

**AVX LIMITED PENSION SCHEME
ANNUAL REPORT
FOR THE YEAR ENDED 5 APRIL 2016**
Scheme Registration Number: 10023435

AVX Limited Pension Scheme

Annual Report for the year ended 5 April 2016

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AVX Limited Pension Scheme

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Trustees, Principal Employer and Advisers

Trustees

Employer-nominated Trustees

R J Lawrence - Chairman

K P Cummings

M H McCann

Member-nominated Trustees

S H Cunday

P Fenwick

M Bogues

Principal Employer

AVX Limited

Scheme Actuary

Simon Hall, F.I.A. (appointed 24 July 2015)

Mercer Limited

Paul McCarron, F.I.A. (resigned 16 July 2015)

Mercer Limited

Independent Auditors

PricewaterhouseCoopers LLP

Administrator

Mercer Limited

Investment Managers

State Street Global Advisors (removed 10 February 2016)

Mercer Global Investments (appointed 10 February 2016)

Investment Custodians

State Street Bank and Trust Limited (removed 10 February 2016)

State Street Custodial Services (Ireland) Limited (appointed 10 February 2016)

Additional Voluntary Contribution (AVC) Providers

Prudential Assurance

Phoenix Life and Pensions Limited

Aviva

Life Assurance Companies

UnumProvident (to 1 April 2015)

Assicurazioni Generali S.p.A (to 1 April 2015)

Friends Life Limited (from 1 April 2015)

Bank

National Westminster Bank plc

Legal Adviser

Burges Salmon

AVX Limited Pension Scheme

Annual Report for the year ended 5 April 2016

Trustees, Principal Employer and Advisers

Contact for further information and complaints about the Scheme

Helen McCann
AVX Limited
Hillman's Way
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Co Derry
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AVX Limited Pension Scheme

Annual Report for the year ended 5 April 2016

Trustees' Report

Introduction

The Trustees of AVX Limited Pension Scheme (the Scheme) are pleased to present their report together with the audited financial statements for the year ended 5 April 2016. The Scheme is a defined benefit scheme.

The Scheme was closed to new entrants with effect from 1 April 1997. With effect from 30 September 2013 the defined benefit section of AVX Retirement Plan merged into AVX Limited Pension Scheme.

Constitution

The Scheme was established on 16 November 1987 and is governed by a definitive trust deed dated 20 September 1991, with subsequent amendments.

Management of the Scheme

Trustees

In accordance with the Occupational Pension Schemes (Member-nominated Trustees and Directors) Regulations 2006, members have the option to nominate and vote for Member-nominated Trustees.

The three Member-nominated Trustees (2015: three), as shown on page 1, are nominated by the members under the rules notified to the members of the Scheme to serve for a period of five years. They may be removed before the end of their five year term only by agreement of all the remaining Trustees, although their appointment ceases if they cease to be members of one of the pension plans of the Principal Employer, AVX Limited.

In accordance with the trust deed, the Principal Employer, AVX Limited, has the power to appoint and remove the other Trustees of the Scheme.

The Trustees have met twice during the year (2015: once).

Governance and risk management

The Trustees have in place a business plan which sets out their objectives in areas such as administration, investment and communication. This, together with a list of the main priorities and timetable for completion, helps the Trustees run the Scheme efficiently and serves as a useful reference document.

The Trustees have also focused on risk management. A risk register has been put in place which sets out the key risks to which the Scheme is subject along with the controls in place to mitigate these. This register is regularly reviewed and updated by the Trustees.

Trustee knowledge and understanding

The Pensions Act 2004 requires trustees to have sufficient knowledge and understanding of pensions and trust law and be conversant with the Scheme documentation. The Pensions Regulator has published a Code of Practice on Trustee Knowledge and Understanding to assist trustees on this matter which became effective from 6 April 2006 and which was revised and reissued in November 2009. The Trustees have agreed a training plan to enable them to meet these requirements.

Principal Employer

The Scheme is provided for all eligible employees of the Principal Employer whose registered address is AVX Limited, Prospect House, 6 Archipalego, Lyon Way, Frimley, Surrey, GU16 7ER.

AVX Limited Pension Scheme

Annual Report for the year ended 5 April 2016

Trustees' Report

Financial development

The financial statements on pages 13 to 23 have been prepared and audited in accordance with the Regulations made under Section 41 (1) and (6) of the Pensions Act 1995. A summary of the Scheme's financial statements is set out in the table below:

	2016	2015
	£	£
Member related income	4,828,954	5,044,498
Member related payments	(4,549,479)	(3,205,448)
Net additions from dealings with members	<u>279,475</u>	1,839,050
Net returns on investments	<u>(1,719,650)</u>	14,317,628
Net (decrease)/increase in the fund during the year	<u>(1,440,175)</u>	16,156,678
Net assets at 6 April	<u>104,670,729</u>	88,514,051
Net assets at 5 April	<u><u>103,230,554</u></u>	<u><u>104,670,729</u></u>

Report on actuarial liabilities

Under Section 222 of the Pensions Act 2004, every scheme is subject to the Statutory Funding Objective, which is to have sufficient and appropriate assets to cover its technical provisions. The technical provisions represent the present value of the benefits members are entitled to based on pensionable service to the valuation date. This is assessed using the assumptions agreed between the Trustees and the Principal Employer and set out in the Statement of Funding Principles, which is available to Scheme members on request.

The most recent full actuarial valuation of the Scheme was carried out as at 5 April 2015. This showed that on that date:

	Actuarial Valuation 5 April 2015
The value of the Technical Provisions was:	£109.0 million
The value of the assets at that date was:	£104.2 million

The method and significant actuarial assumptions used to determine the technical provisions are as follows (all assumptions adopted are set out in the Appendix to the Statement of Funding Principles).

Method

The actuarial method to be used in the calculation of the technical provisions is the Attained Age Method.

Significant actuarial assumptions

Principal actuarial assumptions for valuation as at 5 April 2015	
Discount interest rate:	Pre-retirement: 4.30% p.a. Post-retirement: 2.45% p.a.
Future Retail Price inflation:	3.10% p.a.
Future Consumer Price inflation:	2.35% p.a.
Pay increases:	4.10% p.a.
Pension increases in payment:	
RPI capped at 3.00% p.a.	2.50% p.a.
RPI capped at 5.00% p.a.	3.05% p.a.
RPI capped at 2.50% p.a.	2.20% p.a.
CPI capped at 3.00% p.a.	2.10% p.a.
CPI capped at 2.50% p.a.	1.90% p.a.
Mortality:	S2PA YoB tables with CMI 2014 1.50% improvements

AVX Limited Pension Scheme

Annual Report for the year ended 5 April 2016

Trustees' Report

The derivation of these key assumptions and an explanation of the other assumptions to be used in the calculation of the technical provisions are set out below.

Derivation of actuarial assumptions for valuation as at 5 April 2015	
Discount interest rate:	An estimate of the yield available on a notional portfolio of UK Government conventional gilt stocks whose cash flows approximately match the Scheme's estimated benefit cashflows plus an additional 2.00% (pre-retirement) and 0.15% (post-retirement) per annum to reflect the allowance the Trustees have agreed for additional investment returns based on the investment strategy as set out in the Statement of Investment Principles dated 1 May 2015.
Future Retail Price Inflation:	The assumption for the rate of increase in the Retail Price Index (RPI) will be taken to be the investment market's expectation for inflation as indicated by the difference between an estimate of the yields available on notional portfolios of conventional and index-linked UK Government bonds whose cashflows approximately match the Scheme's estimated benefit cashflows. An adjustment of 0.15% per annum has been made to the assumption to reflect market views that the prices of nominal gilts include a 'risk premium' to reflect, for example, future inflation uncertainty.
Future Consumer Price Inflation:	The assumption for the rate of increase in the Consumer Price Index (CPI) will be derived from the RPI inflation assumption with an appropriate adjustment to recognise the difference between expectations of future RPI increases and future CPI increases. The Trustees have agreed on an adjustment of a deduction of 0.75% p.a.
Pay increases:	The assumption for real salary increases (salary increases in excess of increases in the RPI) has been determined after consulting AVX. The Trustees agreed an assumption of RPI plus 1.0% per annum. No additional allowance has been made for promotional increases.
Pension increases in payment:	Increases to pensions are assumed to be in line with the RPI/CPI inflation assumptions described above subject to caps/collars applying to the benefits as set out in the Scheme's governing documentation.
Mortality:	The mortality assumptions are based on up-to-date information published by the Continuous Mortality Investigation (CMI) and National Statistics, making allowance for future improvements in longevity and the experience of the Scheme. The mortality tables are S2PA Year of Birth tables with improvements based on the CMI 2014 model with a long term improvement rate of 1.50% p.a.

Scheme Actuary

With effect from 16 July 2015, Paul McCarron was removed as Scheme Actuary and Simon Hall was subsequently appointed. The following statement has been received from Paul McCarron:

"Under Regulation 5(7) of the Occupational Pension Schemes (Scheme Administration) Regulations 1996 I have considered whether there are any circumstances connected with my removal from the appointment which significantly affect the interests of current or prospective members and beneficiaries under the AVX Limited Pension Scheme. I can confirm that I know of no such circumstances."

Employer-related investments

There was no employer-related investment at any time during the year.

AVX Limited Pension Scheme

Annual Report for the year ended 5 April 2016

Trustees' Report

Membership

The membership movements of the Scheme for the year are given below:

	Actives	Pensioners	Members With Preserved Benefits	Total
At 6 April 2015	5	532	580	1,117
Adjustments	(1)	1	-	-
Retirements	(3)	20	(17)	-
Deaths	-	(14)	(1)	(15)
Transfers out	-	-	(3)	(3)
Spouses and dependants	-	4	-	4
Pensions commuted for cash	-	(3)	-	(3)
At 5 April 2016	<u>1</u>	<u>540</u>	<u>559</u>	<u>1,100</u>

Pensioners include 76 beneficiaries receiving a pension

These membership figures includes an adjustment for a movements notified to the Administrator after the completion of the annual renewal.

Pension increases

The following pension increases are disclosed as at 6 April 2015, as these reflect the pensions in payment during the year:

As at 6 April 2015, all pensions in payment to Tantalum members of the Scheme were increased as follows:

- 1.6% on pre 97 excess over Guaranteed Minimum Pension;
- 1.2% on post 1988 Guaranteed Minimum Pension;
- 2.3% on the post 1997 pension; and
- 2.3% on the post 6 April 2006 pension.

As at 6 April 2015, all pensions in payment to Varelco members of the Scheme were increased as follows:

- 2.0% on pre 97 excess over Guaranteed Minimum Pension;
- 1.2% on post 1988 Guaranteed Minimum Pension;
- 2.0% on the post 1997 pension; and
- 2.0% on the post 6 April 2006 pension.

As at 6 April 2015, all pensions in payment to ex-Retirement Plan members were increased as follows:

- 0.0% on benefits earned before 6 April 1997;
- 2.3% on the post 1997 pension; and
- 1.2% on the post 6 April 2006 pension.

No discretionary pension increase was awarded during the year.

Calculation of transfer values

Transfer values paid during the year were calculated and verified in the manner required by the Regulations made under Section 97 of the Pension Schemes Act 1993 and do not include discretionary benefits. None of the transfer values paid was less than the amount provided by the Regulations.

Benefit Design Changes

From 1 July 2007 active members in the Scheme (including the recently merged section from the AVX Retirement Plan) can elect to remain on the 1/60ths accrual rate or move down to the 1/80ths accrual rate, with corresponding member contribution rates of 13% or 8% of Pensionable Salaries respectively.

Pension built up prior to 1 July 2007 is unaffected.

Active members have a further option on a one-off basis to switch from their original decision on any 1 April between now and when they retire. This switch, if made, would be final and non-reversible.

AVX Limited Pension Scheme

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Trustees' Report

Investment management

General

All investments have been managed during the year under review by the investment managers and AVC providers detailed in the list of Scheme advisers on pages 1 to 2. There is a degree of delegation of responsibility for investment decisions.

The investment strategy is agreed by the Trustees after taking appropriate advice. Subject to complying with the agreed strategy, which specifies the target proportions of the fund which should be invested in the principal market sectors, the day-to-day management of the Scheme's asset portfolio, which includes full discretion for stock selection, is the responsibility of the investment managers.

Investment principles

The Trustees have produced a Statement of Investment Principles in accordance with Section 35 of the Pensions Act 1995. The statement was updated in June 2010 and a copy of the statement is available on request. The Trustees primary objectives in considering the investment policy are:

- To restore the funding position of the Scheme on an ongoing basis to at least 100%.
- To ensure that it can meet its obligation to the beneficiaries of the Scheme.
- To pay due regard to the Company's interest in the size and incidence of contribution payments.
- To achieve a return on the total Scheme monies which is compatible with the level of risk considered appropriate.

Responsible investment and corporate governance

The Trustees believe that good stewardship and environmental, social and governance (ESG) issues may have a material impact on investment returns. The Trustees have given the investment managers full discretion when evaluating ESG issues and in exercising rights and stewardship obligations attached to the Scheme's investments.

Similarly, the Scheme's voting rights are exercised by its investment managers in accordance with their own corporate governance policies, and taking account of current best practice including the UK Corporate Governance Code and the UK Stewardship Code.

Equity managers who are regulated by appropriate UK (or other relevant) authorities are expected to report on their adherence to the UK Stewardship Code on an annual basis.

AVX Limited Pension Scheme

Annual Report for the year ended 5 April 2016

Trustees' Report

Investment Report

Investment Markets

Over the year to 31 March 2016 risk seeking asset classes generally posted poor or negative returns in both Sterling and local currency terms. Financial markets suffered from bouts of intra-period volatility, with sharp sell-offs in risky asset classes seen in August 2015 and January 2016 due to concerns over slowing global economic growth and monetary policy tightening in the United States. In December 2015, the Federal Reserve Bank's (the "Fed") first rate hike in nearly a decade was followed by increased market volatility in early 2016, but investor risk appetite recovered in March 2016 when Fed officials indicated that the pace of rate hikes would likely be slower than previously anticipated. Commodity prices fell sharply over the year with oil prices leading declining by 26.8%, despite a partial rebound in prices towards the end of the period.

Defensive asset classes generally posted positive returns in both Sterling and local currency terms over the year to 31 March 2016. Over the year, subdued inflation expectations and slowing growth projections led the world's major central banks to maintain and expand on their highly accommodative policy stances. In late January 2016, the Bank of Japan surprised investors by moving to a negative interest rate policy and, in March 2016, the European Central Bank ("ECB") increased its monthly asset purchase amounts from €60 billion to €80 billion and included non-bank investment grade corporate bonds in its programme. The ECB also cut the deposit rate by 0.1% to -0.4% and announced a new series of four targeted longer-term refinancing operations in an effort to further encourage bank lending within the economy. In the U.K., the Bank of England's communication further delayed investor expectations of a rate increase until 2018.

Despite an increase in financial market volatility at the start of 2016, most macroeconomic indicators still point to positive economic growth, particularly in the developed markets. In the U.K., economic forecasters expect economic growth in the United Kingdom to be around 2.1% in 2016 (source: Consensus Economics, 7 March 2016). Inflation in the United Kingdom, as measured by the change in Consumer Price Index, was 0.5% over the year to March 2016.

In currency markets, accommodative monetary policy and investor concerns over a looming referendum on the potential withdrawal of the United Kingdom from the European Union led to a significant depreciation of Sterling against its major counterparts towards the period end.

Equity Markets

The performance of developed markets as measured by the FTSE World Index was flat whilst the FTSE All World Emerging Markets Index posted a negative return of -8.9%.

At a regional level, most major equity markets recorded a negative result. European markets, as indicated by the FTSE World Europe ex UK Index, returned -4.1%. UK stocks, as measured by the FTSE All Share Index, returned -3.9% while the FTSE Japan Index returned -3.3%. The FTSE USA Index was the main exception to this trend, delivering a positive return of 4.2% due to the strengthening of the Dollar.

Equity market total return figures are in Sterling terms over the year to 31 March 2016.

Bonds

UK Government Bonds as measured by the FTSE Gilts All Stocks Index returned 3.3% while long dated issues as measured by the corresponding Over 15 Year Index generated a return of 4.0% over the year. The yield for the FTSE Gilts All Stocks Index fell over the year from 2.0% p.a. to 1.9%p.a.

The FTSE All Stocks Index Linked Gilts Index returned 1.7% with the corresponding over 15 year Index delivering a return of 2.4%.

Corporate debt as measured by the Bank of America Merrill Lynch Sterling Non-Gilts Index returned 0.4%. Bond market total return figures are in Sterling terms over the year to 31 March 2016.

Property

Over the year to 31 March 2016, the IPD UK All Property Index returned 11.7% in Sterling terms. The three main sectors of the UK Property market each recorded positive returns over the period (retail: 7.5%; office: 15.2%; and; industrial 15.0%).

Currencies

Over the year to 31 March 2016, Sterling fell 3.2% against the Dollar from \$1.49 to \$1.44. Sterling depreciated 9.3% against the yen from ¥178.03 to ¥161.55. Sterling depreciated against the Euro by 8.8% from €1.38 to €1.26 over the same period.

AVX Limited Pension Scheme

Annual Report for the year ended 5 April 2016

Trustees' Report

Review of investment performance

The performance of the Scheme's investments with Mercer Global Investors is shown in the table below:

	Since Inception %
Passive Global Equity Hedged	10.2
<i>Benchmark</i>	10.1
UK Credit	3.3
<i>Benchmark</i>	2.6
Nominal LDI Bonds	0.9
<i>Benchmark</i>	0.8
Inflation-Linked LDI Bonds	1.4
<i>Benchmark</i>	1.3

As the Scheme invested in funds held with Mercer Global Investors on 10 February 2016, the 1, 3 and 5 year returns are not available.

Deployment of assets

The deployment at the year end and the previous year end of the assets underlying the investments (excluding AVCs) is shown in the table below:

	2016 %	2015 %
UK Equities	-	17.3
Overseas Equities	-	26.5
Global Equities	47.1	-
UK Fixed Interest and Corporate Bonds	<u>52.9</u>	<u>56.2</u>
	<u>100.0</u>	<u>100.0</u>

Custodial arrangements

The Trustees have appointed the custodians as detailed in the list of Scheme advisers on pages 1 to 2 as custodians of the Scheme's assets managed by the investment managers. The custodians are responsible for the safekeeping, monitoring and reconciliation of documentation relating to the ownership of listed investments. Investments are held in the name of the custodians' nominee companies, in line with common practice for pension scheme investments.

PFT Limited, a wholly owned subsidiary of Mercer Limited, has been appointed by the Trustees as custodian of the cash held in connection with the administration of the Scheme.

Bases of investment managers' fees

The fee payable by the Scheme to Mercer Global Investments will, in aggregate, amount to 0.15% per annum. The Scheme will also pay variable sub-investment manager fees. These fees will be deducted from the account.

State Street Global Advisors charges fees quarterly based on an annual fixed charge of £1,000 plus variable rates bands of 0.100% to 0.275% on investment fund balances.

Further information

Further information about the Scheme is given in the explanatory booklet, dated April 1999, which is issued to all members.

Signed on behalf of the Trustees on 21st Oct 2016

R. Lawrence Trustee

M. J. Carr Trustee

AVX Limited Pension Scheme

Annual Report for the year ended 5 April 2016

Statement of Trustees' Responsibilities

The financial statements, which are prepared in accordance with UK Generally Accepted Accounting Practice, including FRS102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', are the responsibility of the Trustees. Pension scheme regulations require the Trustees to make available to Scheme members, beneficiaries and certain other parties, audited financial statements for each Scheme year which:

- show a true and fair view of the financial transactions of the Scheme during the Scheme year and of the amount and disposition at the end of that year, of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the Scheme year; and
- contain the information specified in the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, including a statement as to whether the financial statements have been prepared in accordance with the Statement of Recommended Practice, "Financial Reports of Pension Schemes".

The Trustees have supervised the preparation of the financial statements and have agreed suitable accounting policies, to be applied consistently, making any estimates and judgements on a prudent and reasonable basis.

The Trustees are also responsible for making available certain other information about the Scheme in the form of an Annual Report.

The Trustees are responsible under pensions legislation for ensuring that there is prepared, maintained and from time to time revised a Schedule of Contributions showing the rates of contributions payable towards the Scheme by or on behalf of the employer and the active members of the Scheme and the dates on or before which such contributions are to be paid. The Trustees are also responsible for keeping records in respect of contributions received in respect of any active member of the Scheme and for monitoring whether contributions are made to the Scheme by the employer in accordance with the Schedule of Contributions. Where breaches of the Schedule occur, the Trustees are required by the Pensions Acts 1995 and 2004 to consider making reports to the Pensions Regulator and the members.

The Trustees also have a general responsibility for ensuring adequate accounting records are kept and for taking such steps as are reasonably open to them to safeguard the assets of the Scheme and to prevent and detect fraud and other irregularities, including the maintenance of an appropriate system of internal control.

AVX Limited Pension Scheme

Annual Report for the year ended 5 April 2016

Independent Auditors' Report to the Trustees

Independent Auditors' Report to the Trustees of AVX Limited Pension Scheme

Report on the financial statements

Our opinion

In our opinion, AVX Limited Pension Scheme's financial statements:

- show a true and fair view of the financial transactions of the Scheme during the year ended 5 April 2016, and of the amount and disposition at that date of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the year;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- contain the information specified in Regulations 3 and 3A of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, made under the Pensions Act 1995.

What we have audited

AVX Limited Pension Scheme's financial statements, comprise:

- the statement of net assets available for benefits as at 5 April 2016;
- the fund account for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In applying the financial reporting framework, the Trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the Trustees

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees are responsible for the preparation of the financial statements and being satisfied that they show a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinion, has been prepared for and only for the Trustees as a body in accordance with Section 41 of the Pensions Act 1995 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

AVX Limited Pension Scheme

Annual Report for the year ended 5 April 2016

Independent Auditors' Report to the Trustees

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Scheme's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the Trustees; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the Trustees' judgements against available evidence forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Belfast
Date: *24 October 2016*

AVX Limited Pension Scheme

Annual Report for the year ended 5 April 2016

Financial Statements

Fund Account

	Note	2016 £	2015 £
Contributions and benefits			
Employer contributions		4,802,029	4,828,616
Employee contributions		26,772	65,766
Total contributions	4	<u>4,828,801</u>	<u>4,894,382</u>
Transfers in	5	-	149,559
Other income	6	153	557
		<u>4,828,954</u>	<u>5,044,498</u>
Benefits	7	(3,533,117)	(2,895,231)
Payments to and on account of leavers	8	(721,190)	(29,882)
Administrative expenses	9	(330,620)	(250,271)
Other payments	10	35,448	(30,064)
		<u>(4,549,479)</u>	<u>(3,205,448)</u>
Net additions from dealings with members		<u>279,475</u>	<u>1,839,050</u>
Returns on investments			
Investment income	11	32,350	32,635
Change in market value of investments	12	(1,649,148)	14,407,916
Investment management expenses	13	(102,852)	(122,923)
Net returns on investments		<u>(1,719,650)</u>	<u>14,317,628</u>
Net (decrease)/increase in the fund during the year		<u>(1,440,175)</u>	<u>16,156,678</u>
Net assets at 6 April		<u>104,670,729</u>	<u>88,514,051</u>
Net assets at 5 April		<u>103,230,554</u>	<u>104,670,729</u>

The notes on pages 15 to 23 form part of these financial statements.

AVX Limited Pension Scheme

Annual Report for the year ended 5 April 2016

Financial Statements

Statement of Net Assets available for benefits

	Note	2016 £	2015 £
Investment assets			
Pooled investment vehicles	15	102,429,572	103,621,430
AVC investments	16	119,053	515,760
Cash balances	17	155,000	-
Total investments	12	102,703,625	104,137,190
Current assets	21	622,096	625,608
Current liabilities	22	(95,167)	(92,069)
Net assets at 5 April		103,230,554	104,670,729

The financial statements summarise the transactions of the Scheme and deal with the net assets at the disposal of the Trustees. They do not take account of obligations to pay pensions and benefits which fall due after the end of the Scheme year. The actuarial position of the Scheme, which takes into account such obligations, is dealt with in the report on actuarial liabilities on pages 4 to 5 and these financial statements should be read in conjunction therewith.

The notes on pages 15 to 23 form part of these financial statements.

The financial statements on pages 13 to 23 were approved by the Trustees on *21st Oct 2016*

Signed on behalf of the Trustees

R) Lunn Trustee

M. J. Cannon Trustee

AVX Limited Pension Scheme

Annual Report for the year ended 5 April 2016

Notes to the Financial Statements

1. General information

AVX Limited Pension Scheme (the Scheme) is an occupational pension scheme established in the United Kingdom under trust.

The Scheme was established to provide retirement benefits to certain groups of employees of AVX Limited. The address of the Scheme's principal office is Prospect House, 6 Archipalego, Lyon Way, Frimley, Surrey, GU16 7ER.

The Scheme is a defined benefit scheme.

2. Basis of preparation

The financial statements have been prepared in accordance with the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, Financial Reporting Standard 102 (FRS 102) - The Financial Reporting Standard applicable in the UK and Republic of Ireland issued by the Financial Reporting Council (FRC) and the guidance set out in the Statement of Recommended Practice (SORP) "Financial Reports of Pension Schemes" (Revised 25 November 2015).

In March 2016 the FRC made amendments to FRS 102 in respect of the fair value hierarchy disclosures designed to simplify the preparation of the disclosures and increase their consistency with EU-adopted International Financial Reporting Standards. The amendments replace the requirement to disclose the investments using categories a, b and c with levels 1, 2 and 3, and are applicable for accounting periods beginning on or after 1 January 2017. The Trustees have chosen early adoption of these provisions, which are disclosed in note 18 to these financial statements.

The Scheme has adopted FRS 102 and the SORP (Revised 25 November 2014) in these financial statements for the first time. The last financial statements under existing UK GAAP and the previous SORP (Revised May 2007) were for the year ended 5 April 2015. The date of transition to FRS 102 was 6 April 2014. In applying FRS 102, there has been no changes to the accounting policies and as a result there are no effects of transition on the financial statement balances, therefore, no reconciliation of net assets and the fund account has been presented.

3. Accounting policies

The principal accounting policies are set out below. Unless otherwise stated, they have been applied consistently year on year.

3.1 Accruals concept

The financial statements have been prepared on an accruals basis.

3.2 Currency

The Scheme's functional currency and presentational currency is Pounds Sterling (GBP).

3.3 Contributions

Employee contributions are accounted for in the period to which they relate.

Employer normal contributions are accounted for in the period to which they relate in accordance with the Schedule of Contributions.

Employer deficit funding contributions are accounted for in the period to which they relate, in accordance with the Schedule of Contributions, or on receipt if earlier, with the agreement of the employer and Trustees.

3.4 Transfers

Individual transfers in or out of the Scheme are accounted for when member liability is accepted or discharged which is normally when the transfer amount is paid or received.

3.5 Other income

Income is accounted for in the period in which it falls due.

AVX Limited Pension Scheme

Annual Report for the year ended 5 April 2016

Notes to the Financial Statements

3.6 Payments in respect of members and on account of leavers

Pensions in payment are accounted for in the period to which they relate.

Other benefits are accounted for in the period in which they fall due for payment. Where there is a choice, benefits are accounted for on the later of the date of leaving, retirement or death and the date on which any option or notification is communicated to the Trustees. If there is no choice, they are accounted for on the date of retirement or leaving.

3.7 Administrative and other expenses

Administrative expenses are accounted for in the period in which they fall due on an accruals basis.

Investment management expenses are accounted for in the period in which they fall due on an accruals basis.

Other payments are accounted for in the period in which they fall due on an accruals basis.

3.8 Change in market value of investments

The changes in investment market values are accounted for in the year in which they arise and include profits and losses on investments sold as well as unrealised gains and losses in the value of investments held at the year end.

3.9 Valuation of investments

Investments are included at fair value as follows:

The market value of pooled investment vehicles is based on the bid price operating at the year end, as advised by the investment manager.

The AVC investments include policies of assurance. The market value of these policies has been taken as the surrender values of the policies at the year end, as advised by the AVC providers.

4. Contributions

	2016 £	2015 £
Employer contributions:		
Normal	20,029	46,616
Deficit funding	4,782,000	4,782,000
	<u>4,802,029</u>	<u>4,828,616</u>
Employee contributions:		
Normal	14,412	32,971
Additional voluntary contributions	12,360	32,795
	<u>26,772</u>	<u>65,766</u>
	<u>4,828,801</u>	<u>4,894,382</u>

Deficit funding contributions were received in accordance with Schedule of Contributions certified by the Actuary on 6 August 2013. Under the Schedule of Contributions certified by the Actuary on 6 August 2013 deficit contributions of £ 398,500 per month are payable into the Scheme during the period 01 October 2013 to 31 May 2018 Inclusive.

5. Transfers in

	2016 £	2015 £
Individual transfers in from other schemes	-	149,559

AVX Limited Pension Scheme

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Notes to the Financial Statements

6. Other income

	2016	2015
	£	£
Interest on cash deposits held by the Trustees	-	557
Compensation	153	-
	<u>153</u>	<u>557</u>

7. Benefits

	2016	2015
	£	£
Pensions	2,848,424	2,742,731
Commutations and lump sums on retirement	659,022	138,578
Lump sums on death in retirement	1,495	13,922
Taxation where lifetime or annual allowance exceeded	24,176	-
	<u>3,533,117</u>	<u>2,895,231</u>

8. Payments to and on account of leavers

	2016	2015
	£	£
Individual transfer values paid to other schemes	<u>721,190</u>	<u>29,882</u>

9. Administrative expenses

	2016	2015
	£	£
Administration fees	81,367	81,954
Audit fees	3,750	7,225
Trustee fees	12,900	3,600
Legal fees	1,750	168
Miscellaneous expenses	606	44
Scheme levies	49,522	42,148
Pension consultancy and actuarial	180,725	115,132
	<u>330,620</u>	<u>250,271</u>

The audit fee in the prior year includes the 2014 fee relating to The AVX Retirement Plan.

10. Other payments

	2016	2015
	£	£
Premiums on term insurance policies	<u>(35,448)</u>	<u>30,064</u>

Term insurance is secured by policies underwritten by Assicurazioni Generali S.p.A and UnumProvident until 1 April 2015 and by Friends Life Limited with effect from 1 April 2015.

The £(35,448) represents the balance of rebated premiums paid £3,168 to Friends Life Limited and premiums rebated £(38,616) from Assicurazioni Generali S.p.A and UnumProvident.

AVX Limited Pension Scheme

Annual Report for the year ended 5 April 2016

Notes to the Financial Statements

11. Investment income

	2016 £	2015 £
Annuity income	<u>32,350</u>	<u>32,635</u>

12. Reconciliation of investments

	Market value at 6 April 2015 £	Cost of investments purchased £	Proceeds of sales of investments £	Change in market value £	Market value at 5 April 2016 £
Pooled investment vehicles	103,621,430	108,950,231	(108,470,006)	(1,672,083)	102,429,572
AVC investments	515,760	12,360	(432,002)	22,935	119,053
	<u>104,137,190</u>	<u>108,962,591</u>	<u>(108,902,008)</u>	<u>(1,649,148)</u>	<u>102,548,625</u>
Cash balances	-	-	-	-	155,000
	<u>104,137,190</u>			<u>(1,649,148)</u>	<u>102,703,625</u>

12.1. Transaction costs

Indirect transaction costs are incurred through the bid-offer spread on investments within the pooled investment vehicles. The amount of indirect costs is not separately provided to the Scheme.

13. Investment management expenses

	2016 £	2015 £
Administration, management and custody fees	114,336	122,923
Fee rebates	(11,484)	-
	<u>102,852</u>	<u>122,923</u>

14. Taxation

The Scheme is a registered pension scheme under Chapter 2 of Part 4 of the Finance Act 2004.

15. Pooled investments

	2016 £	2015 £
Equities	48,251,936	45,467,107
Bonds	54,177,636	58,154,323
	<u>102,429,572</u>	<u>103,621,430</u>

The pooled investments are held in the name of the Scheme. Income generated by these units is not distributed, but retained within the pooled investments and reflected in the market value of the units.

The company managing the pooled investments is registered in the United Kingdom.

AVX Limited Pension Scheme

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Notes to the Financial Statements

16. AVC investments

The Trustees hold assets which are separately invested from the main fund in the form of individual policies of assurance. These secure additional benefits, on a money purchase basis, for those members who have elected to pay additional voluntary contributions. Members participating in this arrangement receive an annual statement made up to 5 April each year, confirming the amounts held to their account and the movements during the year.

The total amount of AVC investments at the year end is shown below:

	2016 £	2015 £
Prudential Assurance	71,164	430,078
Phoenix Life and Pensions Limited	17,735	17,219
Aviva	30,154	68,463
	<u>119,053</u>	<u>515,760</u>

17. Cash balances

	Assets £	Liabilities £	2016 £	Assets £	Liabilities £	2015 £
Investment cash in transit	155,000	-	155,000	-	-	-

18. Fair value determination

The fair value of financial instruments has been disclosed using the following fair value hierarchy:

Level 1	Unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity can access at the measurement date.
Level 2	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the reporting entity.
Level 3	Unobservable inputs for the asset or liability. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available.

The Scheme's investment assets and liabilities have been included at fair value using the above hierarchy categories as follows:

	2016 Level 1 £	2016 Level 2 £	2016 Level 3 £	2016 Total £
Pooled investment vehicles	-	102,429,572	-	102,429,572
AVC investments	-	-	119,053	119,053
Cash balances	155,000	-	-	155,000
	<u>155,000</u>	<u>102,429,572</u>	<u>119,053</u>	<u>102,703,625</u>

Analysis for the prior year end is as follows:

	2015 Level 1 £	2015 Level 2 £	2015 Level 3 £	2015 Total £
Pooled investment vehicles	-	103,621,430	-	103,621,430
AVC investments	-	-	515,760	515,760
Cash balances	-	-	-	-
	<u>-</u>	<u>103,621,430</u>	<u>515,760</u>	<u>104,137,190</u>

AVX Limited Pension Scheme

Annual Report for the year ended 5 April 2016

Notes to the Financial Statements

19. Investment risks

The Financial Reporting Council (FRS) 102 requires the disclosure of information in relation to certain investment risks to which the Scheme is exposed at the end of the reporting period: this is set out in the revised Statement of Recommended Practice (SORP), published in November 2014.

All risk disclosures are based on Mercer's interpretation of guidance issued by the Pensions Research Accountants Group (PRAG) as at June 2015. For further information on all Mercer funds, please refer to the audited fund financial statements. The risks set out by FRS 102 for disclosure are as follows:

Market risk: this is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk, each of which is further detailed as follows:

- **Currency risk:** this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in foreign exchange rates.
- **Interest rate risk:** this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in market interest rates.
- **Other price risk:** this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

Credit risk: this is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The Trustees reviewed the Scheme's investment strategy in 2015 and 2016. The review considered the Trustees' investment objectives, their ability and willingness to take risk (the risk budget) and how this risk budget should be allocated and implemented (including de-risking strategies).

Following the review, the Trustees agreed to delegate the day-to-day management of the Scheme's assets to Mercer Limited ("Mercer"), who in turn delegates responsibility for the investment of the Scheme's assets to a range of underlying investment managers. Mercer is responsible for the selection, appointment, removal and monitoring of the underlying investment managers. The underlying investment managers have full discretion to buy and sell investments on behalf of the Scheme subject to constraints Mercer have agreed with the managers.

The Scheme has exposure to the above risks through the assets held to implement its investment strategy. The investment strategy has been designed to balance the risk and return while allowing the Scheme to achieve its objectives.

In May 2016, the Trustees took the step to reduce investment risk within their portfolio by implementing a de-risking strategy whereby the level of investment risk inherent in the Scheme's investment arrangements will reduce further as the Scheme's funding level improves. The Trustees agreed the way in which the investment risk should be reduced and have delegated the implementation of the de-risking strategy to Mercer. The de-risking strategy comprises funding level triggers which are monitored daily by Mercer. When a pre-agreed trigger level is breached, Mercer switches from growth assets into matching assets.

The investment objectives and risk limits of the Scheme are further detailed in the Statement of Investment Principles (SIP).

Further information on the Trustees' approach to risk management, credit and market risk is set out below. This does not include AVC investments as these are not considered significant in relation to the overall investments of the Scheme.

AVX Limited Pension Scheme

Annual Report for the year ended 5 April 2016

Notes to the Financial Statements

Investment risks - continued

Investment strategy

The investment objective of the Scheme is to maintain a portfolio of suitable assets of appropriate liquidity which will generate investment returns to meet, together with future contributions, the benefits of the Scheme payable under the Trust Deed and Rules as they fall due. The investment strategy is agreed by the Trustees, taking into account considerations such as the strength of the Employer covenant, the long-term liabilities of the Scheme and the Recovery Plan agreed with the Employer. The key decision is the level of growth and matching assets in the investment strategy. More details on the investment strategy are set out in the SIP.

The Scheme's current target investment strategy is as follows:

- 55% in investments that share characteristics with the long term liabilities of the Scheme, referred to as 'matching' assets. The matching assets are invested in assets including government and corporate bonds to hedge the impact of interest rate movements and inflation expectations on the long term liabilities; and
- 45% in investments that seek to generate a return above the liabilities, referred to as 'growth' assets. The growth assets are currently invested in global developed market equities.

The growth portfolio exposure is invested in a hedged share class so that the developed equity market foreign currency exposure is hedged back to Sterling.

The actual allocations will vary from the above due to market price movements, breaching pre agreed de-risking triggers and intervals between rebalancing the portfolio.

(i) Market risk

a. Currency risk

Indirect currency risk arises from the Scheme's investment in sterling priced pooled investment vehicles which hold underlying investments denominated in foreign currency.

b. Interest rate risk

The Scheme's assets are subject to (indirect) interest rate risk because some of the Scheme's investments are held in pooled funds which comprise bonds and cash. Mercer has considered these indirect risks in the context of the overall investment strategy.

At the year end, the matching asset portfolio represented 52.9% of the total investment portfolio (2015: 56.2%). The Trustees hold these assets as part of their investment strategy for the Scheme's bond portfolio, under this strategy, if interest rates fall, the value of bond investments will rise to help offset the increase in actuarial liabilities which will also increase if interest rates fall (all else equal). Conversely, if interest rates rise, the bond investments will fall in value, as will the actuarial liabilities.

c. Other price risk

Other price risk arises principally in relation to the Scheme's growth assets which seek a return above gilts. This portfolio currently is invested in global equities, held through investments in pooled investment vehicles.

The benchmark set for investment in growth assets is 45% of the total investment portfolio, with pre-agreed triggers in place which are expected to reduce this allocation over time as the funding level improves. Mercer manages this exposure to overall price movements by constructing a diverse portfolio of investments across various markets and geographies.

- At the year end, the growth portfolio represented 47.1% of the total investment portfolio (2015: 43.8%).

AVX Limited Pension Scheme

Annual Report for the year ended 5 April 2016

Notes to the Financial Statements

Investment risks - continued

(ii) Credit risk

The Scheme is subject to direct credit risk through the investments in pooled investment vehicles.

The pooled investment arrangements used by the Scheme comprise authorised unit trusts. The Scheme's holdings in pooled investment vehicles are not rated by credit rating agencies. The Trustees manage and monitor the credit risk arising from its pooled investment arrangements by considering the nature of the arrangement, the legal structure and regulatory environment. Direct credit risk arising from pooled investment vehicles is mitigated by the underlying assets of the pooled arrangements being ring-fenced from the manager.

Indirect credit risk arises in the matching portfolio only. The value of these assets at Scheme year end amounted to £54.2m (2015: £56.2m). The Scheme is indirectly exposed to credit risks arising on the underlying investments held by these pooled investment vehicles. Mercer manages indirect credit risk within the Scheme's matching portfolio by predominantly holding UK government bonds and investment grade corporate bonds (within the UK credit fund) which have a low expected risk of default. Indirect credit risk is managed by limiting the expected allocation to sub investment grade credit to 10% of the total value of the corporate bond allocation within the UK credit fund. Where derivatives are used there is a daily collateralisation process.

20. Concentration of investments

The following investments each account for more than 5% of the Scheme's net assets at the year end:

	2016		2015	
	£	%	£	%
MGI Passive Global Equity CCF - Class M-1GBP Hedge	48,251,936	46.7	N/A	N/A
MGI UK Credit Fund - Class M-6GBP	27,766,249	26.9	N/A	N/A
MGI Sterling Nominal LDI Bond Fund - Class M-4GBP	13,212,022	12.8	N/A	N/A
MGI Sterling Inflation LDI Bond Fund - Class M-4GBP	13,199,365	12.8	N/A	N/A
SSgA Sterling Corp Bonds All Stock Fund	N/A	N/A	28,009,986	26.8
SsgA UK Equity Index Fund	N/A	N/A	17,961,663	17.2
SSgA MPF UK Index Linked Gilts Over 15y Index Sub Fund	N/A	N/A	15,435,759	14.7
SSgA MPF UK Conventional Gilts Over 15y Gilt Index Fund	N/A	N/A	14,708,578	14.1
SSgA Europe ex UK Equity (100% Hedged) Sub Fund	N/A	N/A	11,134,875	10.6
SSgA North America Equity(100% Hedged) Sub Fund	N/A	N/A	8,163,417	7.8

The Scheme did not hold any employer-related investments during the current and prior year.

21. Current assets

	2016	2015
	£	£
Contributions receivable		
- employer	-	402,316
- employees	-	2,716
Reimbursement of insured pensions	489	-
Pensions paid in advance	-	32,100
Life assurance paid in advance	-	6,602
Cash deposits held with the Scheme Administrator	621,607	181,874
	622,096	625,608

The cash deposits held with the Scheme Administrator represents the balance applicable to the Scheme on the PFT Limited Clients' Trust Account. The account is held with the National Westminster Bank Plc.

AVX Limited Pension Scheme

Annual Report for the year ended 5 April 2016

Notes to the Financial Statements

22. Current liabilities

	2016	2015
	£	£
Reimbursement of pensions received in advance	-	329
Lump sums on retirement payable	11,697	-
Taxation payable	36,575	28,348
Administrative expenses payable	42,106	26,680
Investment management expenses payable	-	31,923
Due to AVX Limited	4,789	4,789
	<u>95,167</u>	<u>92,069</u>

23. Related party transactions

S H Cunday, a Trustee of the Scheme, was a deferred member of the Scheme during the current and prior year. P Fenwick, a Trustee of the Scheme was a pensioner of the Scheme during the current and prior year. R J Lawrence, a Trustee of the Scheme, became a pensioner of the Scheme during the year.

S H Cunday and P Fenwick are being paid for services as Trustees. This is because they are Member-Nominated Trustees who are no longer employed by the Company. R J Lawrence is paid for services to the Scheme as a Trustee. The fees are met by the Scheme.

The Trustees and the Guarantor, AVX Corporation, have agreed that the Scheme will have the benefit of a guarantee from the Guarantor in respect of the liabilities of AVX Limited to the Scheme.

AVX Limited Pension Scheme

Annual Report for the year ended 5 April 2016

Independent Auditors' Statement about Contributions to the Trustees

Independent Auditors' Statement about Contributions to the Trustees of AVX Limited Pension Scheme

Statement about contributions

Our opinion

In our opinion, the contributions payable under the Schedules of Contributions for the Scheme year ended 5 April 2016 as reported in AVX Limited Pension Scheme's Summary of Contributions have in all material respects been paid in accordance with the Schedules of Contributions certified by the Scheme Actuary on 6 August 2013 and 1 April 2016.

What we have examined

AVX Limited Pension Scheme's Summary of Contributions for the Scheme year ended 5 April 2016 is set out on the following page.

Responsibilities for the statement about contributions

Our responsibilities and those of the Trustees

As explained more fully in the Statement of Trustees' Responsibilities, the Scheme's Trustees are responsible for preparing, and from time to time reviewing and if necessary revising, a Schedule of Contributions and for monitoring whether contributions are made to the Scheme by the employer in accordance with relevant requirements.

It is our responsibility to provide a statement about contributions and to report our opinion to you.

This report, including the opinion, has been prepared for and only for the Trustees as a body in accordance with Section 41 of the Pensions Act 1995 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an examination of the Summary of Contributions involves

Our examination involves obtaining evidence sufficient to give reasonable assurance that contributions reported in the Summary of Contributions have, in all material respects, been paid in accordance with the relevant requirements. This includes an examination, on a test basis, of evidence relevant to the amounts of contributions payable to the Scheme under the Schedules of Contributions and the timing of those payments.

We test and examine information, using sampling and other techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

PricewaterhouseCoopers LLP.

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Belfast
Date: *24 October 2016*

AVX Limited Pension Scheme

Annual Report for the year ended 5 April 2016

Summary of Contributions

During the year ended 5 April 2016, the contributions payable to the Scheme by the Employer were as follows:

	2016 £
Contributions payable under the Schedules of Contributions:	
Employer contributions:	
Normal	20,029
Deficit funding	4,782,000
	<u>4,802,029</u>
Employee contributions:	
Normal	14,412
	<u>14,412</u>
Contributions payable under the Schedules of Contributions (as reported on by the Scheme Auditors)	4,816,441
Other contributions:	
Additional voluntary contributions	12,360
Total contributions reported in the financial statements	<u><u>4,828,801</u></u>

Signed on behalf of the Trustees on 21st Oct 2016

R J Lawrence Trustee

M J Cannon Trustee

AVX Limited Pension Scheme

Annual Report for the year ended 5 April 2016

Actuarial Certificate

Certification of schedule of contributions

Adequacy of rates of contributions

1. I certify that, in my opinion, the rates of contributions shown in this Schedule of Contributions are such that the Statutory Funding Objective could have been expected on 5 April 2015 to be met by the end of the period specified in the Recovery Plan dated March 2016.

Adherence to Statement of Funding Principles

2. I hereby certify that, in my opinion, this schedule of contributions is consistent with the Statement of Funding Principles dated March 2016.

The certification of the adequacy of the rates of contributions for the purpose of securing that the Statutory Funding Objective can be expected to be met is not a certification of their adequacy for the purpose of securing the Scheme's liabilities by the purchase of annuities, if the Scheme were to be wound up.

Signature

Simon Hall

Scheme Actuary

Simon Hall

Qualification

Fellow of the Institute and Faculty of Actuaries

Date of signing

1 April 2016

Name of employer

Mercer Limited

Address

Bedford House
Bedford Street
Belfast BT2 7DX