

## **AUDIT COMMITTEE CHARTER**

*This Charter is intended as a component of the flexible framework within which the Board of Directors, assisted by its committees, directs the affairs of the Company. While it should be interpreted in the context of all applicable laws, regulations and listing requirements, as well as in the context of the Company's Memorandum of Association and Bye-laws, it is not intended to establish by its own force any legally binding obligations.*

### **I. Purpose**

The Audit Committee (the "Committee"), in order to assist the Board of Directors (the "Board") of Signet Jewelers Limited (the "Company") in fulfilling its responsibilities, shall oversee: (a) management's conduct of, and the integrity of, the Company's financial reporting to any governmental or regulatory body, shareholders, other users of Company financial reports and the public; (b) the Company's systems of internal control over financial reporting and disclosure controls and procedures; (c) the qualifications, engagement, compensation, independence and performance of the Company's independent auditors and any other registered public accounting firm engaged to prepare or issue an audit report or to perform other audit, review or attest services for the Company, their conduct of the annual audit of the Company's financial statements or any other audit, review or attestation engagement, and their engagement to provide any other services; (d) the Company's Internal Audit activities; (e) the Company's legal and regulatory compliance; (f) the application of the Company's related person transaction policy as established by the Board; and (g) the application of the Company's Code of Conduct and Code of Ethics as established by management and the Board. In connection with the foregoing, the Committee shall engage in such activities as are necessary or appropriate in order for it to render the annual report of the Committee required by the regulations of the Securities and Exchange Commission (the "SEC").

### **II. Membership**

Members of the Committee shall be appointed by the Board, on the recommendation of the Nomination and Corporate Governance Committee, in consultation with the Chairman of the Committee.

The Committee shall be made up of at least 3 members of the Board, each of whom the Board has selected and determined to be "independent" in accordance with the Board's definition of "independence" and applicable rules of the SEC and the New York Stock Exchange. All members of the Committee shall meet the financial literacy requirements of the New York Stock Exchange and at least one member shall be an "audit committee financial expert" as such term is defined under applicable SEC rules.

Appointments to the Committee shall be for a period of up to one year, which may be extended, provided the director continues to satisfy the criteria for

membership on the Committee. Any member may be removed by the Board, with or without cause, at any time.

The Board shall appoint the Committee Chairman. In the absence of the Committee Chairman and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting.

The Company shall provide an induction programme for new Committee members and training will be provided on an on-going and timely basis for all members.

### **III. Secretary**

The Group Company Secretary or their nominee shall act as the Secretary of the Committee.

### **IV. Quorum**

The quorum necessary for the transaction of business shall be 2. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

### **V. Meetings**

The Committee shall meet at least five times a year and additionally as circumstances dictate.

Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Group Chief Executive Officer, Chief Financial Officer, the independent auditors, the head of internal audit and external advisers may be invited to attend for all or part of any meeting as and when appropriate as determined by the Committee in its discretion.

### **VI. Notice of Meetings**

Meetings of the Committee shall be summoned by the Secretary of the Committee at the request of the Chairman of the Committee. In addition, any member of the Committee, the Chairman of the Board, the Group Chief Executive Officer, the Chief Financial Officer, the internal auditors and the independent auditors may request a meeting if they consider it necessary.

Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each member of the Committee and any other person required to attend, no later than 5 working days before the date of the meeting, or some shorter period in circumstances where providing notice of at least 5 working days is not practicable. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time.

## **VII. Minutes of Meetings**

The Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance. Minutes of Committee meetings shall be circulated for review and approval to all Committee members.

## **VIII. Authority**

The Committee is authorized to seek any information it requires from any employee of the Company in order to perform its duties and has access to all books, records, facilities and personnel of the Company.

The Committee is authorized to form, and delegate any of its responsibilities to, a subcommittee so long as such subcommittee is solely comprised of one or more members of the Committee.

The Committee is authorized to obtain, at the Company's expense, outside legal or other professional advice to assist it in carrying out its activities.

## **IX. Responsibilities and Duties**

The Committee's role is one of oversight. The Company's management is responsible for preparing the Company's financial statements and the independent auditors are responsible for auditing those financial statements. The Committee recognizes that Company management, including the internal audit staff, and the independent auditors have more time, knowledge and detailed information about the Company than do Committee members. Consequently, in carrying out its oversight responsibilities, the Committee is not providing any expert or special assurance as to the Company's financial statements or any professional certification as to the independent auditors' work.

The following responsibilities are set forth as a guide to fulfilling the Committee's purposes with the understanding that the Committee may diverge as appropriate given the circumstances. The Committee is authorized to carry out these and such other responsibilities as directed by the Board from time to time, and take any actions reasonably related to the mandate of this charter.

The Committee shall:

Oversee Financial Reporting

1. review and discuss the integrity of significant financial reporting issues and judgements made in preparation of the Company's annual and quarterly financial statements and interim, preliminary, Christmas and other trading statements. Where the Committee is not satisfied with any aspect of the proposed financial reporting it shall report its view to

the Board, management and the independent auditors, and make recommendations as to the steps to be taken;

2. (a) review and discuss with management and the independent auditors the Company's annual and quarterly financial statements and interim, preliminary, Christmas and other trading statements, and related financial information presented with the financial statements, including (i) specific disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations," (ii) any certifications regarding the financial statements or the Company's internal control over financial reporting and disclosure controls and procedures filed with the SEC by the Company's senior executive and financial officers and (iii) any issues required to be discussed with the independent auditors pursuant to applicable auditing standards; and (b) recommend to the Board whether to include the audited annual financial statements in the Company's Annual Report on Form 10-K to be filed with the SEC;
3. review and discuss with management and the independent auditors (A) any material financial or non-financial arrangements that do not appear on the financial statements of the Company; (B) all critical accounting policies and practices used by the Company; (C) any significant changes in Company accounting policies; (D) any material alternative accounting treatments within generally accepted accounting principles ("GAAP") that have been discussed with management, including the ramifications of the use of the alternative treatments and the appropriateness of accounting treatments as discussed with the independent auditors; and (E) any discussion or correspondence between management and the independent auditor concerning significant issues pertaining to the application of accounting principles or auditing standards to the Company;
4. review and discuss with management and the independent auditors, and approve, as appropriate, earnings press releases and financial information and earnings guidance (including the dissemination of financial information not involving the presentation of financial measures in accordance with GAAP) provided to analysts and to rating agencies;
5. review and resolve disagreements between management and the independent auditors regarding financial reporting, or relating to any audit report or other audit, review or attest services provided by the independent auditors;
6. review and discuss with management, the independent auditors and the internal auditor: (a) any significant findings during the year, including the status of previous audit recommendations; (b) any accounting adjustments that were noted or proposed by the auditor but were "passed" (as immaterial or otherwise), any "management" or "internal control" letter issued, or proposed to be issued, by the independent auditors to the Company, any communications between

the independent audit team and the national office of the independent auditors respecting auditing or accounting issues presented by the engagement, and any matters the independent auditors are required to bring to the attention of the Committee in accordance with applicable auditing standards; and (c) any restrictions on the scope of activities or access to required information;

#### Oversee Internal Controls and Risk Management

7. review and discuss management procedures to monitor the effectiveness of financial and accounting systems;
8. review and discuss with management and the independent auditors any major financial risk exposures and assess the steps and processes management has implemented to monitor and control such exposures, and assist the Board in fulfilling its oversight responsibilities regarding the Company's risk assessment and risk management systems, including in relation to significant non-financial risk exposures;
9. oversee management's design and maintenance of the Company's internal control over financial reporting and disclosure controls and procedures, including reviewing and discussing with management and the independent auditors (a) the adequacy of the Company's internal control over financial reporting and disclosure controls and procedures, including (i) management's quarterly certification concerning the Company's disclosure controls and procedures and any reports of significant deficiencies and material weaknesses in internal control over financial reporting and actions taken to remedy any such deficiencies or weaknesses and any changes that have, or are reasonably likely to have, a material effect on internal control over financial reporting, (ii) management's annual assessment of the Company's internal control over financial reporting, (iii) the independent auditors' annual attestation report regarding the Company's internal control over financial reporting, and (iv) whether the Company's internal control over financial reporting and disclosure controls and procedures are designed to provide reasonable assurance that transactions entered into by the Company are properly authorized, assets are safeguarded from unauthorized or improper use, and transactions by the Company are properly recorded and reported; (b) any significant deficiencies in the design or operation of the Company's internal control over financial reporting and disclosure controls and procedures that could adversely affect the Company's ability to record, process, summarize and report financial data; (c) 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 and disclosure controls and procedures; and (d) related findings and recommendations of management;
10. review and discuss the reports of the Disclosure Control Committee;

#### Oversee Legal and Ethical Compliance

11. establish and maintain procedures for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous submission by employees of concerns regarding questionable accounting, auditing, financial reporting or other matters;
12. review and discuss with management and the independent auditors, and approve or ratify any transactions or courses of dealing with related persons (e.g., including significant shareholders of the Company, directors, executive officers or their immediate family members) that are (a) significant in size (including but not necessarily limited to transactions that would be required to be disclosed under SEC rules regarding transactions with related persons); (b) involve terms or other aspects that differ from those that would likely be negotiated with independent parties; or (c) are otherwise required to be approved or ratified by the Committee in accordance with the Company's related person transaction policy, including any safeguards or additional procedures to be applied in such circumstances;
13. review periodically with the Group Company Secretary: (a) legal, accounting and regulatory matters that may have a material impact on the Company's financial statements, (b) the scope and effectiveness of the Company's legal and regulatory compliance policies and programs, and (c) any reports of potential violations of law, regulation or the Company's Code of Conduct or Code of Ethics;
14. review at least annually with management compliance with, the adequacy of and any requests for waivers under the Company's Code of Conduct or Code of Ethics, and make a decision whether or not to grant a waiver sought with respect to any executive officer or director;

#### Oversee the Engagement of Independent and Internal Auditors

15. monitor and review the effectiveness of the internal audit function, review and approve the internal audit function's remit, its resources and access to information, and approve the appointment or termination of the head of internal audit;
16. have the primary authority and responsibility for appointing (subject to shareholder approval pursuant to Bermuda law), if appropriate, dismissing, evaluating, compensating and overseeing the work of the independent auditors, and any other registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services (including resolution of disagreements between management and the auditor regarding financial reporting), each of whom shall report directly to the Committee;
17. if the independent auditors resign, investigate the issues giving rise to such resignation and consider whether any action is required;

18. review and discuss with management, the independent auditors and the internal auditor the scope and planning of the internal and external audit to ensure that appropriate plans are in place for the audit, including (a) the audit budget and staffing, (b) the coordination of audit efforts in order to monitor completeness of coverage, reduction of redundant efforts so as to more effectively use audit resources, (c) whether any changes are required in the scope of the audit plan, and (d) planned levels of materiality;
19. review and discuss the findings and reports of the internal and independent auditors, and monitor management's responsiveness;
20. review and discuss the independence objectivity, qualification, expertise and resources of the independent auditors annually and to request from the independent auditors annually, and review (a) a formal written statement delineating all relationships between the independent auditors and the Company consistent with applicable requirements of the Public Company Accounting Oversight Board (the "PCAOB") regarding the independent auditor communications with audit committees concerning independence, and (b) information about policies and processes for maintaining independence and monitoring compliance with relevant requirements including the rotation of audit partners
21. discuss with the independent auditors any such disclosed relationships and their impact on the independent auditors' objectivity and independence and take appropriate action in response to the independent auditors' report to satisfy itself of the auditors' independence;
22. consider whether, in the interest of assuring continuing independence of the independent auditors, the Company should regularly rotate its independent auditors;
23. at least annually, obtain and review a report by the independent auditors describing the firm's internal quality control procedures, any material issues raised by the most recent internal quality control review, or peer review of the firm, or by any review, inquiry or investigation by governmental or professional authorities (including the PCAOB), within the preceding 5 years, respecting one or more independent audits carried out by the firm, and any steps taken to deal with any such issues;
24. set the Company's policy for the employment of employees or former employees of the independent auditors;
25. assess the effectiveness of the audit process at the end of the annual audit cycle;
26. to review and pre-approve any audit-related work to be carried out by the independent auditors, including the fees and terms thereof, with

pre-approvals disclosed as appropriate in the Company's periodic public filings; and, in connection with pre-approval of any permissible tax services and services related to internal control over financial reporting, discuss with the independent auditors the potential effects of such services on the independence of the auditor;

27. to review and pre-approve any permitted non-audit work to be carried out by the independent auditors, including the fees and terms thereof (for items under US\$15,000 the Chairman of the Committee is authorised to give such approval. When the aggregate of such work exceeds US\$75,000 in a year the Committee should review the position regarding future such work. Quarterly reports will be made to the Audit Committee detailing such expenditure);
28. meet periodically with the independent auditors without management present;
29. meet periodically with the internal auditors without management present;

#### Report and Self-Evaluate

30. report regularly to the Board on Committee findings, recommendations and any other matters the Committee deems appropriate or the Board requests, including on any issues that arise with respect to the quality or integrity of the Company's financial statements, the performance and independence of the independent auditors and the performance of the internal audit function, the Company's compliance with legal or regulatory requirements and its Code of Conduct and Code of Ethics, approvals and ratifications of related person transactions, and any other matters the Committee deems appropriate or the Board requests;
31. make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed;
32. prepare the report of the Committee required to be included in the Company's Annual Report on Form 10-K or proxy statement, as applicable, in accordance with applicable rules and regulations of the SEC; and
33. review annually its charter and its own effectiveness and compliance with its charter, and recommend any changes to the Board.

Adopted by the Board on 23 February, 2011