

SIGNET JEWELERS LTD

Form DEF 14A

May 01, 2018

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a)

of the Securities Exchange Act of 1934

Filed by the Registrant Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

SIGNET JEWELERS LIMITED

(Name of Registrant as Specified In Its Charter)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which the transaction applies:

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(3) Filing Party:

(4) Date Filed:

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

May 1, 2018

DEAR FELLOW SHAREHOLDERS

It is my pleasure to invite you to the 2018 Annual Meeting of the Shareholders of Signet Jewelers Limited, which will be held at Hamilton Princess, 76 Pitts Bay Road, Hamilton, HM 08, Bermuda, on Friday, June 15, 2018 at 11:00 a.m. Atlantic Time.

Signet Jewelers is the world's largest retailer of diamond jewelry with market-leading store banners, including Kay Jewelers, Zales, Jared The Galleria Of Jewelry, Piercing Pagoda, H.Samuel, Ernest Jones, Peoples Jewellers, and JamesAllen.com. We have an incredible foundation as a leading retail brand and the market share leader in North America and the U.K. in a large and growing category. We operate many of the most trusted and recognized banners in jewelry, including those with strong appeal to millennial consumers, and we enjoy a competitive advantage in our real estate footprint. We believe Signet has significant opportunity to gain share in a highly-fragmented market through sharper marketing, product and service innovation, a superior OmniChannel experience, and leveraging our scale as the world's largest jewelry retailer.

While the Company had a challenging year, it was an important year for us as we embarked on an important journey under the leadership of our new Chief Executive Officer, Virginia "Gina" C. Drosos, who took the helm in August 2017. Gina has a strong track record of transformational leadership, proven success in brand building and category transformation, a dedication to deep Customer insights and innovation, as well as a relentless focus on strategic imperatives to drive near-term improvement and lasting competitive advantage. Our management team's priority, with full support of our Board, is to position the Company for sustainable profitable growth.

Gina has already put in place a number of important strategic changes to achieve our operational goals and drive our future success. Under her leadership, we have crystalized our vision and strategy: an acute focus on Customer First, delivering a unique and seamless OmniChannel experience, and building a Culture of Agility and Efficiency. To accelerate our progress against these goals, we recently announced Signet's "Path to Brilliance" transformation plan. This plan will be defined by our Company's ability to align its strong brand equity and brick and mortar foundation with its evolving digital and OmniChannel capabilities. We must position ourselves to serve our Customers more efficiently and effectively, and introduce innovative shopping experiences that genuinely excite them.

Our Path to Brilliance transformation efforts focus on the following initiatives:

- Reducing non-Customer facing costs across sourcing, distribution and warehousing, and corporate and support functions to drive cost savings and operational efficiencies;
- Optimizing our real estate footprint through innovative store concepts, opportunistic store relocations and store closures to reduce the Company's mall-based exposure and exiting regional brands;
- Continuing to enhance Signet's OmniChannel focus, leveraging the added capabilities from our recent acquisition of R2Net to accelerate digital innovation and eCommerce growth - especially mobile - as well as realignment of our investments to drive higher returns from digital and social media efforts;
- Strengthening our brand banners to effectively target different Customer segments by reducing overlap, improving banner differentiation, introducing more precision marketing, and increasing relevance through improved fashion assortment to better attract women self-purchasers along with our bridal offerings;
-

Leading innovation and Customer value, facilitated by our newly-launched “Innovation Engine” team, focused on data analytics and consumer insights to improve our product assortment, time to market, marketing and promotional effectiveness, and disruptive innovation; and

1

Strengthening our Team Member engagement and culture through enhanced leadership, organizational realignment, and training and development opportunities.

Signet's Path to Brilliance transformation is a three-year journey, which we believe will lead to sustainable market leading growth. Fiscal 2019 is focused on laying a strong foundation of change to drive gradual and continuous improvement over the coming years. The Signet Board is confident that this is the right path forward and is committed to ensuring the success of this transformation plan.

To help guide our Path to Brilliance, we were pleased to further deepen our bench with the recent additions of two highly experienced Directors to our Board—Sharon McCollam and Nancy Reardon. Sharon and Nancy both have held prominent leadership positions that are highly relevant to our business. Sharon joins Signet after a tremendous run as the Chief Financial Officer and Chief Administrative Officer at Best Buy Company, where she distinguished herself as a vital contributor to the Company's turnaround effort. Similarly, Nancy brings a wealth of knowledge from more than three decades in human resources, leading successful cultural development and transformation, most recently as the Chief Human Resources and Communications Officer at Campbell Soup Company. We are very excited about the fresh perspectives these two additions will have on our Board and our Company's ongoing focus on fundamental transformation.

As I close this letter, we request that you carefully consider the information in this proxy statement related to the following proposals:

- the election of directors;
- the appointment of the Company's independent registered auditor;
- the approval of the compensation of the named executive officers; and
- the Signet Jewelers Limited 2018 Omnibus Incentive Plan, the Signet Jewelers Limited Sharesave Scheme, and the Signet Jewelers Limited Employee Share Plan for U.S. Employees.

We appreciate your support for these proposals and our efforts in the upcoming year.

Your Board of Directors is firmly committed to positioning our business for long-term success as we help our customers Celebrate Life and Express Love[®], and to serving the best interests of our shareholders. We value your continued engagement and support of our Company and welcome your feedback by any of the methods for contacting us detailed in the Proxy Statement. I invite you to review this Proxy Statement to learn more about your Board, Signet's strong corporate governance practices and the proposals on this year's proxy ballot.

Sincerely,
H. Todd Stitzer
Chairman

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

Date: Friday, June 15, 2018

Time: 11:00 a.m. Atlantic Time

Place: Hamilton Princess, 76 Pitts Bay Road, Hamilton, HM 08, Bermuda

Notice is hereby given that the 2018 Annual Meeting of Shareholders (“Meeting”) of Signet Jewelers Limited (the “Company”) will be held at Hamilton Princess, 76 Pitts Bay Road, Hamilton, HM 08, Bermuda, on Friday, June 15, 2018 at 11:00 a.m. Atlantic Time, to consider the following items of business:

1. Election of eleven directors to the Company’s Board of Directors to serve until the next Annual Meeting of Shareholders of the Company or until their respective successors are elected in accordance with the Bye-laws of the Company.
2. Appointment of KPMG LLP as independent auditor of the Company, to hold office from the conclusion of this Meeting until the conclusion of the next Annual Meeting of Shareholders and to authorize the Audit Committee to determine its compensation.
3. Approval, on a non-binding advisory basis, of the compensation of the Company’s named executive officers as disclosed in the Proxy Statement (the “Say-on-Pay” vote).
4. Approval of the Signet Jewelers Limited 2018 Omnibus Incentive Plan, including the authorization of the issuance of additional shares thereunder.
5. Approval of the Signet Jewelers Limited Sharesave Scheme, including the authorization of the issuance of additional shares thereunder.
6. Approval of the Signet Jewelers Limited Employee Share Purchase Plan for U.S. Employees, including the authorization of the issuance of additional shares thereunder.

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

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

The Company’s Annual Report on Form 10-K for the fiscal year ended February 3, 2018 (“Fiscal 2018”) as approved by the Board of Directors (the “Board”) will be presented at the Meeting.

The Board has fixed the close of business on Monday, April 16, 2018, as the record date for the Meeting. All Shareholders of record at the close of business on that date are entitled to notice of, and to be present and vote at, the Meeting and at any adjournment and continuation thereof.

Attendance at the Meeting will be limited to Shareholders of record, beneficial owners with evidence of ownership, corporate representatives of Shareholders, proxies, and guests invited by management. Any person claiming to be an authorized corporate representative of a Shareholder must, upon request, produce written evidence of such authorization.

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

By Order of the Board

Mark Jenkins

Chief Governance Officer & Corporate Secretary

May 1, 2018

Important notice regarding the availability of proxy materials for the Annual Meeting of Shareholders to be held on June 15, 2018. The Notice of Internet Availability of Proxy Materials, Notice of Annual Meeting of Shareholders, Proxy Statement, Proxy Card and the Annual Report to Shareholders are available at www.signetjewelers.com/shareholders.

WHETHER OR NOT YOU PLAN TO ATTEND THE ANNUAL MEETING OF SHAREHOLDERS IN PERSON AND REGARDLESS OF THE NUMBER OF SHARES YOU OWN, PLEASE REGISTER YOUR VOTE BY APPOINTING A PROXY ELECTRONICALLY BY INTERNET OR, FOR U.S. SHAREHOLDERS, BY TELEPHONE IN ACCORDANCE WITH THE INSTRUCTIONS ON THE PROXY CARD, OR ALTERNATIVELY MARK, SIGN AND DATE THE PROXY CARD IN ACCORDANCE WITH THE INSTRUCTIONS THEREON AND MAIL IT PROMPTLY TO ENSURE THAT YOUR SHARES WILL BE REPRESENTED. YOU MAY VOTE IN PERSON IF YOU ATTEND THE ANNUAL MEETING OF

SHAREHOLDERS. YOUR PROXY IS REVOCABLE AT ANY TIME BY SENDING WRITTEN NOTICE OF REVOCATION OR BY SUBMISSION OF A PROPERLY EXECUTED PROXY BEARING A LATER DATE TO THE TRANSFER AGENT BY THE DEADLINE OF 12:01AM ATLANTIC TIME (4:01AM BRITISH SUMMER TIME) ON JUNE 15, 2018 (11:01PM EASTERN DAYLIGHT TIME ON JUNE 14, 2018) OR BY VOTING IN PERSON AT THE MEETING.

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Proxy Statement Summary

Highlights of certain information in this Proxy Statement are provided below. As it is only a summary, please refer to the complete Proxy Statement and 2018 Annual Report to Shareholders before you vote.

2018 ANNUAL MEETING OF SHAREHOLDERS

Date and Time:

June 15, 2018, 11:00 a.m. Atlantic Time

Date proxy materials are first made available to Shareholders:

May 1, 2018

Place:

Hamilton Princess, 76 Pitts Bay Road, Hamilton, HM 08, Bermuda

Record Date:

April 16, 2018

Electronic voting:

Place your vote by visiting www.signetjewelers.com/shareholders

CORPORATE GOVERNANCE

Corporate governance policies reflect best practice

• All Directors are elected annually.

• The Chairman of the Board is an independent Director.

• All Directors are independent with the exception of the Chief Executive Officer (“CEO”).

• Independent Chairman of the Board approves Board meeting agendas and effective Board operation.

• The Company has a separate Chairman and CEO.

• The Company has majority voting for Director elections.

• The Board has been significantly refreshed with recent additions of two highly experienced Directors.

• Board Diversity Policy has been adopted.

• Over 50% of the Board is comprised of women.

• Executive sessions of independent Directors are held at each regularly scheduled Board meeting.

• Company policy prohibits pledging and hedging of Company shares by Directors and employees (Team Members).

• Executive officer and Director Share Ownership Policies have been adopted.

• The Board regularly participates in CEO succession planning.

• Annual Board, Committee and Director evaluations are conducted, including an external Board evaluation in Fiscal 2018.

• Director Tenure Policy is in place.

• Director skills matrix is reviewed and approved by the Board each year.

• Each Director who was in office at the time attended at least 75% of Board and committee meetings during Fiscal 2018.

• Each Director who was in office at the time attended the 2017 Annual Meeting of Shareholders.

• The Board oversees corporate social responsibility.

• The Board oversees risk management.

VOTING MATTERS AND BOARD RECOMMENDATIONS

Proposal	Board's Recommendation	Page
1. Election of Eleven Director Nominees	FOR all Director Nominees	10
2. Appointment of KPMG LLP as Independent Auditor to the Company until the conclusion of the next Annual Meeting of Shareholders	FOR	14
3. Approval, on a Non-Binding Advisory Basis, of the Compensation of the Company's Named Executive Officers (the Say-on-Pay vote)	FOR	15
4. Approval of the Signet Jewelers Limited 2018 Omnibus Incentive Plan, including the authorization of the issuance of additional shares thereunder	FOR	16
5. Approval of the Signet Jewelers Limited Sharesave Scheme, including the authorization of the issuance of additional shares thereunder	FOR	22
6. Approval of the Signet Jewelers Limited Employee Share Purchase Plan for U.S. Employees, including the authorization of the issuance of additional shares thereunder	FOR	25

EXECUTIVE COMPENSATION PROGRAMS ALIGNED WITH PERFORMANCE

Executive compensation programs are designed to attract, motivate and retain talent and align the interests of executives with Shareholders by paying for performance

Signet's compensation philosophy is to provide market-competitive programs, with pay directly linked to the achievement of short- and long-term business results that deliver against the Company's strategy.

The Compensation Committee reviews program components, targets and payouts on an annual basis to assess the strength of pay-for-performance alignment. Performance is evaluated against short-term goals that support the Company's long-term business strategy and long-term goals that measure the creation of long-term Shareholder value.

Executive compensation programs incorporate strong governance features

• Compensation Committee assesses the pay and performance alignment of incentive plans.

• Substantial majority of long-term and short-term awards are performance-based.

• Cash payments and equity awards following change of control require a qualified termination to vest or be paid, unless awards are not assumed or replaced.

• Clawback Policy is in place.

• Share ownership guidelines are in place for named executive officers ("NEOs") and independent Directors.

• Compensation Committee engages an independent compensation consultant.

• Only limited perquisites are offered to executives.

• No excise tax or income tax gross-ups are provided.

The Company did not meet the performance goals it set for Fiscal 2018, so no payments were made under the Company's annual incentive plan. In addition, performance-based restricted share units granted in Fiscal 2016 did not vest because the applicable performance criteria were not satisfied.

The Company received strong Shareholder support for the executive compensation program in place during the fiscal year ended January 28, 2017 ("Fiscal 2017") with 98.1% of votes cast approving the advisory Say-on-Pay resolution in June 2017. As in prior years, the Committee considered this input from Shareholders as well as input from other stakeholders as part of its annual review of the executive compensation program. Following this review and based on the Committee's assessment of the program, the Compensation Committee continued to apply the same principles in determining the amounts and types of executive compensation for Fiscal 2018.

Please see the Compensation Discussion and Analysis ("CDA") section of this Proxy Statement for a detailed description of executive compensation.

Ownership of the Company

SHAREHOLDERS WHO BENEFICIALLY OWN AT LEAST FIVE PERCENT OF THE COMMON SHARES

The table below shows all persons who were known to the Company to be beneficial owners (determined in accordance with Rule 13d-3 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) of more than five percent of the Common Shares as of April 16, 2018. The table is based upon reports filed with the United States Securities and Exchange Commission (the “SEC”). Copies of these reports are publicly available from the SEC on its website, www.sec.gov.

Name and address of beneficial owner	Amount and nature of beneficial ownership	Percent of class	
Leonard Green 11111 Santa Monica Boulevard, Suite 2000 Los Angeles, CA 90025, USA	6,838,063 ⁽¹⁾	11.3	%
Capital Research Global Investors 333 South Hope Street, 55th Floor Los Angeles, CA 90071	6,178,233 ⁽²⁾	10.2	%
The Vanguard Group, Inc. 100 Vanguard Boulevard Malvern, PA 19355, USA	5,972,224 ⁽³⁾	9.86	%
BlackRock Inc. 55 East 52nd Street New York, NY 10055, USA	3,501,899 ⁽⁴⁾	5.8	%

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

Based upon a Schedule 13D filed on October 13, 2016, Green Equity Investors VI,L.P., Green Equity Investors Side VI, L.P., LGP Associates VI-A LLC, LGP Associates VI-B LLC, GEI Capital VI, LLC, Green VI Holdings, LLC, Leonard Green & Partners, L.P., LGP Management Inc., Peridot Coinvest Manager LLC, and Jonathan D.

(1) Sokoloff (collectively, “Leonard Green”) jointly reported shared voting and shared dispositive power of 6,658,059 Common Shares. The Schedule 13D reports 625,000 Series A Convertible Preference Shares, par value \$0.01 per share, which as of the date of the Schedule 13D were convertible into 6,658,059 Common Shares of the Company. Since the filing of the 13D, the conversion rate has changed and the 625,000 Series A Convertible Preference Shares are now convertible into 6,838,063 shares.

(2) Based upon a Schedule 13G/A filed on February 14, 2018, Capital Research Global Investors reported beneficial ownership of 6,178,233 shares as follows: sole voting power over 6,178,233 shares and sole dispositive power over 6,178,233 shares.