay of the Effect of the Class Certification Award as to the Individual Intentional Discrimination Claims. SJI filed its opposition on May 12, 2015. Claimants' reply was filed on May 22, 2015. Claimants' motion was granted on June 15, 2015. Claimants filed Claimants' Motion for Conditional Certification of Claimants' Equal Pay Act Claims and Authorization of Notice on March 6, 2015. SJI's opposition was filed on May 1, 2015. Claimants filed their reply on June 5, 2015. The arbitrator heard oral argument on Claimants' Motion on December 18, 2015 and, on February 29, 2016, issued an Equal Pay Act Collective Action Conditional Certification Award and Order Re Claimants' Motion For Tolling Of EPA Limitations Period, conditionally certifying Claimants' Equal Pay Act claims as a collective action, and tolling the statute of limitations on EPA claims to October 16, 2003 to ninety days after notice issues to the putative members of the collective action. SJI filed in the AAA a Motion To Stay Arbitration Pending The District Court's Consideration Of Respondent's Motion To Vacate Arbitrator's Equal Pay Act Collective Action Conditional Certification Award And Order Re Claimants' Motion For Tolling Of EPA Limitations Period on March 10, 2016. SJI filed in the AAA a Renewed Motion To Stay Arbitration Pending The District Court's Resolution Of Sterling's Motion To Vacate Arbitrator's Equal Pay Act Collective Action Conditional Certification Award And Order Re Claimants' Motion For Tolling Of EPA Limitations Period on March 31, 2016. Claimants filed their opposition on April 4, 2016. The arbitrator denied SJI's Motion on April 5, 2016. On March 23, 2016 SJI filed with the US District Court for the Southern District of New York a Motion To Vacate The Arbitrator's Equal Pay Act Collective Action Conditional Certification Award And Order Re Claimants' Motion For Tolling Of EPA Limitations Period. Claimants filed their opposition brief on April 11, 2016, SJI filed its reply on April 20, 2016, and oral argument was heard on SJI's Motion on May 11, 2016. SJI's Motion was denied on May 22, 2016. On May 31, 2016, SJI filed a Notice Of Appeal of Judge Rakoff's opinion and order to the Second Circuit Court of Appeals. SJI's brief was filed September 13, 2016, and Claimants' brief is due on December 15, 2016. Claimants filed a Motion For Amended

Class Determination Award on November 18, 2015, and on March 31, 2016 the arbitrator entered an order amending the Title VII class certification award to preclude class members from requesting exclusion from the injunctive and declaratory relief class certified in the arbitration. The arbitrator issued a Bifurcated Case Management Plan on April 5, 2016, and ordered into effect the parties' Stipulation Regarding Notice Of Equal Pay Act Collective Action And Related Notice Administrative Procedures on April 7, 2016. SJI filed in the AAA a Motion For Protective Order on May 2, 2016. Claimants' opposition was filed on June 3, 2016. The matter was fully briefed and oral argument was heard on July 22, 2016. The parties await a ruling on the motion. Notice to EPA collective action members was issued on May 3, 2016, and the opt-in period for these notice recipients closed on August 1, 2016. At this time, 10,345 current and former employees have submitted consent forms to opt in to the collective action.

Also, as previously reported, on September 23, 2008, the US Equal Employment Opportunity Commission ("EEOC") filed a lawsuit against SJI in the US District Court for the Western District of New York. The EEOC's lawsuit alleges that SJI engaged in intentional and disparate impact gender discrimination with respect to pay and promotions of female retail store employees from January 1, 2003 to the present. The EEOC asserts claims for unspecified monetary relief and non-monetary relief against the Company on behalf of a class of female employees subjected to these alleged practices. Non-expert fact discovery closed in mid-May 2013. In September 2013, SJI made a motion for partial summary judgment on procedural grounds, which was referred to a Magistrate Judge. The Magistrate Judge heard oral arguments on the summary judgment motion in December 2013. On January 2, 2014, the Magistrate Judge issued his Report, Recommendation and Order, recommending that the Court grant SJI's motion for partial summary judgment and dismiss the EEOC's claims in their entirety. The EEOC filed its objections to the Magistrate Judge's ruling and SJI filed its response thereto. The District Court Judge heard oral arguments on the EEOC's objections to the Magistrate Judge's ruling on March 7, 2014 and on March 11, 2014 entered an order dismissing the action with prejudice. On May 12, 2014, the EEOC filed its Notice of Appeal of the District Court Judge's dismissal of the action to United States Court of Appeals for the Second Circuit. The parties fully briefed the appeal and oral argument occurred on May 5, 2015. On September 9, 2015, the United States Court of Appeals for the Second Circuit issued a decision vacating the District Court's order and remanding the case back to the District Court for further proceedings. SJI filed a Petition for Panel Rehearing and En Banc Review with the United States Court of Appeals for the Second Circuit, which was denied on December 1, 2015. On December 4, 2015, SJI filed in the United States Court of Appeals for the Second Circuit a Motion Of Appellee Sterling Jewelers Inc. For Stay Of Mandate Pending Petition For Writ Of Certiorari. The Motion was granted by the Second Circuit on December 10, 2015. SJI filed a Petition For Writ Of Certiorari in the Supreme Court of the United States on April 29, 2016, which was denied. The case has now been remanded to the Western District of New York.

SJI denies the allegations of the Claimants and EEOC and has been defending these cases vigorously. At this point, no outcome or possible loss or range of losses, if any, arising from the litigation is able to be estimated.

Prior to the Acquisition, Zale Corporation was a defendant in three purported class action lawsuits, Tessa Hodge v. Zale Delaware, Inc., d/b/a Piercing Pagoda which was filed on April 23, 2013 in the Superior Court of the State of California, County of San Bernardino; Naomi Tapia v. Zale Corporation which was filed on July 3, 2013 in the US District Court, Southern District of California; and Melissa Roberts v. Zale Delaware, Inc. which was filed on October 7, 2013 in the Superior Court of the State of California, County of Los Angeles. All three cases include allegations that Zale Corporation violated various wage and hour labor laws. Relief is sought on behalf of current and former Piercing Pagoda and Zale Corporation's employees. The lawsuits seek to recover damages, penalties and attorneys' fees as a result of the alleged violations. Without admitting or conceding any liability, the Company reached an agreement to settle the Hodge and Roberts matters for an immaterial amount. Final approval of the settlement was granted on March 9, 2015 and the settlement was implemented.

On April 1, 2015, Plaintiff filed Plaintiff's Notice of Motion and Motion for Class Certification in the Naomi Tapia v. Zale Corporation litigation. On May 22, 2015, the Company filed Defendants' Opposition to Plaintiff's Motion for Class Certification under Fed.R.Civ.Proc. 23 and Collective Action Certification under 29 U.S.C. §216(b). Plaintiff filed her Reply Memorandum in Support of Plaintiff's Motion for Class Certification on June 3, 2015. On April 6, 2016, the Court conditionally certified an opt-in collective action under the Fair Labor Standards Act of all current and former hourly employees of Zale Delaware Inc. d/b/a Zale Corporation who were designated by Zale as nonexempt and who worked in a Zale retail store in the United States at any time from July 3, 2010 to the present. Additionally, the court certified an opt-out class action of the remaining claims on behalf of all current and former hourly employees of Zale Delaware Inc. d/b/a Zale Corporation who were designated by Zale as nonexempt, and worked in a Zale retail store in the State of California at any time from July 3, 2009 through the present. At this time, the class has not yet received notice of the ruling and has not yet been provided the opportunity to opt in or opt out. The Company intends to vigorously defend its position in this litigation. At this point, no outcome or possible loss or range of losses, if any, arising from the litigation is able to be estimated.

*Litigation Challenging the Company's Acquisition of Zale Corporation*

Five putative stockholder class action lawsuits challenging the Company's acquisition of Zale Corporation were filed in the Court of Chancery of the State of Delaware: Breyer v. Zale Corp. et al., C.A. No. 9388-VCP, filed February 24, 2014; Stein v. Zale Corp. et al., C.A. No. 9408-VCP, filed March 3, 2014; Singh v. Zale Corp. et al., C.A. No. 9409-VCP, filed March 3, 2014; Smart v. Zale Corp. et al., C.A. No. 9420-VCP, filed March 6, 2014; and Pill v. Zale Corp. et al., C.A. No. 9440-VCP, filed March 12, 2014 (collectively, the "Actions"). Each of these Actions was brought by a purported former holder of Zale Corporation common stock, both individually and on behalf of a putative class of former Zale Corporation stockholders.

The Court of Chancery consolidated the Actions on March 25, 2014 (the "Consolidated Action"), and the plaintiffs filed a consolidated amended complaint on April 23, 2014, which named as defendants Zale Corporation, the members of the board of directors of Zale Corporation, the Company, and a merger-related subsidiary of the Company, and alleged that the Zale Corporation directors breached their fiduciary duties to Zale Corporation stockholders in connection with their consideration and approval of the merger agreement by failing to maximize stockholder value and agreeing to an inadequate merger price and to deal terms that deter higher bids. That complaint also alleged that the Zale Corporation directors issued a materially misleading and incomplete proxy statement regarding the merger and that Zale Corporation and the Company aided and abetted the Zale Corporation directors' breaches of fiduciary duty. On May 23, 2014, the Court of Chancery denied plaintiffs' motion for a preliminary injunction to prevent the consummation of the merger.

On September 30, 2014, the plaintiffs filed an amended complaint asserting substantially similar claims and allegations as the prior complaint. The amended complaint added Zale Corporation's former financial advisor, Bank of America Merrill Lynch, as a defendant for allegedly aiding and abetting the Zale Corporation directors' breaches of fiduciary duty. The amended complaint no longer named as defendants Zale Corporation or the Company's merger-related subsidiary. The amended complaint sought, among other things, rescission of the merger or damages, as well as attorneys' and experts' fees. The defendant's motion to dismiss was heard by the Court of Chancery on May 20, 2015. On October 1, 2015, the Court dismissed the claims against the Zale Corporation directors and the Company. On October 29, 2015, the Court dismissed the claims against Bank of America Merrill Lynch. On November 30, 2015, plaintiffs filed an appeal of the October 1, 2015 and October 29, 2015 decisions of the Court of Chancery with the Supreme Court of the State of Delaware. On May 6, 2016, the Supreme Court of the State of Delaware affirmed the Court of Chancery's dismissal of the entirety of the amended complaint.

*Appraisal Litigation*

Following the consummation of the acquisition of Zale Corporation by the Company, former Zale Corporation stockholders sought appraisal pursuant to 8 Del. C. § 262 in the Court of Chancery of the State of Delaware, in consolidated proceedings captioned Merion Capital L.P. et al. v. Zale Corp., C.A. No. 9731-VCP, TIG Arbitrage Opportunity Fund I, L.P. v. Zale Corp., C.A. No. 10070-VCP, and The Gabelli ABC Fund et al. v. Zale Corp., C.A. No. 10162-VCP (the "Appraisal Action"). The total number of shares of Zale Corporation's common stock for which appraisal had been demanded was approximately 8.8 million .

On August 12, 2015, the parties in the Appraisal Action entered into a settlement agreement (the "Settlement Agreement"). The terms of the Settlement Agreement provided for the payment to petitioners in the Appraisal Action of \$21.00 per share of Zale Corporation common stock (the consideration offered in the Company's acquisition of Zale Corporation) plus a total sum of \$34.2 million to be allocated among petitioners, which proceeds are inclusive of and in satisfaction of any statutory interest that may have accrued on petitioners' shares pursuant to 8 Del. C. § 262. On August 12, 2015, the Court of Chancery dismissed the Appraisal Action pursuant to the Settlement Agreement as to all former Zale Corporation stockholders who have submitted and not withdrawn a demand for appraisal. The Company recorded an accrual for the Settlement Agreement of \$34.2 million during the second quarter of Fiscal 2016. This amount was paid to petitioners during the third quarter of Fiscal 2016.

*Shareholder Action*

On August 25, 2016, Susan Dube filed a putative class action complaint in the United States District Court for the Southern District of New York against the Company and its Chief Executive Officer and Chief Financial Officer, purportedly on behalf of stockholders that acquired the Company's securities between January 7, 2016, and June 3, 2016, inclusive (Dube v. Signet Jewelers Limited, et al., Civ. No. 16-6728 (S.D.N.Y.)). On August 31, 2016, Lyubomir Spasov filed a putative class action complaint in the United States District Court for the Southern District of New York alleging identical claims against the Company and its Chief Executive Officer and Chief Financial Officer (Spasov v. Signet Jewelers Limited, et al., Civ. No. 16-06861 (S.D.N.Y.)). On September 16, 2016, the two complaints were consolidated under case number 16-CV-6728. The complaints allege that the defendants violated Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 by, among other things, misrepresenting the Company's business and earnings by failing to disclose that the Company was allegedly experiencing difficulty ensuring the safety of customer's jewelry while in Signet's custody for repairs, a drop-off in customer confidence, and increased competitive pressures. Plaintiffs claim that as a result of the alleged misrepresentations, the Company's share price was artificially inflated. The action seeks unspecified compensatory damages and costs and expenses, including attorneys' and experts' fees. The Company believes that the allegations in the complaints are without merit and cannot estimate a range of potential liability, if any, at this time.

In the ordinary course of business, Signet may be subject, from time to time, to various other proceedings, lawsuits, disputes or claims incidental to its business, which the Company believes are not significant to Signet's consolidated financial position, results of operations or cash flows.

**22 . Condensed consolidating financial information**

The accompanying condensed consolidating financial information has been prepared and presented pursuant to SEC Regulation S-X, Rule 3-10, "Financial Statements of Guarantors and Issuers of Guaranteed Securities Registered or Being Registered." We and certain of our subsidiaries have guaranteed the obligations under certain debt securities that have been issued by Signet UK Finance plc. The following presents the condensed consolidating financial information for: (i) the indirect Parent Company (Signet Jewelers Limited); (ii) the Issuer of the guaranteed obligations (Signet UK Finance plc); (iii) the Guarantor subsidiaries, on a combined basis; (iv) the non-guarantor subsidiaries, on a combined basis; (v) consolidating eliminations and (vi) Signet Jewelers Limited and Subsidiaries on a consolidated basis. Each Guarantor subsidiary is 100% owned by the Parent Company at the date of each balance sheet presented. The Guarantor subsidiaries, along with Signet Jewelers Limited, will fully and unconditionally guarantee the obligations of Signet UK Finance plc under any such debt securities. Each entity in the consolidating financial information follows the same accounting policies as described in the condensed consolidated financial statements.

The accompanying condensed consolidating financial information has been presented on the equity method of accounting for all periods presented. Under this method, investments in subsidiaries are recorded at cost and adjusted for the subsidiaries' cumulative results of operations, capital contributions and distributions and other changes in equity. Elimination entries include consolidating and eliminating entries for investments in subsidiaries, and intra-entity activity and balances.



**Condensed Consolidated Income Statement**  
**For the 13 weeks ended October 29, 2016**  
(Unaudited)

<i>(in millions)</i>	Signet Jewelers Limited	Signet UK Finance plc	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Sales	\$ —	\$ —	\$ 1,121.8	\$ 64.4	\$ —	\$ 1,186.2
Cost of sales	—	—	(821.7)	(14.5)	—	(836.2)
Gross margin	—	—	300.1	49.9	—	350.0
Selling, general and administrative expenses	(0.3)	—	(362.0)	(24.2)	—	(386.5)
Other operating income, net	—	—	75.6	(7.0)	—	68.6
Operating (loss) income	(0.3)	—	13.7	18.7	—	32.1
Intra-entity interest income (expense)	—	4.7	(47.8)	43.1	—	—
Interest expense, net	—	(5.0)	(4.5)	(3.2)	—	(12.7)
(Loss) income before income taxes	(0.3)	(0.3)	(38.6)	58.6	—	19.4
Income taxes	—	—	15.1	(17.5)	—	(2.4)
Equity in income of subsidiaries	17.3	—	(51.9)	(23.6)	58.2	—
Net income (loss)	\$ 17.0	\$ (0.3)	\$ (75.4)	\$ 17.5	\$ 58.2	\$ 17.0
Dividends on redeemable convertible preferred shares	(2.2)	—	—	—	—	(2.2)
Net income (loss) attributable to common shareholders	\$ 14.8	\$ (0.3)	\$ (75.4)	\$ 17.5	\$ 58.2	\$ 14.8

**Condensed Consolidated Income Statement**  
**For the 13 weeks ended October 31, 2015**  
(Unaudited)

<i>(in millions)</i>	Signet Jewelers Limited	Signet UK Finance plc	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Sales	\$ —	\$ —	\$ 1,197.4	\$ 19.0	\$ —	\$ 1,216.4
Cost of sales	—	—	(844.4)	(4.3)	—	(848.7)
Gross margin	—	—	353.0	14.7	—	367.7
Selling, general and administrative expenses	(0.4)	—	(387.1)	(7.5)	—	(395.0)
Other operating income, net	—	—	61.8	(0.9)	—	60.9
Operating (loss) income	(0.4)	—	27.7	6.3	—	33.6
Intra-entity interest income (expense)	—	4.7	(46.7)	42.0	—	—
Interest expense, net	—	(5.2)	(3.8)	(2.7)	—	(11.7)
(Loss) income before income taxes	(0.4)	(0.5)	(22.8)	45.6	—	21.9
Income taxes	—	0.1	9.3	(16.3)	—	(6.9)
Equity in income of subsidiaries	15.4	—	(30.8)	(11.9)	27.3	—
Net income (loss)	\$ 15.0	\$ (0.4)	\$ (44.3)	\$ 17.4	\$ 27.3	\$ 15.0
Dividends on redeemable convertible preferred shares	—	—	—	—	—	—
Net income (loss) attributable to common shareholders	\$ 15.0	\$ (0.4)	\$ (44.3)	\$ 17.4	\$ 27.3	\$ 15.0

**Condensed Consolidated Income Statement**  
**For the 39 weeks ended October 29, 2016**  
(Unaudited)

<i>(in millions)</i>	Signet Jewelers Limited	Signet UK Finance plc	Guarantor Subsidiaries	Non- Guarantor Subsidiaries	Eliminations	Consolidated
Sales	\$ —	\$ —	\$ 3,955.0	\$ 183.5	\$ —	\$ 4,138.5
Cost of sales	—	—	(2,688.0)	(35.2)	—	(2,723.2)
Gross margin	—	—	1,267.0	148.3	—	1,415.3
Selling, general and administrative expenses	(0.9)	—	(1,190.9)	(73.1)	—	(1,264.9)
Other operating income, net	—	—	227.6	(14.0)	—	213.6
Operating (loss) income	(0.9)	—	303.7	61.2	—	364.0
Intra-entity interest income (expense)	—	14.1	(142.2)	128.1	—	—
Interest expense, net	—	(14.8)	(12.1)	(9.5)	—	(36.4)
(Loss) income before income taxes	(0.9)	(0.7)	149.4	179.8	—	327.6
Income taxes	—	0.1	(61.5)	(20.5)	—	(81.9)
Equity in income of subsidiaries	246.6	—	48.8	93.1	(388.5)	—
Net income (loss)	\$ 245.7	\$ (0.6)	\$ 136.7	\$ 252.4	\$ (388.5)	\$ 245.7
Dividends on redeemable convertible preferred shares	(2.2)	—	—	—	—	(2.2)
Net income (loss) attributable to common shareholders	\$ 243.5	\$ (0.6)	\$ 136.7	\$ 252.4	\$ (388.5)	\$ 243.5

**Condensed Consolidated Income Statement**  
**For the 39 weeks ended October 31, 2015**  
(Unaudited)

<i>(in millions)</i>	Signet Jewelers Limited	Signet UK Finance plc	Guarantor Subsidiaries	Non- Guarantor Subsidiaries	Eliminations	Consolidated
Sales	\$ —	\$ —	\$ 4,099.7	\$ 57.9	\$ —	\$ 4,157.6
Cost of sales	—	—	(2,719.6)	(13.6)	—	(2,733.2)
Gross margin	—	—	1,380.1	44.3	—	1,424.4
Selling, general and administrative expenses	(1.6)	—	(1,276.2)	(23.2)	—	(1,301.0)
Other operating income, net	—	—	186.0	1.2	—	187.2
Operating (loss) income	(1.6)	—	289.9	22.3	—	310.6
Intra-entity interest income (expense)	—	14.1	(139.8)	125.7	—	—
Interest expense, net	—	(15.0)	(10.7)	(8.1)	—	(33.8)
(Loss) income before income taxes	(1.6)	(0.9)	139.4	139.9	—	276.8
Income taxes	—	0.2	(65.4)	(15.6)	—	(80.8)
Equity in income of subsidiaries	197.6	—	69.9	92.3	(359.8)	—
Net income (loss)	\$ 196.0	\$ (0.7)	\$ 143.9	\$ 216.6	\$ (359.8)	\$ 196.0
Dividends on redeemable convertible preferred shares	—	—	—	—	—	—
Net income (loss) attributable to common shareholders	\$ 196.0	\$ (0.7)	\$ 143.9	\$ 216.6	\$ (359.8)	\$ 196.0

**Condensed Consolidated Statement of Comprehensive Income (Loss)**  
**For the 13 weeks ended October 29, 2016**  
(Unaudited)

<i>(in millions)</i>	Signet Jewelers Limited	Signet UK Finance plc	Guarantor Subsidiaries	Non- Guarantor Subsidiaries	Eliminations	Consolidated
Net income (loss)	\$ 17.0	\$ (0.3)	\$ (75.4)	\$ 17.5	\$ 58.2	\$ 17.0
Other comprehensive income (loss):						
Foreign currency translation adjustments	(28.9)	—	(32.5)	3.6	28.9	(28.9)
Available-for-sale securities:						
Unrealized gain (loss)	(0.2)	—	—	(0.2)	0.2	(0.2)
Cash flow hedges:						
Unrealized gain (loss)	1.9	—	1.9	—	(1.9)	1.9
Reclassification adjustment for losses to net income	(0.1)	—	(0.1)	—	0.1	(0.1)
Pension plan:						
Reclassification adjustment to net income for amortization of actuarial losses	0.4	—	0.4	—	(0.4)	0.4
Reclassification adjustment to net income for amortization of net prior service credits	(0.4)	—	(0.4)	—	0.4	(0.4)
Total other comprehensive income (loss)	(27.3)	—	(30.7)	3.4	27.3	(27.3)
Total comprehensive income (loss)	\$ (10.3)	\$ (0.3)	\$ (106.1)	\$ 20.9	\$ 85.5	\$ (10.3)

**Condensed Consolidated Statement of Comprehensive Income (Loss)**  
**For the 13 weeks ended October 31, 2015**  
(Unaudited)

<i>(in millions)</i>	Signet Jewelers Limited	Signet UK Finance plc	Guarantor Subsidiaries	Non- Guarantor Subsidiaries	Eliminations	Consolidated
Net income (loss)	\$ 15.0	\$ (0.4)	\$ (44.3)	\$ 17.4	\$ 27.3	\$ 15.0
Other comprehensive income (loss):						
Foreign currency translation adjustments	(4.2)	—	(6.4)	2.2	4.2	(4.2)
Available-for-sale securities:						
Unrealized gain (loss)	(0.1)	—	—	(0.1)	0.1	(0.1)
Cash flow hedges:						
Unrealized gain (loss)	1.1	—	1.1	—	(1.1)	1.1
Reclassification adjustment for losses to net income	0.9	—	0.9	—	(0.9)	0.9
Pension plan:						
Reclassification adjustment to net income for amortization of actuarial losses	0.7	—	0.7	—	(0.7)	0.7
Reclassification adjustment to net income for amortization of net prior service credits	(0.5)	—	(0.5)	—	0.5	(0.5)
Total other comprehensive income (loss)	(2.1)	—	(4.2)	2.1	2.1	(2.1)
Total comprehensive income (loss)	\$ 12.9	\$ (0.4)	\$ (48.5)	\$ 19.5	\$ 29.4	\$ 12.9

**Condensed Consolidated Statement of Comprehensive Income (Loss)**  
**For the 39 weeks ended October 29, 2016**  
**(Unaudited)**

<i>(in millions)</i>	Signet Jewelers Limited	Signet UK Finance plc	Guarantor Subsidiaries	Non- Guarantor Subsidiaries	Eliminations	Consolidated
Net income (loss)	\$ 245.7	\$ (0.6)	\$ 136.7	\$ 252.4	\$ (388.5)	\$ 245.7
Other comprehensive income (loss):						
Foreign currency translation adjustments	(38.0)	—	(45.2)	7.2	38.0	(38.0)
Available-for-sale securities:						
Unrealized gain (loss)	0.2	—	—	0.2	(0.2)	0.2
Cash flow hedges:						
Unrealized gain (loss)	8.2	—	8.2	—	(8.2)	8.2
Reclassification adjustment for losses to net income	1.6	—	1.6	—	(1.6)	1.6
Pension plan:						
Reclassification adjustment to net income for amortization of actuarial losses	1.0	—	1.0	—	(1.0)	1.0
Reclassification adjustment to net income for amortization of net prior service credits	(1.2)	—	(1.2)	—	1.2	(1.2)
Total other comprehensive income (loss)	(28.2)	—	(35.6)	7.4	28.2	(28.2)
Total comprehensive income (loss)	\$ 217.5	\$ (0.6)	\$ 101.1	\$ 259.8	\$ (360.3)	\$ 217.5

**Condensed Consolidated Statement of Comprehensive Income (Loss)**  
**For the 39 weeks ended October 31, 2015**  
**(Unaudited)**

<i>(in millions)</i>	Signet Jewelers Limited	Signet UK Finance plc	Guarantor Subsidiaries	Non- Guarantor Subsidiaries	Eliminations	Consolidated
Net income (loss)	\$ 196.0	\$ (0.7)	\$ 143.9	\$ 216.6	\$ (359.8)	\$ 196.0
Other comprehensive income (loss):						
Foreign currency translation adjustments	(1.4)	—	(0.4)	(1.0)	1.4	(1.4)
Available-for-sale securities:						
Unrealized gain (loss)	(0.4)	—	—	(0.4)	0.4	(0.4)
Cash flow hedges:						
Unrealized gain (loss)	(10.3)	—	(10.3)	—	10.3	(10.3)
Reclassification adjustment for losses to net income	2.2	—	2.2	—	(2.2)	2.2
Pension plan:						
Reclassification adjustment to net income for amortization of actuarial losses	2.1	—	2.1	—	(2.1)	2.1
Reclassification adjustment to net income for amortization of net prior service credits	(1.4)	—	(1.4)	—	1.4	(1.4)
Total other comprehensive income (loss)	(9.2)	—	(7.8)	(1.4)	9.2	(9.2)
Total comprehensive income (loss)	\$ 186.8	\$ (0.7)	\$ 136.1	\$ 215.2	\$ (350.6)	\$ 186.8

**Condensed Consolidated Balance Sheet**  
**October 29, 2016**  
**(Unaudited)**

<i>(in millions)</i>	Signet Jewelers Limited	Signet UK Finance plc	Guarantor Subsidiaries	Non- Guarantor Subsidiaries	Eliminations	Consolidated
<b>Assets</b>						
Current assets:						
Cash and cash equivalents	\$ 0.2	\$ 0.1	\$ 55.7	\$ 26.7	\$ —	\$ 82.7
Accounts receivable, net	—	—	1,581.1	—	—	1,581.1
Intra-entity receivables, net	50.4	—	—	278.9	(329.3)	—
Other receivables	—	—	52.0	22.2	—	74.2
Other current assets	—	—	140.3	6.5	—	146.8
Income taxes	—	0.1	35.6	(14.9)	—	20.8
Inventories	—	—	2,578.3	71.1	—	2,649.4
Total current assets	50.6	0.2	4,443.0	390.5	(329.3)	4,555.0
Non-current assets:						
Property, plant and equipment, net	—	—	786.4	4.7	—	791.1
Goodwill	—	—	513.4	3.6	—	517.0
Intangible assets, net	—	—	419.8	—	—	419.8
Investment in subsidiaries	2,812.5	—	586.7	474.4	(3,873.6)	—
Intra-entity receivables, net	—	407.6	—	3,647.4	(4,055.0)	—
Other assets	—	—	126.2	31.3	—	157.5
Deferred tax assets	—	—	—	—	—	—
Retirement benefit asset	—	—	47.1	—	—	47.1
Total assets	\$ 2,863.1	\$ 407.8	\$ 6,922.6	\$ 4,551.9	\$ (8,257.9)	\$ 6,487.5
<b>Liabilities and Shareholders' equity</b>						
Current liabilities:						
Loans and overdrafts	\$ —	\$ (0.7)	\$ 289.5	\$ —	\$ —	\$ 288.8
Accounts payable	—	—	376.4	5.8	—	382.2
Intra-entity payables, net	—	—	329.3	—	(329.3)	—
Accrued expenses and other current liabilities	20.2	7.1	360.1	15.5	—	402.9
Deferred revenue	—	—	256.7	—	—	256.7
Income taxes	—	—	3.9	0.5	—	4.4
Total current liabilities	20.2	6.4	1,615.9	21.8	(329.3)	1,335.0
Non-current liabilities:						
Long-term debt	—	394.1	330.1	600.0	—	1,324.2
Intra-entity payables, net	—	—	4,055.0	—	(4,055.0)	—
Other liabilities	—	—	213.7	6.2	—	219.9
Deferred revenue	—	—	632.1	—	—	632.1
Deferred tax liabilities	—	—	133.5	(0.1)	—	133.4
Total liabilities	20.2	400.5	6,980.3	627.9	(4,384.3)	3,644.6
Series A redeemable convertible preferred shares	611.7	—	—	—	—	611.7
Total shareholders' equity (deficit)	2,231.2	7.3	(57.7)	3,924.0	(3,873.6)	2,231.2
Total liabilities and shareholders' equity	\$ 2,863.1	\$ 407.8	\$ 6,922.6	\$ 4,551.9	\$ (8,257.9)	\$ 6,487.5

**Condensed Consolidated Balance Sheet**  
**January 30, 2016**

<i>(in millions)</i>	Signet Jewelers Limited	Signet UK Finance plc	Guarantor Subsidiaries	Non- Guarantor Subsidiaries	Eliminations	Consolidated
<b>Assets</b>						
Current assets:						
Cash and cash equivalents	\$ 1.9	\$ 0.1	\$ 102.0	\$ 33.7	\$ —	\$ 137.7
Accounts receivable, net	—	—	1,753.0	3.4	—	1,756.4
Intra-entity receivables, net	28.7	—	—	380.1	(408.8)	—
Other receivables	—	—	68.8	15.2	—	84.0
Other current assets	0.1	—	144.2	8.3	—	152.6
Income taxes	—	0.2	2.3	1.0	—	3.5
Inventories	—	—	2,372.7	81.2	—	2,453.9
Total current assets	30.7	0.3	4,443.0	522.9	(408.8)	4,588.1
Non-current assets:						
Property, plant and equipment, net	—	—	722.3	5.3	—	727.6
Goodwill	—	—	511.9	3.6	—	515.5
Intangible assets, net	—	—	427.8	—	—	427.8
Investment in subsidiaries	3,047.8	—	762.9	600.0	(4,410.7)	—
Intra-entity receivables, net	—	402.6	—	3,467.4	(3,870.0)	—
Other assets	—	—	124.5	30.1	—	154.6
Deferred tax assets	—	—	—	—	—	—
Retirement benefit asset	—	—	51.3	—	—	51.3
Total assets	\$ 3,078.5	\$ 402.9	\$ 7,043.7	\$ 4,629.3	\$ (8,689.5)	\$ 6,464.9
<b>Liabilities and Shareholders' equity</b>						
Current liabilities:						
Loans and overdrafts	\$ —	\$ (0.7)	\$ 58.4	\$ —	\$ —	\$ 57.7
Accounts payable	—	—	260.3	8.8	—	269.1
Intra-entity payables, net	—	—	408.8	—	(408.8)	—
Accrued expenses and other current liabilities	17.8	2.4	467.0	11.1	—	498.3
Deferred revenue	—	—	260.3	—	—	260.3
Income taxes	—	—	68.4	(2.7)	—	65.7
Total current liabilities	17.8	1.7	1,523.2	17.2	(408.8)	1,151.1
Non-current liabilities:						
Long-term debt	—	393.5	327.5	600.0	—	1,321.0
Intra-entity payables, net	—	—	3,870.0	—	(3,870.0)	—
Other liabilities	—	—	223.6	6.9	—	230.5
Deferred revenue	—	—	629.1	—	—	629.1
Deferred tax liabilities	—	—	73.0	(0.5)	—	72.5
Total liabilities	17.8	395.2	6,646.4	623.6	(4,278.8)	3,404.2
Series A redeemable convertible preferred shares	—	—	—	—	—	—
Total shareholders' equity	3,060.7	7.7	397.3	4,005.7	(4,410.7)	3,060.7
Total liabilities and shareholders' equity	\$ 3,078.5	\$ 402.9	\$ 7,043.7	\$ 4,629.3	\$ (8,689.5)	\$ 6,464.9

**Condensed Consolidated Balance Sheet**  
**October 31, 2015**  
**(Unaudited)**

<i>(in millions)</i>	Signet Jewelers Limited	Signet UK Finance plc	Guarantor Subsidiaries	Non- Guarantor Subsidiaries	Eliminations	Consolidated
<b>Assets</b>						
Current assets:						
Cash and cash equivalents	\$ 3.1	\$ 0.1	\$ 61.0	\$ 13.0	\$ —	\$ 77.2
Accounts receivable, net	—	—	1,447.1	4.4	—	1,451.5
Intra-entity receivables, net	61.9	—	—	182.1	(244.0)	—
Other receivables	—	—	45.4	10.0	—	55.4
Other current assets	0.2	—	135.4	5.8	—	141.4
Income taxes	—	—	24.6	—	—	24.6
Inventories	—	—	2,643.1	83.9	—	2,727.0
Total current assets	65.2	0.1	4,356.6	299.2	(244.0)	4,477.1
Non-current assets:						
Property, plant and equipment, net	—	—	712.5	5.5	—	718.0
Goodwill	—	—	514.0	3.6	—	517.6
Intangible assets, net	—	—	434.3	—	—	434.3
Investment in subsidiaries	2,797.6	—	532.4	537.1	(3,867.1)	—
Intra-entity receivables, net	—	407.2	—	3,475.0	(3,882.2)	—
Other assets	—	—	108.0	28.4	—	136.4
Deferred tax assets	—	—	1.1	0.7	—	1.8
Retirement benefit asset	—	—	40.7	—	—	40.7
Total assets	\$ 2,862.8	\$ 407.3	\$ 6,699.6	\$ 4,349.5	\$ (7,993.3)	\$ 6,325.9
<b>Liabilities and Shareholders' equity</b>						
Current liabilities:						
Loans and overdrafts	\$ —	\$ (0.7)	\$ 248.7	\$ —	\$ —	\$ 248.0
Accounts payable	—	—	367.4	4.0	—	371.4
Intra-entity payables, net	—	—	244.0	—	(244.0)	—
Accrued expenses and other current liabilities	17.8	7.1	372.8	10.3	—	408.0
Deferred revenue	—	—	241.4	—	—	241.4
Income taxes	—	(0.2)	(14.9)	15.8	—	0.7
Total current liabilities	17.8	6.2	1,459.4	30.1	(244.0)	1,269.5
Non-current liabilities:						
Long-term debt	—	393.3	337.3	600.0	—	1,330.6
Intra-entity payables, net	—	—	3,882.2	—	(3,882.2)	—
Other liabilities	—	—	219.5	7.1	—	226.6
Deferred revenue	—	—	597.5	—	—	597.5
Deferred tax liabilities	—	—	56.7	—	—	56.7
Total liabilities	17.8	399.5	6,552.6	637.2	(4,126.2)	3,480.9
Series A redeemable convertible preferred shares	—	—	—	—	—	—
Total shareholders' equity	2,845.0	7.8	147.0	3,712.3	(3,867.1)	2,845.0
Total liabilities and shareholders' equity	\$ 2,862.8	\$ 407.3	\$ 6,699.6	\$ 4,349.5	\$ (7,993.3)	\$ 6,325.9

**Condensed Consolidated Statement of Cash Flows**  
**For the 39 weeks ended October 29, 2016**  
**(Unaudited)**

<i>(in millions)</i>	Signet Jewelers Limited	Signet UK Finance plc	Guarantor Subsidiaries	Non- Guarantor Subsidiaries	Eliminations	Consolidated
<b>Net cash provided by (used in) operating activities</b>	\$ 558.7	\$ 4.9	\$ 385.1	\$ 391.4	\$ (979.2)	\$ 360.9
<b>Investing activities</b>						
Purchase of property, plant and equipment	—	—	(195.6)	—	—	(195.6)
Investment in subsidiaries	(91.0)	—	—	—	91.0	—
Purchase of available-for-sale securities	—	—	—	(10.4)	—	(10.4)
Proceeds from available-for-sale securities	—	—	—	10.0	—	10.0
Net cash used in investing activities	(91.0)	—	(195.6)	(0.4)	91.0	(196.0)
<b>Financing activities</b>						
Dividends paid on common shares	(57.5)	—	—	—	—	(57.5)
Intra-entity dividends paid	—	—	(650.0)	(329.2)	979.2	—
Proceeds from issuance of common shares	0.4	—	91.0	—	(91.0)	0.4
Proceeds from issuance of redeemable convertible preferred shares, net of issuance costs	611.6	—	—	—	—	611.6
Excess tax benefit from exercise of share awards	—	—	1.3	—	—	1.3
Repayments of term loan	—	—	(12.0)	—	—	(12.0)
Proceeds from securitization facility	—	—	—	1,837.1	—	1,837.1
Repayment of securitization facility	—	—	—	(1,837.1)	—	(1,837.1)
Proceeds from revolving credit facility	—	—	598.0	—	—	598.0
Repayments of revolving credit facility	—	—	(339.0)	—	—	(339.0)
Payment of debt issuance costs	—	—	(2.1)	(0.6)	—	(2.7)
Repurchase of common shares	(1,000.0)	—	—	—	—	(1,000.0)
Net settlement of equity based awards	(4.8)	—	—	—	—	(4.8)
Capital lease payments	—	—	(0.2)	—	—	(0.2)
Proceeds from (repayment of) short-term borrowings	—	—	(13.3)	—	—	(13.3)
Intra-entity activity, net	(19.1)	(4.9)	91.6	(67.6)	—	—
Net cash (used in) provided by financing activities	(469.4)	(4.9)	(234.7)	(397.4)	888.2	(218.2)
Cash and cash equivalents at beginning of period	1.9	0.1	102.0	33.7	—	137.7
Increase (decrease) in cash and cash equivalents	(1.7)	—	(45.2)	(6.4)	—	(53.3)
Effect of exchange rate changes on cash and cash equivalents	—	—	(1.1)	(0.6)	—	(1.7)
Cash and cash equivalents at end of period	\$ 0.2	\$ 0.1	\$ 55.7	\$ 26.7	\$ —	\$ 82.7



**Condensed Consolidated Statement of Cash Flows**  
**For the 39 weeks ended October 31, 2015**  
**(Unaudited)**

<i>(in millions)</i>	Signet Jewelers Limited	Signet UK Finance plc	Guarantor Subsidiaries	Non- Guarantor Subsidiaries	Eliminations	Consolidated
<b>Net cash provided by (used in) operating activities</b>	\$ 98.4	\$ 4.6	\$ (12.8)	\$ 98.5	\$ (100.0)	\$ 88.7
<b>Investing activities</b>						
Purchase of property, plant and equipment	—	—	(170.3)	(0.5)	—	(170.8)
Investment in subsidiaries	—	—	—	—	—	—
Purchase of available-for-sale securities	—	—	—	(3.8)	—	(3.8)
Proceeds from available-for-sale securities	—	—	—	3.6	—	3.6
Net cash used in investing activities	—	—	(170.3)	(0.7)	—	(171.0)
<b>Financing activities</b>						
Dividends paid on common shares	(49.6)	—	—	—	—	(49.6)
Dividends paid on redeemable convertible preferred shares	—	—	—	—	—	—
Intra-entity dividends paid	—	—	(100.0)	—	100.0	—
Proceeds from issuance of common shares	3.3	—	—	—	—	3.3
Proceeds from issuance of redeemable convertible preferred shares, net of issuance costs	—	—	—	—	—	—
Excess tax benefit from exercise of share awards	—	—	5.1	—	—	5.1
Repayments of term loan	—	—	(17.5)	—	—	(17.5)
Proceeds from securitization facility	—	—	—	1,738.9	—	1,738.9
Repayment of securitization facility	—	—	—	(1,738.9)	—	(1,738.9)
Proceeds from revolving credit facility	—	—	177.0	—	—	177.0
Repayments of revolving credit facility	—	—	(30.0)	—	—	(30.0)
Repurchase of common shares	(111.9)	—	—	—	—	(111.9)
Net settlement of equity based awards	(8.3)	—	—	—	—	(8.3)
Capital lease payments	—	—	(0.8)	—	—	(0.8)
Proceeds from (repayment of) short-term borrowings	—	—	(1.5)	—	—	(1.5)
Intra-entity activity, net	69.1	(4.6)	45.2	(109.7)	—	—
Net cash (used in) provided by financing activities	(97.4)	(4.6)	77.5	(109.7)	100.0	(34.2)
Cash and cash equivalents at beginning of period	2.1	0.1	166.5	24.9	—	193.6
Increase (decrease) in cash and cash equivalents	1.0	—	(105.6)	(11.9)	—	(116.5)
Effect of exchange rate changes on cash and cash equivalents	—	—	0.1	—	—	0.1
Cash and cash equivalents at end of period	\$ 3.1	\$ 0.1	\$ 61.0	\$ 13.0	\$ —	\$ 77.2

## ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

### FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains statements which are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements, based upon management's beliefs and expectations as well as on assumptions made by and data currently available to management, appear in a number of places throughout this document and include statements regarding, among other things, Signet's results of operation, financial condition, liquidity, prospects, growth, strategies and the industry in which Signet operates. The use of the words "expects," "intends," "anticipates," "estimates," "predicts," "believes," "should," "potential," "may," "forecast," "objective," "plan," or "target," and other similar expressions are intended to identify forward-looking statements. These forward-looking statements are not guarantees of future performance and are subject to a number of risks and uncertainties, including but not limited to general economic conditions, regulatory changes following the United Kingdom's announcement to exit from the European Union, a decline in consumer spending, the merchandising, pricing and inventory policies followed by Signet, the reputation of Signet and its brands, the level of competition in the jewelry sector, the cost and availability of diamonds, gold and other precious metals, regulations relating to customer credit, seasonality of Signet's business, financial market risks, deterioration in customers' financial condition, exchange rate fluctuations, changes in Signet's credit rating, changes in consumer attitudes regarding jewelry, management of social, ethical and environmental risks, security breaches and other disruptions to Signet's information technology infrastructure and databases, inadequacy in and disruptions to internal controls and systems, changes in assumptions used in making accounting estimates relating to items such as extended service plans and pensions, risks related to Signet being a Bermuda corporation, the impact of the acquisition of Zale Corporation on relationships, including with employees, suppliers, customers and competitors, and our ability to successfully integrate Zale Corporation's operations and to realize synergies from the transaction.

For a discussion of these risks and other risks and uncertainties which could cause actual results to differ materially from those expressed in any forward looking statement, see the "Risk Factors" section of Signet's Fiscal 2016 Annual Report on Form 10-K filed with the SEC on March 24, 2016 and Part II, Item 1A of this Form 10-Q. Signet undertakes no obligation to update or revise any forward-looking statements to reflect subsequent events or circumstances, except as required by law.

### OVERVIEW

Signet Jewelers Limited ("Signet" or the "Company") is the world's largest retailer of diamond jewelry. Signet is incorporated in Bermuda and its address and telephone number are shown on the cover of this document. Its corporate website is [www.signetjewelers.com](http://www.signetjewelers.com), from where documents that the Company is required to file or furnish with the US Securities and Exchange Commission ("SEC") may be viewed or downloaded free of charge.

The Company manages its business by store brand grouping, a description of which follows:

- The Sterling Jewelers division is one reportable segment. It operated 1,573 stores in all 50 states at October 29, 2016 . Its stores operate nationally in malls and off-mall locations principally as Kay Jewelers ("Kay"), Kay Jewelers Outlet, Jared The Galleria Of Jewelry ("Jared") and Jared Vault. The division also operates a variety of mall-based regional brands.
- The Zale division consists of two reportable segments:
  - Zale Jewelry, which operated 981 jewelry stores at October 29, 2016 , is located primarily in shopping malls in North America. Zale Jewelry includes the US store brand Zales (Zales Jewelers and Zales Outlet), which operates in all 50 states, and the Canada store brand Peoples Jewellers, which operates in nine provinces. The division also operates regional brands Gordon's Jewelers and Mappins.
  - Piercing Pagoda, which operated 605 mall-based kiosks at October 29, 2016 , is located in shopping malls in the US and Puerto Rico.
- The UK Jewelry division is one reportable segment. It operated 509 stores at October 29, 2016 . Its stores operate in shopping malls and off-mall locations (i.e. high street) principally as H.Samuel and Ernest Jones.

Certain company activities (e.g. diamond sourcing) are managed as a separate operating segment and are aggregated with unallocated corporate administrative functions in the segment "Other" for financial reporting purposes. The Company's diamond sourcing function includes its diamond polishing factory in Botswana. See Note 3 of Item 1 for additional information regarding the Company's reportable segments.

***Transactions Affecting Comparability of Results of Operations and Liquidity and Capital Resources***

The comparability of the Company's operating results for the 13 and 39 weeks ended October 29, 2016 and October 31, 2015 presented herein has been affected by certain transactions, including:

- Integration costs in Fiscal 2017 <sup>(1)</sup> and transaction and integration-related costs in Fiscal 2016 <sup>(1)</sup>; and
- Purchase accounting adjustments.

<sup>(1)</sup> Fiscal 2017 and Fiscal 2016 refer to the 52 week periods ending January 28, 2017 and January 30, 2016 , respectively.

***Non-GAAP measures***

Signet provides certain non-GAAP information in reporting its financial results to give investors additional data to evaluate its operations. Management does not, nor does it suggest investors should, consider such non-GAAP measures in isolation from, or in substitute for, financial information prepared in accordance with US GAAP.

The following discussion of results of operations highlights, as necessary, the significant changes in operating results arising from these items and transactions. However, unusual items or transactions may occur in any period. Accordingly, investors and other financial statement users individually should consider the types of events and transactions that have affected operating trends.

**1. Income Statement at Constant Exchange Rates**

Movements in the US dollar to British pound and Canadian dollar exchange rates have an impact on Signet's results. The UK Jewelry division is managed in British pounds and the Canadian reporting unit of the Zale Jewelry segment in Canadian dollars as sales and a majority of operating expenses are incurred in those foreign currencies. The results for each are then translated into US dollars for external reporting purposes. Management believes it assists in understanding the performance of Signet and its segments if constant currency figures are given. This is particularly so in periods when exchange rates are volatile. The constant currency amounts are calculated by retranslating the prior year figures using the current year's exchange rate. Management considers it useful to exclude the impact of movements in the British pound and Canadian dollar to US dollar exchange rates to analyze and explain changes and trends in Signet's underlying business, which is consistent with the manner in which management evaluates performance of its businesses which do not operate using the US dollar as their functional currency. Additionally, in connection with management's evaluation of its attainment of performance goals, currency effects are excluded.

(in millions, except per share amounts)

	13 weeks ended		Change %	Impact of exchange rate movement	13 weeks ended August 1, 2015 at constant exchange rates (non-GAAP)	Change at constant exchange rates (non-GAAP) %
	October 29, 2016	October 31, 2015				
Sales by segments:						
Sterling Jewelers	\$ 712.5	\$ 733.5	(2.9)%	\$ —	\$ 733.5	(2.9)%
Zale Jewelry	282.4	281.9	0.2 %	0.6	282.5	— %
Piercing Pagoda	53.4	48.0	11.3 %	—	48.0	11.3 %
UK Jewelry	130.3	149.4	(12.8)%	(24.4)	125.0	4.2 %
Other	7.6	3.6	111.1 %	—	3.6	111.1 %
Total sales	1,186.2	1,216.4	(2.5)%	(23.8)	1,192.6	(0.5)%
Cost of sales	(836.2)	(848.7)	1.5 %	17.7	(831.0)	(0.6)%
Gross margin	350.0	367.7	(4.8)%	(6.1)	361.6	(3.2)%
Selling, general and administrative expenses	(386.5)	(395.0)	2.2 %	6.3	(388.7)	0.6 %
Other operating income, net	68.6	60.9	12.6 %	(0.1)	60.8	12.8 %
Operating income by segment:						
Sterling Jewelers	78.6	77.2	1.8 %	—	77.2	1.8 %
Zale Jewelry <sup>(1)</sup>	(19.3)	(18.3)	(5.5)%	(0.1)	(18.4)	(4.9)%
Piercing Pagoda <sup>(2)</sup>	(5.4)	(6.0)	10.0 %	—	(6.0)	10.0 %
UK Jewelry	—	—	— %	—	—	— %
Other <sup>(3)</sup>	(21.8)	(19.3)	(13.0)%	0.2	(19.1)	(14.1)%
Total operating income	32.1	33.6	(4.5)%	0.1	33.7	(4.7)%
Interest expense, net	(12.7)	(11.7)	(8.5)%	—	(11.7)	(8.5)%
Income before income taxes	19.4	21.9	(11.4)%	0.1	22.0	(11.8)%
Income taxes	(2.4)	(6.9)	65.2 %	—	(6.9)	65.2 %
Net income	\$ 17.0	\$ 15.0	13.3 %	\$ 0.1	\$ 15.1	12.6 %
Dividends on redeemable convertible preferred shares	(2.2)	—	nm	—	—	nm
Net income attributable to common shareholders	\$ 14.8	\$ 15.0	(1.3)%	\$ 0.1	\$ 15.1	(2.0)%
Basic earnings per share	\$ 0.20	\$ 0.19	5.3 %	\$ —	\$ 0.19	5.3 %
Diluted earnings per share	\$ 0.20	\$ 0.19	5.3 %	\$ —	\$ 0.19	5.3 %

<sup>(1)</sup> Zale Jewelry includes net operating loss impact of \$3.7 million and \$3.6 million for purchase accounting adjustments in the 13 weeks ended October 29, 2016 and October 31, 2015, respectively.

<sup>(2)</sup> Piercing Pagoda includes net operating loss impact of \$0.1 million and \$0.1 million for purchase accounting adjustments in the 13 weeks ended October 29, 2016 and October 31, 2015, respectively.

<sup>(3)</sup> Other includes \$7.9 million for the 13 weeks ended October 29, 2016 of integration costs for consulting expenses associated with information technology ("IT") implementations. Other includes \$9.8 million for the 13 weeks ended October 31, 2015 of transaction and integration expenses associated with advisor fees for legal, tax, accounting and consulting services.

nm Not meaningful.

(in millions, except per share amounts)

	39 weeks ended		Change %	Impact of exchange rate movement	39 weeks ended October 31, 2015 at constant exchange rates (non-GAAP)	Change at constant exchange rates (non-GAAP) %
	October 29, 2016	October 31, 2015				
Sales by segments:						
Sterling Jewelers	\$ 2,532.3	\$ 2,536.2	(0.2)%	\$ —	\$ 2,536.2	(0.2)%
Zale Jewelry	994.8	991.2	0.4 %	(5.1)	986.1	0.9 %
Piercing Pagoda	179.4	165.1	8.7 %	—	165.1	8.7 %
UK Jewelry	419.5	455.0	(7.8)%	(49.2)	405.8	3.4 %
Other	12.5	10.1	23.8 %	—	10.1	23.8 %
Total sales	4,138.5	4,157.6	(0.5)%	(54.3)	4,103.3	0.9 %
Cost of sales	(2,723.2)	(2,733.2)	0.4 %	40.0	(2,693.2)	(1.1)%
Gross margin	1,415.3	1,424.4	(0.6)%	(14.3)	1,410.1	0.4 %
Selling, general and administrative expenses	(1,264.9)	(1,301.0)	2.8 %	14.2	(1,286.8)	1.7 %
Other operating income, net	213.6	187.2	14.1 %	—	187.2	14.1 %
Operating income by segment:						
Sterling Jewelers	417.8	413.2	1.1 %	—	413.2	1.1 %
Zale Jewelry <sup>(1)</sup>	(0.5)	(9.9)	94.9 %	0.1	(9.8)	94.9 %
Piercing Pagoda <sup>(2)</sup>	2.2	(1.0)	nm	—	(1.0)	nm
UK Jewelry	3.0	3.7	(18.9)%	(0.6)	3.1	(3.2)%
Other <sup>(3)</sup>	(58.5)	(95.4)	38.7 %	0.4	(95.0)	38.4 %
Total operating income	364.0	310.6	17.2 %	(0.1)	310.5	17.2 %
Interest expense, net	(36.4)	(33.8)	(7.7)%	—	(33.8)	(7.7)%
Income before income taxes	327.6	276.8	18.4 %	(0.1)	276.7	18.4 %
Income taxes	(81.9)	(80.8)	(1.4)%	—	(80.8)	(1.4)%
Net income	\$ 245.7	\$ 196.0	25.4 %	\$ (0.1)	\$ 195.9	25.4 %
Dividends on redeemable convertible preferred shares	(2.2)	—	nm	—	—	nm
Net income attributable to common shareholders	\$ 243.5	\$ 196.0	24.2 %	\$ (0.1)	\$ 195.9	24.3 %
Basic earnings per share	\$ 3.19	\$ 2.46	29.7 %	\$ —	\$ 2.46	29.7 %
Diluted earnings per share	\$ 3.18	\$ 2.45	29.8 %	\$ —	\$ 2.45	29.8 %

<sup>(1)</sup> Zale Jewelry includes net operating loss impact of \$13.2 million and \$17.1 million for purchase accounting adjustments in the 39 weeks ended October 29, 2016 and October 31, 2015, respectively.

<sup>(2)</sup> Piercing Pagoda includes net operating loss impact of \$0.3 million and \$3.1 million for purchase accounting adjustments in the 39 weeks ended October 29, 2016 and October 31, 2015, respectively.

<sup>(3)</sup> Other includes \$18.5 million for the 39 weeks ended October 29, 2016 of integration costs for consulting expenses associated with IT implementations and severance related to organizational changes. Other includes \$59.8 million for the 39 weeks ended October 31, 2015 of transaction and integration expenses, which are primarily attributed to the legal settlement over appraisal rights and consulting services.

nm Not meaningful.

## 2. Operating data reflecting the impact of material acquisitions and acquisition-related costs

The below table reflects the impact of costs associated with the acquisition of Zale Corporation (the "Acquisition"), along with certain other accounting adjustments made. Management finds the information useful to analyze the results of the business excluding these items in order to appropriately evaluate the performance of the business without the impact of significant and unusual items. Management views acquisition-related impacts as events that are not necessarily reflective of operational performance during a period. In particular, management believes the consideration of measures that exclude such expenses can assist in the comparison of operational performance in different periods which may or may not include such expenses.

### (a) Third Quarter Fiscal 2017 operating data reflecting the impact of integration costs and accounting adjustments

#### Third quarter of Fiscal 2017

<i>(in millions)</i>	Signet consolidated, as reported		Accounting adjustments <sup>(1)</sup>	Integration costs <sup>(2)</sup>	Adjusted Signet	
Sales	\$ 1,186.2	100.0 %	\$ (3.0)	\$ —	\$ 1,189.2	100.0 %
Cost of sales	(836.2)	(70.5)%	0.5	—	(836.7)	(70.4)%
Gross margin	350.0	29.5 %	(2.5)	—	352.5	29.6 %
Selling, general and administrative expenses	(386.5)	(32.6)%	(1.3)	(7.9)	(377.3)	(31.7)%
Other operating income, net	68.6	5.8 %	—	—	68.6	5.8 %
Operating income	32.1	2.7 %	(3.8)	(7.9)	43.8	3.7 %
Interest expense, net	(12.7)	(1.1)%	—	—	(12.7)	(1.1)%
Income before income taxes	19.4	1.6 %	(3.8)	(7.9)	31.1	2.6 %
Income taxes	(2.4)	(0.2)%	1.4	3.0	(6.8)	(0.6)%
Net income	17.0	1.4 %	(2.4)	(4.9)	24.3	2.0 %
Dividends on redeemable convertible preferred shares	(2.2)	nm	—	—	(2.2)	nm
Net income attributable to common shareholders	\$ 14.8	1.2 %	\$ (2.4)	\$ (4.9)	\$ 22.1	1.9 %
Earnings per share – diluted	\$ 0.20		\$ (0.03)	\$ (0.07)	\$ 0.30	

<sup>(1)</sup> Includes the impact of all acquisition accounting adjustments recognized in conjunction with the Acquisition in Fiscal 2015.

<sup>(2)</sup> Integration costs are consulting expenses associated with IT implementations. These costs are included within Signet's Other segment.

nm Not meaningful.

#### Year to date Fiscal 2017

<i>(in millions)</i>	Signet consolidated, as reported		Accounting adjustments <sup>(1)</sup>	Integration costs <sup>(2)</sup>	Adjusted Signet	
Sales	\$ 4,138.5	100.0 %	\$ (10.7)	\$ —	\$ 4,149.2	100.0 %
Cost of sales	(2,723.2)	(65.8)%	1.1	—	(2,724.3)	(65.7)%
Gross margin	1,415.3	34.2 %	(9.6)	—	1,424.9	34.3 %
Selling, general and administrative expenses	(1,264.9)	(30.6)%	(3.9)	(18.5)	(1,242.5)	(29.9)%
Other operating income, net	213.6	5.2 %	—	—	213.6	5.1 %
Operating income	364.0	8.8 %	(13.5)	(18.5)	396.0	9.5 %
Interest expense, net	(36.4)	(0.9)%	—	—	(36.4)	(0.8)%
Income before income taxes	327.6	7.9 %	(13.5)	(18.5)	359.6	8.7 %
Income taxes	(81.9)	(2.0)%	5.1	7.0	(94.0)	(2.3)%
Net income	245.7	5.9 %	(8.4)	(11.5)	265.6	6.4 %
Dividends on redeemable convertible preferred shares	(2.2)	nm	—	—	(2.2)	nm
Net income attributable to common shareholders	\$ 243.5	5.9 %	\$ (8.4)	\$ (11.5)	\$ 263.4	6.3 %
Earnings per share – diluted	\$ 3.18		\$ (0.11)	\$ (0.15)	\$ 3.44	

<sup>(1)</sup> Includes the impact of all acquisition accounting adjustments recognized in conjunction with the Acquisition in Fiscal 2015.

<sup>(2)</sup> Integration costs are consulting expenses associated with IT implementations and severance related to organizational changes. These costs are included within Signet's Other segment.

nm Not meaningful.

**(b) Third Quarter Fiscal 2016 operating data reflecting the impact of acquisition-related costs and accounting adjustments**
**Third quarter of Fiscal 2016**

<i>(in millions)</i>	Signet consolidated, as reported		Accounting adjustments <sup>(1)</sup>	Transaction/ Integration costs <sup>(2)</sup>	Adjusted Signet	
Sales	\$ 1,216.4	100.0 %	\$ (6.2)	\$ —	\$ 1,222.6	100.0 %
Cost of sales	(848.7)	(69.8)%	0.1	—	(848.8)	(69.4)%
Gross margin	367.7	30.2 %	(6.1)	—	373.8	30.6 %
Selling, general and administrative expenses	(395.0)	(32.4)%	2.4	(9.8)	(387.6)	(31.7)%
Other operating income, net	60.9	5.0 %	—	—	60.9	5.0 %
Operating income	33.6	2.8 %	(3.7)	(9.8)	47.1	3.9 %
Interest expense, net	(11.7)	(1.0)%	—	—	(11.7)	(1.0)%
Income before income taxes	21.9	1.8 %	(3.7)	(9.8)	35.4	2.9 %
Income taxes	(6.9)	(0.6)%	1.7	1.0	(9.6)	(0.8)%
Net income	15.0	1.2 %	(2.0)	(8.8)	25.8	2.1 %
Dividends on redeemable convertible preferred shares	—	—	—	—	—	—
Net income attributable to common shareholders	\$ 15.0	1.2 %	\$ (2.0)	\$ (8.8)	\$ 25.8	2.1 %
Earnings per share – diluted	\$ 0.19		\$ (0.03)	\$ (0.11)	\$ 0.33	

<sup>(1)</sup> Includes the impact of all acquisition accounting adjustments recognized in conjunction with the Acquisition in Fiscal 2015.

<sup>(2)</sup> Transaction and integration costs are primarily attributed to expenses associated with legal, tax, accounting and consulting services. These costs are included within Signet's Other segment.

**Year to date Fiscal 2016**

<i>(in millions)</i>	Signet consolidated, as reported		Accounting adjustments <sup>(1)</sup>	Transaction/Integration costs <sup>(2)</sup>	Adjusted Signet	
Sales	\$ 4,157.6	100.0 %	\$ (22.0)	\$ —	\$ 4,179.6	100.0 %
Cost of sales	(2,733.2)	(65.7)%	(8.9)	—	(2,724.3)	(65.2)%
Gross margin	1,424.4	34.3 %	(30.9)	—	1,455.3	34.8 %
Selling, general and administrative expenses	(1,301.0)	(31.3)%	10.7	(59.8)	(1,251.9)	(30.0)%
Other operating income, net	187.2	4.5 %	—	—	187.2	4.5 %
Operating income	310.6	7.5 %	(20.2)	(59.8)	390.6	9.3 %
Interest expense, net	(33.8)	(0.8)%	—	—	(33.8)	(0.8)%
Income before income taxes	276.8	6.7 %	(20.2)	(59.8)	356.8	8.5 %
Income taxes	(80.8)	(2.0)%	7.5	9.9	(98.2)	(2.3)%
Net income	\$ 196.0	4.7 %	\$ (12.7)	\$ (49.9)	\$ 258.6	6.2 %
Dividends on redeemable convertible preferred shares	—	—	—	—	—	—
Net income attributable to common shareholders	\$ 196.0	4.7 %	\$ (12.7)	\$ (49.9)	\$ 258.6	6.2 %
Earnings per share – diluted	\$ 2.45		\$ (0.16)	\$ (0.63)	\$ 3.24	

<sup>(1)</sup> Includes the impact of all acquisition accounting adjustments recognized in conjunction with the Acquisition in Fiscal 2015.

<sup>(2)</sup> Transaction and integration costs are primarily attributed to the legal settlement over appraisal rights and expenses associated with legal, tax, accounting and consulting services. These costs are included within Signet's Other segment.

### 3. Net cash (debt)

Net cash (debt) is the total of cash and cash equivalents less loans, overdrafts and long-term debt. Management considers this metric to be helpful in understanding the total indebtedness of the Company after consideration of liquidity available from cash balances on-hand.

<i>(in millions)</i>	October 29, 2016	January 30, 2016	October 31, 2015
Cash and cash equivalents	\$ 82.7	\$ 137.7	\$ 77.2
Loans and overdrafts	(288.8)	(57.7)	(248.0)
Long-term debt	(1,324.2)	(1,321.0)	(1,330.6)
<b>Net debt</b>	<b>\$ (1,530.3)</b>	<b>\$ (1,241.0)</b>	<b>\$ (1,501.4)</b>

### 4. Free cash flow

Free cash flow is a non-GAAP measure defined as the net cash provided by operating activities less purchases of property, plant and equipment. Management considers this helpful in understanding how the business is generating cash from its operating and investing activities that can be used to meet the financing needs of the business. Free cash flow is an indicator used by management frequently in evaluating its overall liquidity and determining appropriate capital allocation strategies. Free cash flow does not represent the residual cash flow available for discretionary expenditure.

<i>(in millions)</i>	39 weeks ended	
	October 29, 2016	October 31, 2015
Net cash provided by operating activities	\$ 360.9	\$ 88.7
Purchase of property, plant and equipment	(195.6)	(170.8)
<b>Free cash flow</b>	<b>\$ 165.3</b>	<b>\$ (82.1)</b>

### 5. Earnings before interest, income taxes, depreciation and amortization ("EBITDA") and EBITDA adjusted for acquisition accounting adjustments ("Adjusted EBITDA")

EBITDA is a non-GAAP measure defined as earnings before interest and income taxes (operating income), depreciation and amortization. Adjusted EBITDA is a non-GAAP measure defined as EBITDA adjusted for non-cash acquisition-related accounting adjustments excluding acquisition adjustments included in amortization component of EBITDA. Adjusted EBITDA is an important indicator of operating performance as it excludes the effects of financing and investing activities by eliminating the effects of interest, depreciation and amortization costs, and non-cash acquisition-related accounting adjustments. Management believes this financial measure is helpful to enhance investors' ability to analyze trends in the business and evaluate performance relative to other companies. Management also utilizes these metrics to evaluate its current credit profile, which is a view consistent with rating agency methodologies.

<i>(in millions)</i>	39 weeks ended	
	October 29, 2016	October 31, 2015
Operating income	\$ 364.0	\$ 310.6
Depreciation and amortization on property, plant and equipment <sup>(1)</sup>	128.4	119.1
Amortization of definite-lived intangibles <sup>(1)(2)</sup>	10.4	10.4
Amortization of unfavorable leases and contracts <sup>(2)</sup>	(14.9)	(24.6)
<b>EBITDA</b>	<b>487.9</b>	<b>415.5</b>
Other non-cash accounting adjustments <sup>(2)</sup>	18.0	34.4
<b>Adjusted EBITDA</b>	<b>\$ 505.9</b>	<b>\$ 449.9</b>

<sup>(1)</sup> Total amount of depreciation and amortization reflected on the condensed consolidated statement of cash flows for the 39 weeks ended October 29, 2016 and October 31, 2015 equals \$138.8 million and \$129.5 million, respectively, which includes \$10.4 million in each respective period related to the amortization of definite-lived intangibles, primarily favorable leases and trade names.

<sup>(2)</sup> Total net operating loss relating to Acquisition accounting adjustments is \$13.5 million and \$20.2 million for the 39 weeks ended October 29, 2016 and October 31, 2015, respectively, as reflected in the non-GAAP table above.



## RESULTS OF OPERATIONS

The following should be read in conjunction with the financial statements and related notes in Item 1 of this Quarterly Report on Form 10-Q, as well as the financial and other information included in Signet's Fiscal 2016 Annual Report on Form 10-K. Signet's results are affected by adjustments related to purchase accounting and costs associated with the integration of Zale Corporation. For comparability purposes, Signet results that exclude purchase accounting and integration costs related to the Acquisition will be referred to within Management's Discussion and Analysis as "Adjusted Signet." See Non-GAAP measures on pages 42-47.

### Third Quarter Highlights

- Same store sales: down 2.0% . Total sales: \$1,186.2 million , down 2.5% . Total sales at constant exchange rates <sup>(1)</sup> down 0.5% .
- Operating income: \$32.1 million , down \$1.5 million or 4.5% . Adjusted <sup>(1)</sup> operating income: \$43.8 million , down 7.0% compared to \$47.1 million in the third quarter Fiscal 2016 .
- Operating margin: down 10 basis points to 2.7% . Adjusted <sup>(1)</sup> operating margin: down 20 basis points to 3.7% .
- Diluted earnings per share: \$0.20 , up \$0.01 compared to \$0.19 in the third quarter Fiscal 2016 . Adjusted <sup>(1)</sup> diluted earnings per share: \$0.30 , down 9.1% compared to \$0.33 in the third quarter Fiscal 2016 .

### Year to Date Highlights

- Same store sales: down 0.4% . Total sales: \$4,138.5 million , down 0.5% . Total sales at constant exchange rates <sup>(1)</sup> up 0.9% .
- Operating income: \$364.0 million , up \$53.4 million or 17.2% . Adjusted <sup>(1)</sup> operating income: \$396 million , up 1.4% compared to \$390.6 million in the prior year comparable period.
- Operating margin: up 130 basis points to 8.8% . Adjusted <sup>(1)</sup> operating margin: up 20 basis points to 9.5% .
- Diluted earnings per share: \$3.18 , up \$0.73 or 29.8% . Adjusted <sup>(1)</sup> diluted earnings per share: \$3.44 , up 6.2% compared to \$3.24 in the prior year comparable period.

<sup>(1)</sup> Non-GAAP measure.

(in millions)	Third Quarter				Year to Date			
	Fiscal 2017		Fiscal 2016		Fiscal 2017		Fiscal 2016	
	\$	% of sales	\$	% of sales	\$	% of sales	\$	% of sales
Sales	\$ 1,186.2	100.0 %	\$ 1,216.4	100.0 %	\$ 4,138.5	100.0 %	\$ 4,157.6	100.0 %
Cost of sales	(836.2)	(70.5)	(848.7)	(69.8)	(2,723.2)	(65.8)	(2,733.2)	(65.7)
Gross margin	350.0	29.5	367.7	30.2	1,415.3	34.2	1,424.4	34.3
Selling, general and administrative expenses	(386.5)	(32.6)	(395.0)	(32.4)	(1,264.9)	(30.6)	(1,301.0)	(31.3)
Other operating income, net	68.6	5.8	60.9	5.0	213.6	5.2	187.2	4.5
Operating income	32.1	2.7	33.6	2.8	364.0	8.8	310.6	7.5
Interest expense, net	(12.7)	(1.1)	(11.7)	(1.0)	(36.4)	(0.9)	(33.8)	(0.8)
Income before income taxes	19.4	1.6	21.9	1.8	327.6	7.9	276.8	6.7
Income taxes	(2.4)	(0.2)	(6.9)	(0.6)	(81.9)	(2.0)	(80.8)	(2.0)
Net income	17.0	1.4 %	15.0	1.2 %	\$ 245.7	5.9 %	\$ 196.0	4.7 %
Dividends on redeemable convertible preferred shares	(2.2)	nm	—	—	(2.2)	nm	—	—
Net income attributable to common shareholders	\$ 14.8	1.2 %	\$ 15.0	1.2 %	\$ 243.5	5.9 %	\$ 196.0	4.7 %

nm Not meaningful.

### Third quarter sales

In the third quarter, Signet's same store sales decreased 2.0% , compared to an increase of 3.3% in the prior year third quarter, and total sales decreased 2.5% to \$1,186.2 million compared to \$1,216.4 million in the prior year third quarter. Total sales at constant exchange rates decreased 0.5% . The sales declines were due to under performance in select stores (e.g. regionals, Jared); energy dependent regions which reduced same store sales by approximately 80 basis points; and declines in select collections such as Charmed Memories and watches. This was partially offset by better performance in fashion jewelry and select bridal. eCommerce sales in the third quarter were \$51.6 million , or 4.4% of sales, compared to \$50.5 million , or 4.2% of sales, in the prior year third quarter. The breakdown of the sales performance is set out in the table below.

	Change from previous year					Total sales (in millions)
	Same store sales (1)	Non-same store sales, net (2)	Total sales at constant exchange rate (3)	Exchange translation impact (3)	Total sales as reported	
<b>Third quarter of Fiscal 2017</b>						
Sterling Jewelers division	(3.8)%	0.9%	(2.9)%	— %	(2.9)%	\$ 712.5
Zale Jewelry	(1.4)%	1.4%	— %	0.2 %	0.2 %	\$ 282.4
Piercing Pagoda	9.5 %	1.8%	11.3 %	— %	11.3 %	\$ 53.4
Zale division	0.2 %	1.4%	1.6 %	0.2 %	1.8 %	\$ 335.8
UK Jewelry division	3.6 %	0.6%	4.2 %	(17.0)%	(12.8)%	\$ 130.3
Other (4)	— %	111.1%	111.1 %	— %	111.1 %	\$ 7.6
<b>Signet</b>	<b>(2.0)%</b>	<b>1.5%</b>	<b>(0.5)%</b>	<b>(2.0)%</b>	<b>(2.5)%</b>	<b>\$ 1,186.2</b>
Adjusted Signet (3)						\$ 1,189.2

(1) Based on stores open for at least 12 months. eCommerce sales are included in the calculation of same store sales for the period and comparative figures from the anniversary of the launch of the relevant website.

(2) Includes all sales from stores not open for 12 months.

(3) Non-GAAP measure.

(4) Includes sales from Signet's diamond sourcing initiative.

#### *Sterling Jewelers sales*

The Sterling Jewelers division's total sales were \$712.5 million compared to \$733.5 million in the prior year third quarter, down 2.9% . Same store sales decreased 3.8% compared to an increase of 3.5% in the prior year third quarter. Sales weakness was more pronounced in the non-core regional store brands as well as Jared, to a lesser extent, particularly in energy-dependent regional economies across all store banners. Sales were relatively stronger in several fashion and diamond jewelry collections as compared to higher-priced bridal jewelry which drove an average merchandise transaction value ("ATV") increase of 2.9% . The number of transactions decreased 7.7% due primarily to sales declines in relatively lower-priced, higher-transaction collections such as Charmed Memories and Open Hearts.

Kay ATV increased 5.5% due principally to better sales of select branded diamond jewelry. Transactions decreased 8.9% due primarily to sales declines in relatively lower-priced, higher-transaction collections such as Charmed Memories and Open Hearts. Jared ATV decreased 3.0% due to lower sales of higher-priced bridal and higher sales of low-priced beads and charms. Transactions decreased 3.1% due primarily to lower sales of non-branded categories, including bridal, as well as watches.

	Change from previous year			
	Same store sales (1)	Non-same store sales, net (2)	Total sales as reported	Total sales (in millions)
<b>Third quarter of Fiscal 2017</b>				
Kay	(2.9)%	1.5 %	(1.4)%	\$ 456.5
Jared (3)	(4.6)%	2.1 %	(2.5)%	226.6
Regional brands	(10.5)%	(12.3)%	(22.8)%	29.4
<b>Sterling Jewelers division</b>	<b>(3.8)%</b>	<b>0.9 %</b>	<b>(2.9)%</b>	<b>\$ 712.5</b>

(1) Based on stores open for at least 12 months. eCommerce sales are included in the calculation of same store sales for the period and comparative figures from the anniversary of the launch of the relevant website.

(2) Includes all sales from stores not open or owned for 12 months.

(3) Includes smaller concept Jared stores such as Jared Vault and Jared Jewelry Boutique.

Third quarter	Average Merchandise Transaction Value <sup>(1)(2)</sup>				Merchandise Transactions	
	Average Value		Change from previous year		Change from previous year	
	Fiscal 2017	Fiscal 2016	Fiscal 2017	Fiscal 2016	Fiscal 2017	Fiscal 2016
Kay	\$ 541	\$ 513	5.5 %	4.7%	(8.9)%	1.1 %
Jared	\$ 672	\$ 693	(3.0)%	1.2%	(3.1)%	(4.9)%
Regional brands	\$ 521	\$ 503	3.6 %	0.8%	(14.3)%	(1.6)%
<b>Sterling Jewelers division</b>	<b>\$ 576</b>	<b>\$ 560</b>	<b>2.9 %</b>	<b>3.0%</b>	<b>(7.7)%</b>	<b>(0.6)%</b>

(1) Average merchandise transaction value is defined as net merchandise sales on a same store basis divided by the total number of customer transactions.

(2) Net merchandise sales include all merchandise product sales, net of discounts and returns. Excluded from net merchandise sales are sales tax in the US, repair, extended service plan, insurance, employee and other miscellaneous sales. As a result, the sum of the changes will not agree to change in same store sales.

### Zale sales

In the third quarter, the Zale division's total sales increased 1.8% to \$335.8 million compared to \$329.9 million in the prior year third quarter and increased 1.6% at constant exchange rates. Same store sales increased 0.2% compared to an increase of 2.6% in the prior year third quarter. Zale Jewelry's same store sales decreased 1.4% compared to an increase of 1.5% in the prior year third quarter. The ATV increased 3.5% driven by higher sales of select diamond jewelry collections. The number of transactions decreased 4.2% due primarily to lower sales in the Persona beads collection which tends to be highly transactional. Piercing Pagoda's same store sales increased 9.5% compared to 10.0% in the prior year third quarter. The ATV increased 14.6% while the number of transactions decreased 4.3%. The higher sales and ATV were driven principally by strong sales of gold chains and diamond jewelry. Transactions declined primarily due to lower price point body jewelry items and white metals.

Third quarter of Fiscal 2017	Change from previous year					
	Same store sales <sup>(1)</sup>	Non-same store sales, net <sup>(2)</sup>	Total sales at constant exchange rate <sup>(3)</sup>	Exchange translation impact <sup>(3)</sup>	Total sales as reported	Total sales (in millions)
Zales	(1.0)%	3.2 %	2.2 %	—%	2.2 %	\$ 225.3
Gordon's	(11.6)%	(17.9)%	(29.5)%	—%	(29.5)%	\$ 9.8
Zale US Jewelry	(1.5)%	1.8 %	0.3 %	—%	0.3 %	\$ 235.1
Peoples	(1.0)%	0.5 %	(0.5)%	1.2%	0.7 %	\$ 41.2
Mappins	— %	(9.0)%	(9.0)%	1.4%	(7.6)%	\$ 6.1
Zale Canada Jewelry	(0.9)%	(0.8)%	(1.7)%	1.3%	(0.4)%	\$ 47.3
<b>Total Zale Jewelry</b>	<b>(1.4)%</b>	<b>1.4 %</b>	<b>— %</b>	<b>0.2%</b>	<b>0.2 %</b>	<b>\$ 282.4</b>
<b>Piercing Pagoda</b>	<b>9.5 %</b>	<b>1.8 %</b>	<b>11.3 %</b>	<b>—%</b>	<b>11.3 %</b>	<b>\$ 53.4</b>
<b>Zale division <sup>(4)</sup></b>	<b>0.2 %</b>	<b>1.4 %</b>	<b>1.6 %</b>	<b>0.2%</b>	<b>1.8 %</b>	<b>\$ 335.8</b>

(1) Based on stores open for at least 12 months. eCommerce sales are included in the calculation of same store sales for the period and comparative figures from the anniversary of the launch of the relevant website.

(2) Includes all sales from stores not open for 12 months.

(3) Non-GAAP measure.

(4) The Zale division same store sales includes merchandise and repair sales and excludes warranty and insurance revenues.

Third quarter	Average Merchandise Transaction Value <sup>(1)(2)</sup>				Merchandise Transactions	
	Average Value		Change from previous year		Change from previous year	
	Fiscal 2017	Fiscal 2016	Fiscal 2017	Fiscal 2016	Fiscal 2017	Fiscal 2016
Zales	\$ 521	\$ 506	3.0%	(3.3)%	(3.2)%	5.2 %
Gordon's	\$ 495	\$ 488	1.4%	(6.4)%	(12.3)%	(5.8)%
Peoples <sup>(3)</sup>	C\$ 456	C\$ 432	5.6%	3.4 %	(6.5)%	(1.6)%
Mappins <sup>(3)</sup>	C\$ 382	C\$ 382	—%	1.1 %	(0.8)%	(2.4)%
<b>Total Zale Jewelry</b>	<b>\$ 476</b>	<b>\$ 460</b>	<b>3.5%</b>	<b>(1.9)%</b>	<b>(4.2)%</b>	<b>2.9 %</b>
<b>Piercing Pagoda</b>	<b>\$ 55</b>	<b>\$ 48</b>	<b>14.6%</b>	<b>11.6 %</b>	<b>(4.3)%</b>	<b>(0.1)%</b>
<b>Zale division</b>	<b>\$ 211</b>	<b>\$ 200</b>	<b>5.5%</b>	<b>1.0 %</b>	<b>(4.2)%</b>	<b>1.0 %</b>

(1) Average merchandise transaction value is defined as net merchandise sales on a same store basis divided by the total number of customer transactions.

(2) Net merchandise sales include all merchandise product sales, net of discounts and returns. In addition, excluded from net merchandise sales are sales tax in the US, repair, extended service plan, insurance, employee and other miscellaneous sales. As a result, the sum of the changes will not agree to change in same store sales.

(3) Amounts for Zale Canada Jewelry stores are denominated in Canadian dollars.

### UK Jewelry sales

In the third quarter, the UK Jewelry division's total sales decreased 12.8% to \$130.3 million compared to \$149.4 million in the prior year third quarter and increased 4.2% at constant exchange rates. Same store sales increased 3.6% compared to an increase of 4.1% in the prior year third quarter. The increases in same store sales and total sales at constant exchange rates were due primarily to strong performance in diamond jewelry and prestige watches.

In H.Samuel, the ATV increased 1.3% due to lower sales of lower-priced categories such as beads and gifts; as well as higher sales of select branded bridal. The number of transactions decreased 1.7% primarily due to lower sales of beads, gifts and fashion watches. In Ernest Jones, the ATV increased 17.1% due to greater sales of higher-priced branded diamond jewelry collections and prestige watches. The number of transactions decreased 9.4% due to lower sales of fashion watches and beads.

Third quarter of Fiscal 2017	Change from previous year					Total sales (in millions)
	Same store sales (1)	Non-same store sales, net (2)	Total sales at constant exchange rate (3)	Exchange translation impact (3)	Total sales as reported	
H.Samuel	1.5%	0.6%	2.1%	(16.7)%	(14.6)%	\$ 62.8
Ernest Jones	5.7%	0.6%	6.3%	(17.4)%	(11.1)%	\$ 67.5
<b>UK Jewelry division</b>	<b>3.6%</b>	<b>0.6%</b>	<b>4.2%</b>	<b>(17.0)%</b>	<b>(12.8)%</b>	<b>\$ 130.3</b>

(1) Based on stores open for at least 12 months. eCommerce sales are included in the calculation of same store sales for the period and comparative figures from the anniversary of the launch of the relevant website.

(2) Includes all sales from stores not open for 12 months.

(3) Non-GAAP measure.

Third quarter	Average Merchandise Transaction Value (1)(2)				Merchandise Transactions	
	Average Value		Change from previous year		Change from previous year	
	Fiscal 2017	Fiscal 2016	Fiscal 2017	Fiscal 2016	Fiscal 2017	Fiscal 2016
H.Samuel	£ 78	£ 77	1.3%	—%	(1.7)%	2.7%
Ernest Jones	£ 356	£ 304	17.1%	6.4%	(9.4)%	0.8%
<b>UK Jewelry division</b>	<b>£ 132</b>	<b>£ 124</b>	<b>6.5%</b>	<b>3.4%</b>	<b>(3.3)%</b>	<b>2.3%</b>

(1) Average merchandise transaction value is defined as net merchandise sales on a same store basis divided by the total number of customer transactions.

(2) Net merchandise sales include all merchandise product sales, including value added tax ("VAT"), net of discounts and returns. In addition, excluded from net merchandise sales are repairs, warranty, insurance, employee and other miscellaneous sales. As a result, the sum of the changes will not agree to change in same store sales.

### Year to date sales

In the year to date results, Signet's same store sales decreased 0.4% , compared to an increase of 3.7% in the prior year, and total sales decreased 0.5% to \$4,138.5 million compared to \$4,157.6 million in the prior year. Total sales at constant exchange rates increased 0.9% . The decline in same store and total sales was driven by under performance in Jared as well as broad-based merchandise category declines particularly in energy dependent regions. eCommerce sales in the year to date period were \$201.3 million , or 4.9% of sales, compared to \$193.3 million , or 4.6% of sales, in the prior year. The breakdown of the sales performance is set out in the table below.

Year to date Fiscal 2017	Change from previous year					Total sales (in millions)
	Same store sales (1)	Non-same store sales, net (2)	Total sales at constant exchange rate (3)	Exchange translation impact (3)	Total sales as reported	
Sterling Jewelers division	(1.3)%	1.1%	(0.2)%	— %	(0.2)%	\$ 2,532.3
Zale Jewelry	(0.7)%	1.6%	0.9 %	(0.5)%	0.4 %	\$ 994.8
Piercing Pagoda	7.0 %	1.7%	8.7 %	— %	8.7 %	\$ 179.4
Zale division	0.5 %	1.5%	2.0 %	(0.5)%	1.5 %	\$ 1,174.2
UK Jewelry division	2.5 %	0.9%	3.4 %	(11.2)%	(7.8)%	\$ 419.5
Other (4)	— %	23.8%	23.8 %	— %	23.8 %	\$ 12.5
<b>Signet</b>	<b>(0.4)%</b>	<b>1.3%</b>	<b>0.9 %</b>	<b>(1.4)%</b>	<b>(0.5)%</b>	<b>\$ 4,138.5</b>
Adjusted Signet (3)						\$ 4,149.2

(1) Based on stores open for at least 12 months. eCommerce sales are included in the calculation of same store sales for the period and comparative figures from the anniversary of the launch of the relevant website.

(2) Includes all sales from stores not open for 12 months.

(3) Non-GAAP measure.

(4) Includes sales from Signet's diamond sourcing initiative.

### *Sterling Jewelers sales*

The Sterling Jewelers division's total sales were \$2,532.3 million compared to \$2,536.2 million in the prior year, down 0.2%. Same store sales decreased 1.3% compared to an increase of 3.0% in the prior year. Sterling Jewelers division sales decrease was driven by Jared and regional brands virtually offset by Kay brand performance. Sales increases in the Ever Us collection as well as in select bridal bands, bracelets and earrings were offset by lower sales in other jewelry collections, watches, and beads. Sterling Jewelers' ATV increased 2.9% while the number of transactions decreased 5.5% due to merchandise mix. In Kay, the ATV increased 6.5% due to growth in higher-priced collections such as Ever Us as well as the growth of Vera Wang, coupled with a decline in sales of lower-priced, higher-volume merchandise such as beads. The number of transactions decreased 6.8% primarily due to a decline in lower-priced, higher-volume merchandise including Charmed Memories. In Jared, the ATV decreased 5.3%, due to lower sales of higher-priced bridal and diamond jewelry collections. The number of transactions declined 1.1% due to broad based merchandise category declines.

Year to date Fiscal 2017	Change from previous year			Total sales (in millions)
	Same store sales <sup>(1)</sup>	Non-same store sales, net <sup>(2)</sup>	Total sales as reported	
Kay	0.7 %	1.5 %	2.2 %	\$ 1,624.5
Jared <sup>(3)</sup>	(4.6)%	2.6 %	(2.0)%	\$ 796.9
Regional brands	(6.0)%	(10.8)%	(16.8)%	\$ 110.9
<b>Sterling Jewelers division</b>	<b>(1.3)%</b>	<b>1.1 %</b>	<b>(0.2)%</b>	<b>\$ 2,532.3</b>

(1) Based on stores open for at least 12 months. eCommerce sales are included in the calculation of same store sales for the period and comparative figures from the anniversary of the launch of the relevant website.

(2) Includes all sales from stores not open or owned for 12 months.

(3) Includes smaller concept Jared stores such as Jared Vault and Jared Jewelry Boutique.

Year to date Fiscal 2017	Average Merchandise Transaction Value <sup>(1)(2)</sup>				Merchandise Transactions	
	Average Value		Change from previous year		Change from previous year	
	Fiscal 2017	Fiscal 2016	Fiscal 2017	Fiscal 2016	Fiscal 2017	Fiscal 2016
Kay	\$ 477	\$ 448	6.5 %	5.4%	(6.8)%	(1.5)%
Jared	\$ 573	\$ 605	(5.3)%	2.2%	(1.1)%	(3.0)%
Regional brands	\$ 467	\$ 447	4.5 %	2.5%	(11.3)%	(4.1)%
<b>Sterling Jewelers division</b>	<b>\$ 504</b>	<b>\$ 490</b>	<b>2.9 %</b>	<b>4.3%</b>	<b>(5.5)%</b>	<b>(2.0)%</b>

(1) Average merchandise transaction value is defined as net merchandise sales on a same store basis divided by the total number of customer transactions.

(2) Net merchandise sales include all merchandise product sales, net of discounts and returns. In addition, excluded from net merchandise sales are sales tax in the US, repair, extended service plan, insurance, employee and other miscellaneous sales.

### *Zale sales*

In the year to date results, the Zale division's total sales increased 1.5% to \$1,174.2 million compared to \$1,156.3 million in the prior year and increased 2.0% at constant exchange rates. Same store sales increased 0.5% in the current year compared to 4.8% in the prior year. Zale Jewelry's same store sales decreased 0.7% compared to an increase of 4.3% in the prior year. The ATV increased 3.7%, while the number of transactions decreased 3.8% principally due to higher sales of select diamond jewelry collections offset by a decline in sales of lower-priced, higher-volume merchandise. Piercing Pagoda's same store sales increased 7.0% compared to 8.0% in the prior year. The ATV increased 14.3% driven by strong sales of gold chains and diamond jewelry, and the number of transactions decreased 6.4% due to a decline in piercings and body jewelry sales.

Year to date Fiscal 2017	Change from previous year					Total sales (in millions)
	Same store sales (1)	Non-same store sales, net (2)	Total sales at constant exchange rate (3)	Exchange translation impact (3)	Total sales as reported	
Zales	0.4 %	2.8 %	3.2 %	— %	3.2 %	\$ 804.9
Gordon's	(11.7)%	(12.4)%	(24.1)%	— %	(24.1)%	\$ 39.0
Zale US Jewelry	(0.2)%	1.7 %	1.5 %	— %	1.5 %	\$ 843.9
Peoples	(2.7)%	1.4 %	(1.3)%	(3.1)%	(4.4)%	\$ 131.7
Mappins	(4.4)%	(5.9)%	(10.3)%	(3.2)%	(13.5)%	\$ 19.2
Zale Canada Jewelry	(2.9)%	0.3 %	(2.6)%	(3.1)%	(5.7)%	\$ 150.9
<b>Total Zale Jewelry</b>	<b>(0.7)%</b>	<b>1.6 %</b>	<b>0.9 %</b>	<b>(0.5)%</b>	<b>0.4 %</b>	<b>\$ 994.8</b>
<b>Piercing Pagoda</b>	<b>7.0 %</b>	<b>1.7 %</b>	<b>8.7 %</b>	<b>— %</b>	<b>8.7 %</b>	<b>\$ 179.4</b>
<b>Zale division (4)</b>	<b>0.5 %</b>	<b>1.5 %</b>	<b>2.0 %</b>	<b>(0.5)%</b>	<b>1.5 %</b>	<b>\$ 1,174.2</b>

(1) Based on stores open for at least 12 months. eCommerce sales are included in the calculation of same store sales for the period and comparative figures from the anniversary of the launch of the relevant website.

(2) Includes all sales from stores not open for 12 months.

(3) Non-GAAP measure.

(4) The Zale division same store sales includes merchandise and repair sales and excludes warranty and insurance revenues.

Year to date Fiscal 2017	Average Merchandise Transaction Value (1)(2)			Merchandise Transactions
	Average Value		Change from previous year	Change from previous year
	Fiscal 2017	Fiscal 2016	Fiscal 2017	Fiscal 2017
Zales	\$ 486	\$ 474	2.5%	(1.8)%
Gordon's	\$ 453	\$ 449	0.9%	(12.3)%
Peoples (3)	C\$ 423	C\$ 397	6.5%	(9.0)%
Mappins (3)	C\$ 359	C\$ 356	0.8%	(5.3)%
<b>Total Zale Jewelry</b>	<b>\$ 448</b>	<b>\$ 432</b>	<b>3.7%</b>	<b>(3.8)%</b>
<b>Piercing Pagoda</b>	<b>\$ 56</b>	<b>\$ 49</b>	<b>14.3%</b>	<b>(6.4)%</b>
<b>Zale division</b>	<b>\$ 212</b>	<b>\$ 199</b>	<b>6.5%</b>	<b>(5.4)%</b>

(1) Average merchandise transaction value is defined as net merchandise sales on a same store basis divided by the total number of customer transactions.

(2) Net merchandise sales include all merchandise product sales, net of discounts and returns. In addition, excluded from net merchandise sales are sales tax in the US, repair, extended service plan, insurance, employee and other miscellaneous sales.

(3) Amounts for Zale Canada Jewelry stores are denominated in Canadian dollars.

### UK Jewelry sales

In the year to date, the UK Jewelry division's total sales decreased 7.8% to \$419.5 million compared to \$455.0 million in the prior year and increased 3.4% at constant exchange rates. Same store sales increased 2.5% compared to 5.1% in the prior year. The increases in same store sales and total sales at constant exchange rates were due primarily to strong performance in branded diamond jewelry and prestige watches. In H.Samuel, the ATV increased 1.3% due to growth in higher-priced branded jewelry collections. The number of transactions decreased 1.1% primarily due to lower sales of fashion watches and gifts. In Ernest Jones, the ATV increased 11.7% due to increased sales of higher-priced branded diamond jewelry collections and prestige watches; as well as lower sales of beads and other lower-priced jewelry and fashion watches. The number of transactions decreased 7.0% due to lower sales of the lower-priced higher-volume collections.

Year to date Fiscal 2017	Change from previous year					Total sales as reported	Total sales (in millions)
	Same store sales <sup>(1)</sup>	Non-same store sales, net <sup>(2)</sup>	Total sales at constant exchange rate <sup>(3)</sup>	Exchange translation impact <sup>(3)</sup>	Total sales		
H.Samuel	1.3%	0.4%	1.7%	(11.0)%	(9.3)%	\$ 203.8	
Ernest Jones	3.8%	1.2%	5.0%	(11.4)%	(6.4)%	\$ 215.7	
<b>UK Jewelry division</b>	<b>2.5%</b>	<b>0.9%</b>	<b>3.4%</b>	<b>(11.2)%</b>	<b>(7.8)%</b>	<b>\$ 419.5</b>	

<sup>(1)</sup> Based on stores open for at least 12 months. eCommerce sales are included in the calculation of same store sales for the period and comparative figures from the anniversary of the launch of the relevant website.

<sup>(2)</sup> Includes all sales from stores not open for 12 months.

<sup>(3)</sup> Non-GAAP measure.

Year to date Fiscal 2017	Average Merchandise Transaction Value <sup>(1)(2)</sup>				Merchandise Transactions	
	Average Value		Change from previous year		Change from previous year	
	Fiscal 2017	Fiscal 2016	Fiscal 2017	Fiscal 2016	Fiscal 2017	Fiscal 2016
H.Samuel	£ 76	£ 75	1.3%	1.4%	(1.1)%	1.8%
Ernest Jones	£ 315	£ 282	11.7%	3.7%	(7.0)%	3.9%
<b>UK Jewelry division</b>	<b>£ 125</b>	<b>£ 120</b>	<b>4.2%</b>	<b>3.5%</b>	<b>(2.4)%</b>	<b>2.2%</b>

<sup>(1)</sup> Average merchandise transaction value is defined as net merchandise sales on a same store basis divided by the total number of customer transactions.

<sup>(2)</sup> Net merchandise sales include all merchandise product sales, including value added tax ("VAT"), net of discounts and returns. In addition, excluded from net merchandise sales are repairs, warranty, insurance, employee and other miscellaneous sales. As a result, the sum of the changes will not agree to change in same store sales.

### Cost of sales and gross margin

In the third quarter, gross margin was \$350.0 million or 29.5% of sales compared to \$367.7 million or 30.2% of sales in the prior year third quarter. The decrease in gross margin dollars and rate was attributable to lower sales partially offset by decreased effect of purchase accounting adjustments. Adjusted gross margin was \$352.5 million or 29.6% of sales, compared to 30.6% in the prior year third quarter. The 100 basis point decrease was due principally to lower sales, higher bad debt expense, and de-leverage on store occupancy. This was partially offset by favorable merchandise costs and merchandise mix.

- Gross margin dollars in the Sterling Jewelers division decreased \$15.6 million compared to the prior year third quarter. The gross margin rate, down 120 basis points, decreased principally due to lower sales, higher bad debt expense, and de-leverage on store occupancy. Signet has opened more stores this year, most notably Kay, leading to higher occupancy but without full operating productivity yet.
- Gross margin dollars in the Zale division increased \$5.2 million, or 100 basis points, compared to the prior year third quarter primarily due to lower impact from purchase accounting adjustments compared to the prior year. Included in gross margin were purchase accounting adjustments totaling \$2.5 million compared to \$6.1 million in prior year. Adjusted gross margin in the Zale division increased \$1.6 million, or 20 basis points, as the favorable impact of lower discounting and merchandise mix more than offset the fixed cost deleverage.
- Gross margin dollars in the UK Jewelry division decreased \$6.2 million compared to the prior year third quarter, and the gross margin rate decreased 90 basis points. The gross margin rate decline was driven principally by lower total sales, lower gross merchandise margin, as well as impact resulting from foreign currency.

In the year to date period, gross margin was \$1,415.3 million or 34.2% of sales compared to \$1,424.4 million or 34.3% of sales in the prior year. The decrease in gross margin dollars was primarily attributable to lower sales, higher bad debt expense, and de-leverage on store occupancy. Adjusted gross margin was \$1,424.9 million or 34.3% of sales compared to 34.8% in the prior year. The 50 basis point decrease in the adjusted gross margin rate was also due primarily to lower sales, higher bad debt expense, and de-leverage on store occupancy.

- Gross margin dollars in the Sterling Jewelers division decreased \$22.8 million compared to the prior year. The gross margin rate, down 80 basis points, decreased principally due to lower sales, higher bad debt expense, and de-leverage on store occupancy.
- Gross margin dollars in the Zale division increased \$26.3 million, or 170 basis points, compared to the prior year primarily due mainly to lower purchase accounting costs this year. Included in gross margin were purchase accounting adjustments totaling \$9.6 million compared to \$30.9 million in prior year. Adjusted gross margin in the Zale division increased \$5.0 million, or 20 basis points, favorably impacted by merchandise margins and store operating and distribution costs.
- Gross margin dollars in the UK Jewelry division decreased \$12.9 million compared to the prior year, and the gross margin rate decreased 80 basis points. The gross margin rate decrease was driven principally by lower sales and merchandise margin de-leverage as a result of currency exchange rates.

## Selling, general and administrative expenses

In the third quarter, selling, general and administrative expenses (“SGA”) were \$386.5 million or 32.6% of sales compared to \$395.0 million or 32.4% of sales in the prior year third quarter. Included in third quarter SGA were purchase accounting and integration costs of \$9.2 million and \$7.4 million this year and prior year, respectively. The decline in SGA was driven by a variety of favorable factors including lower variable compensation due to lower sales, harmonization of Signet’s compensated absence policies, merchant fees in Zale credit programs, and foreign exchange translation. Third quarter Fiscal 2017 adjusted SGA was \$377.3 million or 31.7% of sales compared to \$387.6 million or 31.7% in the prior year third quarter. Adjusted SGA decreased \$10.3 million, or 2.7%, driven by the factors noted above.

In the year to date period, SGA was \$1,264.9 million or 30.6% of sales compared to \$1,301.0 million or 31.3% of sales in prior year to date period. The decrease was primarily attributable to a reduction in transaction and integration costs as a result of the \$34.2 million appraisal rights legal settlement in the prior year. Included in SGA were \$18.5 million of integration expenses and a \$3.9 million unfavorable impact from purchase accounting adjustments compared to prior year transaction and integration expenses of \$59.8 million and an \$10.7 million benefit from purchase accounting adjustments. Year to date adjusted SGA was \$1,242.5 million or 29.9% of sales compared to \$1,251.9 million or 30.0% in the prior year. Adjusted SGA decreased \$9.4 million, and was favorable by 10 basis points, as a result of lower store and corporate payroll expenses, including variable compensation due to lower sales, lower advertising expenses and foreign exchange translation.

## Other operating income, net

Other operating income in the third quarter was \$68.6 million or 5.8% of sales compared to \$60.9 million or 5.0% of sales in the prior year third quarter. In the year to date period, other operating income was \$213.6 million or 5.2% of sales compared to \$187.2 million or 4.5% of sales in the prior year period. The year-over-year increase was primarily due to higher interest income earned from higher outstanding receivable balances.

## Operating income

Operating income for the third quarter was \$32.1 million or 2.7% of sales compared to \$33.6 million or 2.8% of sales in the prior year third quarter. Included in operating income were \$7.9 million of integration expenses and \$3.8 million of purchase accounting adjustments which reduced operating income compared to adjustments of \$9.8 million and \$3.7 million, respectively, in the prior year period. Adjusted operating income was \$43.8 million or 3.7% of sales compared to adjusted operating income of \$47.1 million or 3.9% of sales in the prior year third quarter. Signet’s operating income consisted of the following components:

	Third Quarter			
	Fiscal 2017		Fiscal 2016	
	\$ (in millions)	% of divisional sales	\$ (in millions)	% of divisional sales
Sterling Jewelers division	\$ 78.6	11.0 %	\$ 77.2	10.5 %
Zale division <sup>(1)</sup>	(24.7)	(7.4)%	(24.3)	(7.4)%
UK Jewelry division	—	— %	—	— %
Other <sup>(2)</sup>	(21.8)	nm	(19.3)	nm
<b>Operating income</b>	<b>\$ 32.1</b>	<b>2.7 %</b>	<b>\$ 33.6</b>	<b>2.8 %</b>

<sup>(1)</sup> In the third quarter of Fiscal 2017, Zale division includes net operating loss impact of \$3.8 million for purchase accounting adjustments. Excluding the impact from accounting adjustments, Zale division’s operating income was \$20.9 million or 6.2% of sales. The Zale division operating loss of \$24.7 million included a loss of \$19.3 million from Zale Jewelry and a loss of \$5.4 million from Piercing Pagoda. In the prior year third quarter, Zale division includes net operating loss impact of \$3.7 million for purchase accounting adjustments. Excluding the impact from accounting adjustments, Zale division’s operating loss was \$20.6 million or 6.1% of sales. The Zale division operating loss of \$24.3 million included \$18.3 million from Zale Jewelry and \$6.0 million from Piercing Pagoda.

<sup>(2)</sup> Other includes \$7.9 million of integration costs in the 13 weeks ended October 29, 2016 for consulting expenses associated with IT implementations. Other includes \$9.8 million for the 13 weeks ended October 31, 2015 of transaction and integration expenses primarily attributable to expenses associated with legal, tax, accounting and consulting services.

nm Not meaningful.

In the year to date period, operating income was \$364.0 million or 8.8% of sales compared to \$310.6 million or 7.5% of sales in the prior year. Included in operating income were \$18.5 million of integration expenses and \$13.5 million of purchase accounting adjustments which reduced operating income compared to adjustments of \$59.8 million and \$20.2 million, respectively, in the prior year. Adjusted operating income was \$396.0 million or 9.5% of sales compared to adjusted operating income of \$390.6 million or 9.3% of sales in the prior year. Signet’s operating income consisted of the following components:



	Year to date			
	Fiscal 2017		Fiscal 2016	
	\$ (in millions)	% of divisional sales	\$ (in millions)	% of divisional sales
Sterling Jewelers division	\$ 417.8	16.5%	\$ 413.2	16.3 %
Zale division <sup>(1)</sup>	1.7	0.1%	(10.9)	(0.9)%
UK Jewelry division	3.0	0.7%	3.7	0.8 %
Other <sup>(2)</sup>	(58.5)	nm	(95.4)	nm
<b>Operating income</b>	<b>\$ 364.0</b>	<b>8.8%</b>	<b>\$ 310.6</b>	<b>7.5 %</b>

<sup>(1)</sup> In the year to date period of Fiscal 2017, Zale division includes net operating loss impact of \$13.5 million for purchase accounting adjustments. Excluding the impact from accounting adjustments, Zale division's operating income was \$15.2 million or 1.3% of sales. The Zale division operating income of \$1.7 million included a net operating loss of \$0.5 million from Zale Jewelry and operating income of \$2.2 million from Piercing Pagoda. In the prior year to date period, Zale division includes net operating loss impact of \$20.2 million for purchase accounting adjustments. Excluding the impact from accounting adjustments, Zale division's operating income was \$9.3 million or 0.8% of sales. The Zale division net operating loss of \$10.9 million included \$9.9 million from Zale Jewelry and \$1.0 million from Piercing Pagoda.

<sup>(2)</sup> Other includes \$18.5 million of integration costs in the year to date period of Fiscal 2017 for consulting expenses associated with IT implementations and severance related to organizational changes. In the prior year to date period, \$59.8 million of transaction and integration expenses were incurred, primarily attributable to the legal settlement over appraisal rights and consulting expenses.

nm Not meaningful.

### Interest expense, net

In the third quarter, net interest expense was \$12.7 million compared to \$11.7 million in the prior year third quarter. The weighted average interest rate for the Company's debt outstanding was 2.76% compared to 2.66% in the prior year third quarter.

In the year to date period, net interest expense was \$36.4 million compared to \$33.8 million in the prior year. The weighted average interest rate for the Company's debt outstanding in the current year was 2.80% compared to 2.61% in the prior year comparable period.

### Income before income taxes

For the third quarter, income before income taxes decreased \$2.5 million to \$19.4 million or 1.6% of sales compared to income of \$21.9 million or 1.8% of sales in the prior year third quarter.

For the year to date period, income before income taxes increased \$50.8 million to \$327.6 million or 7.9% of sales compared to income of \$276.8 million or 6.7% of sales in the prior year.

### Income taxes

In the third quarter, income tax expense was \$2.4 million, an effective tax rate ("ETR") of 12.4%, compared to income tax expense of \$6.9 million, an ETR of 31.5% in the prior year third quarter. The ETR is driven by the anticipated annual mix of pre-tax income by jurisdiction.

In the year to date period, income tax expense was \$81.9 million, an ETR of 25.0%, compared to income tax expense of \$80.8 million, an ETR of 29.2% in the prior year.

The Company expects the full year ETR for Fiscal 2017 to be 25% to 26% compared to 28.9% for Fiscal 2016. The estimated effective tax rate continues to benefit from global reinsurance and financing arrangements, including certain intra-entity debt agreements which mature on various dates between fiscal year 2022 and 2027.

### Net income

For the third quarter, net income was \$17.0 million or 1.4% of sales compared to \$15.0 million or 1.2% of sales in the prior year third quarter. Adjusted net income was \$24.3 million or 2.0% of adjusted sales compared to \$25.8 million or 2.1% of adjusted sales in the prior year comparable period.

In the year to date period, net income was \$245.7 million or 5.9% of sales compared to \$196.0 million or 4.7% of sales in the prior year. Adjusted net income was \$265.6 million or 6.4% of adjusted sales compared to \$258.6 million or 6.2% of adjusted sales in the prior year.

### **Earnings per share**

For the third quarter, diluted earnings per share were \$0.20 compared to \$0.19 in the prior year third quarter. Adjusted diluted earnings per share were \$0.30 compared to \$0.33 in the prior year third quarter. The weighted average diluted number of common shares outstanding was 73.6 million compared to 79.5 million in the prior year third quarter. The reduction in weighted average diluted number of common shares outstanding was driven by the Company's share repurchases since October 31, 2015.

In the year to date period, diluted earnings per share were \$3.18 compared to \$2.45 in the prior year. Adjusted diluted earnings per share were \$3.44 compared to \$3.24 in the prior year. The weighted average diluted number of common shares outstanding was 76.5 million compared to 79.9 million in the prior year.

As discussed in Notes 4 and 6 of Item 1, the Company issued preferred shares on October 5, 2016 which include a cumulative dividend right and may be converted into common shares. The Company's computation of diluted earnings includes the effect of potential common shares for outstanding awards issued under the Company's share-based compensation plans and preferred shares upon conversion, if dilutive. In computing diluted EPS, the Company also adjusts the numerator used in the basic EPS computation, subject to anti-dilution requirements, to add back the dividends (declared or cumulative undeclared) applicable to the preferred shares. For the third quarter and year to date period, the dilutive effect related to preferred shares was excluded from the earnings per share computation as the preferred shares were anti-dilutive.

### **Dividends per common share**

In the third quarter of Fiscal 2017, dividends of \$0.26 per common share were declared by the Board of Directors compared to \$0.22 in the third quarter of Fiscal 2016. In the year to date period, dividends of \$0.78 per common share were declared by the Board of Directors compared to \$0.66 in the prior year to date period.

**LIQUIDITY AND CAPITAL RESOURCES****Summary cash flow**

The following table provides a summary of Signet's cash flow activity for the year to date periods of Fiscal 2017 and Fiscal 2016 :

<i>(in millions)</i>	39 weeks ended	
	October 29, 2016	October 31, 2015
Net cash provided by operating activities	\$ 360.9	\$ 88.7
Net cash used in investing activities	(196.0)	(171.0)
Net cash used in financing activities	(218.2)	(34.2)
Decrease in cash and cash equivalents	(53.3)	(116.5)
Cash and cash equivalents at beginning of period	137.7	193.6
Decrease in cash and cash equivalents	(53.3)	(116.5)
Effect of exchange rate changes on cash and cash equivalents	(1.7)	0.1
<b>Cash and cash equivalents at end of period</b>	<b>\$ 82.7</b>	<b>\$ 77.2</b>

**Operating activities**

Net cash provided by operating activities was \$360.9 million compared to \$88.7 million in the prior year comparable period.

- Net income increased by \$49.7 million to \$245.7 million from \$196.0 million .
- Depreciation and amortization increased \$9.3 million to \$138.8 million from \$129.5 million in the prior year comparable period.
- Cash provided by accounts receivable was \$174.0 million as compared to \$116.3 million in the prior year to date period. In the Sterling Jewelers division, credit participation was 63.6% and the average monthly collection rate was 11.2% compared to 63.0% and 11.7% , respectively, in the prior year comparable period. The decline in the collection rate is due principally to credit plan mix. Initiatives related to extended payment terms with deferred interest resulted in lower average monthly collections rates. Net charge-offs as a percentage of gross accounts receivable increased by approximately 60 basis points to 8.1% due to prior year cohort mix shift impacts reaching charge-off thresholds in the current period.

Below is a summary of key customer financing statistics related to the Sterling Jewelers customer in-house finance receivables:

	39 weeks ended	
	October 29, 2016	October 31, 2015
Total sales (millions)	\$ 2,532.3	\$ 2,536.2
Credit sales (millions)	\$ 1,610.1	\$ 1,598.0
Credit sales as % of total Sterling Jewelers sales <sup>(2)</sup>	63.6%	63.0%
Net bad debt expense (millions) <sup>(3)</sup>	\$ 146.1	\$ 130.6
Opening receivables (millions)	\$ 1,855.9	\$ 1,666.0
Closing receivables (millions)	\$ 1,679.3	\$ 1,559.4
Number of active credit accounts at period end <sup>(4)</sup>	1,227,048	1,204,917
Average outstanding account balance at period end	\$ 1,360	\$ 1,286
Average monthly collection rate	11.2%	11.7%
Ending bad debt allowance as a % of ending accounts receivable <sup>(1)</sup>	7.9%	7.8%
Net charge-offs as a % of average gross accounts receivable <sup>(1)(5)</sup>	8.1%	7.5%
Non performing receivables as a % of ending accounts receivable <sup>(1)</sup>	4.9%	4.9%
<b>Credit portfolio impact:</b>		
Net bad debt expense (millions) <sup>(3)</sup>	\$ (146.1)	\$ (130.6)
Late charge income (millions)	\$ 26.9	\$ 25.2
Interest income from in-house customer finance programs (millions) <sup>(6)</sup>	\$ 209.9	\$ 188.6
	<b>\$ 90.7</b>	<b>\$ 83.2</b>

(1) See Note 9 of Item 1 for additional information.

(2) Including any deposits taken at the time of sale.

(3) Net bad expense is defined as the charge for the provision for bad debt less recoveries.

(4) The number of active accounts is based on credit cycle end date closest to the fiscal period end date.

(5) Calculation reflects charge-offs incurred during 39 week periods ended October 29, 2016 and October 31, 2015, respectively. Net charge-offs calculated as gross charge-offs less recoveries. See Note 9 of Item 1 for additional information.

(6) Primary component of other operating income, net, on the condensed consolidated income statement.

- Cash used for inventory and inventory-related items was \$217.0 million compared to \$289.3 million in the prior year comparable period. Total inventory as of October 29, 2016 was \$2,649.4 million compared to the prior year comparable quarter balance of \$2,727.0 million. The change in inventory balances from prior year is attributed to the expansion of branded merchandise to support merchandising initiatives and new stores, more than offset by the impact of currency exchange rates and sound inventory management.
- Cash provided by accounts payable was \$114.1 million compared to \$93.6 million in the prior year comparable period primarily driven by timing of payments made in connection with inventory purchases.
- Cash used for accrued expenses and other liabilities was \$82.2 million compared to \$60.5 million in the prior year comparable period primarily driven by a lower accrual for incentive compensation.

### Investing activities

Net cash used in investing activities in the 39 weeks ended October 29, 2016 was \$196.0 million consisting primarily of capital additions associated with new store locations and remodels of existing stores, as well as capital investments in IT. Net cash used in investing activities in the 39 weeks ended October 31, 2015 was \$171.0 million, primarily related to capital additions associated with new store locations, remodels of existing stores and Zale division information technology infrastructure.

**Stores opened and closed in the 39 weeks ended October 29, 2016 :**

	January 30, 2016	Openings	Closures	October 29, 2016
<b>Store count:</b>				
Kay	1,129	48	(2)	1,175
Jared	270	5	(3)	272
Regional brands	141	—	(15)	126
<b>Sterling Jewelers division</b>	<b>1,540</b> <sup>(1)</sup>	<b>53</b>	<b>(20)</b>	<b>1,573</b>
Zales	730	35	(12)	753
Peoples	145	1	(3)	143
Regional brands	102	—	(17)	85
Total Zale Jewelry	977	36	(32)	981
Piercing Pagoda	605	19	(19)	605
<b>Zale division</b>	<b>1,582</b> <sup>(1)</sup>	<b>55</b>	<b>(51)</b>	<b>1,586</b>
H.Samuel	301	4	—	305
Ernest Jones	202	3	(1)	204
<b>UK Jewelry division</b>	<b>503</b> <sup>(1)</sup>	<b>7</b>	<b>(1)</b>	<b>509</b>
<b>Signet</b>	<b>3,625</b>	<b>115</b>	<b>(72)</b>	<b>3,668</b>

<sup>(1)</sup> The annual net change in selling square footage for Fiscal 2016 for the Sterling Jewelers division, Zale division and UK Jewelry division was 5.0%, 0.5% and 1.5%, respectively.

**Planned store count changes for the remainder of Fiscal 2017:**

	Gross locations	Net locations	Net square feet
<b>Sterling Jewelers division</b>	+68 to +80	+38 to +52	+4% to +5%
<b>Zale division</b>	+65 to +78	+7 to +25	0% to +1%
<b>UK Jewelry division</b>	+12 to +18	+10 to +12	+1% to +2%

Signet anticipates opening 145 to 176 new stores (55 to 89 new stores, net of closures) in Fiscal 2017. Net selling square footage is anticipated to grow 3.0% to 3.5% for the year driven principally by the addition of off-mall stores led by Kay. Square footage growth will be offset in part primarily due to the closure of regional store brands in North America.

**Financing activities**

Net cash used in financing activities in the 39 weeks ended October 29, 2016 was \$218.2 million, comprised primarily of \$1,000.0 million for the repurchase of Signet's common shares (including \$157.5 million related to outstanding forward contract associated with accelerated share repurchase agreement entered into on October 5, 2016) and \$57.5 million for dividend payments. Offsetting the cash used for share repurchases and dividend payments was \$625.0 million of proceeds received from the issuance of redeemable convertible preferred shares and \$259.0 million of proceeds drawn on the revolving credit facility. Net cash used in financing activities in the 39 weeks ended October 31, 2015 was \$34.2 million, comprised primarily of \$111.9 million for the repurchase of Signet's common shares and \$49.6 million for dividend payments, offset by \$147.0 million of proceeds drawn on the revolving credit facility. Details of the major items within financing activities are discussed below:

### Share repurchases

(in millions, except per share amounts)	39 weeks ended October 29, 2016				39 weeks ended October 31, 2015			
	Amount authorized	Shares repurchased	Amount repurchased	Average repurchase price per share	Shares repurchased	Amount repurchased	Average repurchase price per share	
2016 Program <sup>(1)</sup>	\$ 1,375.0	8.7	\$ 706.9	\$ 81.32	n/a	n/a	n/a	
2013 Program <sup>(2)</sup>	\$ 350.0	1.2	\$ 135.6	\$ 111.26	0.9	\$ 111.9	\$ 128.91	
<b>Total</b>		<b>9.9</b>	<b>\$ 842.5</b>	<b>\$ 85.00</b>	<b>0.9</b>	<b>\$ 111.9</b>	<b>\$ 128.91</b>	

<sup>(1)</sup> In February 2016 and August 2016, the Board of Directors authorized the repurchase of Signet's common shares up to \$750.0 million and \$625.0 million, respectively, for a combined total of \$1,375.0 million (the "2016 Program"). The 2016 Program may be suspended or discontinued at any time without notice. The 2016 Program had \$510.6 million remaining as of October 29, 2016. The Company entered into an accelerated share repurchase ("ASR") agreement on October 5, 2016 to repurchase \$525.0 million of the Company's common shares and took delivery of 4.7 million shares with an initial estimated cost of \$367.5 million. The pricing period is scheduled to end in December 2016 with the total number of shares to be delivered being calculated using the volume-weighted average price of the Company's common shares traded during the pricing period, less an agreed discount.

<sup>(2)</sup> The 2013 Program was completed in May 2016.

n/a Not applicable.

### Dividends declared on common shares

(in millions, except per share amounts)	Fiscal 2017		Fiscal 2016	
	Cash dividend per share	Total dividends	Cash dividend per share	Total dividends
First quarter	\$ 0.26	\$ 20.4	\$ 0.22	\$ 17.6
Second quarter	\$ 0.26	\$ 19.7	\$ 0.22	\$ 17.6
Third quarter <sup>(1)</sup>	\$ 0.26	\$ 18.1	\$ 0.22	\$ 17.5
<b>Total</b>	<b>\$ 0.78</b>	<b>\$ 58.2</b>	<b>\$ 0.66</b>	<b>\$ 52.7</b>

<sup>(1)</sup> Signet's dividend policy for common shares results in the dividend payment date being a quarter in arrears from the declaration date. As a result, as of October 29, 2016 and October 31, 2015, \$18.1 million and \$17.5 million, respectively, has been recorded in accrued expenses and other current liabilities in the condensed consolidated balance sheets reflecting the cash dividends declared on common shares for the third quarter of Fiscal 2017 and Fiscal 2016, respectively.

### Dividends on preferred shares

As of October 29, 2016, there were no declared and unpaid dividends associated with the redeemable convertible preferred shares. As disclosed in the condensed consolidated income statement, cumulative undeclared dividends on the preferred shares since the date of issuance totaled \$2.2 million and reduced net income attributable to common shareholders.

### Proceeds from issuance of Common Shares

During the 39 weeks ended October 29, 2016, \$0.4 million was received for the exercise of share options pursuant to Signet's equity compensation programs compared to \$3.3 million in the 39 weeks ended October 31, 2015.

### Movement in cash and indebtedness

Net debt was \$1,530.3 million as of October 29, 2016 compared to \$1,501.4 million as of October 31, 2015; see non-GAAP measures discussed above.

Cash and cash equivalents at October 29, 2016 were \$82.7 million compared to \$77.2 million as of October 31, 2015. Signet has significant amounts of cash and cash equivalents invested in various 'AAA' rated liquidity funds and at a number of financial institutions. The amount invested in each liquidity fund or at each financial institution takes into account the credit rating and size of the liquidity fund or financial institution and is invested for short-term durations.

At October 29, 2016, Signet had \$1,621.8 million of outstanding debt, comprised of \$398.7 million of senior unsecured notes, \$600.0 million on an asset-backed securitization facility, \$353.0 million on a term loan facility, \$259.0 million on a revolving credit facility and \$11.1 million of bank overdrafts and capital lease obligations. The term loan requires the Company to make scheduled quarterly principal payments over the five-year term. During the 39 weeks ended October 29, 2016, the Company made \$12.0 million in principal payments on the term loan. During the second quarter of Fiscal 2017, Signet amended and restated its Credit Facility agreement to (i) increase the borrowing capacity under the revolving credit facility from \$400 million to \$700 million and extend the maturity date to July 2021 and (ii) extend the maturity date of the term loan facility to July 2021 and revise the scheduled quarterly principal repayments to align with the July 2021 maturity date. Additionally, Signet amended the note purchase agreement associated with the asset-backed securitization facility to extend the term of the facility by one year to May 2018 with remaining terms substantially consistent with the existing agreement.

At October 31, 2015, Signet had \$1,588.5 million of outstanding debt, comprised of \$398.6 million of senior unsecured notes, \$600.0 million of an asset-backed securitization facility, \$372.5 million on a term loan facility, \$147.0 million on the revolving credit facility and \$70.4 million of bank overdrafts and capital lease obligations. During the 39 weeks ending October 31, 2015, \$17.5 million in principal payments were made on the term loan.

The Company had stand-by letters of credit on the revolving credit facility of \$14.8 million and \$21.3 million as of October 29, 2016 and October 31, 2015, respectively, that reduce remaining availability under the revolving credit facility.

## **CONTRACTUAL OBLIGATIONS**

Signet's contractual obligations and commitments as of October 29, 2016 and the effects such obligations and commitments are expected to have on Signet's liquidity and cash flows in future periods have not changed materially outside the ordinary course from those disclosed in Signet's Annual Report on Form 10-K for the year ended January 30, 2016, filed with the SEC on March 24, 2016.

## **SEASONALITY**

Signet's sales are seasonal, with the first quarter slightly exceeding 20% of annual sales, the second and third quarters each approximating 20% and the fourth quarter accounting for almost 40% of annual sales, with December being by far the most important month of the year. The "Holiday Season" consists of results for the months of November and December. As a result, approximately 45% to 55% of Signet's annual operating income normally occurs in the fourth quarter, comprised of nearly all of the UK Jewelry and Zale divisions' annual operating income and about 40% to 45% of the Sterling Jewelers division's annual operating income.

## **CRITICAL ACCOUNTING POLICIES AND ESTIMATES**

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. On an ongoing basis, management evaluates its accounting policies, estimates and judgments, including those related to the valuation of accounts receivables, inventories, deferred revenue, derivatives, employee benefits, income taxes, contingencies, asset impairments, as well as depreciation and amortization of long-lived assets. Management bases the estimates and judgments on historical experience and various other factors believed to be reasonable under the circumstances. Actual results may differ from these estimates. There have been no material changes to the critical accounting policies and estimates disclosed in Signet's Annual Report on Form 10-K for the fiscal year ended January 30, 2016 filed with the SEC on March 24, 2016.

### ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Signet is exposed to market risk from fluctuations in foreign currency exchange rates, interest rates and precious metal prices, which could affect its consolidated financial position, earnings and cash flows. Signet manages its exposure to market risk through its regular operating and financing activities and, when deemed appropriate, through the use of derivative financial instruments. Signet uses derivative financial instruments as risk management tools and not for trading purposes.

As certain of the UK Jewelry division's purchases are denominated in US dollars and its net cash flows are in British pounds, Signet's policy is to enter into forward foreign currency exchange contracts and foreign currency swaps to manage the exposure to the US dollar. Signet also hedges a significant portion of forecasted merchandise purchases using commodity forward contracts. Additionally, the Zale division occasionally enters into forward foreign currency exchange contracts to manage the currency fluctuations associated with purchases for our Canadian operations. These contracts are entered into with large, reputable financial institutions, thereby minimizing the credit exposure from our counterparties.

Signet has significant amounts of cash and cash equivalents invested at several financial institutions. The amount invested at each financial institution takes into account the long-term credit rating and size of the financial institution. However, with the current financial environment and the possible instability of financial institutions, Signet cannot be assured that it will not experience any losses on these balances. The interest rates earned on cash and cash equivalents will fluctuate in line with short-term interest rates.

Signet's market risk profile as of October 29, 2016 has not materially changed since January 30, 2016 . The market risk profile as of January 30, 2016 is disclosed in Signet's Annual Report on Form 10-K, filed with the SEC on March 24, 2016 .

### ITEM 4. CONTROLS AND PROCEDURES

#### *Evaluation of Disclosure Controls and Procedures*

Management, including our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended. Based on this review, the Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of October 29, 2016 .

#### *Changes in internal control over financial reporting*

During the third quarter of Fiscal 2017 , there were no changes in the Company's internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.



**PART II. OTHER INFORMATION****ITEM 1. LEGAL PROCEEDINGS**

Information regarding legal proceedings is incorporated by reference from Note 21 of the Financial Statements set forth in Part I of this Quarterly Report on Form 10-Q.

**ITEM 1A. RISK FACTORS**

There have been no material changes in our risk factors from those disclosed in Part I, Item 1A, of Signet's Fiscal 2016 Annual Report on Form 10-K, filed with the SEC on March 24, 2016, except the risk factor update set forth below.

*Global economic conditions and regulatory changes following the United Kingdom's announced intention to exit from the European Union could adversely impact the Company's business and results of operations located in, or closely associated with, the United Kingdom.*

In June 2016, a majority of voters in the United Kingdom elected to withdraw from the European Union (often referred to as Brexit) in a national referendum. The referendum was advisory, and the terms of any withdrawal are subject to a negotiation period that could last at least two years after the government of the United Kingdom formally initiates a withdrawal process. This will be either accompanied or followed by negotiations between the European Union and the United Kingdom concerning the future relations between the parties. Nevertheless, the referendum has created significant uncertainty about the future relationship between the United Kingdom and the European Union. This includes uncertainty with respect to the laws and regulations, including regulations applicable to the Company's business, that will apply in the United Kingdom in the event of a withdrawal. The referendum has also given rise to calls for the governments of other European Union member states to consider a referendum on withdrawal from the European Union for their territory. These developments, or the perception that any of them could occur, could adversely impact global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity and restrict the ability of key market participants to operate in certain financial markets. Any of these factors could depress economic activity, which could adversely impact our business, financial condition and results of operations especially those located in, or closely associated with, the United Kingdom. Brexit could lead to long-term volatility in the currency markets and there could be long-term detrimental effects on the value of the British Pound. Brexit could also impact other currencies. The Company uses foreign currency derivative instruments to hedge certain exposures to currency exchange rate risks. The results of the Brexit referendum could increase the Company's exposure to foreign currency rate exchange risks and reduce its ability to effectively use certain derivative instruments as a way to hedge risks.

**ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS****Repurchases of equity securities**

The following table contains the Company's repurchases of equity securities in the third quarter of Fiscal 2017 :

<u>Period</u>	<u>Total number of shares purchased <sup>(1)</sup></u>	<u>Average price paid per share</u>	<u>Total number of shares purchased as part of publicly announced plans or programs <sup>(2)</sup></u>	<u>Maximum number (or approximate dollar value) of shares that may yet be purchased under the plans or programs</u>
July 31, 2016 to August 27, 2016	416	\$ 90.53	—	\$ 1,135,585,604
August 28, 2016 to September 24, 2016	1,261,889	\$ 79.25	1,261,889	\$ 1,035,586,584
September 25, 2016 to October 29, 2016	4,722,896	\$ 77.82	4,722,436	\$ 668,086,614
<b>Total</b>	<b>5,985,201</b>	<b>\$ 78.12</b>	<b>5,984,325</b>	<b>\$ 668,086,614</b>

(1) Includes 876 shares delivered to Signet by employees to satisfy minimum tax withholding obligations due upon the vesting or payment of stock awards under share-based compensation programs. These are not repurchased in connection with any publicly announced share repurchase programs.

(2) In February 2016 and August 2016, the Board of Directors authorized the repurchase of Signet's common shares up to \$750.0 million and \$625.0 million, respectively, for a combined total of \$1,375.0 million (the "2016 Program"). The 2016 Program may be suspended or discontinued at any time without notice. The Company entered into an accelerated share repurchase ("ASR") agreement on October 5, 2016 to repurchase \$525.0 million of the Company's common shares and took delivery of 4.7 million shares with an initial estimated cost of \$367.5 million. The pricing period is scheduled to end in December 2016 with the total number of shares to be delivered being calculated using the volume-weighted average price of the Company's common shares traded during the pricing period, less an agreed discount.

## ITEM 6. EXHIBITS

The following exhibits are filed as part of, or incorporated by reference into, this Quarterly Report on Form 10-Q.

Number	Description of Exhibits <sup>(1)</sup>
3.1	Certificate of Designation of Series A Convertible Preference Shares, Par Value \$0.01 Per Share, of Signet Jewelers Limited (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed November 3, 2016).
10.1	Investment Agreement, dated as of August 24, 2016, by and among Signet Jewelers Limited, Green Equity Investors VI, L.P. and Green Equity Investors Side VI, L.P. (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed August 25, 2016).
10.2	Shareholders' Agreement by and among Signet Jewelers Limited, Green Equity Investors VI, L.P., Green Equity Investors Side VI, L.P., LGP Associates VI-A LLC and LGP Associates VI-B LLC, dated as of October 5, 2016 (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed October 6, 2016).
10.3	Registration Rights Agreement, dated as of October 5, 2016, by and among Signet Jewelers Limited, Green Equity Investors VI, LP, Green Equity Investors Side VI, L.P., LGP Associates VI-A LLC and LGP Associates VI-B LLC (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed October 6, 2016).
10.4*	Accelerated Share Repurchase Master Confirmation Agreement, dated as of October 5, 2016, by and among Signet Jewelers Limited and JPMorgan Chase Bank, National Association.
10.5*	Accelerated Share Repurchase Supplemental Confirmation Agreement, dated as of October 5, 2016, by and among Signet Jewelers Limited and JPMorgan Chase Bank, National Association.
31.1*	Certification of the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of the Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1*	Certification of the Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted by Section 906 of the Sarbanes-Oxley Act of 2002.
32.2*	Certification of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted by Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS*	XBRL Instance Document.
101.SCH*	XBRL Taxonomy Extension Schema Document.
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document.
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document.

<sup>(1)</sup> Signet hereby agrees to furnish to the U.S. Securities and Exchange Commission, upon request, a copy of each instrument that defines the rights of holders of long-term debt under which the total amount of securities authorized does not exceed 10% of the total assets of Signet and its subsidiaries on a consolidated basis that is not filed or incorporated by reference as an exhibit to our annual and quarterly reports.

\* Filed herewith.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

**Signet Jewelers Limited**

Date: November 29, 2016

By: \_\_\_\_\_ /s/ Michele L. Santana  
Name: Michele L. Santana  
Title: Chief Financial Officer  
(Principal Financial Officer and Principal Accounting Officer)

JPMorgan Chase Bank, National Association  
P.O. Box 161  
60 Victoria Embankment  
London EC4Y 0JP  
England

October 5, 2016

To: Signet Jewelers Limited  
c/o Signet Group Treasury Services, Inc.  
375 Ghent Road  
Akron, OH 44333  
Attn: Michele Santana, Chief Financial Officer  
Telephone:  
Email:

Re: Master Confirmation—Uncollared Accelerated Share Repurchase

This master confirmation (this “**Master Confirmation**”), dated as of October 5, 2016, is intended to set forth certain terms and provisions of certain Transactions (each, a “**Transaction**”) entered into from time to time between J.P. Morgan Securities LLC (“**JPMS**”), as agent for JPMorgan Chase Bank, National Association, London Branch (“**JPMorgan**”), and Signet Jewelers Limited, a Bermuda corporation (“**Counterparty**”). This Master Confirmation, taken alone, is neither a commitment by either party to enter into any Transaction nor evidence of a Transaction. The additional terms of any particular Transaction shall be set forth in a Supplemental Confirmation in the form of Schedule A hereto (a “**Supplemental Confirmation**”), which shall reference this Master Confirmation and supplement, form a part of, and be subject to this Master Confirmation. This Master Confirmation and each Supplemental Confirmation together shall constitute a “Confirmation” as referred to in the Agreement specified below.

The definitions and provisions contained in the 2002 ISDA Equity Derivatives Definitions (the “**Equity Definitions**”), as published by the International Swaps and Derivatives Association, Inc., are incorporated into this Master Confirmation. This Master Confirmation and each Supplemental Confirmation evidence a complete binding agreement between Counterparty and JPMorgan as to the subject matter and terms of each Transaction to which this Master Confirmation and such Supplemental Confirmation relate and shall supersede all prior or contemporaneous written or oral communications with respect thereto.

This Master Confirmation and each Supplemental Confirmation supplement, form a part of, and are subject to an agreement in the form of the 2002 ISDA Master Agreement (the “**Agreement**”) as if JPMorgan and Counterparty had executed the Agreement on the date of this Master Confirmation (but without any Schedule except for (i) the election of New York law as the governing law (without reference to its choice of law provisions) and (ii) the election that subparagraph (ii) of Section 2(c) will not apply to the Transactions).

The Transactions shall be the sole Transactions under the Agreement. If there exists any ISDA Master Agreement between JPMorgan and Counterparty or any confirmation or other agreement between JPMorgan and Counterparty pursuant to which an ISDA Master Agreement is deemed to exist between JPMorgan and Counterparty, then notwithstanding anything to the contrary in such ISDA Master Agreement, such confirmation or agreement or any other agreement to which JPMorgan and Counterparty are parties, the Transactions shall not be considered Transactions under, or otherwise governed by, such existing or deemed ISDA Master Agreement, and the occurrence of any Event of Default or Termination Event under the Agreement with respect to either party or any Transaction shall not, by itself, give rise to any right or obligation under any such other agreement or deemed agreement. Notwithstanding anything to the contrary in any other agreement between the parties or their Affiliates, the Transactions shall not be “Specified Transactions” (or similarly treated) under any other agreement between the parties or their Affiliates.

All provisions contained or incorporated by reference in the Agreement shall govern this Master Confirmation and each Supplemental Confirmation except as expressly modified herein or in the related Supplemental Confirmation.

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If, in relation to any Transaction to which this Master Confirmation and a Supplemental Confirmation relate, there is any inconsistency between the Agreement, this Master Confirmation, such Supplemental Confirmation and the Equity Definitions, the following will prevail for purposes of such Transaction in the order of precedence indicated: (i) such Supplemental Confirmation; (ii) this Master Confirmation; (iii) the Equity Definitions; and (iv) the Agreement.

1. Each Transaction constitutes a Share Forward Transaction for the purposes of the Equity Definitions. Set forth below are the terms and conditions that, together with the terms and conditions set forth in the Supplemental Confirmation relating to any Transaction, shall govern such Transaction.

General Terms.

Trade Date:	For each Transaction, as set forth in the related Supplemental Confirmation.
Buyer:	Counterparty
Seller:	JPMorgan
Shares:	The common shares of Counterparty, par value USD 0.18 per share (Exchange symbol "SIG").
Exchange:	The New York Stock Exchange
Related Exchange(s):	All Exchanges.
Prepayment/Variable Obligation:	Applicable
Prepayment Amount:	For each Transaction, as set forth in the related Supplemental Confirmation.
Prepayment Date:	For each Transaction, as set forth in the related Supplemental Confirmation.
Contract Fee:	For each Transaction, as set forth in the related Supplemental Confirmation. On the Prepayment Date, Buyer shall pay Seller an amount in USD equal to the Contract Fee in immediately available funds by wire transfer to an account specified by Seller.

Valuation.

VWAP Price:	For any Exchange Business Day, the volume-weighted average price at which the Shares trade as reported in the composite transactions for United States exchanges and quotation systems, during the regular trading session for the Exchange on such Exchange Business Day, excluding (i) trades that do not settle regular way, (ii) opening (regular way) reported trades in the consolidated system on such Exchange Business Day, (iii) trades that occur in the last ten minutes before the scheduled close of trading on the Exchange on such Exchange Business Day and ten minutes before the scheduled close of the primary trading in the market where the trade is effected, and (iv) trades on such Exchange Business Day that do not satisfy the requirements of Rule 10b-18(b)(3) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), as determined in good faith by the Calculation Agent (all such trades other than any trades described in clauses (i) to (iv) above, "Rule
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**10b-18 Eligible Transactions**”). Counterparty acknowledges that the Calculation Agent may refer to the Bloomberg Page “SIG US <Equity> AQR SEC” (or any successor thereto), in its judgment, for such Exchange Business Day to determine the VWAP Price.

Forward Price: For each Transaction, the arithmetic average of the VWAP Prices for all of the Exchange Business Days in the Calculation Period for such Transaction, subject to “Valuation Disruption” below.

Forward Price Adjustment Amount: For each Transaction, as set forth in the related Supplemental Confirmation.

Calculation Period: For each Transaction, the period from, and including, the Calculation Period Start Date for such Transaction to, and including, the Termination Date for such Transaction.

Calculation Period Start Date: For each Transaction, as set forth in the related Supplemental Confirmation.

Termination Date: For each Transaction, the Scheduled Termination Date for such Transaction; provided that JPMorgan shall have the right to designate any Exchange Business Day on or after the First Acceleration Date to be the Termination Date for such Transaction (an “**Accelerated Termination Date**”) by delivering notice to Counterparty of any such designation prior to 6:00 p.m. (New York City time) on the Exchange Business Day immediately following the designated Accelerated Termination Date.

Scheduled Termination Date: For each Transaction, as set forth in the related Supplemental Confirmation, subject to postponement as provided in “Valuation Disruption” below.

First Acceleration Date: For each Transaction, as set forth in the related Supplemental Confirmation.

Valuation Disruption: The definition of “Market Disruption Event” in Section 6.3(a) of the Equity Definitions is hereby amended by deleting the words “at any time during the one-hour period that ends at the relevant Valuation Time, Latest Exercise Time, Knock-in Valuation Time or Knock-out Valuation Time, as the case may be” and inserting the words “at any time on any Scheduled Trading Day during the Calculation Period or Settlement Valuation Period” after the word “material,” in the third line thereof.

Section 6.3(d) of the Equity Definitions is hereby amended by deleting the remainder of the provision following the term “Scheduled Closing Time” in the fourth line thereof.

Notwithstanding anything to the contrary in the Equity Definitions, if a Disrupted Day occurs (i) in the Calculation Period, the Calculation Agent may, in its good faith and commercially reasonable discretion, postpone the Scheduled Termination Date, or (ii) in the Settlement Valuation Period, the Calculation Agent may extend the

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Settlement Valuation Period. The Calculation Agent may also determine that (i) such Disrupted Day is a Disrupted Day in full, in which case the VWAP Price for such Disrupted Day shall not be included for purposes of determining the Forward Price or the Settlement Price, as the case may be, or (ii) such Disrupted Day is a Disrupted Day only in part, in which case the VWAP Price for such Disrupted Day shall be determined by the Calculation Agent based on Rule 10b-18 Eligible Transactions in the Shares on such Disrupted Day taking into account the nature and duration of the relevant Market Disruption Event, and the weighting of the VWAP Price for the relevant Exchange Business Days during the Calculation Period or the Settlement Valuation Period, as the case may be, shall be adjusted in a commercially reasonable manner by the Calculation Agent for purposes of determining the Forward Price or the Settlement Price, as the case may be, with such adjustments based solely on the duration of any Market Disruption Event, the volume, historical trading patterns and price of the Shares, and changes in volatility, stock loan rate, value of any commercially reasonable Hedge Positions in connection with the Transaction and liquidity relevant to the Shares or to such Transaction. Any Exchange Business Day on which, as of the date hereof, the Exchange is scheduled to close prior to its normal close of trading shall be deemed not to be an Exchange Business Day; if a closure of the Exchange prior to its normal close of trading on any Exchange Business Day is scheduled following the date hereof, then such Exchange Business Day shall be deemed to be a Disrupted Day in full.

If a Disrupted Day occurs during the Calculation Period for any Transaction or the Settlement Valuation Period for any Transaction, as the case may be, and each of the nine immediately following Scheduled Trading Days is a Disrupted Day (a “**Disruption Event**”), then the Calculation Agent, in its good faith and commercially reasonable discretion, may deem such Disruption Event (and each consecutive Disrupted Day thereafter) to be either (x) a Potential Adjustment Event in respect of such Transaction or (y) an Additional Termination Event in respect of such Transaction, with Counterparty as the sole Affected Party and such Transaction as the sole Affected Transaction.

Settlement Terms.

Settlement Procedures:

For each Transaction:

- (i) if the Number of Shares to be Delivered for such Transaction is positive, Physical Settlement shall be applicable to such Transaction; *provided* that JPMorgan does not, and shall not, make the agreement or the representations set forth in Section 9.11 of the Equity Definitions related to the restrictions imposed by applicable securities laws with respect to any Shares delivered by JPMorgan to Counterparty under any Transaction; or
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(ii) if the Number of Shares to be Delivered for such Transaction is negative, then the Counterparty Settlement Provisions in Annex A hereto shall apply to such Transaction.

Number of Shares to be Delivered:

For each Transaction, a number of Shares (rounded down to the nearest whole number) equal to (a)(i) the Prepayment Amount for such Transaction, *divided by* (ii)(A) the Forward Price for such Transaction *minus* (B) the Forward Price Adjustment Amount for such Transaction, *minus* (b) the number of Initial Shares for such Transaction; *provided* that if the result of the calculation in clause (a) (ii) is equal to or less than the Floor Price for such Transaction, then the Number of Shares to be Delivered for such Transaction shall be determined as if clause (a)(ii) were replaced with “(ii) the Floor Price for such Transaction”. For the avoidance of doubt, if the Forward Price Adjustment Amount for any Transaction is a negative number, clause (a)(ii) of the immediately preceding sentence shall be equal to (A) the Forward Price for such Transaction, *plus* (B) the absolute value of the Forward Price Adjustment Amount.

Floor Price:

For each Transaction, as set forth in the related Supplemental Confirmation.

Excess Dividend Amount:

For the avoidance of doubt, all references to the Excess Dividend Amount shall be deleted from Section 9.2(a)(iii) of the Equity Definitions.

Settlement Date:

For each Transaction, if the Number of Shares to be Delivered for such Transaction is positive, the date that is one Settlement Cycle immediately following the Termination Date of such Transaction.

Settlement Currency:

USD

Initial Share Delivery:

For each Transaction, JPMorgan shall deliver a number of Shares equal to the Initial Shares for such Transaction to Counterparty on the Initial Share Delivery Date for such Transaction in accordance with Section 9.4 of the Equity Definitions, with such Initial Share Delivery Date deemed to be a “Settlement Date” for purposes of such Section 9.4.

Initial Share Delivery Date:

For each Transaction, as set forth in the related Supplemental Confirmation.

Initial Shares:

For each Transaction, as set forth in the related Supplemental Confirmation.

Share Adjustments.

Potential Adjustment Event:

In addition to the events described in Section 11.2(e) of the Equity Definitions, it shall constitute an additional Potential Adjustment Event if (x) the Scheduled Termination Date for any Transaction is postponed pursuant to “Valuation Disruption” above (including, for the avoidance of doubt, pursuant to Section 7 hereof), (y) a Regulatory Disruption as described in Section 7 occurs or (z) a Disruption Event

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occurs. In the case of any event described in clause (x), (y) or (z) above occurs, the Calculation Agent may, in its commercially reasonable discretion, adjust any relevant terms of such Transaction as necessary to preserve as nearly as practicable the fair value of such Transaction to JPMorgan prior to such postponement, Regulatory Disruption or Disruption Event, as the case may be, with such adjustments based solely upon changes in stock price, volatility, interest rates, stock loan rate, value of any commercially reasonable Hedge Positions in connection with the Transaction, liquidity relevant to the Shares or to such Transaction and taking into account whether the Calculation Period had fewer Scheduled Trading Days than originally anticipated.

Excess Dividend:

For any calendar quarter, any dividend or distribution on the Shares with an ex-dividend date occurring during such calendar quarter (other than any dividend or distribution of the type described in Section 11.2(e)(i) or Section 11.2(e)(ii)(A) of the Equity Definitions or any Extraordinary Dividend) (a “**Dividend**”) the amount or value of which per Share (as determined by the Calculation Agent), when aggregated with the amount or value (as determined by the Calculation Agent) of any and all previous Dividends with ex-dividend dates occurring in the same calendar quarter, exceeds the Ordinary Dividend Amount. “**Extraordinary Dividend**” means the per Share cash dividend or distribution, or a portion thereof, declared by Counterparty on the Shares that is classified by the board of directors of Counterparty as an “extraordinary” dividend.

Consequences of Excess Dividend:

The declaration by the Issuer of any Excess Dividend, the ex-dividend date for which occurs or is scheduled to occur during the Relevant Dividend Period for any Transaction, shall, at JPMorgan’s election in its commercially reasonable discretion, either (x) constitute an Additional Termination Event in respect of such Transaction, with Counterparty as the sole Affected Party and such Transaction as the sole Affected Transaction or (y) result in an adjustment, by the Calculation Agent, to the Floor Price as the Calculation Agent determines appropriate to preserve the fair value of such Transaction after taking into account such Excess Dividend.

Ordinary Dividend Amount:

For each Transaction, as set forth in the related Supplemental Confirmation.

Method of Adjustment:

Calculation Agent Adjustment

Early Ordinary Dividend Payment:

For each Transaction, if an ex-dividend date for any Dividend that is not (x) an Excess Dividend, (y) a dividend or distribution of the type described in Section 11.2(e)(i) or Section 11.2(e)(ii)(A) of the Equity Definitions and (z) an Extraordinary Dividend, occurs during any calendar quarter occurring (in whole or in part) during the Relevant Dividend Period for such Transaction and is prior to the Scheduled Ex-Dividend Date for such Transaction for the relevant calendar quarter (as determined by the Calculation Agent),

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the Calculation Agent shall make such adjustment to the exercise, settlement, payment or any other terms of the relevant Transaction as the Calculation Agent determines appropriate to preserve the fair value of such Transaction after taking into account such Dividend.

Scheduled Ex-Dividend Dates: For each Transaction, as set forth in the related Supplemental Confirmation for each calendar quarter.

Relevant Dividend Period: For each Transaction, the period from, and including, the Trade Date for such Transaction to, and including, the Relevant Dividend Period End Date for such Transaction.

Relevant Dividend Period End Date: For each Transaction, if the Number of Shares to be Delivered for such Transaction is negative, the last day of the Settlement Valuation Period; otherwise, the Termination Date for such Transaction.

Agreement Regarding Dividends: Notwithstanding any other provision of this Master Confirmation, the Equity Definitions or the Agreement to the contrary, in calculating any adjustment pursuant to Article 11 of the Equity Definitions of any amount payable in respect of any termination or cancellation of the Transaction pursuant to Article 12 of the Equity Definitions or Section 6 of the Agreement, the Calculation Agent shall not take into account changes to any amounts of dividends since the Trade Date. For the avoidance of doubt, if an Early Termination Date occurs in respect of the Transaction, the amount payable pursuant to Section 6 of the Agreement in respect of such Early Termination Date shall be determined without regard to the difference between the actual dividends declared and expected dividends as of the Trade Date.

Extraordinary Events .

Consequences of Merger Events:

- (a) Share-for-Share: Cancellation and Payment
- (b) Share-for-Other: Cancellation and Payment
- (c) Share-for-Combined: Cancellation and Payment

Tender Offer: Applicable; *provided* that (a) Section 12.1(l) of the Equity Definitions shall be amended by (i) deleting the parenthetical in the fifth line thereof, (ii) replacing “that” in the fifth line thereof with “whether or not such announcement” and (iii) adding immediately after the words “Tender Offer” in the fifth line thereof “, and any publicly announced change or amendment to such an announcement (including, without limitation, the announcement of an abandonment of such intention)” and (b) Sections 12.3(a) and 12.3(d) of the Equity Definitions shall each be amended by replacing each occurrence of the words “Tender Offer Date” by “Announcement Date.”

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Consequences of Tender Offers:

- (a) Share-for-Share: Modified Calculation Agent Adjustment
- (b) Share-for-Other: Modified Calculation Agent Adjustment
- (c) Share-for-Combined: Modified Calculation Agent Adjustment

Nationalization, Insolvency or Delisting:

Cancellation and Payment; *provided* that in addition to the provisions of Section 12.6(a)(iii) of the Equity Definitions, it shall also constitute a Delisting if the Exchange is located in the United States and the Shares are not immediately re-listed, re-traded or re-quoted on any of the New York Stock Exchange, The NASDAQ Global Select Market or The NASDAQ Global Market (or their respective successors); if the Shares are immediately re-listed, re-traded or re-quoted on any such exchange or quotation system, such exchange or quotation system shall be deemed to be the Exchange.

Additional Disruption Events:

- (a) Change in Law: Applicable; *provided* that Section 12.9(a)(ii) of the Equity Definitions is hereby amended by (i) replacing the phrase “the interpretation” in the third line thereof with the phrase “, or public announcement of, the formal or informal interpretation”, (ii) replacing the word “Shares” where it appears in clause (X) thereof with the words “Hedge Positions” and (iii) immediately following the word “Transaction” in clause (X) thereof, adding the phrase “in the manner contemplated by the Hedging Party on the Trade Date”; *provided further* that Section 12.9(a)(ii) of the Equity Definitions is hereby amended by replacing the parenthetical beginning after the word “regulation” in the second line thereof with the words “(including, for the avoidance of doubt and without limitation, (x) any tax law or (y) adoption or promulgation of new regulations authorized or mandated by existing statute)”.
    - (b) Failure to Deliver: Applicable
    - (c) Insolvency Filing: Applicable
    - (d) Loss of Stock Borrow: Applicable
      - Maximum Stock Loan Rate: For each Transaction, as set forth in the related Supplemental Confirmation.
      - Hedging Party: JPMorgan
      - Determining Party: JPMorgan
    - (e) Hedging Disruption: Applicable
      - Hedging Party: JPMorgan
      - Determining Party: JPMorgan
    - (f) Increased Cost of Hedging: Applicable
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Hedging Party:	JPMorgan
Determining Party:	JPMorgan
(g) Increased Cost of Stock Borrow:	Applicable
Initial Stock Loan Rate:	For each Transaction, as set forth in the related Supplemental Confirmation.
Hedging Party:	JPMorgan
Determining Party:	JPMorgan
Hedging Adjustments:	For the avoidance of doubt, whenever the Calculation Agent is called upon to make an adjustment pursuant to the terms of this Confirmation or the Equity Definitions to take into account the effect of an event, the Calculation Agent shall make such adjustment by reference to the effect of such event on JPMorgan, assuming that JPMorgan maintains a commercially reasonable Hedge Position.
Non-Reliance/Agreements and Acknowledgements Regarding Hedging Activities/Additional Acknowledgements:	Applicable

**2. Calculation Agent.** JPMorgan. Whenever the Calculation Agent is required to act or to exercise judgment in any way with respect to any Transaction hereunder, it will do so in good faith and in a commercially reasonable manner.

**3. Account Details.**

(a) Account for payments to Counterparty:

Bank:  
 SWIFT Code:  
 Account Number:  
 Beneficiary:  
 Ref:  
 Country:  
 Currency:  
 Correspondent Bank:  
 Correspondent SWIFT:  
 Correspondent ABA:

Account for delivery of Shares to Counterparty:

(b) Account for payments to JPMorgan:

Bank:  
 ABA#:  
 Acct No.:  
 Beneficiary:  
 Ref:

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Account for delivery of Shares to JPMorgan:

**4. Offices.**

(a) The Office of Counterparty for each Transaction is: Inapplicable, Counterparty is not a Multibranch Party.

(b) The Office of JPMorgan for each Transaction is: London

JPMorgan Chase Bank, National Association  
London Branch  
P.O. Box 161  
60 Victoria Embankment  
London EC4Y 0JP  
England

**5. Notices.**

(a) Address for notices or communications to Counterparty:

Signet Jewelers Limited  
c/o Signet Group Treasury Services, Inc.  
375 Ghent Road  
Akron, OH 44333  
Attn: Michele Santana, Chief Financial Officer  
Telephone:  
Email:

With a copy to:  
Denise Shaffer  
Treasurer  
Telephone:  
Email:

(b) Address for notices or communications to JPMorgan:

JPMorgan Chase Bank, National Association  
EDG Marketing Support  
Email:

With a copy to:

Attention: Stephanie Little  
Title: Executive Director  
Telephone No:  
Email Address:

**6. Representations, Warranties and Agreements.**

(a) *Additional Representations, Warranties and Covenants of Each Party*. In addition to the representations, warranties and covenants in the Agreement, each party represents, warrants and covenants to the other party that:

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- (i) It is an “eligible contract participant” (as such term is defined in the Commodity Exchange Act, as amended).
- (ii) Each party acknowledges that the offer and sale of each Transaction to it is intended to be exempt from registration under the Securities Act of 1933, as amended (the “ **Securities Act** ”), by virtue of Section 4(2) thereof. Accordingly, each party represents and warrants to the other that (A) it has the financial ability to bear the economic risk of its investment in each Transaction and is able to bear a total loss of its investment, (B) it is an “accredited investor” as that term is defined under Regulation D under the Securities Act and (C) the disposition of each Transaction is restricted under this Master Confirmation, the Securities Act and state securities laws.

(b) *Additional Representations, Warranties and Covenants of Counterparty* . In addition to the representations, warranties and covenants in the Agreement, Counterparty represents, warrants and covenants to JPMorgan that:

- (i) As of the Trade Date for each Transaction hereunder, Counterparty is a corporation duly organized, validly existing and in good standing under the laws of Bermuda. Each of this Master Confirmation and the Supplemental Confirmation for such Transaction has been duly authorized, executed and delivered by Counterparty and (assuming due authorization, execution and delivery thereof by JPMorgan) this Master Confirmation, as supplemented by such Supplemental Confirmation, constitutes a valid and legally binding obligation of Counterparty. Counterparty has all corporate power to enter into this Master Confirmation and such Supplemental Confirmation and to consummate the transactions contemplated hereby and thereby and to purchase the Shares and deliver any Settlement Shares in accordance with the terms hereof and thereof.
  - (ii) As of the Trade Date for each Transaction hereunder, the execution and delivery by Counterparty of, and the performance by Counterparty of its obligations under, this Master Confirmation and the Supplemental Confirmation for such Transaction, and the consummation of the transactions herein and therein contemplated, do not conflict with or violate (A) any provision of the certificate of incorporation, by-laws or other constitutive documents of Counterparty, (B) any statute or order, rule, regulation or judgment of any court or governmental agency or body having jurisdiction over Counterparty or any of its subsidiaries or any of their respective assets or (C) any contractual restriction binding on or affecting Counterparty or any of its subsidiaries or any of its assets.
  - (iii) As of the Trade Date for each Transaction hereunder, all governmental and other consents that are required to have been obtained by Counterparty with respect to performance, execution and delivery of this Master Confirmation and the Supplemental Confirmation for such Transaction have been obtained and are in full force and effect and all conditions of any such consents have been complied with.
  - (iv) As of the Trade Date for each Transaction hereunder, (A) such Transaction is being entered into pursuant to a publicly disclosed Share buy-back program and its Board of Directors has approved the use of derivatives to effect the Share buy-back program, and (B) there is no internal policy of Counterparty, whether written or oral, that would prohibit Counterparty from entering into any aspect of such Transaction, including, without limitation, the purchases of Shares to be made pursuant to such Transaction.
  - (v) As of the Trade Date for each Transaction hereunder, the purchase or writing of such Transaction and the transactions contemplated hereby will not violate Rule 13e-1 or Rule 13e-4 under the Exchange Act.
  - (vi) As of the Trade Date for each Transaction hereunder, it is not entering into such Transaction, and as of the date of any election with respect to any Transaction hereunder, it is not making
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such election, in each case (A) on the basis of, and is not aware of, any material non-public information regarding Counterparty or the Shares, (B) in anticipation of, in connection with, or to facilitate, a distribution of its securities, a self tender offer or a third-party tender offer in violation of the Exchange Act or (C) to create actual or apparent trading activity in the Shares (or any security convertible into or exchangeable for the Shares) or to raise or depress or otherwise manipulate the price of the Shares (or any security convertible into or exchangeable for the Shares).

- (vii) Counterparty (A) is capable of evaluating investment risks independently, both in general and with regard to all transactions and investment strategies involving a security or securities; (B) will exercise independent judgment in evaluating the recommendations of any broker-dealer or its associated persons, unless it has otherwise notified the broker-dealer in writing; and (C) has total assets of at least USD 50,000,000 as of the date hereof.
  - (viii) As of the Trade Date for each Transaction hereunder, and as of the date of any election with respect to any Transaction hereunder, Counterparty is in compliance with its reporting obligations under the Exchange Act and its most recent Annual Report on Form 10-K, together with all reports subsequently filed by it pursuant to the Exchange Act, taken together and as amended and supplemented to the date of this representation, do not, as of their respective filing dates, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.
  - (ix) Counterparty has made, and will make, all filings required to be made by it with the Securities and Exchange Commission, any securities exchange or any other regulatory body with respect to each Transaction.
  - (x) The Shares are not, and Counterparty will not cause the Shares to be, subject to a “restricted period” (as defined in Regulation M promulgated under the Exchange Act) at any time during any Regulation M Period (as defined below) for any Transaction unless Counterparty has provided written notice to JPMorgan of such restricted period not later than the Scheduled Trading Day immediately preceding the first day of such “restricted period”; Counterparty acknowledges that any such notice may cause a Disrupted Day to occur pursuant to Section 7 below; accordingly, Counterparty acknowledges that its delivery of such notice must comply with the standards set forth in Section 8 below. Counterparty is not currently contemplating any “distribution” (as defined in Regulation M promulgated under the Exchange Act) of Shares, or any security for which Shares are a “reference security” (as defined in Regulation M promulgated under the Exchange Act). “**Regulation M Period**” means, for any Transaction, (A) the Relevant Period (as defined below) for such Transaction, (B) the Settlement Valuation Period, if any, for such Transaction and (C) the Seller Termination Purchase Period (as defined below), if any, for such Transaction. “**Relevant Period**” means, for any Transaction, the period commencing on the Calculation Period Start Date for such Transaction and ending on the later of (1) the earlier of (x) the Scheduled Termination Date and (y) the last Additional Relevant Day (as specified in the related Supplemental Confirmation) for such Transaction, or such earlier day as elected by JPMorgan and communicated to Counterparty on such day (or, if later, the First Acceleration Date without regard to any acceleration thereof pursuant to “Special Provisions for Acquisition Transaction Announcements” below) and (2) if Section 15 is applicable to such Transaction, the date on which all deliveries owed pursuant to Section 15 have been made.
  - (xi) As of the Trade Date, the Prepayment Date, the Initial Share Delivery Date, the Settlement Date, any Cash Settlement Payment Date and any Settlement Method Election Date for each Transaction, Counterparty is not, and will not be, “insolvent” (as such term is defined under Section 101(32) of the U.S. Bankruptcy Code (Title 11 of the United States Code) (the “**Bankruptcy Code**”)) and Counterparty would be able to purchase a number of Shares
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with a value equal to the Prepayment Amount in compliance with the laws of the jurisdiction of Counterparty's incorporation.

- (xii) Counterparty is not, and after giving effect to each Transaction will not be, required to register as an "investment company" as such term is defined in the Investment Company Act of 1940, as amended.
- (xiii) Counterparty shall cooperate with JPMorgan, and execute and deliver, or use its best efforts to cause to be executed and delivered, all such other instruments, and to obtain all consents, approvals or authorizations of any person, and take all such other actions as JPMorgan may reasonably request from time to time, consistent with the terms of the Agreement, this Master Confirmation and any Supplemental Confirmation, in order to effectuate the purposes of the Agreement, this Master Confirmation, any Supplemental Confirmation and any Transaction.
- (xiv) Counterparty has not entered, and will not enter, into any repurchase transaction with respect to the Shares (or any security convertible into or exchangeable for the Shares) (including, without limitation, any agreements similar to the Transactions described herein) where any initial hedge period, calculation period, relevant period, settlement valuation period or seller termination purchase period (each however defined) in such other transaction will overlap at any time (including, without limitation, as a result of extensions in such initial hedge period, calculation period, relevant period, settlement valuation period or seller termination purchase period as provided in the relevant agreements) with any Relevant Period, any Settlement Valuation Period (if applicable) or any Seller Termination Purchase Period (if applicable) under this Master Confirmation. In the event that the initial hedge period, relevant period, calculation period or settlement valuation period in any other transaction overlaps with any Relevant Period, any Settlement Valuation Period (if applicable) or any Seller Termination Purchase Period (if applicable) under this Master Confirmation as a result of any postponement of the Scheduled Termination Date or extension of the Settlement Valuation Period pursuant to "Valuation Disruption" above or any analogous provision in such other transaction, Counterparty shall promptly amend such other transaction to avoid any such overlap.
- (xv) Counterparty shall, at least one day prior to the first day of the Calculation Period, the Settlement Valuation Period, if any, or the Seller Termination Purchase Period, if any, for any Transaction, notify JPMorgan of the total number of Shares purchased in Rule 10b-18 purchases of blocks pursuant to the once-a-week block exception set forth in paragraph (b)(4) of Rule 10b-18 under the Exchange Act (" **Rule 10b-18** ") by or for Counterparty or any of its "affiliated purchasers" (as defined in Rule 10b-18) during each of the four calendar weeks preceding such day and during the calendar week in which such day occurs ("Rule 10b-18 purchase" and "blocks" each being used as defined in Rule 10b-18), which notice shall be substantially in the form set forth in Schedule B hereto.
- (xvi) As of the Trade Date for each Transaction hereunder, and as of the date of any election with respect to any Transaction hereunder, there has not been any Merger Announcement (as defined below).

(c) *Opinions* . Counterparty shall deliver to JPMorgan an opinion of counsel, dated as of the Trade Date, in substantially the form set forth in Annex C hereto. Delivery of such opinion to JPMorgan shall be a condition precedent for the purpose of Section 2(a)(iii) of the Agreement with respect to each obligation of JPMorgan under Section 2(a)(i) of the Agreement.

7. **Regulatory Disruption** . In the event that JPMorgan concludes, in its good faith and reasonable discretion based on the advice of counsel, that it is appropriate with respect to any legal, regulatory or self-regulatory requirements or related policies and procedures (whether or not such requirements, policies or procedures are imposed by law or have been voluntarily adopted by JPMorgan), for it to refrain from or decrease any market
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activity on any Scheduled Trading Day or Days during the Calculation Period or, if applicable, the Settlement Valuation Period, JPMorgan may by written notice to Counterparty elect to deem that a Market Disruption Event has occurred and will be continuing on such Scheduled Trading Day or Days.

**8. 10b5-1 Plan**. Counterparty represents, warrants and covenants to JPMorgan that:

- (a) Counterparty is entering into this Master Confirmation and each Transaction hereunder in good faith and not as part of a plan or scheme to evade the prohibitions of Rule 10b5-1 under the Exchange Act (“**Rule 10b5-1**”) or any other antifraud or anti-manipulation provisions of the federal or applicable state securities laws and that it has not entered into or altered and will not enter into or alter any corresponding or hedging transaction or position with respect to the Shares. Counterparty acknowledges that it is the intent of the parties that each Transaction entered into under this Master Confirmation comply with the requirements of paragraphs (c)(1)(i)(A) and (B) of Rule 10b5-1 and each Transaction entered into under this Master Confirmation shall be interpreted to comply with the requirements of Rule 10b5-1(c).
- (b) During the Calculation Period and the Settlement Valuation Period, if any, for any Transaction and in connection with the delivery of any Alternative Delivery Units for any Transaction, JPMorgan (or its agent or Affiliate) may effect transactions in Shares in connection with such Transaction. The timing of such transactions by JPMorgan, the price paid or received per Share pursuant to such transactions and the manner in which such transactions are made, including, without limitation, whether such transactions are made on any securities exchange or privately, shall be within the sole judgment of JPMorgan. Counterparty acknowledges and agrees that all such transactions shall be made in JPMorgan’s sole judgment and for JPMorgan’s own account.
- (c) Counterparty does not have, and shall not attempt to exercise, any control or influence over how, when or whether JPMorgan (or its agent or Affiliate) makes any “purchases or sales” (within the meaning of Rule 10b5-1(c)(1)(i)(B)(3)) in connection with any Transaction, including, without limitation, over how, when or whether JPMorgan (or its agent or Affiliate) enters into any hedging transactions. Counterparty represents and warrants that it has consulted with its own advisors as to the legal aspects of its adoption and implementation of this Master Confirmation and each Supplemental Confirmation under Rule 10b5-1.
- (d) Counterparty acknowledges and agrees that any amendment, modification, waiver or termination of this Master Confirmation or any Supplemental Confirmation must be effected in accordance with the requirements for the amendment or termination of a “plan” as defined in Rule 10b5-1(c). Without limiting the generality of the foregoing, any such amendment, modification, waiver or termination shall be made in good faith and not as part of a plan or scheme to evade the prohibitions of Rule 10b-5, and no such amendment, modification or waiver shall be made at any time at which Counterparty or any officer, director, manager or similar person of Counterparty is aware of any material non-public information regarding Counterparty or the Shares.
- (e) Counterparty shall not, directly or indirectly, communicate any information relating to the Shares or any Transaction (including, without limitation, any notices required by Section 10(a)) to any employee of JPMorgan or JPMS, other than as set forth in the Communications Procedures attached as Annex B hereto.

**9. Counterparty Purchases**.

- (a) Counterparty (or any “affiliated purchaser” as defined in Rule 10b-18) shall not, without the prior written consent of JPMorgan, directly or indirectly (including, without limitation, by means of a derivative instrument) purchase, offer to purchase, place any bid or limit order that would effect a purchase of, or commence any tender offer relating to, any Shares (or equivalent interest, including, without limitation, a unit of beneficial interest in a trust or limited partnership or a depository share), listed contracts on the Shares or securities that are convertible into, or
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exchangeable or exercisable for Shares (including, without limitation, any Rule 10b-18 purchases of blocks (as defined in Rule 10b-18)) during any Relevant Period, any Settlement Valuation Period (if applicable) or any Seller Termination Purchase Period (if applicable), under this Master Confirmation; *provided* that Counterparty may, without the prior written consent of JPMorgan, purchase Shares (i) from participants in Counterparty's equity compensation plans that occur or are deemed to occur in connection with the payment of any exercise price or in satisfaction of tax withholding obligations or otherwise in connection with the vesting and/or exercise of any equity awards and (ii) from one or more existing holders of Shares, in bilateral, privately-negotiated off-exchange transactions that do not, directly or indirectly, involve (or would reasonably be expected to result in) purchases of Shares on the open market.

(b) In addition to the covenants in the Agreement, JPMorgan agrees to use good faith efforts to effect purchases of Shares in connection with the Transaction in a manner that would comply with the limitations set forth in paragraphs (b)(2), (3) and (4) of Rule 10b-18 (taking into account any applicable Securities and Exchange Commission or staff no-action letters or interpretations as appropriate and subject to any delays between execution and reporting of a trade of the Shares on the Exchange and other circumstances reasonably beyond JPMorgan's or such affiliate's control); *provided* that, JPMorgan and its affiliates shall not be responsible for any failure to comply with Rule 10b-18(b)(3) to the extent any transaction that was executed (or deemed to be executed) by or on behalf of Counterparty or an affiliated purchaser pursuant to a separate agreement is not deemed to be an "independent bid" or an "independent transaction" for purposes of Rule 10b-18(b)(3); and *provided further* that such agreement shall not apply to any purchases of Shares made by JPMorgan or any of its affiliates during or following the Calculation Period that are dynamic hedging adjustments in respect of the embedded optionality in such Transaction (including, without limitation, dynamic hedging adjustments in respect of timing options embedded in any Transaction).

**10. Special Provisions for Merger Transactions.** Notwithstanding anything to the contrary herein or in the Equity Definitions:

(a) Counterparty agrees that it:

- (i) will not during the period commencing on the Trade Date for any Transaction and ending on the last day of the Relevant Period or, if applicable, the later of the last day of the Settlement Valuation Period and the last day of the Seller Termination Purchase Period, for such Transaction make, or permit to be made, any public announcement (as defined in Rule 165(f) under the Securities Act) of any Merger Transaction or potential Merger Transaction (a "**Merger Announcement**") unless such Merger Announcement is made prior to the opening or after the close of the regular trading session on the Exchange for the Shares;
  - (ii) shall promptly (but in any event prior to the next opening of the regular trading session on the Exchange) notify JPMorgan following any such Merger Announcement that such Merger Announcement has been made; and
  - (iii) shall promptly (but in any event prior to the next opening of the regular trading session on the Exchange) provide JPMorgan with written notice specifying (i) Counterparty's average daily Rule 10b-18 Purchases (as defined in Rule 10b-18) during the three full calendar months immediately preceding the announcement date of any Merger Transaction or potential Merger Transaction that were not effected through JPMorgan or its Affiliates and (ii) the number of Shares purchased pursuant to the proviso in Rule 10b-18(b)(4) under the Exchange Act for the three full calendar months preceding the announcement date of any Merger Transaction or potential Merger Transaction. Such written notice shall be deemed to be a certification by Counterparty to JPMorgan that such information is true and correct. In addition, Counterparty shall promptly notify JPMorgan of the earlier to occur of the completion of such transaction and the completion of the vote by target shareholders.
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- (b) Counterparty acknowledges that any such Merger Announcement or delivery of a notice with respect thereto may cause the terms of any Transaction to be adjusted or such Transaction to be terminated; accordingly, Counterparty acknowledges that its delivery of such notice must comply with the standards set forth in Section 8 above.
- (c) Upon the occurrence of any Merger Announcement (whether made by Counterparty or a third party), JPMorgan in its good faith and commercially reasonable discretion may (i) make adjustments to the terms of any Transaction to account for the economic effect of such Merger Transaction, including, without limitation, the Scheduled Termination Date or the Forward Price Adjustment Amount, and/or suspend the Calculation Period and/or any Settlement Valuation Period (which adjustments shall be based solely upon changes in stock price, volatility, interest rates, stock loan rate, value of any commercially reasonable Hedge Positions in connection with the Transaction, liquidity relevant to the Shares or to such Transaction and taking into account whether the Calculation Period had fewer Scheduled Trading Days than originally anticipated) or (ii) treat the occurrence of such Merger Announcement as an Additional Termination Event with Counterparty as the sole Affected Party and the Transactions hereunder as the Affected Transactions and with the amount under Section 6(e) of the Agreement determined taking into account the fact that the Calculation Period or Settlement Valuation Period, as the case may be, had fewer Scheduled Trading Days than originally anticipated.

“ **Merger Transaction** ” means any merger, acquisition or similar transaction involving a recapitalization as contemplated by Rule 10b-18(a)(13)(iv) under the Exchange Act.

**11. Special Provisions for Acquisition Transaction Announcements** . Notwithstanding anything to the contrary herein or in the Equity Definitions:

- (a) If an Acquisition Transaction Announcement occurs on or prior to the Settlement Date for any Transaction, then the Calculation Agent shall make such adjustments to the exercise, settlement, payment or any other terms of such Transaction as the Calculation Agent determines is commercially reasonable (including, for the avoidance of doubt, adjustments that would allow the Number of Shares to be Delivered to be less than zero), at such time or at multiple times as the Calculation Agent determines appropriate, to account for the economic effect on such Transaction of such event (which adjustments shall account for changes in stock price, volatility, interest rates, stock loan rate, value of any commercially reasonable Hedge Positions in connection with the Transaction, liquidity relevant to the Shares or to such Transaction and taking into account whether the Calculation Period had fewer Scheduled Trading Days than originally anticipated). If an Acquisition Transaction Announcement occurs after the Trade Date, but prior to the First Acceleration Date of any Transaction, the First Acceleration Date shall be the date of such Acquisition Transaction Announcement. If the Number of Shares to be Delivered for any settlement of any Transaction is a negative number, then the terms of the Counterparty Settlement Provisions in Annex A hereto shall apply.
- (b) “ **Acquisition Transaction Announcement** ” means (i) the announcement of an Acquisition Transaction or an event that, if consummated, would result in an Acquisition Transaction, (ii) an announcement that Counterparty or any of its subsidiaries has entered into an agreement, a letter of intent or an understanding designed to result in an Acquisition Transaction, (iii) the announcement of the intention to solicit or enter into, or to explore strategic alternatives or other similar undertaking that may include, an Acquisition Transaction, (iv) any other announcement that in the commercially reasonable judgment of the Calculation Agent may result in an Acquisition Transaction, or (v) any announcement of any change or amendment to any previous Acquisition Transaction Announcement (including any announcement of the abandonment of any such previously announced Acquisition Transaction, agreement, letter of intent, understanding or intention). For the avoidance of doubt, announcements as used in the definition of Acquisition Transaction Announcement refer to any public announcement whether made by the Issuer or a third party.
- (c) “ **Acquisition Transaction** ” means (i) any Merger Event (for purposes of this definition the definition of Merger Event shall be read with the references therein to “100%” being replaced by “15%” and
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references to “50%” being replaced by “75%” and without reference to the clause beginning immediately following the definition of Reverse Merger therein to the end of such definition), Tender Offer or Merger Transaction or any other transaction involving the merger of Counterparty with or into any third party, (ii) the sale or transfer of all or substantially all of the assets of Counterparty, (iii) a recapitalization, reclassification, binding share exchange or other similar transaction with respect to Counterparty, (iv) any acquisition by Counterparty or any of its subsidiaries where the aggregate consideration transferable by Counterparty or its subsidiaries exceeds 15% of the market capitalization of Counterparty, (v) any lease, exchange, transfer, disposition (including, without limitation, by way of spin-off or distribution) of assets (including, without limitation, any capital stock or other ownership interests in subsidiaries) or other similar event by Counterparty or any of its subsidiaries where the aggregate consideration transferable or receivable by or to Counterparty or its subsidiaries exceeds 15% of the market capitalization of Counterparty or (vi) any transaction in which Counterparty or its board of directors has a legal obligation to make a recommendation to its shareholders in respect of such transaction (whether pursuant to Rule 14e-2 under the Exchange Act or otherwise).

## 12. Acknowledgments.

(a) The parties hereto intend for:

- (i) each Transaction to be a “securities contract” as defined in Section 741(7) of the Bankruptcy Code and a “forward contract” as defined in Section 101(25) of the Bankruptcy Code, and the parties hereto to be entitled to the protections afforded by, among other Sections, Sections 362(b)(6), 362(b)(27), 362(o), 546(e), 546(j), 555, 556, 560 and 561 of the Bankruptcy Code;
- (ii) the Agreement to be a “master netting agreement” as defined in Section 101(38A) of the Bankruptcy Code;
- (iii) a party’s right to liquidate, terminate or accelerate any Transaction, net out or offset termination values or payment amounts, and to exercise any other remedies upon the occurrence of any Event of Default or Termination Event under the Agreement with respect to the other party or any Extraordinary Event that results in the termination or cancellation of any Transaction to constitute a “contractual right” (as defined in the Bankruptcy Code); and
- (iv) all payments for, under or in connection with each Transaction, all payments for the Shares (including, for the avoidance of doubt, payment of the Prepayment Amount) and the transfer of such Shares to constitute “settlement payments” and “transfers” (as defined in the Bankruptcy Code).

(b) Counterparty acknowledges that:

- (i) during the term of any Transaction, JPMorgan and its Affiliates may buy or sell Shares or other securities or buy or sell options or futures contracts or enter into swaps or other derivative securities in order to establish, adjust or unwind its hedge position with respect to such Transaction;
  - (ii) JPMorgan and its Affiliates may also be active in the market for the Shares and Share-linked transactions other than in connection with hedging activities in relation to any Transaction;
  - (iii) JPMorgan shall make its own determination as to whether, when or in what manner any hedging or market activities in Counterparty’s securities shall be conducted and shall do so in a manner that it deems appropriate to hedge its price and market risk with respect to the Forward Price and the VWAP Price;
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- (iv) any market activities of JPMorgan and its Affiliates with respect to the Shares may affect the market price and volatility of the Shares, as well as the Forward Price, VWAP Price and Settlement Price, each in a manner that may be adverse to Counterparty; and
- (v) each Transaction is a derivatives transaction in which it has granted JPMorgan an option; JPMorgan may purchase shares for its own account at an average price that may be greater than, or less than, the price paid by Counterparty under the terms of the related Transaction.

- 13. No Collateral, Netting or Setoff.** Notwithstanding any provision of the Agreement or any other agreement between the parties to the contrary, the obligations of Counterparty hereunder are not secured by any collateral. Obligations under any Transaction shall not be netted, recouped or set off (including pursuant to Section 6 of the Agreement) against any other obligations of the parties, whether arising under the Agreement, this Master Confirmation or any Supplemental Confirmation, or under any other agreement between the parties hereto, by operation of law or otherwise, and no other obligations of the parties shall be netted, recouped or set off (including pursuant to Section 6 of the Agreement) against obligations under any Transaction, whether arising under the Agreement, this Master Confirmation or any Supplemental Confirmation, or under any other agreement between the parties hereto, by operation of law or otherwise, and each party hereby waives any such right of setoff, netting or recoupment.
- 14. Delivery of Shares.** Notwithstanding anything to the contrary herein, JPMorgan may, by prior notice to Counterparty, satisfy its obligation to deliver any Shares or other securities on any date due (an “**Original Delivery Date**”) by making separate deliveries of Shares or such securities, as the case may be, at more than one time on or prior to such Original Delivery Date, so long as the aggregate number of Shares and other securities so delivered on or prior to such Original Delivery Date is equal to the number required to be delivered on such Original Delivery Date.
- 15. Alternative Termination Settlement.** In the event that (a) an Early Termination Date (whether as a result of an Event of Default or a Termination Event) occurs or is designated with respect to any Transaction or (b) any Transaction is cancelled or terminated upon the occurrence of an Extraordinary Event (except as a result of (i) a Nationalization, Insolvency or Merger Event in which the consideration to be paid to holders of Shares consists solely of cash, (ii) a Merger Event or Tender Offer that is within Counterparty’s control, or (iii) an Event of Default in which Counterparty is the Defaulting Party or a Termination Event in which Counterparty is the Affected Party other than an Event of Default of the type described in Section 5(a)(iii), (v), (vi), (vii) or (viii) of the Agreement or a Termination Event of the type described in Section 5(b) of the Agreement, in each case that resulted from an event or events outside Counterparty’s control), if either party would owe any amount to the other party pursuant to Section 6(d)(ii) of the Agreement or any Cancellation Amount pursuant to Article 12 of the Equity Definitions (any such amount, a “**Payment Amount**”), then, in lieu of any payment of such Payment Amount, unless Counterparty makes an election to the contrary no later than the Early Termination Date or the date on which such Transaction is terminated or cancelled, Counterparty or JPMorgan, as the case may be, shall deliver to the other party a number of Shares (or, in the case of a Nationalization, Insolvency or Merger Event, a number of units, each comprising the number or amount of the securities or property that a hypothetical holder of one Share would receive in such Nationalization, Insolvency or Merger Event, as the case may be (each such unit, an “**Alternative Delivery Unit**”)) with a value equal to the Payment Amount, as determined in a commercially reasonable manner by the Calculation Agent over a commercially reasonable period of time (and the parties agree that, in making such determination of value, the Calculation Agent may take into account the market price of the Shares or Alternative Delivery Units on the Early Termination Date or the date of early cancellation or termination, as the case may be, and, if such delivery is made by JPMorgan, the prices at which JPMorgan purchases Shares or Alternative Delivery Units to fulfill its delivery obligations under this Section 15); *provided* that in determining the composition of any Alternative Delivery Unit, if the relevant Nationalization, Insolvency or Merger Event involves a choice of consideration to be received by holders, such holder shall be deemed to have elected to receive the maximum possible amount of cash; and *provided further* that Counterparty may elect that the provisions of this Section 15 above providing for the delivery of Shares or Alternative Delivery Units, as the case may be, shall not apply only if Counterparty represents and warrants to JPMorgan, in writing on the date it notifies JPMorgan of such election, that, as of such date, Counterparty is not aware of any material non-public information regarding Counterparty or the Shares and is making such election in good faith and not as part of a plan or scheme to evade compliance with
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the federal securities laws. If delivery of Shares or Alternative Delivery Units, as the case may be, pursuant to this Section 15 is to be made by Counterparty, paragraphs 2 through 7 of Annex A hereto shall apply as if (A) such delivery were a settlement of such Transaction to which Net Share Settlement applied, (B) the Cash Settlement Payment Date were the Early Termination Date or the date of early cancellation or termination, as the case may be, and (C) the Forward Cash Settlement Amount were equal to (x) zero *minus* (y) the Payment Amount owed by Counterparty. For the avoidance of doubt, if Counterparty validly elects for the provisions of this Section 15 relating to the delivery of Shares or Alternative Delivery Units, as the case may be, not to apply to any Payment Amount, the provisions of Article 12 of the Equity Definitions, or the provisions of Section 6(d)(ii) of the Agreement, as the case may be, shall apply. If delivery of Shares or Alternative Delivery Units, as the case may be, is to be made by JPMorgan pursuant to this Section 15, the period during which JPMorgan purchases Shares or Alternative Delivery Units to fulfill its delivery obligations under this Section 15 shall be referred to as the “**Seller Termination Purchase Period**.”

- 16. Calculations and Payment Date upon Early Termination** . The parties acknowledge and agree that in calculating (a) the Close-Out Amount pursuant to Section 6 of the Agreement and (b) the amount due upon cancellation or termination of any Transaction (whether in whole or in part) pursuant to Article 12 of the Equity Definitions as a result of an Extraordinary Event, JPMorgan may (but need not) in a commercially reasonable manner determine such amount based on (i) expected losses assuming a commercially reasonable (including, without limitation, with regard to reasonable legal and regulatory guidelines) risk bid were used to determine loss or (ii) the price at which one or more market participants would offer to sell to the Seller a block of Shares equal in number to the Seller’s hedge position in relation to the Transaction. Notwithstanding anything to the contrary in Section 6(d)(ii) of the Agreement or Article 12 of the Equity Definitions, all amounts calculated as being due in respect of an Early Termination Date under Section 6(e) of the Agreement or upon cancellation or termination of the relevant Transaction under Article 12 of the Equity Definitions will be payable on the day that notice of the amount payable is effective; *provided* that if Counterparty elects to receive or deliver Shares or Alternative Delivery Units in accordance with Section 15, such Shares or Alternative Delivery Units shall be delivered on a date selected by JPMorgan as promptly as practicable.
- 17. Limit on Beneficial Ownership** . Notwithstanding any other provisions hereof, JPMorgan may not be entitled to take delivery of any Shares deliverable hereunder to the extent (but only to the extent) that, after such receipt of any Shares hereunder, the Equity Percentage would exceed 7.5%. Any purported delivery hereunder shall be void and have no effect to the extent (but only to the extent) that, after such delivery the Equity Percentage would exceed 7.5%. If any delivery owed to JPMorgan hereunder is not made, in whole or in part, as a result of this provision, Counterparty’s obligation to make such delivery shall not be extinguished and Counterparty shall make such delivery as promptly as practicable after, but in no event later than one Business Day after, JPMorgan gives notice to Counterparty that, after such delivery, the Equity Percentage would not exceed 7.5%. The “Equity Percentage” as of any day is the fraction, expressed as a percentage, (A) the numerator of which is the number of Shares that JPMorgan and any of its affiliates or any other person subject to aggregation with JPMorgan for purposes of the “beneficial ownership” test under Section 13 of the Exchange Act, or any “group” (within the meaning of Section 13) of which JPMorgan is or may be deemed to be a part beneficially owns (within the meaning of Section 13 of the Exchange Act), without duplication, on such day (or, to the extent that for any reason the equivalent calculation under Section 16 of the Exchange Act and the rules and regulations thereunder results in a higher number, such higher number) and (B) the denominator of which is the number of Shares outstanding on such day.
- 18. Maximum Share Delivery** . Notwithstanding anything to the contrary in this Master Confirmation, in no event shall JPMorgan be required to deliver any Shares, or any Shares or other securities comprising Alternative Delivery Units, in respect of any Transaction in excess of the Maximum Number of Shares set forth in the Supplemental Confirmation for such Transaction.
- 19. Additional Termination Events** .
- (a) The occurrence of an event described in paragraph III of Annex B hereto will constitute an Additional Termination Event, with Counterparty as the sole Affected Party and the Transactions specified in such paragraph III as the Affected Transactions.
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(b) Notwithstanding anything to the contrary in Section 6 of the Agreement, if a Termination Price is specified in the Supplemental Confirmation for any Transaction, then an Additional Termination Event will occur without any notice or action by JPMorgan or Counterparty if the price of the Shares on the Exchange at any time falls below such Termination Price, with Counterparty as the sole Affected Party and such Transaction as the sole Affected Transaction.

- 20. Non-confidentiality.** JPMorgan and Counterparty hereby acknowledge and agree that, subject to Section 8(e), each is authorized to disclose the tax structure and tax treatment of any Transaction in respect of this Master Confirmation, any Supplemental Confirmation and the transactions contemplated hereby and thereby to any and all persons, without limitation of any kind, and there are no express or implied agreements, arrangements or understandings to the contrary.
- 21. Counterparty Indemnification.** Counterparty agrees to indemnify and hold harmless JPMorgan and its officers, directors, employees, Affiliates, advisors, agents and controlling persons (each, an “**Indemnified Person**”) from and against any and all losses, claims, damages and liabilities, joint or several (collectively, “**Obligations**”), to which an Indemnified Person may become subject arising out of or in connection with any breach of any representation, warranty or covenant made by Counterparty under the Agreement, this Master Confirmation, or any Supplemental Confirmation, or any claim, litigation, investigation or proceeding relating thereto, regardless of whether any of such Indemnified Person is a party thereto, and to reimburse, within 30 days, upon written request, each such Indemnified Person for any reasonable legal or other expenses incurred in connection with investigating, preparation for, providing evidence for or defending any of the foregoing; *provided, however*, that Counterparty shall not have any liability to any Indemnified Person to the extent that such Obligations (a) are finally determined by a court of competent jurisdiction to have resulted from the gross negligence or willful misconduct of such Indemnified Person (and in such case, such Indemnified Person shall promptly return to Counterparty any amounts previously expended by Counterparty hereunder) or (b) are trading losses incurred by JPMorgan as part of its purchases or sales of Shares pursuant to this Master Confirmation or any Supplemental Confirmation (unless such trading losses are related to the breach of any agreement, term or covenant herein).
- 22. Assignment and Transfer.** Notwithstanding anything to the contrary in the Agreement, JPMorgan may assign any of its rights or duties hereunder to any one or more of its Affiliates without the prior written consent of Counterparty; *provided* that such Affiliate has long-term credit ratings equal to or better than the long-term credit ratings of JPMorgan at the time of transfer. Notwithstanding any other provision in this Master Confirmation to the contrary requiring or allowing JPMorgan to purchase, sell, receive or deliver any Shares or other securities to or from Counterparty, JPMorgan may designate any of its Affiliates to purchase, sell, receive or deliver such Shares or other securities and otherwise to perform JPMorgan’s obligations in respect of any Transaction and any such designee may assume such obligations. JPMorgan may assign the right to receive Settlement Shares to any third party who may legally receive Settlement Shares. JPMorgan shall be discharged of its obligations to Counterparty only to the extent of any such performance. For the avoidance of doubt, JPMorgan hereby acknowledges that notwithstanding any such designation hereunder, to the extent any of JPMorgan’s obligations in respect of any Transaction are not completed by its designee, JPMorgan shall be obligated to continue to perform or to cause any other of its designees to perform in respect of such obligations.
- 23. Amendments to the Equity Definitions.**
- (a) Section 11.2(a) of the Equity Definitions is hereby amended by deleting the words “a diluting or concentrative effect on the theoretical value of the relevant Shares” and replacing them with “a material economic effect on the Shares or the relevant Transaction; *provided* that such event is not based on (a) an observable market, other than the market for Counterparty’s own shares or (b) an observable index, other than an index calculated or measured solely by reference to Counterparty’s own operations.
- (b) Section 11.2(c) of the Equity Definitions is hereby amended by (i) replacing the words “a diluting or concentrative” with “an” in the fifth line thereof, (ii) adding the phrase “or such Transaction” after
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the words “the relevant Shares” in the same sentence, (iii) deleting the words “dilutive or concentrative” in the sixth to last line thereof, and (iv) deleting the phrase “(provided that no adjustments will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relative to the relevant Shares)” and replacing it with the phrase “(and, for the avoidance of doubt, adjustments may be made to account solely for changes in volatility, stock loan rate or liquidity relative to the relevant Shares).”

(c) Section 11.2(e)(vii) of the Equity Definitions is hereby amended by deleting the words “a diluting or concentrative” and replacing them with the words “a material”; and adding the phrase “or the relevant Transaction; *provided* that such event is not based on (a) an observable market, other than the market for Counterparty’s own shares or (b) an observable index, other than an index calculated or measured solely by reference to the Counterparty’s own operations” at the end of the sentence.

(d) Section 12.6(a)(ii) of the Equity Definitions is hereby amended by (i) deleting from the fourth line thereof the word “or” after the word “official” and inserting a comma therefor, and (ii) deleting the semi-colon at the end of subsection (B) thereof and inserting the following words therefor “or (C) at JPMorgan’s option, the occurrence of any of the events specified in Section 5(a)(vii) (1) through (9) of the ISDA Master Agreement with respect to that Issuer.”

(e) Section 12.9(b)(iv) of the Equity Definitions is hereby amended by:

- (i) deleting (1) subsection (A) in its entirety, (2) the phrase “or (B)” following subsection (A) and (3) the phrase “in each case” in subsection (B); and
- (ii) replacing the phrase “neither the Non-Hedging Party nor the Lending Party lends Shares” with the phrase “such Lending Party does not lend Shares” in the penultimate sentence.

(f) Section 12.9(b)(v) of the Equity Definitions is hereby amended by:

- (i) adding the word “or” immediately before subsection “(B)” and deleting the comma at the end of subsection (A); and
- (ii) (1) deleting subsection (C) in its entirety, (2) deleting the word “or” immediately preceding subsection (C), (3) deleting the penultimate sentence in its entirety and replacing it with the sentence “The Hedging Party will determine the Cancellation Amount payable by one party to the other” and (4) deleting clause (X) in the final sentence.

**24. Extraordinary Dividend.** If Counterparty declares any Extraordinary Dividend that has an ex-dividend date during the period commencing on the Trade Date for any Transaction and ending of the last day of the Relevant Period or, if applicable, the later of the last day of the Settlement Valuation Period and the last day of the Seller Termination Purchase Period, for such Transaction, then prior to or on the date on which such Extraordinary Dividend is paid by Counterparty to holders of record, Counterparty shall pay to JPMorgan, for each Transaction under this Master Confirmation, an amount in cash equal to the product of (i) the amount of such Extraordinary Dividend and (ii) the theoretical short delta number of shares as of the opening of business on the related ex-dividend date, as determined by the Calculation Agent, required for JPMorgan to hedge its exposure to such Transaction.

**25. Status of Claims in Bankruptcy.** JPMorgan acknowledges and agrees that neither this Master Confirmation nor any Supplemental Confirmation is intended to convey to JPMorgan rights against Counterparty with respect to any Transaction that are senior to the claims of common shareholders of Counterparty in any United States bankruptcy proceedings of Counterparty; *provided* that nothing herein shall limit or shall be deemed to limit JPMorgan’s right to pursue remedies in the event of a breach by Counterparty of its obligations and agreements with respect to any Transaction; *provided further* that nothing herein shall limit or shall be deemed to limit JPMorgan’s rights in respect of any transactions other than any Transaction.

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26. **Wall Street Transparency and Accountability Act**. In connection with Section 739 of the Wall Street Transparency and Accountability Act of 2010 (“WSTAA”), the parties hereby agree that neither the enactment of WSTAA or any regulation under the WSTAA, nor any requirement under WSTAA or an amendment made by WSTAA, nor any similar legal certainty provision in any legislation enacted, or rule or regulation promulgated, on or after the date of this Master Confirmation, shall limit or otherwise impair either party’s otherwise applicable rights to terminate, renegotiate, modify, amend or supplement any Supplemental Confirmation, this Master Confirmation or the Agreement, as applicable, arising from a termination event, force majeure, illegality, increased costs, regulatory change or similar event under any Supplemental Confirmation, this Master Confirmation, the Equity Definitions incorporated herein, or the Agreement (including, without limitation, rights arising from Change in Law, Loss of Stock Borrow, Increased Cost of Stock Borrow, Hedging Disruption, Increased Cost of Hedging, or Illegality).
27. **Role of Agent**. Each party agrees and acknowledges that (a) JPMS, an Affiliate of JPMorgan, has acted solely as agent and not as principal with respect to this Master Confirmation and each Transaction and (b) JPMS has no obligation or liability, by way of guaranty, endorsement or otherwise, in any manner in respect of any Transaction (including, if applicable, in respect of the settlement thereof). Each party agrees it will look solely to the other party (or any guarantor in respect thereof) for performance of such other party’s obligations under any Transaction. JPMS is authorized to act as agent for JPMorgan.
28. **Waiver of Jury Trial**. EACH PARTY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY SUIT, ACTION OR PROCEEDING RELATING TO THE AGREEMENT, THIS MASTER CONFIRMATION, EACH SUPPLEMENTAL CONFIRMATION, THE TRANSACTIONS HEREUNDER AND ALL MATTERS ARISING IN CONNECTION WITH THE AGREEMENT, THIS MASTER CONFIRMATION AND ANY SUPPLEMENTAL CONFIRMATION AND THE TRANSACTIONS HEREUNDER. EACH PARTY (I) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF THE OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF SUCH A SUIT, ACTION OR PROCEEDING, SEEK TO ENFORCE THE FOREGOING WAIVER AND (II) ACKNOWLEDGES THAT IT AND THE OTHER PARTY HAVE BEEN INDUCED TO ENTER INTO THE TRANSACTIONS, AS APPLICABLE, BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS PROVIDED HEREIN.
29. **Third Party Expenses**. In calculating Close-out Amount or determining any adjustment under any Transaction, JPMorgan shall not give effect to any expenses paid or payable by JPMorgan to any third-party financial advisors in performing such calculation or making such determination.
30. **Counterparts**. This Master Confirmation may be executed in any number of counterparts, all of which shall constitute one and the same instrument, and any party hereto may execute this Master Confirmation by signing and delivering one or more counterparts.
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Please confirm that the foregoing correctly sets forth the terms of our agreement by executing this Master Confirmation and returning it to us.

Very truly yours,

**J.P. MORGAN SECURITIES LLC, as  
agent for JPMorgan Chase Bank,  
National Association**

By: /s/ Stephanie Little  
Authorized Signatory  
Name: Stephanie Little

Accepted and confirmed  
as of the date first set  
forth above:

**SIGNET JEWELERS LIMITED**

By: /s/ Michele L. Santana  
Authorized Signatory  
Name: Michele L. Santana  
Title: Chief Financial Officer

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FORM OF SUPPLEMENTAL CONFIRMATION

JPMorgan Chase Bank, National Association  
P.O. Box 161  
60 Victoria Embankment  
London EC4Y 0JP  
England

[\_\_\_\_], 20[\_\_]

To: Signet Jewelers Limited  
c/o Signet Group Treasury Services, Inc.  
375 Ghent Road  
Akron, OH 44333  
Attn: Michele Santana, Chief Financial Officer  
Telephone: (330) 668-5422  
Email: Michele.Santana@signetjewelers.com

Re: Supplemental Confirmation—Uncollared Accelerated Share Repurchase

The purpose of this Supplemental Confirmation is to confirm the terms and conditions of the Transaction entered into between J.P. Morgan Securities LLC, as agent for JPMorgan Chase Bank, National Association, London Branch (“**JPMorgan**”), and Signet Jewelers Limited, a Bermuda corporation (“**Counterparty**”) on the Trade Date specified below. This Supplemental Confirmation is a binding contract between JPMorgan and Counterparty as of the relevant Trade Date for the Transaction referenced below.

- 1. This Supplemental Confirmation supplements, forms part of, and is subject to the Master Confirmation, dated as of October 5, 2016 (the “**Master Confirmation**”), between JPMorgan and Counterparty, as amended and supplemented from time to time. All provisions contained in the Master Confirmation govern this Supplemental Confirmation except as expressly modified below.
- 2. The terms of the Transaction to which this Supplemental Confirmation relates are as follows:

Trade Date: [\_\_\_\_], 20[\_\_]

Forward Price Adjustment Amount: USD [\_\_]

Calculation Period Start Date: The [\_\_]th Scheduled Trading Day immediately following the Trade Date.

Scheduled Termination Date: The [\_\_]th Scheduled Trading Day immediately following the Trade Date.

First Acceleration Date: The [\_\_]th Scheduled Trading Day immediately following the Trade Date.

Prepayment Amount: USD [\_\_]

Prepayment Date: [\_\_\_\_], 20[\_\_]

Initial Shares: [\_\_] Shares; *provided* that if, in connection with the Transaction, JPMorgan is unable after using good faith and commercially reasonable efforts to borrow or otherwise acquire a number of Shares equal to the Initial Shares for delivery to Counterparty on the Initial Share Delivery Date, the Initial Shares delivered on the Initial



Share Delivery Date shall be reduced to such number of Shares that JPMorgan is able to so borrow or otherwise acquire. All Shares delivered to Counterparty in respect of the Transaction pursuant to this paragraph shall be the "Initial Shares" for purposes of "Number of Shares to be Delivered" in the Master Confirmation.

Initial Share Delivery Date: [\_\_\_\_], 20[ ]

Ordinary Dividend Amount:

For any Dividend before the Termination Date, USD [ ] per Share

For any Dividend after the Termination Date, USD 0.00 per Share

Scheduled Ex-Dividend Dates: [\_\_\_\_]

Maximum Stock Loan Rate:

[ ] basis points per annum

Initial Stock Loan Rate:

[ ] basis points per annum

Maximum Number of Shares: [ ] Shares

Floor Price: USD 0.01 per Share

Contract Fee: USD [ ]

Termination Price: USD [ ] per Share

Additional Relevant Days:

The [ ] Exchange Business Days immediately following the Calculation Period.

Reserved Shares:

Notwithstanding anything to the contrary in the Master Confirmation, as of the date of this Supplemental Confirmation, the Reserved Shares shall be equal to [ ] Shares.

3. Counterparty represents and warrants to JPMorgan that neither it nor any "affiliated purchaser" (as defined in Rule 10b-18 under the Exchange Act) has made any purchases of blocks pursuant to the proviso in Rule 10b-18(b)(4) under the Exchange Act during either (i) the four full calendar weeks immediately preceding the Trade Date or (ii) during the calendar week in which the Trade Date occurs, except as set forth in any notice delivered pursuant to Section 6(b)(xv) of the Master Confirmation.

4. This Supplemental Confirmation may be executed in any number of counterparts, all of which shall constitute one and the same instrument, and any party hereto may execute this Supplemental Confirmation by signing and delivering one or more counterparts.

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Please confirm that the foregoing correctly sets forth the terms of our agreement by executing this Supplemental Confirmation and returning it to us.

Very truly yours,

**J.P. MORGAN SECURITIES LLC, as  
agent for JPMorgan Chase Bank,  
National Association**

By: \_\_\_\_\_  
Authorized Signatory  
Name:

Accepted and confirmed  
as of the Trade Date:

**SIGNET JEWELERS LIMITED**

By: \_\_\_\_\_  
Authorized Signatory  
Name:

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FORM OF CERTIFICATE OF RULE 10B-18 PURCHASES

[Letterhead of Counterparty]

JPMorgan Chase Bank, National Association  
c/o J.P. Morgan Securities LLC  
383 Madison Avenue  
5th Floor  
New York, New York 10172

Re: Uncollared Accelerated Share Repurchase

Ladies and Gentlemen:

In connection with our entry into the Supplemental Confirmation, dated as of [\_\_\_\_\_], 20[\_\_\_], between J.P. Morgan Securities LLC, as agent for JPMorgan Chase Bank, National Association, London Branch, and Signet Jewelers Limited, a Bermuda corporation, as amended and supplemented from time to time (the “**Supplemental Confirmation**”), we hereby represent that set forth below is the total number of shares of our common stock purchased by or for us or any of our affiliated purchasers in Rule 10b-18 purchases of blocks (all as defined in Rule 10b-18 under the Securities Exchange Act of 1934) pursuant to the once-a-week block exception set forth in Rule 10b-18(b)(4) during the four full calendar weeks immediately preceding the first day of the [Calculation Period] [Settlement Valuation Period][Seller Termination Purchase Period] (as defined in the Master Confirmation) and the week during which the first day of such [Calculation Period][Settlement Valuation Period][Seller Termination Purchase Period] occurs.

Number of Shares: \_\_\_\_\_

We understand that you will use this information in calculating trading volume for purposes of Rule 10b-18.

Very truly yours,

**SIGNET JEWELERS LIMITED**

By: \_\_\_\_\_

Authorized Signatory

Name:

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## COUNTERPARTY SETTLEMENT PROVISIONS

1. The following Counterparty Settlement Provisions shall apply to any Transaction to the extent indicated under the Master Confirmation:

Settlement Currency:	USD
Settlement Method Election:	Applicable; <i>provided</i> that (i) Section 7.1 of the Equity Definitions is hereby amended by deleting the word “Physical” in the sixth line thereof and replacing it with the words “Net Share” and (ii) the Electing Party may make a settlement method election only if the Electing Party represents and warrants to JPMorgan in writing on the date it notifies JPMorgan of its election that, as of such date, the Electing Party is not aware of any material non-public information regarding Counterparty or the Shares and is electing the settlement method in good faith and not as part of a plan or scheme to evade compliance with the federal securities laws.
Electing Party:	Counterparty
Settlement Method Election Date:	The earlier of (i) the Scheduled Termination Date and (ii) the second Exchange Business Day immediately following the Accelerated Termination Date (in which case the election under Section 7.1 of the Equity Definitions shall be made no later than 10 minutes prior to the open of trading on the Exchange on such second Exchange Business Day), as the case may be.
Default Settlement Method:	Cash Settlement
Forward Cash Settlement Amount:	An amount equal to (a) the Number of Shares to be Delivered, <i>multiplied by</i> (b) the Settlement Price.
Settlement Price:	An amount equal to the average of the VWAP Prices for the Exchange Business Days in the Settlement Valuation Period, subject to Valuation Disruption as specified in the Master Confirmation.
Settlement Valuation Period:	A number of Scheduled Trading Days selected by JPMorgan in its commercially reasonable discretion, beginning on the Scheduled Trading Day immediately following the earlier of (i) the Scheduled Termination Date or (ii) the Exchange Business Day immediately following the Termination Date.
Cash Settlement:	If Cash Settlement is applicable, then Buyer shall pay to JPMorgan the absolute value of the Forward Cash Settlement Amount on the Cash Settlement Payment Date.
Cash Settlement Payment Date:	The Exchange Business Day immediately following the last day of the Settlement Valuation Period.
Net Share Settlement Procedures:	If Net Share Settlement is applicable, Net Share Settlement shall be made in accordance with paragraphs 2 through 7 below.

2. Net Share Settlement shall be made by delivery on the Cash Settlement Payment Date of a number of Shares satisfying the conditions set forth in paragraph 3 below (the “**Registered Settlement Shares**”), or a number of Shares not satisfying such conditions (the “**Unregistered Settlement Shares**”), in either case with a value equal to

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100% (in the case of Registered Settlement Shares) or 105% (in the case of Unregistered Settlement Shares) of the absolute value of the Forward Cash Settlement Amount, with such Shares' value based on the value thereof to JPMorgan (which value shall, in the case of Unregistered Settlement Shares, take into account a commercially reasonable illiquidity discount), in each case as determined by the Calculation Agent. If all of the conditions for delivery of either Registered Settlement Shares or Unregistered Settlement Shares have not been satisfied, Cash Settlement shall be applicable in accordance with paragraph 1 above notwithstanding Counterparty's election of Net Share Settlement.

3. Counterparty may only deliver Registered Settlement Shares pursuant to paragraph 2 above if:

(a) a registration statement covering public resale of the Registered Settlement Shares by JPMorgan (the “**Registration Statement**”) shall have been filed with the Securities and Exchange Commission under the Securities Act and been declared or otherwise become effective on or prior to the date of delivery, and no stop order shall be in effect with respect to the Registration Statement; a printed prospectus relating to the Registered Settlement Shares (including, without limitation, any prospectus supplement thereto, the “**Prospectus**”) shall have been delivered to JPMorgan, in such quantities as JPMorgan shall reasonably have requested, on or prior to the date of delivery;

(b) the form and content of the Registration Statement and the Prospectus (including, without limitation, any sections describing the plan of distribution) shall be satisfactory to JPMorgan;

(c) as of or prior to the date of delivery, JPMorgan and its agents shall have been afforded a reasonable opportunity to conduct a due diligence investigation with respect to Counterparty customary in scope for underwritten offerings of equity securities and the results of such investigation are satisfactory to JPMorgan, in its discretion; and

(d) as of the date of delivery, an agreement (the “**Underwriting Agreement**”) shall have been entered into with JPMorgan in connection with the public resale of the Registered Settlement Shares by JPMorgan substantially similar to underwriting agreements customary for underwritten offerings of equity securities of a similar size, in form and substance satisfactory to JPMorgan, which Underwriting Agreement shall include, without limitation, provisions substantially similar to those contained in such underwriting agreements relating, without limitation, to the indemnification of, and contribution in connection with the liability of, JPMorgan and its Affiliates and the provision of customary opinions, accountants' comfort letters and lawyers' negative assurance letters.

4. If Counterparty delivers Unregistered Settlement Shares pursuant to paragraph 2 above:

(a) all Unregistered Settlement Shares shall be delivered to JPMorgan (or any Affiliate of JPMorgan designated by JPMorgan) pursuant to the exemption from the registration requirements of the Securities Act provided by Section 4(2) thereof;

(b) as of or prior to the date of delivery, JPMorgan and any potential purchaser of any such shares from JPMorgan (or any Affiliate of JPMorgan designated by JPMorgan) identified by JPMorgan shall be afforded a commercially reasonable opportunity to conduct a due diligence investigation with respect to Counterparty customary in scope for private placements of equity securities of a similar size (including, without limitation, the right to have made available to them for inspection all financial and other records, pertinent corporate documents and other information reasonably requested by them);

(c) as of the date of delivery, Counterparty shall enter into an agreement (a “**Private Placement Agreement**”) with JPMorgan (or any Affiliate of JPMorgan designated by JPMorgan) in connection with the private placement of such shares by Counterparty to JPMorgan (or any such Affiliate) and the private resale of such shares by JPMorgan (or any such Affiliate), substantially similar to private placement purchase agreements customary for private placements of equity securities of a similar size, in form and substance commercially reasonably satisfactory to JPMorgan, which Private Placement Agreement shall include, without limitation, provisions substantially similar to those contained in such private placement purchase agreements relating, without limitation, to the indemnification of, and contribution in connection with the liability of, JPMorgan and its Affiliates, shall provide for Counterparty using best efforts to deliver documentation appropriate for a private placement of similar size, and shall provide for the payment by Counterparty of all commercially reasonable fees and expenses of JPMorgan (and any such Affiliate) in connection with such resale, including, without limitation, all commercially reasonable fees and expenses of counsel for JPMorgan, and shall contain representations, warranties, covenants and agreements of Counterparty reasonably necessary or advisable to establish and maintain the availability of an exemption from the registration requirements of the Securities Act for such resales; and

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(d) in connection with the private placement of such shares by Counterparty to JPMorgan (or any such Affiliate) and the private resale of such shares by JPMorgan (or any such Affiliate), Counterparty shall, if so requested by JPMorgan, prepare, in cooperation with JPMorgan, a private placement memorandum in form and substance reasonably satisfactory to JPMorgan and customary for private placements of equity securities of a similar size.

5. JPMorgan, itself or through an Affiliate (the “**Selling Agent**”) or any underwriter(s), will sell, in a commercially reasonable manner and over a commercially reasonable period, all, or such lesser portion as may be required hereunder, of the Registered Settlement Shares or Unregistered Settlement Shares and any Makewhole Shares (as defined below) (together, the “**Settlement Shares**”) delivered by Counterparty to JPMorgan pursuant to paragraph 6 below in a commercially reasonable manner commencing on the Cash Settlement Payment Date and continuing until the date on which the aggregate Net Proceeds (as such term is defined below) of such sales, as determined by JPMorgan in a commercially reasonable manner, is equal to the absolute value of the Forward Cash Settlement Amount (such date, the “**Final Resale Date**”). If the proceeds of any sale(s) made by JPMorgan, the Selling Agent or any underwriter(s), net of any commercially reasonable fees and commissions (including, without limitation, commercially reasonable underwriting or placement fees) customary for similar transactions of a similar size under the circumstances at the time of the offering, together with commercially reasonable carrying charges and expenses incurred in connection with the offer and sale of the Shares (including, but without limitation to, the covering of any over-allotment or short position (syndicate or otherwise)) (the “**Net Proceeds**”) exceed the absolute value of the Forward Cash Settlement Amount, JPMorgan will refund, in USD or Shares at Counterparty’s election, such excess to Counterparty on the date that is three (3) Currency Business Days following the Final Resale Date, and, if any portion of the Settlement Shares remains unsold, JPMorgan shall return to Counterparty on that date such unsold Shares.

6. If the Calculation Agent determines that the Net Proceeds received from the sale of the Registered Settlement Shares or Unregistered Settlement Shares or any Makewhole Shares, if any, pursuant to this paragraph 6 are less than the absolute value of the Forward Cash Settlement Amount (the amount in USD by which the Net Proceeds are less than the absolute value of the Forward Cash Settlement Amount being the “**Shortfall**”) and the date on which such determination is made, the “**Deficiency Determination Date**”), Counterparty shall on the Exchange Business Day next succeeding the Deficiency Determination Date (the “**Makewhole Notice Date**”) deliver to JPMorgan, through the Selling Agent, a notice of Counterparty’s election that Counterparty shall either (i) pay an amount in cash equal to the Shortfall on the day that is one Currency Business Day after the Makewhole Notice Date, or (ii) deliver additional Shares. If Counterparty elects to deliver to JPMorgan additional Shares, then Counterparty shall deliver additional Shares in compliance with the terms and conditions of paragraph 3 or paragraph 4 above, as the case may be (the “**Makewhole Shares**”), on the first Clearance System Business Day which is also an Exchange Business Day following the Makewhole Notice Date in such number as the Calculation Agent reasonably believes would have a market value on that Exchange Business Day equal to the Shortfall. Such Makewhole Shares shall be sold by JPMorgan in accordance with the provisions above; *provided* that if the sum of the Net Proceeds from the sale of the originally delivered Shares and the Net Proceeds from the sale of any Makewhole Shares is less than the absolute value of the Forward Cash Settlement Amount then Counterparty shall, at its election, either make such cash payment or deliver to JPMorgan further Makewhole Shares until such Shortfall has been reduced to zero.

7. Notwithstanding the foregoing, in no event shall the aggregate number of Settlement Shares for any Transaction be greater than the Reserved Shares *minus* the amount of any Shares actually delivered by Counterparty under any other Transaction under this Master Confirmation (the result of such calculation, the “**Capped Number**”). Counterparty represents and warrants (which shall be deemed to be repeated on each day that a Transaction is outstanding) that the Capped Number is equal to or less than the number of Shares determined according to the following formula:

$$A - B$$

Where A = the number of authorized but unissued shares of Counterparty that are not reserved for future issuance on the date of the determination of the Capped Number; and

B = the maximum number of Shares required to be delivered to third parties if Counterparty elected Net Share Settlement of all transactions in the Shares (other than Transactions in the Shares under this Master Confirmation) with all third parties that are then currently outstanding and unexercised.

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“ **Reserved Shares** ” means initially, 20,239,000 Shares. The Reserved Shares may be increased or decreased in a Supplemental Confirmation.

If at any time, as a result of this paragraph 7, Counterparty fails to deliver to JPMorgan any Settlement Shares, Counterparty shall, to the extent that Counterparty has at such time authorized but unissued Shares not reserved for other purposes, promptly notify JPMorgan thereof and deliver to JPMorgan a number of Shares not previously delivered as a result of this paragraph 7. Counterparty agrees to use its best efforts to cause the number of authorized but unissued Shares to be increased, if necessary, to an amount sufficient to permit Counterparty to fulfill its obligation to deliver any Settlement Shares.

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## COMMUNICATIONS PROCEDURES

October 5, 2016

I. Introduction

Signet Jewelers Limited (“**Counterparty**”) and J.P. Morgan Securities LLC, as agent for JPMorgan Chase Bank, National Association, London Branch (“**JPMorgan**”), have adopted these communications procedures (the “**Communications Procedures**”) in connection with entering into the Master Confirmation (the “**Master Confirmation**”), dated as of October 5, 2016, between JPMorgan and Counterparty relating to Uncollared Accelerated Share Repurchase transactions. These Communications Procedures supplement, form part of, and are subject to the Master Confirmation.

II. Communications Rules

For each Transaction, from the Trade Date for such Transaction until the date all payments or deliveries of Shares have been made with respect to such Transaction, Counterparty and its Employees and Designees shall not engage in any Program-Related Communication with, or disclose any Material Non-Public Information to, any EDG Trading Personnel. Except as set forth in the preceding sentence, the Master Confirmation shall not limit Counterparty and its Employees and Designees in their communication with Affiliates and Employees of JPMorgan, including, without limitation, Employees who are EDG Permitted Contacts.

III. Termination

If, in the sole judgment of any EDG Trading Personnel or any Affiliate or Employee of JPMorgan participating in any Communication with Counterparty or any Employee or Designee of Counterparty, such Communication would not be permitted by these Communications Procedures, such EDG Trading Personnel or Affiliate or Employee of JPMorgan shall immediately terminate such Communication. In such case, or if such EDG Trading Personnel or Affiliate or Employee of JPMorgan determines following completion of any Communication with Counterparty or any Employee or Designee of Counterparty that such Communication was not permitted by these Communications Procedures, such EDG Trading Personnel or such Affiliate or Employee of JPMorgan shall promptly consult with his or her supervisors and with counsel for JPMorgan regarding such Communication. If, in the reasonable judgment of JPMorgan’s counsel following such consultation, there is more than an insignificant risk that such Communication could materially jeopardize the availability of the affirmative defenses provided in Rule 10b5-1 under the Exchange Act with respect to any ongoing or contemplated activities of JPMorgan or its Affiliates in respect of any Transaction pursuant to the Master Confirmation, it shall be an Additional Termination Event pursuant to Section 19(a) of the Master Confirmation, with Counterparty as the sole Affected Party and all Transactions under the Master Confirmation as Affected Transactions.

IV. Definitions

Capitalized terms used and not otherwise defined herein shall have the meanings ascribed to them in the Master Confirmation. As used herein, the following words and phrases shall have the following meanings:

“**Communication**” means any contact or communication (whether written, electronic, oral or otherwise) between Counterparty or any of its Employees or Designees, on the one hand, and JPMorgan or any of its Affiliates or Employees, on the other hand.

“**Designee**” means a person designated, in writing or orally, by Counterparty to communicate with JPMorgan on behalf of Counterparty.

“**EDG Permitted Contact**” means any of Mr. David Aidelson, Mr. Elliot Chalom, Ms. Yana Chernobilsky, Ms. Stephanie Y. Little, Mr. James F. Smith, Mr. Noah L. Wynkoop and Ms. Xiao Zhu or any of their designees; *provided* that JPMorgan may amend the list of EDG Permitted Contacts by delivering a revised list of EDG Permitted Contacts to Counterparty.

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“ **EDG Trading Personnel** ” means Mr. Michael Captain, Mr. Edwin Li, Mr. Michael Tatro and any other Employee of the public side of the Equity Derivatives Group of J.P. Morgan Chase & Co.; *provided* that JPMorgan may amend the list of EDG Trading Personnel by delivering a revised list of EDG Trading Personnel to Counterparty; and *provided further* that, for the avoidance of doubt, the persons listed as EDG Permitted Contacts are not EDG Trading Personnel.

“ **Employee** ” means, with respect to any entity, any owner, principal, officer, director, employee or other agent or representative of such entity, and any Affiliate of any of such owner, principal, officer, director, employee, agent or representative.

“ **Material Non-Public Information** ” means information relating to Counterparty or the Shares that (a) has not been widely disseminated by wire service, in one or more newspapers of general circulation, by communication from Counterparty to its shareholders or in a press release, or contained in a public filing made by Counterparty with the Securities and Exchange Commission and (b) a reasonable investor might consider to be of importance in making an investment decision to buy, sell or hold Shares. For the avoidance of doubt and solely by way of illustration, information should be presumed “material” if it relates to such matters as dividend increases or decreases, earnings estimates, changes in previously released earnings estimates, significant expansion or curtailment of operations, a significant increase or decline of orders, significant merger or acquisition proposals or agreements, significant new products or discoveries, extraordinary borrowing, major litigation, liquidity problems, extraordinary management developments, purchase or sale of substantial assets and similar matters.

“ **Program-Related Communication** ” means any Communication the subject matter of which relates to the Master Confirmation or any Transaction under the Master Confirmation or any activities of JPMorgan (or any of its Affiliates) in respect of the Master Confirmation or any Transaction under the Master Confirmation.

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**FORM OF OPINION OF CONYERS DILL & PEARMAN LIMITED, BERMUDA COUNSEL TO  
COUNTERPARTY**

5 October 2016

Matter No.:355234  
Doc Ref: 11577184v1

441 299 4965  
Graham.collis@conyersdill.com

JPMorgan Chase Bank, National Association  
P. O. Box 161  
60 Victoria Embankment  
London EC4Y 0JP  
England

Dear Sirs,

**Re: Signet Jewelers Limited (the “Company”)**

We have acted as special Bermuda legal counsel to the Company in connection with its execution and delivery of the Documents (as defined below).

For the purposes of giving this opinion, we have examined a copy of (i) a Master Confirmation – Uncollared Accelerated Share Repurchase between JPMorgan Chase Bank, National Association and the Company dated 5 October 2016 and (ii) a Supplemental Confirmation – Uncollared Accelerated Share Repurchase between JPMorgan Chase Bank, National Association and the Company dated 5 October 2016 (together, the “Documents”, which term does not include any other instrument or agreement whether or not specifically referred to therein or attached as an exhibit or schedule thereto, other than the provisions of the 2002 ISDA Equity Derivatives Definitions and the 2002 ISDA Master Agreement which are expressly incorporated therein by reference).

We have also reviewed the memorandum of association and the bye-laws of the Company, each certified by the Secretary of the Company on [ ] October 2016, written resolutions of its directors dated [ ] October 2016 (the “Resolutions”), and such other documents and made such enquiries as to questions of law as we have deemed necessary in order to render the opinion set forth below.

We have assumed (a) the genuineness and authenticity of all signatures and the conformity to the originals of all copies (whether or not certified) examined by us and the authenticity and completeness of the originals from which such copies were taken; (b) that where a document has been examined by us in draft form, it will be or has been executed in the form of that draft, and where a number of drafts of a document have been examined by us all changes thereto have been marked or otherwise drawn to our attention; (c) the capacity, power and authority of each

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of the parties to the Documents, other than the Company, to enter into and perform its respective obligations under the Documents; (d) the due execution and delivery of the Documents by each of the parties thereto, other than the Company, and the physical delivery thereof by the Company with an intention to be bound thereby; (e) the accuracy and completeness of all factual representations made in the Documents and other documents reviewed by us; (f) that the Resolutions were passed at one or more duly convened, constituted and quorate meetings or by unanimous written resolutions, remain in full force and effect and have not been rescinded or amended; (g) that the Company is entering into the Documents pursuant to its business as a holding company; (h) that there is no provision of the law of any jurisdiction, other than Bermuda, which would have any implication in relation to the opinions expressed herein; (i) the validity and binding effect under the laws of New York (the "Foreign Laws") of the Documents in accordance with their respective terms; (j) the validity and binding effect under the Foreign Laws of the submission by the Company pursuant to the Documents to the non-exclusive jurisdiction of the courts of the State of New York and the United States District Courts located in the Borough of Manhattan in New York City (the "Foreign Courts") (k) that none of the parties to the Documents carries on business from premises in Bermuda at which it employs staff and pays salaries and other expenses; (i) that on the date of entering into the Documents and acquiring any of its shares thereunder the Company is and after entering into the Documents and acquiring such shares will be able to pay its liabilities as they become due.

The obligations of the Company under the Documents (a) will be subject to the laws from time to time in effect relating to bankruptcy, insolvency, liquidation, possessory liens, rights of set off, reorganisation, amalgamation, merger, moratorium or any other laws or legal procedures, whether of a similar nature or otherwise, generally affecting the rights of creditors as well as applicable international sanctions; (b) will be subject to statutory limitation of the time within which proceedings may be brought; (c) will be subject to general principles of equity and, as such, specific performance and injunctive relief, being equitable remedies, may not be available; (d) may not be given effect to by a Bermuda court, whether or not it was applying the Foreign Laws, if and to the extent they constitute the payment of an amount which is in the nature of a penalty; (e) may not be given effect by a Bermuda court to the extent that they are to be performed in a jurisdiction outside Bermuda and such performance would be illegal under the laws of that jurisdiction. Notwithstanding any contractual submission to the jurisdiction of specific courts, a Bermuda court has inherent discretion to stay or allow proceedings in the Bermuda courts.

We express no opinion as to the enforceability of any provision of the Documents which provides for the payment of a specified rate of interest on the amount of a judgment after the date of judgment or which purports to fetter the statutory powers of the Company.

We have made no investigation of and express no opinion in relation to the laws of any jurisdiction other than Bermuda. This opinion is to be governed by and construed in accordance with the laws of Bermuda and is limited to and is given on the basis of the current law and practice in Bermuda. This opinion is issued solely for your benefit and use in connection with the matter described herein and is not to be relied upon by any other person, firm or entity or in respect of any other matter.

On the basis of and subject to the foregoing, we are of the opinion that:

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1. The Company is duly incorporated and existing under the laws of Bermuda in good standing (meaning solely that it has not failed to make any filing with any Bermuda governmental authority, or to pay any Bermuda government fee or tax, which would make it liable to be struck off the Register of Companies and thereby cease to exist under the laws of Bermuda).
2. The Company has the necessary corporate power and authority to enter into and perform its obligations under the Documents. The execution and delivery of the Documents by the Company and the performance by the Company of its obligations thereunder will not violate the memorandum of association or bye-laws of the Company nor any applicable law, regulation, order or decree in Bermuda.
3. The Company has taken all corporate action required to authorise its execution, delivery and performance of the Documents. The Documents have been duly executed and delivered by or on behalf of the Company, and constitute the valid and binding obligations of the Company in accordance with the terms thereof.
4. No order, consent, approval, licence, authorisation or validation of or exemption by any government or public body or authority of Bermuda or any sub-division thereof is required to authorise or is required in connection with the execution, delivery, performance and enforcement of the Documents, except such as have been duly obtained in accordance with Bermuda law.
5. It is not necessary or desirable to ensure the enforceability in Bermuda of the Documents that they be registered in any register kept by, or filed with, any governmental authority or regulatory body in Bermuda. However, to the extent that any Document creates a charge over assets of the Company, it may be desirable to ensure the priority in Bermuda of the charge that it be registered in the Register of Charges in accordance with Section 55 of the Companies Act 1981. On registration, to the extent that Bermuda law governs the priority of a charge, such charge will have priority in Bermuda over any unregistered charges, and over any subsequently registered charges, in respect of the assets which are the subject of the charge. A registration fee of US\$630 will be payable in respect of the registration.

While there is no exhaustive definition of a charge under Bermuda law, a charge includes any interest created in property by way of security (including any mortgage, assignment, pledge, lien or hypothecation). As the Documents are governed by the Foreign Laws, the question of whether they create such an interest in property would be determined under the Foreign Laws.

6. The Documents will not be subject to *ad valorem* stamp duty in Bermuda.
  7. The choice of the Foreign Laws as the governing law of the Documents is a valid choice of law and would be recognised and given effect to in any action brought before a court of competent jurisdiction in Bermuda, except for those laws (i) which such court considers to be procedural in nature; (ii) which are revenue or penal laws or (iii) the application of which would be inconsistent with public policy, as such term is interpreted
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under the laws of Bermuda. The submission in the Documents to the non-exclusive jurisdiction of the Foreign Courts is valid and binding upon the Company.

8. The courts of Bermuda would recognise as a valid judgment, a final and conclusive judgment *in personam* obtained in the Foreign Courts against the Company based upon the Documents under which a sum of money is payable (other than a sum of money payable in respect of multiple damages, taxes or other charges of a like nature or in respect of a fine or other penalty) and would give a judgment based thereon provided that (a) such courts had proper jurisdiction over the parties subject to such judgment; (b) such courts did not contravene the rules of natural justice of Bermuda; (c) such judgment was not obtained by fraud; (d) the enforcement of the judgment would not be contrary to the public policy of Bermuda; (e) no new admissible evidence relevant to the action is submitted prior to the rendering of the judgment by the courts of Bermuda; and (f) there is due compliance with the correct procedures under the laws of Bermuda.

Yours faithfully,

**Conyers Dill & Pearman Limited**



## SUPPLEMENTAL CONFIRMATION

JPMorgan Chase Bank, National Association  
P.O. Box 161  
60 Victoria Embankment  
London EC4Y 0JP  
England

October 5, 2016

To: Signet Jewelers Limited  
c/o Signet Group Treasury Services, Inc.  
375 Ghent Road  
Akron, OH 44333  
Attn: Michele Santana, Chief Financial Officer  
Telephone:  
Email:

Re: Supplemental Confirmation—Uncollared Accelerated Share Repurchase

The purpose of this Supplemental Confirmation is to confirm the terms and conditions of the Transaction entered into between J.P. Morgan Securities LLC, as agent for JPMorgan Chase Bank, National Association, London Branch (“**JPMorgan**”), and Signet Jewelers Limited, a Bermuda corporation (“**Counterparty**”) on the Trade Date specified below. This Supplemental Confirmation is a binding contract between JPMorgan and Counterparty as of the relevant Trade Date for the Transaction referenced below.

1. This Supplemental Confirmation supplements, forms part of, and is subject to the Master Confirmation, dated as of October 5, 2016 (the “**Master Confirmation**”), between JPMorgan and Counterparty, as amended and supplemented from time to time. All provisions contained in the Master Confirmation govern this Supplemental Confirmation except as expressly modified below.

2. The terms of the Transaction to which this Supplemental Confirmation relates are as follows:

Trade Date: October 5, 2016

Forward Price Adjustment Amount: USD 1.27

Calculation Period Start Date: October 6, 2016

Scheduled Termination Date: December 30, 2016

First Acceleration Date: November 16, 2016

Prepayment Amount: USD 525,000,000

Prepayment Date: October 6, 2016

Initial Shares: 4,722,436 Shares; *provided* that if, in connection with the Transaction, JPMorgan is unable to borrow or otherwise acquire a number of Shares equal to the Initial Shares for delivery to Counterparty on the Initial Share Delivery Date, the Initial Shares delivered on the Initial

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Share Delivery Date shall be reduced to such number of Shares that JPMorgan is able to so borrow or otherwise acquire. All Shares delivered to Counterparty in respect of the Transaction pursuant to this paragraph shall be the "Initial Shares" for purposes of "Number of Shares to be Delivered" in the Master Confirmation.

Initial Share Delivery Date: October 6, 2016

Ordinary Dividend Amount: For any Dividend before the Termination Date, USD 0.26 per Share  
For any Dividend after the Termination Date, USD 0.00 per Share

Scheduled Ex-Dividend Dates: October 26, 2016

Maximum Stock Loan Rate: 150 basis points per annum

Initial Stock Loan Rate: 50 basis points per annum

Maximum Number of Shares: 38,000,000 Shares

Floor Price: USD 0.01 per Share

Contract Fee: USD 0.00

Termination Price: USD 38.91 per Share

Additional Relevant Days: The Five Exchange Business Days immediately following the Calculation Period.

Reserved Shares: Notwithstanding anything to the contrary in the Master Confirmation, as of the date of this Supplemental Confirmation, the Reserved Shares shall be equal to 20,239,000 Shares.

3. Counterparty represents and warrants to JPMorgan that neither it nor any "affiliated purchaser" (as defined in Rule 10b-18 under the Exchange Act) has made any purchases of blocks pursuant to the proviso in Rule 10b-18(b)(4) under the Exchange Act during either (i) the four full calendar weeks immediately preceding the Trade Date or (ii) during the calendar week in which the Trade Date occurs, except as set forth in any notice delivered pursuant to Section 6(b)(xv) of the Master Confirmation.

4. This Supplemental Confirmation may be executed in any number of counterparts, all of which shall constitute one and the same instrument, and any party hereto may execute this Supplemental Confirmation by signing and delivering one or more counterparts.

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Please confirm that the foregoing correctly sets forth the terms of our agreement by executing this Supplemental Confirmation and returning it to us.

Very truly yours,

**J.P. MORGAN SECURITIES LLC, as  
agent for JPMorgan Chase Bank,  
National Association**

By: /s/ Stephanie Little

\_\_\_\_\_  
Authorized Signatory

Name: Stephanie Little

Accepted and confirmed  
as of the Trade Date:

**SIGNET JEWELERS LIMITED**

By: /s/ Michele L. Santana

\_\_\_\_\_  
Authorized Signatory

Name: Michele L. Santana

Title: Chief Financial Officer

## CERTIFICATION

I, Mark Light, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Signet Jewelers Limited (the "Report");
2. Based on my knowledge, this Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Report;
3. Based on my knowledge, the financial statements, and other financial information included in this Report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this Report;
4. The company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this Report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this Report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this Report based on such evaluation; and
  - (d) Disclosed in this Report any change in the company's internal control over financial reporting that occurred during the company's most recent fiscal quarter (the company's fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and
5. The company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: November 29, 2016

By: /s/ Mark Light  
Name: Mark Light  
Title: Chief Executive Officer

## CERTIFICATION

I, Michele L. Santana, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Signet Jewelers Limited (the "Report");
2. Based on my knowledge, this Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Report;
3. Based on my knowledge, the financial statements, and other financial information included in this Report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this Report;
4. The company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this Report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this Report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this Report based on such evaluation; and
  - (d) Disclosed in this Report any change in the company's internal control over financial reporting that occurred during the company's most recent fiscal quarter (the company's fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and
5. The company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: November 29, 2016

By: /s/ Michele L. Santana  
Name: Michele L. Santana  
Title: Chief Financial Officer  
(Principal Financial  
Officer  
and Principal  
Accounting Officer)

**CERTIFICATION**

**PURSUANT TO 18 U.S.C. SECTION 1350,**

**AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, Mark Light, as Chief Executive Officer of Signet Jewelers Limited (the "Company"), hereby certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

- (1) the accompanying Quarterly Report on Form 10-Q for the period ending October 29, 2016 , as filed with the US Securities and Exchange Commission (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 29, 2016

By:           /s/ Mark Light            
Name: Mark Light  
Title: Chief Executive Officer

**CERTIFICATION**

**PURSUANT TO 18 U.S.C. SECTION 1350,**

**AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, Michele L. Santana, as Chief Financial Officer of Signet Jewelers Limited (the "Company"), hereby certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

- (1) the accompanying Quarterly Report on Form 10-Q for the period ending October 29, 2016 , as filed with the US Securities and Exchange Commission (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 29, 2016

By: /s/ Michele L. Santana  
Name: Michele L. Santana  
Title: Chief Financial Officer  
(Principal Financial  
Officer  
and Principal  
Accounting Officer)