

Substantive report on the activities of the Auschwitz- Birkenau Foundation in 2014

Contents:

- I. Formal information
 - II. Activities and competences of the Foundation's bodies
 - 1. Council of the Foundation
 - 2. Management Board
 - 3. Financial Committee
 - 4. International Committee
 - III. Soliciting declarations of financial support for the Perpetual Fund
 - 1. Countries
 - 2. Individual donors and „18 Pillars of Memory Project”
 - IV. External support for the statutory activities
 - V. Plans for 2015
-

The Auschwitz-Birkenau Foundation was established in January 2009 by Professor Władysław Bartoszewski. Its objective is to collect 120 million Euros for the Perpetual Fund, the profits from which will finance conservatory work at the Memorial Site Auschwitz-Birkenau.

I. FORMAL INFORMATION

Auschwitz-Birkenau Foundation

KRS (National Court Register) No: 0000328383, REGON (statistical number): 141817074.

Registered office:

Warsaw (00-104), ul. Twarda 6.

Official website: www.fundacja.auschwitz.org

The Foundation is managed by the Management Board. The members of the Board are the following:

Piotr M. A. Cywiński – President of the Board

FUNDACJA AUSCHWITZ-BIRKENAU UL. TWARDA 6, 00-104 WARSZAWA

TEL: +48 22 620 48 99, MAIL: FUNDACJA@FAB.ORG.PL

Rafał Pióro – Vice-President of the Board

Łukasz Rozdeiczer-Kryszkowski – Vice-President of the Board

Jacek Kastelaniec – Member of the Board, Director General

The principles, forms and the extent of the Foundation's statutory activity are detailed in the uniform text of the Auschwitz-Birkenau Foundation Statutes, adopted by the Council of the Foundation Resolution No. 3/2011 of May 31, 2011. The document has been published at the Foundation's official website (www.fundacja.auschwitz.org).

The information regarding income and its sources, as well as the costs of implementation of the statutory objectives, is detailed in the Financial Statement for the year 2014. The Statement also presents information on salaries and the value of the Foundation's assets in 2014. The document has been published at the Foundation's official website (www.fundacja.auschwitz.org).

Information regarding the balance of the Foundation's bank accounts (as of December 31, 2014):

PLN current accounts: PLN 178 967.59

EUR current accounts: PLN 2 946 851.97

USD current accounts: PLN 4 242.84

PLN Short-term deposit, yield: 2.08%, maturity: 23.01.2015: PLN 2 507 451.50

PLN Short-term deposit, yield: 2.08%, maturity: 15.01.2015: PLN 1 355 009.00

PLN Short-term deposit, yield: 2.15%, maturity: 23.01.2015: PLN 1 341 627.53

PLN Short-term deposit, yield: 2.08%, maturity: 15.01.2015: PLN 1 152 575.00

PLN Short-term deposit, yield: 0.65%, maturity 17.02.2015: PLN 7 859.20

PLN Short-term deposit, yield: 0.65%, maturity 17.02.2015: PLN 6 405.21

Accrued interests – short term deposits: PLN 3 989.25

Banks: PKO BP and PEKAO S.A.

Information on securities held by the Foundation:

In 2014, the Foundation purchased government and corporate bonds with the total gross values of PLN 59 684 352.69 and EUR 20 059 671.03, issued by the following entities: Royal Bank of Scotland, Landesbank Berlin, PKO Finance, Depfa, Republic of Slovenia, Santander Bank, Morgan Stanley, Standard Chartered Bank, Republic of Poland, Kingdom of Belgium, City of Warsaw, PKN Orlen, Bank Gospodarstwa Krajowego, mBank, Electricite de France, Allianz, Republic of Lithuania, Vienna Insurance Group.

The total value of the bonds in the Foundation's possession as at December 31, 2014 was PLN 298 212 569.17.

All securities transactions in 2014 were made through PKO BP, PEKAO S.A., Societe Generale S.A., Rabobank.

Information on other purchased fixed assets:

In 2014, the Foundation purchased the following fixed assets:

2 computers with the total gross value of PLN 9 494.97.

Information on the value of assets and liabilities for statistical purposes:

Total assets: PLN 309 215 362,45

Total liabilities: PLN 333 691.18

Information on the Foundation's settlements of incumbent tax liabilities and information on filed tax declarations:

PIT-4R and CIT-8 declarations were filed for 2014. As of December 31, 2014, short-term liabilities to the Tax Office (US) and Social Insurance Institution (ZUS) due to salaries totalled PLN 23 507.36.

In November 2011, the Foundation was assigned the status of a Public Benefit Organisation, which means that individuals paying income tax in Poland may now decide to donate 1% of the tax to the Foundation.

Information on the total annual or average monthly remuneration paid to the members of the Management Board and other Foundation's bodies:

In the financial year, the total gross remuneration paid by the Foundation to the members of the management and supervisory bodies was PLN 302 525.37.

Information on remuneration paid for contract services:

Contract services in 2014 totalled PLN 131 181.07 gross.

Information on controls performed at the Foundation:

There were no controls at the Foundation in 2014.

II. ACTIVITIES AND COMPETENCES OF THE FOUNDATION'S BODIES

1. Council of the Foundation

The Foundation is governed by the Council of the Auschwitz-Birkenau Foundation. The Council members in 2014 were: Władysław Bartoszewski (Chairman), Eleonora Bergman, Agnieszka Magdziak-Miszewska, Jürgen Rüttgers, Serge Klarsfeld, Józef Wancer, Piotr Kadłcik, Edward Kosakowski, Zbigniew Nosowski, Paweł Machcewicz, Marek Zając, Henryk Wujec, Wojciech Soczewica. In 2014, the meeting of the Council was held on June 9.

In 2014, the Council adopted unanimously the following resolutions, both during the meeting and by circulation:

- Selection of the statutory auditor to audit the Foundation's financial statements (Resolution No. 1/2014 of 19 March 2014);
- Appointment of members of the Council of the Foundation for the next term of office (Resolution No. 2/2014 of 9 June 2014);
- Approval of the Substantive Report on the Foundation's activity in 2013, delivered by the Board (Resolution No. 3/2014 of 9 June 2014);
- Approval of the financial statements of the Foundation for the year 2013 (Resolution No. 4/2014 of 9 June 2014);
- Acceptance of the annual action plan of the Foundation and the financial plans for the year 2014 (Resolution No. 5/2014 of 9 June 2014);
- Granting approval on the performance of duties of the President of the Management

Board in 2013 to Piotr Cywiński (Resolution No. 6/2014 of 9 June 2014);

- Granting approval on the performance of duties of the Vice-President of the Management Board in 2013 to Rafał Pióro (Resolution No. 7/2014 of 9 June 2014);
- Granting approval on the performance of duties of the Vice-President of the Management Board in 2013 to Łukasz Rozdeiczer-Kryszkowski (Resolution No. 8/2014 of 9 June 2014);
- Granting approval on the performance of duties of the Member of the Management Board and Director General in 2013 to Jacek Kastelaniec (Resolution No. 9/2014 of 9 June 2014);
- Dismissal of members of the International Committee of the Foundation (Resolution No. 10/2014 of 9 June 2014);
- Appointment of members of the International Committee of the Foundation (Resolution No. 11/2014 of 9 June 2014);
- Change of the rules upon which the Member of the Management Board – Director General is employed (Resolution No. 12/2014 of 9 June 2014).

2. Management Board of the Foundation

The Management Board of the Auschwitz-Birkenau Foundation is the body managing and representing the Foundation to external actors. Board members are: Piotr M.A. Cywiński, Ph.D. (President), Rafał Pióro (Vice-President), Łukasz Rozdeiczer-Kryszkowski (Vice-President), Jacek Kastelaniec (Member of the Board, Director General).

In 2014, the Management Board held 6 meetings (February, April, May, July, September, December). Its particular duties were to: prepare the action plans and financial plans for the Foundation, managing the Foundation's assets, determining the size of the Foundation's staff and the amount of funds spent on salaries of the employees, according to the approved financial plan, accepting donations, inheritances, bequests, subsidies and donations.

In managing the Foundation's current activities, the Management Board is supported by the Foundation Office, operating in premises rented on concessional terms from the Jewish Community of Warsaw.

In 2014, the Board's activities still focused on soliciting further financial declarations for the Perpetual Fund through, among others, developing relations with diplomatic missions of foreign governments in Warsaw, as well as direct relations in selected countries. The activities in the USA were continued.

In 2014, the Management Board also concentrated on passing further income on the Perpetual Capital for the conservation of the Memorial Site. 2014 was the third year during which the Foundation financed the conservation work in the area of the Auschwitz-Birkenau State Museum (Resolution of the Management Board No. 1/2/2014 dated February 4, 2014 on allocation of the profit earned on the Perpetual Capital in 2013 to statutory purposes, i.e. conservation of the Memorial Site). The amount of PLN 2 092 548.50 was transferred to the account of the Auschwitz-Birkenau State Museum. In 2014, the Museum spent PLN 3 105 168.80 using also the funds transferred in 2013. The remaining amounts may be used by the Museum at any time as needed under the Global Conservation Plan .

The following projects were implemented using the funds donated to the Museum in 2014:

- Modernisation of the warehouse for textile objects from the collection of the Auschwitz-Birkenau State Museum in Oświęcim – STAGE I. Project regarding special wardrobes to store textile objects;
- Conservation surveys necessary to carry out further work in connection with the implementation of the Global Conservation Plan and maintenance of the Auschwitz-Birkenau Memorial Site – STAGES II, III;
- Preservation and conservation of BI section along with all related facilities – STAGE II;
- Preparatory works necessary to carry out further conservation and construction activities in the area of the former Auschwitz II Birkenau;
- Regulation of water relations of the former Auschwitz II Birkenau – STAGE I;
- Conservation of wooden objects in the area of the former Auschwitz II Birkenau.

In 2014, the activity of the Foundation was conducted thanks to the profits on the investment of the Perpetual Capital, part of which was used to finance operational costs according to the

statutes, as well as the funds donated by KPMG Audyt Sp. z o.o. and Deloitte Doradztwo Podatkowe Sp. z o.o. to administration activities.

In 2014, the Auschwitz-Birkenau Foundation employed five persons full time:

Director General, Jacek Kastelaniec;

Office Manager, Maciej Antosik;

Specialist on international relations, Anna Miszewska;

Project Manager, Anna Barbur;

Financial Assistant, Katarzyna Złoch

The structure of the administrative costs in 2014 financed from the statutory part of profit from the Perpetual Capital, the donation of KPMG Audyt Sp. z o.o. sp.k. and the donation of Deloitte Doradztwo Podatkowe Sp. z o.o., is presented below.

ADMINISTRATION COSTS OF THE STATUTORY ACTIVITY	PLN
Depreciation	12 503.12
Materials and energy consumption	24 561.32
Outsourced services	480 357,76
Salaries	672 563.44
Social insurance and other benefits	127 184.51
Other costs by types	265 036.76
TOTAL administration cost of the statutory activity	1 582 206,91

Detailed information on the cost of salaries and other costs is included in the Foundation's Financial Statements for the financial year 2014.

In 2014, an audit was conducted in the Foundation's Office for the year 2013. Following the resolution of the Council of the Foundation, the audit was conducted by KPMG Audyt Sp. z o.o. In the audit report, the auditor expressed no objections. The audit report as well as all statements in Polish and English are available at the Foundation's website (fundacja.auschwitz.org).

3. Financial Committee

The members of the Financial Committee of the Auschwitz-Birkenau Foundation are: Józef Wancer (Chairman of the Commission), Włodzimierz Grudziński, Antoni F. Reczek, Ekkehard Thiesler, Claude Trink, Peter Hommelhoff and Alfred Finz.

In 2014, the Committee held 4 meetings. Its recommendations are based on the investment strategy for the Foundation's Perpetual Capital, approved in 2013 by resolution of the Council of the Foundation. The Committee monitors the Foundation's assets and advises to the Management Board on investment decisions on the on-going basis.

4. International Committee

The International Committee of the Auschwitz-Birkenau Foundation gathers the representatives of donor states. The Committee was established to provide the donor states with full access to information, as well as to maintain full transparency of the Foundation's activities. The role of the Committee is to advise and express opinions.

On October 20, 2014, the fourth meeting of the International Committee of the Auschwitz-Birkenau Foundation took place.

The meeting was attended by:

- Anna Azari representing Israel;
- Alexandra Bugailiskis representing Canada;
- İstem Circiroğlu representing the Republic of Turkey;
- Melanie Davies representing the Commonwealth of Australia;
- Wendy Hinton representing New Zealand;
- Hannah Lessing representing the Republic of Austria;
- Kathleen Morenski representing the United States;
- Marie Amélia Paiva representing the Republic of Portugal;

- Patricia Beatriz Salas representing the Republic of Argentina;
- Colette Taquet representing the Kingdom of Belgium;
- Stefan Andersson representing the Kingdom of Sweden;
- Lukas Beglinger representing Swiss Confederation;
- Timothy Duckett representing the United Kingdom;
- Georges Faber representing Grand Duchy of Luxembourg;
- Perraig Francis representing the Republic of Ireland;
- Sylvain Guiaugué representing the Republic of France;
- Iván Gyurcsik representing the Republic of Hungary;
- Henry Hedman representing the Republic of Finland;
- Jakub Karfik representing the Czech Republic;
- Karsten Klepsvik representing the Kingdom of Norway;
- Benjamin Labarrère representing the Kingdom of Monaco;
- Rolf Nickel representing the Federal Republic of Germany;
- Tarash Papaskua representing the Republic of Georgia;
- Samir Rzayev representing the Republic of Azerbaijan;
- Harri Tiido representing the Republic of Estonia
- Jens-Christian Wagner representing the Federal Republic of Germany;
- Krzysztof Weyher representing the Kingdom of the Netherlands;
- Vladimir Ivanovich Zabarovsky representing the Russian Federation.

During the meeting, a Report on the Foundation's Activity in 2013, Financial Statements, Foundation's employment structure and audit report were presented, and activities within the Global Conservation Plan were discussed. The situation of the Perpetual Capital and the activities of the Financial Committee were also presented.

III. SOLICITING DECLARATIONS OF FINANCIAL SUPPORT FOR THE PERPETUAL CAPITAL

1. Countries

The letter sent out in February 2009 by Polish Prime Minister Donald Tusk, informing the leaders of over forty countries about the key intentions of the Auschwitz-Birkenau Foundation, as well as the task to collect 120 million euro for the Perpetual Capital, was received very well among many governments and heads of states. The letter of Polish Prime Minister Donald Tusk was sent out again in 2014 to twelve leaders of European and non-European countries, and was also received very well.

Countries that declared payments in 2014

COUNTRY	AMOUNT	CURRENCY
Vatican	100 000.00	EUR
Italy	1 000 000.00	EUR
Liechtenstein	20 000.00	EUR
Turkey*	50 000.00	EUR
Sweden*	1 000 000.00	SEK

*Countries that declared to increase their contributions in the Perpetual Capital

Countries that made payments to the Capital in 2014

COUNTRY	AMOUNT	CURRENCY
Argentina	7 243.75	EUR
Canada	262 106.68	EUR
Luxembourg	100 000.00	EUR
Hungary	120 000.00	EUR
Portugal	5 000.00	EUR
Germany	12 000 000.00	EUR
France	1 000 000.00	EUR
Finland*	50 000.00	EUR
Czech Republic*	75 723.15	PLN
Azerbaijan	198 705.00	EUR
Cyprus	5 000.00	EUR
Lithuania	20 000.00	EUR
Slovakia	5 000.00	EUR
Poland	15 000 000.00	PLN
City of Paris	310 000.00	EUR

* Countries that increased their donations.

All of the payments and payment declarations from 2014 and previous years amount to the total sum of ca. 113 million Euro, which provides an optimistic outlook on the plans of complex conservation of the former Nazi German concentration and extermination camp Auschwitz-Birkenau according to the intentions of the authorities of the Auschwitz-Birkenau State Museum and the will of the International Auschwitz Council. In 2015, other states are expected to join the project. The Auschwitz-Birkenau Foundation conducts intensive negotiations with Spain, Slovenia, Chile, and Morocco. Further, also negotiations with Belgium and the Netherlands are being held on an increase in their respective contributions to the Perpetual Capital of the Auschwitz-Birkenau Foundation. The Polish Ministry of Foreign Affairs took active part in the organisation of visits of Board Members and the Foundation's employees to the aforementioned countries. Polish diplomats participated in numerous meetings abroad and helped establish and maintain many relations with members of foreign governments. The support of the Israeli diplomacy has also been very significant for the Auschwitz-Birkenau Foundation.

2. Individual donors and “18 Pillars of Memory” project

According to the decision made in 2012, the Auschwitz-Birkenau Foundation extended its activities in the United States. In 2013, Friends of Auschwitz-Birkenau Foundation was established, an American organisation raising funds for the Foundation. Owing to that, in 2014 the Auschwitz-Birkenau Foundation and the Friends of Auschwitz-Birkenau Foundation were able to initiate the “18 Pillars of Memory” campaign. The aim of the campaign is to invite 18 philanthropists to the project – individuals and institutions. Each of them will become a symbolic “Pillar of Memory” by supporting the Auschwitz-Birkenau Foundation with an amount of EUR 1 million. By the end of 2014, the Auschwitz-Birkenau Foundation and the Friends of Auschwitz-Birkenau Foundation managed to win 7 private donors.

The largest individual donors of the Foundation are:

- Andrea Goldrich Cayton and Melinda Goldrich;
- Elly Kleinman and the Kleinman Family Holocaust Education Center;
- Ronald S. Lauder;
- Frank Lowy;

- Lily Safra and Edmond J. Safra Foundation;
- Steven Spielberg's Righteous Persons Foundation;
- Toronto Jewish Community: Joseph Burnett Family Foundation; Judy and George Frankfort; Linda Frum and Howard Sokolowski; Marya and Herman Grad; The Greenberg and York Families; Barbara and Jay Hennis; The Koschitzky Family; The Latner Family Foundation; Miles Nadal and Family; Heather Reisman and Gerry Schwartz; Fran and Ed Sonshine; Judy and Larry Tanenbaum.

2014 was an exceptional year due to the preparations related to the 70th Anniversary of the Liberation of the Auschwitz-Birkenau Concentration Camp. The "18 Pillars of Memory" Project significantly contributed to the deepening of relations with the American Diaspora. As a result of the project, private donors were acquired who supported the Foundation's Perpetual Capital. Therefore, the "18 Pillars of Memory" campaign is considered to be successful.

IV. EXTERNAL SUPPORT FOR THE STATUTORY ACTIVITIES

In 2014, the Foundation cooperated with law and accounting firms. Legal assistance is provided free of charge by Weil, Gotshal & Manges law firm. Tax advice, accounting and HR and payroll services are provided by Deloitte Doradztwo Podatkowe Sp. z o.o. Courtesy of the Union of Jewish Religious Communities in Poland, the Foundation rents office space at the premises of the Jewish Community of Warsaw on concessional terms. Once again the audit was performed by an independent auditor, KPMG Audyt Sp. z o.o..

PR support is still provided by Edelman PR on *pro bono* basis.

The Friends of Auschwitz-Birkenau Foundation, whose goal is the same as that of the Foundation, conducts and supports fund raising activities of the Auschwitz-Birkenau Foundation in the United States.

V. PLANS FOR THE YEAR 2015

In 2015, the main emphasis will be put on soliciting individual donors, both in the USA and Europe, under the "18 Pillars of Memory" Campaign. The Foundation will continue

negotiations with states which have not confirmed their participation in the project yet and which may decide to increase their contributions to the Perpetual Capital.