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**AVX LIMITED PENSION SCHEME
ANNUAL REPORT
FOR THE YEAR ENDED 5 APRIL 2017**
Scheme Registration Number: 10023435

AVX Limited Pension Scheme

Annual Report for the year ended 5 April 2017

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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

N Birkett (appointed 21 March 2017)

Principal Employer

AVX Limited

Scheme Actuary

Simon Hall, F.I.A.

Mercer Limited

Independent Auditors

PricewaterhouseCoopers LLP

Administrator

Mercer Limited

Investment Manager

Mercer Global Investments

Investment Custodian

State Street Custodial Services (Ireland) Limited

Additional Voluntary Contribution (AVC) Providers

Prudential Assurance

Phoenix Life and Pensions Limited

Aviva

Life Assurance Company

Friends Life Limited

Bank

National Westminster Bank plc

Legal Adviser

Burges Salmon

AVX Limited Pension Scheme

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Trustees, Principal Employer and Advisers

Contact for further information and complaints about the Scheme

Helen McCann
AVX Limited
Hillman's Way
Coleraine
Co Derry
BT52 2ED
Email: mccannh@col.avxeur.com

AVX Limited Pension Scheme

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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 2017. 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 four Member-nominated Trustees (2016: 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 (2016: twice).

Statement of Trustees' Responsibilities

The Statement of Trustees' Responsibilities is set out on page 11 and forms part of this Trustees' Report.

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

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Trustees' Report

Financial development

The financial statements on pages 14 to 24 have been prepared and audited in accordance with the Regulations made under Section 41 (1) and (6) of the Pensions Act 1995. They show that the value of the fund increased from £103,230,554 at 5 April 2016 to £124,718,593 at 5 April 2017.

The increase shown above comprised net additions from dealings with members of £839,104 together with net returns on investments of £20,648,935.

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. An updated valuation was performed on 5 April 2016. These showed:

	Actuarial Valuation 5 April 2015	Actuarial Update 5 April 2016
The value of Technical Provisions was	£109.0 million	£109.0 million
The value of assets was	£104.2 million	£103.2 million
Percentage of Technical Provisions	96%	95%

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

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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% per annum.
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 1.5% per annum.

AVX Limited Pension Scheme

Annual Report for the year ended 5 April 2017

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 2016				
Adjustments	1	540	559	1,100
Retirements	-	(1)	1	-
Deaths	-	23	(23)	-
Transfers out	-	(8)	-	(8)
Spouses and dependants	-	-	(3)	(3)
Pensions commuted for cash	-	8	-	8
Pensions ceasing	-	(6)	-	(6)
	-	(1)	-	(1)
At 5 April 2017	<u>1</u>	<u>555</u>	<u>534</u>	<u>1,090</u>

Pensioners include 78 beneficiaries (2016: 76) receiving a pension.

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

Pension increases

The following pension increases are disclosed as at 6 April 2016, as these reflect the pensions in payment during the year:

As at 6 April 2016, all pensions in payment to Tantalum members of the Scheme were increased as follows:

- 1.2% on pre 97 excess over Guaranteed Minimum Pension;
- 0.0% on post 1988 Guaranteed Minimum Pension;
- 0.8% on the post 1997 pension; and
- 0.8% on the post 6 April 2006 pension.

As at 6 April 2016, all pensions in payment to Varelco members of the Scheme were increased as follows:

- 1.1% on pre 97 excess over Guaranteed Minimum Pension;
- 0.0% on post 1988 Guaranteed Minimum Pension;
- 1.1% on the post 1997 pension; and
- 1.1% on the post 6 April 2006 pension.

As at 6 April 2016, all pensions in payment to ex-Retirement Plan members were increased as follows:

- 0.0% on benefits earned before 6 April 1997;
- 0.8% on the post 1997 pension; and
- 0.8% 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

The Trustees have delegated day-to-day management of the AVX Limited Pension Scheme's (the Scheme) assets (excluding AVCs) 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.

Mercer has been managing the Scheme's assets since 10 February 2016. On 18 May 2016, the Trustees implemented a de-risking strategy whereby the level of investment risk inherent in the Scheme's investment arrangements reduces 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. Mercer constructs portfolios of investments that are expected to maximise the return given the targeted level of risk.

Investment principles

The Trustees have produced a Statement of Investment Principles in accordance with Section 35 of the Pensions Act 1995 and the Occupational Pension Schemes (Investment) Regulations 2005. The SIP is available on request.

The Trustees' objective is to invest the Scheme's assets in the best interest of the members and beneficiaries, and in the case of a potential conflict of interest in the sole interest of the members and beneficiaries. Within this framework the Trustees have agreed a number of objectives to help guide them in their strategic management of the assets and control of the various risks to which the Scheme is exposed. The Trustees' primary objectives are as follows:

- 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 manager 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 manager 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.

Investment Report

Investment Markets

Over the year to 31 March 2017, both risk and defensive asset classes generally posted strongly positive returns as the ultra-accommodative monetary policy measures adopted by the world's major central banks continued to support financial markets. The strong returns posted by most asset classes came despite bouts of volatility following the surprise result of the UK's referendum in June 2016, where the electorate voted to leave the European Union and the unexpected victory for Donald Trump in the US Presidential Election in November 2016. The latter event in particular served to support equities in developed markets, as investors perceived Trump's fiscal policies as being supportive for corporate earnings.

AVX Limited Pension Scheme

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Trustees' Report

Investment Markets - Continued

Sterling depreciated sharply against its major counterparts following the 'Brexit' vote and ended the year 13% weaker against the US Dollar compared to the prior year. This led to material gains for unhedged sterling investors in foreign assets. Meanwhile, subdued growth expectations in the UK culminated in further loosening of monetary policy by the Bank of England in August 2016, and led to a downward shift in Government Bond yields. This augmented strong returns for defensive assets, notably Index-linked bonds, where returns were further amplified by increased inflation expectations in the UK in light of the depreciation of Sterling.

Financial markets continue to be sensitive to the actions of the world's major central banks. In the US, the Federal Reserve Bank (the "Fed") matched investors' expectations by increasing its target rate by 0.25% at its December 2016 meeting and then a further 0.25% at its March 2017 meeting. Elsewhere the European Central Bank (ECB) announced in December 2016 that its extended Quantitative Easing programme would continue until December 2017 at the earliest, albeit at a slightly reduced pace of asset purchases. The ECB subsequently confirmed in the first quarter of 2017 that further stimulus to this is unlikely to be needed in the near term. The Bank of Japan announced an explicit shift to yield curve targeting in September 2016.

While significant political and economic uncertainty remains following the referendum vote, economists now forecast UK Real GDP growth for 2017 to be 1.7% (a reduction from 2.1% from a forecast before the vote but an increase from 0.7% from the forecast just after) whereas inflation, as measured by the change in the Consumer Price Index, is expected to increase to 2.6% (from 1.6% before the vote) reflecting the depreciation of Sterling.

Equity Markets

At a global level, developed markets as measured by the FTSE World index, returned 32.9%. Meanwhile, a return of 35.6% was recorded by the FTSE All World Emerging Markets Index.

At a regional level, European markets returned 27.9% as indicated by the FTSE World Europe ex UK Index. At a country level, UK stocks as measured by the FTSE All Share Index returned 22.0%. The FTSE USA index returned 35.2% while the FTSE Japan Index returned 32.8%.

Equity market total return figures are in sterling terms over the year to 31 March 2017.

Bonds

Returns on UK Government Bonds as measured by the FTSE Gilts All Stocks Index, returned 6.6%, while long dated issues as measured by the corresponding Over 15 Year Index had a return of 12.3% over the year. The yield for the FTSE Gilts All Stocks index fell over the year from 1.9% to 1.4%.

The FTSE All Stocks Index Linked Gilts index returned 19.9% with the corresponding over 15 year index exhibiting a return of 26.1%.

Corporate debt as measured by the Bank of America Merrill Lynch Sterling Non-Gilts index returned 9.3%.

Bond market total return figures are in sterling terms over the year to 31 March 2017.

Property

UK property investors continued to benefit from the improving property market. Over the year to 31 March 2017, the IPD UK All Property Index returned 3.8% in Sterling terms. The three main sectors of the UK Property market each recorded positive returns over the period (retail: 2.3%; office: 1.4%; and; industrial 9.4%).

Currencies

Over the year to 31 March 2017, Sterling fell by 13.0% against the US Dollar from \$1.437 to \$1.250. Sterling depreciated 13.75% against the Yen from ¥161.55 to ¥139.34. Sterling depreciated against the Euro by 7.3% from €1.26 to €1.17 over the same period.

AVX Limited Pension Scheme

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Trustees' Report

Review of investment performance

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

Portfolio	Period from 31 March 2016 to 18 May 2016		Since Inception (18 May 2016 to 31 March 2017)	
	Portfolio	Benchmark	Portfolio	Benchmark
	(%)	(%)	(%)	(%)
Growth				
Passive Global Equity (Hedged)	0.1	0.1	16.3	16.5
Matching				
UK Credit	1.3	1.2	9.7	9.2
Nominal LDI Bonds	(0.5)	(0.5)	18.9	18.9
Inflation-Linked LDI Bonds	(4.1)	(4.1)	45.3	45.1
Total (Gross of Fees) ^(a)	-	-	19.2	19.3
Total (Net of Fees) ^(a)	-	-	19.0	19.3

Performance provided by State Street Fund Services (Ireland) Limited, Mercer estimates and Thomson Reuters Datastream.

Performance is in £ terms using unswung returns for the underlying portfolios; gross of Mercer and underlying manager fees; net of all other expenses including custody and administration costs with the exception of Passive Global Equity (Hedged), which is gross of Mercer, net of underlying manager and hedging fees and all other expenses including custody and administration costs.

The Scheme implemented the de-risking strategy from 18 May 2016 and as such performance monitoring is available from this date.

(a) Total Returns use official (swung) prices.

Asset Allocation as at 5 April 2017

The Scheme's assets are split between "Growth" and "Matching" assets. The "Growth" category includes Equities. The "Matching" category includes UK Bonds (Gilts and Corporate Bonds) which aim to reduce interest rate and inflation risk.

The split of assets between the Growth and Matching portfolios is managed according to a de-risking strategy whereby assets are expected to be moved from the Growth portfolio to the Matching portfolio as the funding level increases.

The Scheme has hit 2 de-risking triggers in the Scheme year. The first trigger was hit upon implementing the de-risking strategy in May 2016. The first funding level trigger was 86% and the growth allocation reduced from 45.0% to 43.2%. The Scheme hit a further de-risking trigger in December 2016, reducing the benchmark growth allocation from 43.2% to 41.2%. Therefore the current target Growth:Matching split is 41.2%:58.8% as at 31 March 2017.

Portfolio	Actual Asset Allocation				Target as at 5 April 2017
	Start of Year	End of Year	Start of Year	End of Year	
	(£m)	(£m)	(%)	(%)	(%)
Total Growth	48.3	49.7	47.1	40.2	41.2
Total Matching	54.2	74.1	52.9	59.8	58.8
Total	102.4	123.8	100.0	100.0	100.0

Source: Mercer. Based on official (swung) prices.

Figures may not sum to total due to rounding.

Growth Portfolio

Portfolio	Actual Asset Allocation			
	Start of Year	End of Year	Start of Year	End of Year
	(£m)	(£m)	(%)	(%)
Passive Global Equity (Hedged)	48.3	49.7	100.0	100.0
Total Growth	48.3	49.7	100.0	100.0

Source: Mercer. Based on official (swung) prices.

AVX Limited Pension Scheme

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Trustees' Report

Asset Allocation as at 5 April 2017 - Continued

Matching Portfolio

Portfolio	Actual Asset Allocation			
	Start of Year	End of Year	Start of Year	End of Year
	(£m)	(£m)	(%)	(%)
UK Credit	27.8	37.3	51.3	50.4
Nominal LDI Bonds	13.2	18.1	24.4	24.4
Inflation-Linked LDI Bonds	13.2	18.7	24.4	25.3
Total Matching	54.2	74.1	100.0	100.0

Source: Mercer. Based on official (swung) prices.

Figures may not sum to total due to rounding.

Custodial arrangements

The Trustees have appointed the custodian as detailed in the list of Scheme advisers on pages 1 to 2 as custodian of the Scheme's assets managed by the investment manager. The custodian is responsible for the safekeeping, monitoring and reconciliation of documentation relating to the ownership of listed investments. Investments are held in the name of the custodian's nominee company, 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.

Basis of investment manager's 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.

Approved by the Trustees on 23rd Aug 2017

Signed on behalf of the Trustees

RJ Lawrence Trustee

[Signature] Trustee

AVX Limited Pension Scheme

Annual Report for the year ended 5 April 2017

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 2017

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 2017, 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 2017;
- 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.

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:23 August 2017

AVX Limited Pension Scheme

Annual Report for the year ended 5 April 2017

Financial Statements

Fund Account

	Note	2017 £	2016 £
Employer contributions		4,749,730	4,802,029
Employee contributions		5,962	26,772
Total contributions	4	4,755,692	4,828,801
Other income	5	-	153
		4,755,692	4,828,954
Benefits paid or payable	6	(3,544,535)	(3,533,117)
Payments to and on account of leavers	7	(97,631)	(721,190)
Administrative expenses	8	(274,422)	(330,620)
Other payments	9	-	35,448
		(3,916,588)	(4,549,479)
Net additions from dealings with members		839,104	279,475
Returns on investments			
Investment income	10	31,261	32,350
Change in market value of investments	11	20,373,808	(1,649,148)
Investment management expenses	12	243,866	(102,852)
Net returns on investments		20,648,935	(1,719,650)
Net increase/ (decrease) in the fund during the year		21,488,039	(1,440,175)
Net assets at 6 April		103,230,554	104,670,729
Net assets at 5 April		124,718,593	103,230,554

The notes on pages 16 to 24 form part of these financial statements.

AVX Limited Pension Scheme

Annual Report for the year ended 5 April 2017

Financial Statements

Statement of Net Assets available for benefits

	Note	2017 £	2016 £
Investment assets			
Pooled investment vehicles	14	123,813,580	102,429,572
AVC investments	15	122,350	119,053
Cash	16	-	155,000
Total investments	11	123,935,930	102,703,625
Current assets	21	876,810	622,096
Current liabilities	22	(94,147)	(95,167)
Net assets at 5 April		<u>124,718,593</u>	<u>103,230,554</u>

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 16 to 24 form part of these financial statements.

The financial statements on pages 14 to 24 were approved by the Trustees on 23rd Aug 2017

Signed on behalf of the Trustees

R. Stannice Trustee

[Signature] Trustee

AVX Limited Pension Scheme

Annual Report for the year ended 5 April 2017

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) (Revised 25 November 2014).

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 17 to these financial statements.

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, including AVCs, are accounted for by the Trustees when they are deducted from pay by the Employer.

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.

Employer additional contributions are accounted for in accordance with the agreement under which they are payable or, in the absence of an agreement, on a receipts basis.

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 on an accruals basis.

AVX Limited Pension Scheme

Annual Report for the year ended 5 April 2017

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, and any associated tax liabilities, 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 Investment income

Receipts from annuity policies are accounted for as investment income on an accruals basis.

3.9 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.

3.10 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

	2017 £	2016 £
Employer contributions:		
Normal	19,730	20,029
Additional	230,000	-
Deficit funding	4,500,000	4,782,000
	<u>4,749,730</u>	<u>4,802,029</u>
Employee contributions:		
Normal	5,962	14,412
Additional voluntary contributions	-	12,360
	<u>5,962</u>	<u>26,772</u>
	<u>4,755,692</u>	<u>4,828,801</u>

Deficit funding contributions were received in accordance with Schedule of Contributions certified by the Actuary on 1 April 2016. Under the Schedule of Contributions certified by the Actuary on 1 April 2016 deficit contributions of £375,000 per month are payable into the Scheme during the period October 2013 to 31 May 2018 inclusive.

AVX will pay an allowance of £230,000 per annum to cover the administrative, premiums for lump sum death in service benefits and any other expenses incurred by the Trustees. The contributions shall be paid no less frequently than monthly from 1 April 2016.

AVX Limited Pension Scheme

Annual Report for the year ended 5 April 2017

Notes to the Financial Statements

5. Other income

	2017 £	2016 £
Compensation	-	153

6. Benefits paid or payable

	2017 £	2016 £
Pensions	2,932,071	2,848,424
Commutations and lump sums on retirement	495,785	659,022
Lump sums on death in retirement	116,679	1,495
Taxation where lifetime or annual allowance exceeded	-	24,176
	<u>3,544,535</u>	<u>3,533,117</u>

7. Payments to and on account of leavers

	2017 £	2016 £
State scheme premiums	90	-
Individual transfer values paid to other schemes	97,541	721,190
	<u>97,631</u>	<u>721,190</u>

8. Administrative expenses

	2017 £	2016 £
Administration fees	81,367	81,367
Audit fees	5,000	3,750
Trustee fees	14,900	12,900
Legal fees	3,873	1,750
Miscellaneous expenses	51	606
Scheme levies	27,287	49,522
Pension consultancy and actuarial	141,944	180,725
	<u>274,422</u>	<u>330,620</u>

9. Other payments

	2017 £	2016 £
Premiums on term insurance policies	-	(35,448)

Term insurance is secured by policies underwritten by Friends Life Limited.

The balance of £(35,448) in the prior year represents premiums paid to Friends Life £3,168 (2016: 2,310 and 2015: £858) 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 2017

Notes to the Financial Statements

10. Investment income

	2017	2016
	£	£
Annuity income	<u>31,261</u>	<u>32,350</u>

11. Reconciliation of investments

	Market value at 6 April 2016 £	Cost of investments purchased £	Proceeds of sales of investments £	Change in market value £	Market value at 5 April 2017 £
Pooled investment vehicles	102,429,572	22,790,343	(21,773,477)	20,367,142	123,813,580
AVC investments	119,053	-	(3,369)	6,666	122,350
	<u>102,548,625</u>	<u>22,790,343</u>	<u>(21,776,846)</u>	<u>20,373,808</u>	123,935,930
Cash	155,000			-	-
	<u>102,703,625</u>			<u>20,373,808</u>	123,935,930

11.1 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.

12. Investment management expenses

	2017	2016
	£	£
Administration, management and custody fees	-	114,336
Fee rebates	(243,866)	(11,484)
	<u>(243,866)</u>	<u>102,852</u>

The total of the negative fee rebates £243,866 (2016: £11,484) relates to the investments managed by Mercer Global Investments.

13. Taxation

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

14. Pooled investment vehicles

	2017	2016
	£	£
Equities	49,720,057	48,251,936
Bonds	74,093,523	54,177,636
	<u>123,813,580</u>	<u>102,429,572</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

Annual Report for the year ended 5 April 2017

Notes to the Financial Statements

15. 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:

	2017 £	2016 £
Prudential Assurance	71,453	71,164
Phoenix Life and Pensions Limited	20,604	17,735
Aviva	30,293	30,154
	<u>122,350</u>	<u>119,053</u>

16. Cash

	Assets £	Liabilities £	2017 £	Assets £	Liabilities £	2016 £
Investment cash in transit	-	-	-	155,000	-	155,000

17. 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 have been included at fair value using the above hierarchy categories as follows:

	2017 Level 1 £	2017 Level 2 £	2017 Level 3 £	2017 Total £
Pooled investment vehicles	-	123,813,580	-	123,813,580
AVC investments	-	-	122,350	122,350
Cash	-	-	-	-
	<u>-</u>	<u>123,813,580</u>	<u>122,350</u>	<u>123,935,930</u>

Analysis for the prior year end is 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	155,000	-	-	155,000
	<u>155,000</u>	<u>102,429,572</u>	<u>119,053</u>	<u>102,703,625</u>

18. 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 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. The Trustees have delegated 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 has agreed with the managers.

The Trustees have taken 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 opportunistically switches from growth assets into matching assets. Mercer constructs portfolios of investments that are expected to maximise the return given the targeted level of risk.

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.

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 target investment strategy as at 31 March 2017 is as follows:

- 58.8% 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
- 41.2% 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.

To limit currency risk, the Trustees have invested the Growth portfolio in a hedged share class, which means 100% of the growth portfolio is not exposed to changes in exchange rates.

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 59.8% of the total investment portfolio (2016: 52.9%). 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 global Equities was 41.2% of the total investment portfolio as at 5 April 2017 and the benchmark set for inflation linked gilts was 14.7%. Triggers are in place to reduce the allocation to Equities 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.

Investment risks - continued

(ii) Credit risk

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.

The Scheme is indirectly exposed to credit risks arising on the underlying investments held by these pooled investment vehicles. The value of these assets at Scheme year end amounted to £74.1m (2016: £54.2m). Mercer manages 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. 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.

Financial Risk Breakdown

The following table summarises the extent to which the various asset classes of investments are affected by financial risks:

	Indirect Currency Risk	Indirect Interest Rate Risk	Indirect Credit Risk	Indirect Other Price Risk
Passive Global Equities (Hedged)				X
UK Credit		X	X	
Nominal LDI Bonds		X	X	
Inflation-Linked LDI Bonds		X	X	X

19. Concentration of investments

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

	2017		2016	
	£	%	£	%
MGI Passive Global Equity CCF - Class M-1GBP Hedge	49,720,057	39.9	48,251,936	46.7
MGI UK Credit Fund - Class M-6GBP	37,315,582	29.9	27,766,249	26.9
MGI Sterling Inflation LDI Bond Fund - Class M-4GBP	18,713,112	15.0	13,199,365	12.8
MGI Sterling Nominal LDI Bond Fund - Class M-4GBP	18,064,830	14.5	13,212,022	12.8

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

20. Employer-related investments

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

21. Current assets

	2017	2016
	£	£
Reimbursement of insured pensions	-	489
Cash deposits held with the Scheme Administrator	876,810	621,607
	876,810	622,096

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 2017

Notes to the Financial Statements

22. Current liabilities

	2017	2016
	£	£
Reimbursement of pensions received in advance	625	-
Lump sums on retirement payable	12,873	11,697
Taxation payable	33,849	36,575
Administrative expenses payable	42,011	42,106
Due to AVX Limited	4,789	4,789
	<u>94,147</u>	<u>95,167</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 and R J Lawrence, Trustees of the Scheme, were pensioners of the Scheme during the current and prior year.

S H Cunday, P Fenwick and R J Lawrence are being paid for services as Trustees. This is because they are Employer-nominated and Member-nominated Trustees who are no longer employed by the Company. 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 2017

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 Schedule of Contributions for the Scheme year ended 5 April 2017 as reported in AVX Limited Pension Scheme's Summary of Contributions have in all material respects been paid in accordance with the Schedule of Contributions certified by the Scheme Actuary on 1 April 2016.

What we have examined

AVX Limited Pension Scheme's Summary of Contributions for the Scheme year ended 5 April 2017 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 Schedule 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:23 August 2017

AVX Limited Pension Scheme

Annual Report for the year ended 5 April 2017

Summary of Contributions

During the year ended 5 April 2017, the contributions payable to the Scheme by the Employer were as follows:

2017
£

Contributions payable under the Schedules of Contributions:

Employer contributions:

Normal	19,730
Additional	230,000
Deficit funding	4,500,000
	<hr/>
	4,749,730

Employee contributions:

Normal	5,962
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Contributions payable under the Schedules of Contributions (as reported on by the Scheme Auditors) and reported in the financial statements

4,755,692

Approved by the Trustees on 23rd Aug 2017

Signed on behalf of the Trustees

R. J. Lawrence Trustee

[Signature] Trustee

AVX Limited Pension Scheme

Annual Report for the year ended 5 April 2017

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