



## Encouragement of home ownership

Principle	<p>The purpose of an early withdrawal is to enable a member to make use of an amount from their vested benefits in exchange for, primarily, a reduction of the Fund's retirement benefits.</p> <p>In accordance with the law and within the context of the programme to encourage home ownership, the insured member may use the assets which they have accrued in the Fund in the following circumstances :</p> <ul style="list-style-type: none"><li>■ <b>To acquire</b> a family home or apartment for individual ownership, co-ownership or joint ownership between spouses. The acquisition of a building plot may be financed only if the construction project is already under way.</li><li>■ <b>To pay off</b> a mortgage. Payment of mortgage interest, however, is not permitted.</li><li>■ To acquire <b>shares</b> in a residential housing cooperative, or similar shares.</li></ul>
Conditions	<p>In order to benefit from the programme to encourage home ownership within the meaning of the LOB, the following conditions must be met:</p> <ul style="list-style-type: none"><li>■ <b>Own use</b> The member may benefit from the programme to encourage home ownership provided that the residential property is used as their main residence. Financing of a second home or holiday home is excluded. If the member proves that they are unable to use the property for a certain length of time (e.g. during a transfer abroad), the property may be rented out during this period.</li><li>■ <b>Time limits</b> An early withdrawal is possible :<ul style="list-style-type: none"><li>- not later than 3 years before the entitlement to old-age benefits</li><li>- until the occurrence of an insured event (retirement, death or disability)</li><li>- until the member leaves the Nestlé Group.</li></ul></li><li>■ <b>Written consent of the spouse</b> If the member is married or in a registered partnership, the written consent of the spouse is required. In addition, for early withdrawal, the Fund requires a copy of the identity card or passport of each signatory. In all cases, the Fund may request a certified signature.</li></ul>
Maximum amount	<p>The maximum amount permitted for the encouragement of home ownership is equal to the following :</p> <ul style="list-style-type: none"><li>■ <b>for members aged up to 50</b>, all of the vested benefits</li><li>■ <b>for members aged over 50</b>, the amount of the vested benefits accrued at the age of 50 or half the amount of the vested benefits accrued at the time of payment, whichever is the higher.</li></ul> <p>Voluntary purchases made over the previous three years cannot be the subject of an early withdrawal.</p>
Minimum amount	<p>The minimum amount for early withdrawal is CHF 20'000. No minimum amount is required with regard to the acquisition of shares in a residential housing cooperative.</p>

Reduction of benefits	<p>An early withdrawal results in an immediate reduction of the vested benefits as well as the Fund's retirement benefits. The Fund shall inform the member of these reductions.</p> <p>In principle, an early withdrawal does not result in any reduction of disability and death benefits paid in the form of a pension. However, the lump sum death benefit is reduced accordingly.</p>
Tax treatment	<p>As a lump sum pension benefit, the early withdrawal is subject to immediate communal, cantonal and federal tax. The Fund shall inform the Swiss Federal Tax Administration of the early withdrawal using the official form. Tax is subsequently charged by the respective tax authority.</p> <p>The early withdrawal may not be used to pay this tax.</p> <p>The member must keep the documents relating to the amount of tax paid following the early withdrawal, for future reimbursements.</p> <p>■ <b>Withholding tax</b></p> <p>If the member requests an early withdrawal for a property outside Switzerland or if the member lives abroad, the Fund shall deduct a withholding tax directly on the amount of the early withdrawal.</p> <p>■ <b>Voluntary purchases made in the last three years</b></p> <p>If the insured member has made voluntary purchases during the three years preceding the early withdrawal, the respective tax authority shall, in principle, review the taxation of the previous three years, and not take into account the deductibility of these voluntary purchases.</p>
Registration in the land register	<p>In order to guarantee that the cash withdrawal meets the LOB Law requirements, a "restriction on the sale of property" is recorded in the land register when an early withdrawal is executed. This notice limits the right of sale and transfer of the residential property by the member or his heirs.</p> <p>For main residences located abroad, no record is made in the land register, but the member must reimburse the early withdrawal in the event of the sale or transfer of the property.</p>
Procedure and payment	<p>■ <b>Principle</b></p> <p>The Fund shall transfer the amount of the early withdrawal to the notary in the case of property acquisition or to the bank holding the mortgage in the case of repayment of a debt. Direct payment to the member is not permitted.</p> <p>■ <b>Documents to be provided and payment deadline</b></p> <p>If all the conditions mentioned above are met, the form and the required documents listed on page 2 of the form must be sent to the Fund administration before the 15th day of the month.</p> <p>If this deadline is met, the payment shall be made on the last working day of the current month. On request, the payment can also be made at a later date, but always on the last working day of a month.</p>
Pledging	<p>The insured member also has the option of using all or part of the retirement assets accrued in the Fund as collateral for a loan granted by the pledgee to finance a main residence.</p> <p>The pledge may concern the current or future retirement assets, as well as the right to retirement, disability and death benefits.</p>