

AVX Limited Pension Scheme

Actuarial valuation as at 5 April 2009

Recovery plan

This recovery plan has been prepared by the Trustees of the AVX Limited Pension Scheme ("the Trustees") in March 2010 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 discussions between the Trustees and AVX Limited, this recovery plan has been agreed by the Employer, AVX Limited.

The recovery plan follows the actuarial valuation of the Scheme as at 5 April 2009, which revealed a shortfall in the assets, when measured against the Scheme's technical provisions, of £25.7m.

AVX Limited and the Trustees agreed, having taken actuarial advice, to base the Employer contributions in respect of the shortfall in funding on the updated position of the Scheme as at 31 December 2009, given the volatility in the financial markets. The shortfall at 31 December 2009 also takes account of the updated market value of the Scheme's assets, along with the updated liability value. The figures are shown below:

	5 April 2009	31 December 2009
Shortfall	£25.7m	£17.3m

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 January 2010 to December 2014 inclusive. This recovery plan commences from 1 April 2010 but the Employer has also undertaken to backdate the payment of £350K per month to 1 January 2010. The payments will normally be made monthly, but the Trustees and AVX Limited 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 commencing 1 January 2010, which is by December 2014. 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 March 2010;
- 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 March 2010, 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

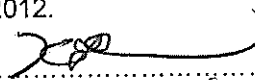
It is expected that 50% of the above additional contributions will be paid in 2.5 years commencing 1 January 2010, which is by 1 July 2012.

Signed on behalf of AVX Limited

Name

Position

Date

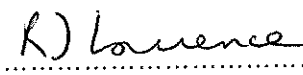

Kurt Cummings
Director
March 12, 2010

Signed on behalf of the Trustees
of the AVX Limited Pension Scheme

Name

Position

Date


BERT LAWRENCE
CHAIRMAN OF TRUSTEES
17th March 2010

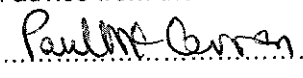
This recovery plan, dated March 2010 has been agreed by the Trustees of the AVX Limited Pension Scheme after obtaining actuarial advice from the Scheme Actuary:

Signed

Name

Position

Date


PAUL MC CARRON
Actuary to the AVX Limited Pension Scheme
18th March 2010