Instructions for members
requesting an anticipated withdrawal

In addition to the form “Application for Anticipated Withdrawal” within the Home Ownership Promotion Act

Preface

These instructions were prepared by the Pensionskasse der Alcatel-Lucent Schweiz AG (hereinafter referred to as “Fund”), in order to assist you in completing the application form for the anticipated withdrawal. The basis for this is:

- The Swiss Federal Act on the Promotion of Home Ownership through Use of Vested Pension Accruals dated 17 December 1993;

- The regulations on Promotion of Home Ownership through Use of Vested Pension Accruals dated 3 October 1994;

- Regulations of the Fund.

They will provide you with some additional information that will enable you to complete the form correctly and will list the documents you are required to enclose with your formal application.

The various category numbers mentioned below refer to a respective ☑ on the form that you have received. Please check each applicable ☑ or fill in the required information in the corresponding spaces.

It is essential to provide all requested information as the Fund will only be able to carry out the payments once they have received all required information.

Identification of the applicant

This section is not complex; you simply need to provide the Fund with some personal details.

Marital status

It is essential that you advise the Fund of your marital status, as each application for anticipated withdrawal of a married member must be signed by the spouse.
1. Amount of anticipated withdrawal and description of home ownership

1.1. Maximum amount

The maximum amount that you are entitled is as follows:

- If you have not turned 50 by the day of the anticipated withdrawal, the total amount of the regulatory vested termination benefit on this date;

- If you are 50 or above on the day of the anticipated withdrawal, the higher amount of the two amounts as follows: The vested termination benefit that you were entitled to on December 31 following your 50th birthday; or 50% of the vested termination benefit on the day of the anticipated withdrawal.

Please note that this amount will be determined as a lump-sum in the event that the Fund is not aware of your vested termination benefit at the age of 50 based on your Vested Termination Benefit and your age in 1995 (100% at the age of 50, 95% at the age of 51, 90% at the age of 52, .... 50% at the age of 60 and above).

The maximum amount was advised to you by the Fund in response to your enquiry.

1.2. Partial amount

The anticipated withdrawal does not necessarily have to correspond to the highest amount possible. You are able to apply for a partial anticipated withdrawal to the amount of your choice. However, the amount must be a minimum of CHF 20,000, unless it is used for purchasing share certificates of a residential property (Clause 2.4).

1.3. Description of the home ownership

The aid of the benefits can only be used simultaneously for one single object.

Please indicate if the residential property financed by the anticipated withdrawal consists of an apartment or a one-family home; these two objects are actually the only ones that justify the entitlement of an anticipated withdrawal.

In addition, it is essential that you provide the Fund with information that enables the identification of the relevant residential property, specifically:

- the address (which will enable to determine if this residential property is used for your residence);

- indicating the township area in which it is located;

- listing of the object in the Land Register.

Please also provide a brief description of the home ownership.
2. Application of the funds

2.1. Purchase / Ownership form

As the law restricts the form of ownership to four options indicated on the form, it is essential to advise the Fund in which form you have purchased / intend to purchase the residential property and to provide them with the required verification documents in this regard.

Ownership

This is real estate of which you are/will be the sole owner.

In order to prove that you are/will be the owner of the residential property, please submit the following documents to the Fund:

- The most recent Land Register extract;
- Abstract of the notary certificate regarding the purchase of the residential property (if you are not yet the owner);
- Scheduled date of the contract conclusion (if you are not yet the owner);
- Memorandum of Understanding, if already signed.

Joint ownership

This is defined but not externally sectioned real estate divided into shares owned by / will be owned by several persons (Art. 646 and the following of the Swiss Civil Code). It can also be a defined but not externally sectioned property owned by several persons as shares in which each person has exclusive rights to use and furnish specific sections (Art. 712 and the following of the Swiss Civil Code).

In order to prove that you are/will be the joint-owner of the residential property, please submit the following documents to the Fund:

- The most recent Land Register extract indicating your share of the joint-ownership;
- Sectioning index of rooms;
- Regulations or statutes of joint-ownership;
- Abstract of the notary certificate regarding the purchase of the residential property (if you are not yet the owner);
Ownership jointly liable with your spouse

This is real estate that is owned / will be owned by you and your spouse, in terms of a legal collective due to or based on a contract (Art 652 and the following of the Swiss Civil Code). This constitutes the only legally tolerated form of ownership jointly liable with your spouse.

In order to prove that together with your spouse you are/will be the owners of the residential property, please submit the following documents to the Fund:

- The most recent Land Register excerpt;
- Abstract of the notary certificate regarding the purchase of the residential property (if you are not yet the owner);
- Scheduled date of the contract conclusion (if you are not yet the owner);
- Memorandum of Understanding, if already signed.

Independent and permanent building lease

This is a special type of ownership in which a land owner authorises the building of an object which they do not own on their land. It must be an easement with independent and permanent right in terms of Art. 779, Section 3 Swiss Civil Code.

In order to prove that you are/will be the owner of the building, please submit the following documents to the Fund:

- The most recent Land Register extract;
- Abstract of the notary certificate regarding the purchase of the residential property (if you are not yet the owner);
- Scheduled date of the contract conclusion (if you are not yet the owner);
- Memorandum of Understanding, if already signed.
2.2. Building/Type of ownership

Ownership

This is real estate corresponding to the definition under Clause 2.1. that still needs to be constructed or is already under construction.

OPTION 1

As the Fund is not legally required to guarantee building loans, the anticipated withdrawal can only occur at the time of the loan consolidation by the bank or a similar financer that has approved the building loan.

The Fund can take action immediately upon consolidation by crediting the required capital resources promptly and directly to the creditor (and possibly amortise a part of the mortgage directly, if the accessible amount exceeds the required capital resources). However, they can not commit to pay out the anticipated withdrawal at a specific time, as a benefit case (death or disability) could occur in the meantime. Nevertheless, the Fund can be approached (see Pledge Document) during the building phase for an amount in form of a pledge. This can refer to the amount of the vested termination benefit as well as to the amount of future benefits, in the event that vested termination benefits could no longer be paid.

In order to receive the contribution from the Fund upon consolidation, please submit the following documents in addition to the documents listed under 2.1:

- Financing plan of the property with description of the funds that would have to be provided by the Fund;
- Scheduled consolidation date;
- Personal details and address of the notary who has/will prepare the mortgage-obligations.

In this case, the contribution of the Fund will occur against the immediate notary grant of the residential permit and the confirmation of residence from the local authorities. The entry of the amortisation restriction into the Land Register will occur simultaneously.

OPTION 2

The Fund is not legally obliged to guarantee building loans however they can warrant a guarantee. This procedure is subject to the submission of all documents that will verify the existence and the feasibility of the real estate project. This includes:

- Description of the building, name of architect;
- Building permit;
- Contractor Agreement with full name of the contractor;
- Land Register extract specifying the ownership of the real estate;
- Obligation to use the real estate as soon as possible (upon receipt of residential permit) as a residence or as a regular residence;
- Name of the bank or financer who is willing to grant the balance of the building loan or subsequently guarantee the mortgage loan;
- Personal details and address of the notary who has/will prepare(d) the mortgage-obligations.

In this case, the contribution of the Fund will occur against the immediate notary certification of the temporary entry into the Land Register.

**Joint ownership**

This is real estate corresponding to the definition under Clause 2.1. that still needs to be constructed or is already under construction.

As the Fund is not legally required to guarantee building loans, the anticipated withdrawal can only occur at the time of the loan consolidation by the bank or a similar financer that has approved the building loan.

The Fund can take action immediately at the consolidation by crediting the required capital resources promptly and directly to the creditor (and possibly amortises a part of the mortgage directly, if the accessible amount exceeds the required capital resources). However, they can not commit to pay out the anticipated withdrawal at a specific time, as a benefit case (death or disability) could occur in the meantime. Nevertheless, the Fund can be approached (see Pledge Document) during the building phase for an amount in form of a pledge. This can refer to the amount of the vested termination benefit as well as to the amount of future benefits, in the event that vested termination benefits could no longer be paid.

In order to receive the contribution from the Fund at consolidation, please submit the following documents in addition to the documents listed under 2.1:

- Financing plan of the property with description of the funds that would have to be provided by the Fund;
- Scheduled consolidation date;
- Personal details and address of the notary who has/will prepare the mortgage-obligations.

In this case the contribution of the Fund will occur against the immediate notary grant of the residential permit and the confirmation of residence from the local authorities. The entry of the amortisation restriction into the Land Register will occur simultaneously.
Ownership jointly liable with the spouse

See relevant chapters under 2.1 and 2.2.

Independent and permanent building lease

This section refers to the relevant chapters under 2.1 and 2.2 with the exception of relevance to the ownership of the land. The verification of the existence of the easement must be provided in this case for the benefit of the builder.

2.3. Repayment of the mortgage debt

An anticipated withdrawal can also be used to amortise a mortgage debt, whereby it is only permitted to repay the amortisation share and not the payment of the mortgage interest.

In this case you are required to prove the Fund with all the necessary information on the mortgage loan and the amount. The following documents must be submitted:

- The most recent Land Register excerpt;
- Mortgage obligation;
- Current bank statement that shows the amount of the amortised mortgage;
- Personal details and address of the notary to whom the Fund is to transfer the funds for the benefit of the bank (is applicable).

2.4. Purchase of shares

If the anticipated withdrawal is not intended for the direct purchase of the home ownership but rather for the purchase of share certificates, it is important to advise the Fund of the type of title. The law restricts this to two options mentioned below; you are required to submit the appropriate documents to the Fund for verification.

Share certificates of a housing cooperative

These are share certificates of a cooperative (Art. 828 and the following of the Swiss Civil Code), that are there to enable their members to build and to reside.

In this case you must submit the last version of the regulations or statutes of the housing cooperative to the Fund. One of these two documents must strictly indicate that in the event that you withdraw from the cooperative, the funds from benefits and funds paid out from the Fund for the purchase of share certificates will either be transferred to another housing cooperative or another builder from whom you personally are using an apartment or to an occupational pension fund.
Please note that the cooperative must promptly notify the Fund of any amendments to this document at a later date regarding this section, however no later than up to the beginning of a benefit case that applies to you.

In addition to these regulations or statutes, please submit the following documents to the Fund:

- Brochure (or similar) that specifies the prices of the share certificates;
- Verification document regarding the existence of residential real estate that belongs to the assets of the company or are currently still under construction;
- Abstract of contract regarding the purchase of share certificates.

In addition you are obliged to promptly deposit the share certificates or similar share certificates to the Fund (Clause 3.2).

**Shares of a tenant public limited company**

Shares of a tenant public limited company signify shares in the equity capital of a public limited company with the purpose of renting out the real estate to their own shareholders.

In this case you must submit the statutes of the public limited company to the Fund. These must indicate that in the event that you amortise your shares, the benefit funds and those paid out by the Fund for the purchase of shares will only be used for the purchase of shares in an equivalent public limited company or can only be transferred to another builder from whom you personally are using an apartment or to an occupational pension fund.

Please note that the public limited company must promptly notify the Fund of any statute amendments at a later date regarding this section, however no later than up to the beginning of a benefit case that applies to you.

In addition to the statutes, please submit the following documents to the Fund:

- Internal regulations of the tenant public limited company;
- Brochure (or similar) that specifies the prices of the shares;
- Verification document regarding the existence of residential real estate that belongs to the assets of the company or are currently still under construction;
- Abstract of contract regarding the purchase of the shares.

In addition you are obliged to promptly deposit the shares to the Fund (Clause 3.2).
2.5. Participating loan to a builder

This is a financial shareholding without affiliation to a jointly-used builder by providing funds. In this case, a part of the usage is guaranteed instead of interest.

In addition to the purely financial benefit (returns of the deposits), a further benefit, specifically the use in the residential premises, must be strictly associated with this affiliation form in order to be approved in terms of the law.

In this case you are required to submit documentation on the relevant builder as well as the last version of their applicable regulations to the Fund. These must strictly indicate that in the event of a loan termination, the benefit funds provided by the Fund for the purpose of transfer to the jointly-used builder ex officio must be either transferred to a similar builder or an occupational Pension Fund.

Please note that this builder must promptly notify the Fund of any regulation amendments at a later date regarding this section, however no later than up to the beginning of a benefit case that applies to you.

In addition to these regulations, please submit the following documents to the Fund:

- A certificate abstract that shows the transfer of funds within the participating loan;
- Valid verification of the use on the residential premises that you are entitled to due to the participation in this loan.

In addition you are obliged to promptly deposit the title or other documents that justify your rights within this loan to the Fund (Clause 3.2).

3. Obligations

3.1. Use of ownership

The law requires that the ownership purchased with aid of pension funds is for personal use only. Therefore you are required to agree to this obligation and indicate where the real estate is located:

- At your place of residence in terms of Article 23 Swiss Civil Code or 20 IPRG (Code on Private International Law); in this case please submit a confirmation of residence;
- At your regular residence; in this case please submit a proof of residence or additional detailed information to enable the Fund to make a decision considering all information of the circumstances.
3.2. Deposit of share certificates

The share certificates or similar shareholding certificates that you have purchased with the aid of pension benefit funds must be deposited with the Fund; therefore the Fund requires your obligation to undertake this immediately after taking ownership and prior to the transfer. The certificate of sale must include the obligation of the seller to transfer the title to the Fund.

If you change your pension fund at a later date, the Fund will transfer these titles to your new institution.

3.3. Obligatory repayment by the member

The obligation for repayment under special circumstances listed on the form, becomes effective no later than

- Three years prior to the regulatory retirement providing early retirement benefits have not yet been received;
- In the event of another benefit case occurrence;
- In the event of a cash payout of the vested termination benefit.

Otherwise, in the event of an amortisation the repayment obligation will be restricted to the profit (selling price less the mortgage debts and the legal fees imposed on the seller), whereby obligations from sales in the previous 2 years will not be considered, if you can not submit a verification that this debt was exclusively used to finance the home ownership.

4. Information on benefits

4.1. Benefit cut-backs

The Fund has informed you about the benefit cut-backs by providing you with an overview document. They require your confirmation that you have acknowledged these implications.
5. Additional information

5.1. - 5.3. Fund regulations - taxes

This section is sufficiently clear and does not require further elaboration at this point. However, you are required to check each relevant ☐ confirming that you have acknowledged all mentioned elements.

Otherwise, an application for a complete or partial repayment of paid taxes from the Swiss Tax Authorities will only be considered if it is submitted no later than within 3 years following the repayment.

5.4. Obligatory repayment by the beneficiaries

The repayment obligation under special circumstances indicated on this form will become effective within the same grace periods as the obligatory repayment by the member (Clause 3.3).

5.5. Entry into the Land Register (does not apply to shareholdings)

The Fund will enter an amortisation restriction into the Land Register. Thus, you can not transfer your home ownership to third parties without submitting verification and that the anticipated withdrawal or the debt recovery action returns will be repaid to the Fund.

The Fund will cancel this entry:

a. three years prior to regulatory retirement;

b. following the occurrence of another benefit case;

c. in the event of a cash payout of the vested termination benefit;

d. once the withdrawn amount has been repaid.

6. Payout

If the application is approved, the payout of the anticipated withdrawal will occur with a period of 1-2 months.

The amount of the intended amount must only be indicated if you have opted for a fixed amount. If you wish to receive the maximum amount, you are not able to indicate this in advance as this amount will only be stipulated on the day of the payout.
The fixed value date advised by you can only be maintained if it corresponds to the options available to the Fund, from an administrative point of view and availability. We would also like to point out that law stipulates a grace period of 6 months between the application and the execution.

The funds can not be paid out to you directly but are transferred to the benefit of the seller, the debtor or the beneficiary. Therefore, you are required to submit all necessary information to the Fund that relates to the transfer beneficiary and all verification relating to the entitlement of the persons mentioned of the companies. If you request that the transfer take place via a notary, the seller or the debtor must confirm to the Fund that they will accept the payment via the nominated notary.

Signatures

The application form addressed to the Fund must be dated and signed by you personally.

If you are married, your spouse must co-sign the application. The Fund reserves the right to request a certification of this signature from you.

We would also like to confirm that the law entitles your spouse to receive all necessary information in order to provide their consent whilst being aware of all circumstances. It is your responsibility to provide this information to your spouse.

Documents to be submitted by the member

The law requires that you voluntarily submit all necessary documents to the Fund and with that verify that your application is within the required area of application; these documents must be that conclusive that the institution can verify whether or not the use of the anticipated withdrawal you have received actually justify the requirements of the home ownership aid with the funds of the occupational benefits.

These instructions indicate the most essential documents for various cases that you are required to obtain and submit to the Fund. It is essential to enclose all these documents with your application. The execution period only commences once the Fund has received all required documents.

Additional information

All additional information regarding the application form or the generally applicable legal regulations regard home ownership promotion can be obtained from Ms. Alexandra Henggeler, Managing Director of the Pensionskasse der Alcatel-Lucent Schweiz AG.