

# ACTUARIAL VALUATION AS AT 5 APRIL 2012 RECOVERY PLAN

## **AVX Limited Pension Scheme**

This Recovery Plan has been prepared by the Trustees of the AVX Limited Pension Scheme (“the Trustees”) in April 2013 to satisfy the requirements of section 226 of the Pensions Act 2004, after obtaining the advice of Paul McCarron, the Actuary to the Scheme.

It is part of the Trustees’ plan for meeting the Statutory Funding Objective (defined in Section 222 of the Pensions Act 2004), which is that the Scheme must have sufficient and appropriate assets to cover its Technical Provisions.

After discussion between the Trustees and the Employer, this Recovery Plan was agreed by the Employer, AVX Limited on 9 November 2012.

The Recovery Plan follows the actuarial valuation of the Scheme as at 5 April 2012, which revealed a shortfall in the assets, when measured against the Scheme’s Technical Provisions, of £22.4m. It will be reviewed, and may be revised, following the Trustees’ next valuation under section 224 of the Pensions Act 2004, or earlier if the Trustees and AVX Limited agree.

## **Steps to be taken to ensure that the Statutory Funding Objective is met**

To correct the shortfall, AVX Limited will pay a contribution of £350K each month from 1 April 2013 to 31 December 2018 inclusive. This remaining Recovery Period allows for payments of £350K per month which AVX limited made to the Scheme in respect of the period from 5 April 2012 (the valuation date) up to 31 March 2013.

The payments will normally be made monthly, but the Trustees and Employer can agree for payments to be made earlier if appropriate.

## **Period in which the Statutory Funding Objective should be met**

The shortfall is expected to be eliminated in 5 years 9 months from 1 April 2013, which is by 31 December 2018. This expectation is based on the following assumptions:

- The Technical Provisions will be calculated according to the method and assumptions set out in the Statement of Funding Principles dated April 2013;
- The return on existing assets and the return on new contributions during the period will be as set out in the Statement of Funding Principles dated April 2013, in the section headed “Method and assumptions used in calculating the Technical Provisions” (Discount rate pre and post-retirement).

**Progress towards the Statutory Funding Objective being met**

It is expected that 50% of the above remaining additional contributions will be paid in 3 years 5 months from 1 April 2013, which is by 31 August 2016

PMR 9/4/13

PMR 9/4/13

Signed on behalf of AVX Limited

R) Lawrence

Name

BERT LAWRENCE

Position

Co Sec

Date of signing

9th April 2013

Signed on behalf of the Trustees of the AVX Limited Pension

P Fenwick

Name

PETER FENWICK

Position

TRUSTEE

Date of signing

9th April 2013

This Recovery Plan, dated April 2013 has been agreed by the Trustees of the AVX Limited Pension Scheme after obtaining actuarial advice from the Scheme Actuary:

**Signature**

Paul McCarron

**Scheme Actuary**

Paul McCarron

**Qualification**

Fellow of the Institute and Faculty of Actuaries

**Date of signing**

9 April 2013.

**Name of employer**

Mercer Limited

**Address**

Bedford House  
Bedford Street  
Belfast BT2 7DX