

SUMMARY FUNDING STATEMENT

If you're a member of the **AVX Limited Pension Scheme** (the "Scheme"), then you're in the right place and this funding statement is just for you.

It's an important document and it lets you know how the Scheme is doing financially.

Why is it important?

Because the Scheme's financial health could affect the benefits you receive.

And it's also a legal requirement.

The Scheme must have a full financial check (called a valuation) from an independent expert (called an actuary) at least every three years. The actuary also has to carry out annual funding updates. As Trustees of the Scheme, we send you a summary funding statement to tell you about the results each year.

How is the Scheme doing?

Since the last update was sent to you, the 5 April 2021 actuarial valuation (the "2021 valuation") has been completed. The 2021 valuation showed an improved funding position compared to a funding level of 95.4% at 5 April 2020, which was shown in the last summary funding statement, you received. The latest annual funding update took place as at 5 April 2022 (the "2022 update") and is shown below for comparison.



Assets

The money the Scheme has now.

2021 valuation
£145.0m

2022 update
£141.5m



Liabilities

The estimated cost of providing the promised benefits – now and in the future.

2021 valuation
£128.4m

2022 update
£122.4m

The calculation of the liabilities assumes that the Scheme will continue until all future benefits due are paid.

It's an estimate because it depends on assumptions about what will happen in the future, such as the investment return that will be earned on the Scheme's assets and how long members will live for.



Surplus / (deficit)

The assets minus the liabilities.

2021 valuation
£16.6m

2022 update
£19.1m



Funding level

The assets as a percentage of the liabilities.

2021 valuation
112.9%

2022 update
115.6%

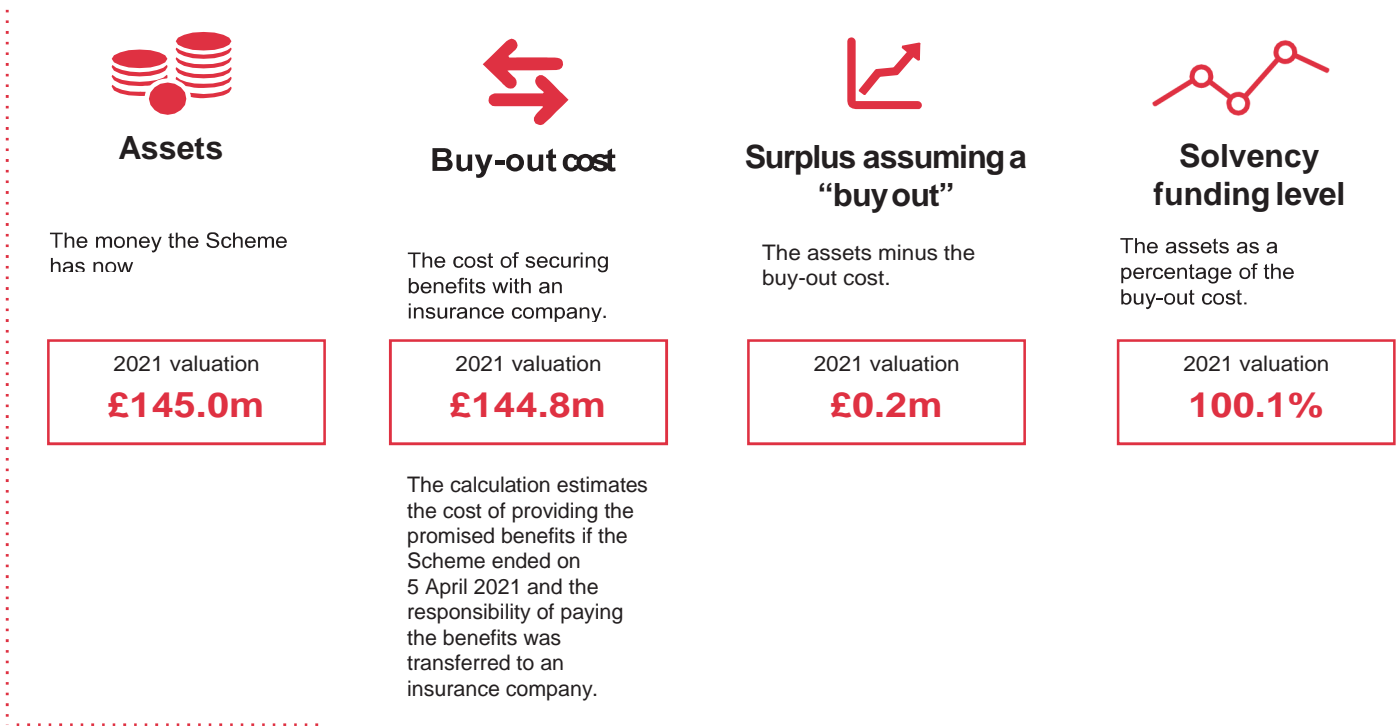
This means that since 5 April 2021, the Scheme's funding situation has improved.

This improvement is primarily due to gilt yields increasing which serves to place a lower value on the liabilities. This has been offset to an extent by an increase in the market expectation for future inflation.

Another legal requirement for the Scheme...

As part of the valuation, the actuary also has to work out the funding level assuming the Scheme doesn't continue and all the promised benefits are secured ("bought out") by transferring the obligation to pay them to an insurance company.

This kind of funding level (called the solvency funding level) is usually significantly lower than funding levels worked out if we assume the Scheme carries on. This is because insurance companies have to invest in 'low risk' assets and they also have to hold reserves to demonstrate they have enough money to pay out the benefits. This makes buying-out benefits expensive.



So how secure is my pension?

The Trustees aim to have enough money to pay pensions and other benefits to members as they are due.

In the event the Scheme was wound-up without enough money to buy all the benefits with an insurer, then, unless Kyocera AVX Components Limited could afford to pay the difference, it's unlikely you'd receive the full pension benefits you were expecting.

To help members in this situation, the Government set up the Pension Protection Fund (PPF) in 2005.

The pension you would receive from the PPF depends on your age and when your benefits were earned. Further information and guidance is available on the PPF website at www.pensionprotectionfund.org.uk - or you can write to the Pension Protection Fund at:

Renaissance, 12 Dingwall Road, Croydon CR0 2NA.

However, as you will note above, based on the estimated buy-out position at the 2021 valuation, sufficient assets were available to meet the estimated cost of securing the full pension benefits with an insurer.

Please note: Benefits are determined by the Rules of the Scheme. If there is any conflict between any information in this Summary Funding Statement and the Rules, the Rules (as amended from time to time) will be overriding. If you have any questions or would like a copy of the Rules, please contact the Scheme administrator at the email address above.

Including this information doesn't mean that Kyocera AVX Components Limited or the Trustees are planning to wind up the Scheme. We are required by law to give you this information.

We are also required to tell you if there have been any surplus payments from the Scheme to Kyocera AVX Components Limited since the last funding statement, or whether the Pensions Regulator has intervened to change the way benefits build up, the way valuations are worked out, or the way any funding shortfall is being met.

In each instance, the answer is no.

Where can I get more information?

If you have any other questions about this funding statement, or would like any more information about the Scheme, please contact the Scheme administrator:

glasgowteam4@mercero.com

We'll send you a summary funding statement when we have updated information on the Scheme's finances to share with you – if you change address, please let us know by contacting the Scheme administrators.