

**SUBSTANTIVE REPORT
ON THE ACTIVITIES OF
THE AUSCHWITZ-BIRKENAU
FOUNDATION
IN 2015**

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The Auschwitz-Birkenau Foundation was established in January 2009 by Professor Władysław Bartoszewski. Its objective is to collect 120 million Euro 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 (00-534), ul. Mokotowska 56/9

Official website: www.fundacja.auschwitz.org

In 2015, the Foundation was managed by the Management Board. The members of the Board are the following:

Piotr M. A. Cywiński – President of the Board

Rafał Pióro – Vice-President of the Board

Łukasz Rozdeiczer – Vice-President of the Board

Jacek Kastelaniec – Member of the Board, Director General (until 31.10. 2015)

Anna Miszewska – Member of the Board, Director General (from 1.11. 2015)

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.

The detailed information regarding income and its sources, as well as the costs of implementation of the statutory objectives, is detailed in the Financial Statements for the year

2015. The Statement also presents information on salaries and the value of the Foundation's assets in 2015. The document has been published at the Foundation's official website.

Information regarding the balance of the Foundation's bank accounts (as of December 31, 2015):

PLN current accounts: PLN 57 215.91

EUR current accounts: PLN 22 985.72

USD current accounts: PLN 595.25

PLN Short-term deposit, yield 1.45%, maturity: 07.01.2016: PLN 5 150 532.49

PLN Short-term deposit, yield 1.60%, maturity: 07.01.2016: PLN 900 000.00

EUR Short-term deposit, yield 0.04%, maturity: 07.01.2016: EUR 573 169.07

PLN Short-term deposit, yield 1.66%, maturity: 07.01.2016: PLN 2 915 500.71

USD Short-term deposit, yield 0.30%, maturity: 11.01.2016: USD 5 443 652.28

PLN Short-term deposit, yield 1.45%, maturity: 13.01.2016: PLN 2 305 000.00

PLN Short-term deposit, yield 1.46%, maturity: 22.01.2016: PLN 1 355 784.93

PLN Short-term deposit, yield 1.70%, maturity: 06.05.2016: PLN 570.66

PLN Short-term deposit, yield 0.70%, maturity: 06.05.2016: PLN 17 844.40

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Accrued interests – short term deposits: PLN 7 395.05

Banks: PKO BP and PEKAO S.A.

Information on securities held by the Foundation:

In 2015, the Foundation purchased from the Perpetual Capital funds government and corporate bonds with the total gross values of PLN 21 518 498.69, EUR 29 887 313.50 and USD 3 449 654.72. The issuers of the securities held by the Foundation are: Allianz SE, Electricite de France, State Treasury, National Road Fund, Capital City of Warsaw, Government of Lithuania, PKN ORLEN, Landesbank Berlin, DEPFA, Government of

Slovenia, Morgan Stanley, Standard Chartered, Deutsche Bank, Rabobank, Credit Suisse, Abbey National, HSBC Holdings, PKO BP, Bre Bank.

The total value of the bonds in the Foundation's possession as at December 31, 2015 was PLN 396 200 755.44.

All securities transactions in 2015 were made through PEKAO S.A., Societe Generale S.A., Rabobank.

Information on other purchased fixed assets:

In 2015, the Foundation purchased the following fixed assets:

1 telephone with the gross value of PLN 3 651.87.

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

Total assets: PLN 434 475 379.26

Total liabilities: PLN 343 865.92

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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, 2015, short-term liabilities to the Tax Office (US) and Social Insurance Institution (ZUS) due to salaries totalled PLN 16 110.13.

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 431 774.34.

Information on remuneration paid for contract services:

Contract services in 2015 totalled PLN 137 959.58 gross.

Information on controls performed at the Foundation:

There were no controls at the Foundation in 2015.

II. ACTIVITIES AND COMPETENCIES 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 2015 were: Marek Zając (Chairman), Eleonora Bergman, Agnieszka Magdziak-Miszewska (to 25 June 2015), Jürgen Rüttgers, Serge Klarsfeld, Józef Wancer, Piotr Kadlčík, Edward Kosakowski, Zbigniew Nosowski, Paweł Machcewicz, Henryk Wujec, Wojciech Soczewica, Marcin Barcz. In 2015, the meeting of the Council was held on June 25.

In 2015, 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. 1/2015 of 19 March 2015);
- Appointment of members of the Council of the Foundation for the next term of office commencing on 4 April 2015 (Resolution No. 2/2015 of 19 March 2015);
- Appointment of the Chairman of the Council of the Foundation (Resolution No. 3/2015 of 25 June 2015);

- Appointment of a member of the Council of the Foundation (Resolution No. 4/2015 of 25 June 2015);
- Approval of the Substantive Report on the Foundation's activity in 2014, delivered by the Board (Resolution No. 5/2015 of 25 June 2015);
- Approval of the financial statements of the Foundation for the year 2014 (Resolution No. 6/2015 of 25 June 2015);
- Acceptance of the annual action plan of the Foundation and the financial plans for the year 2015 (Resolution No. 7/2015 of 25 June 2015);
- Granting a vote of approval to Piotr Cywiński for the discharge of duties of the President of the Management Board in 2014 (Resolution No. 8/2015 of 25 June 2015);
- Granting a vote of approval to Rafał Pióro for the discharge of duties of the Vice-President of the Management Board in 2014 (Resolution No. 9/2015 of 25 June 2015);
- Granting a vote of approval to Łukasz Rozdeiczner-Kryszkowski for the discharge of duties of the Vice-President of the Management Board in 2014 (Resolution No. 10/2015 of 25 June 2015);
- Granting a vote of approval to Jacek Kastelaniec for the discharge of duties of the Member of the Management Board – Director General in 2014 (Resolution No. 11/2015 of 25 June 2015);
- Dismissal of members of the International Committee (Resolution No. 12/2015 of 25 June 2015);
- Appointment of members of the International Committee (Resolution No. 13/2015 of 25 June 2015);
- Determination of the terms and conditions of termination of the employment agreement with the Member of the Management Board – Director General (Resolution No. 14/2015 of 25 June 2015);
- Appointment of the Member of the Management Board – Director General for a three-year term of office (Resolution No. 15/2015 of 25 June 2015);
- Appointment of the Vice-President of the Management Board – Financial Director for a three-year term of office (Resolution No. 16/2015 of 25 June 2015);
- Determination of the terms upon which the Member of the Management Board –

Director General is employed (Resolution No. 17/2015 of 25 June 2015);

- Determination of the terms upon which the Vice-President of the Management Board – Financial Director is employed (Resolution No. 18/2015 of 25 June 2015);
- Approval of the investment strategy for the Perpetual Capital of the Foundation (Resolution No. 19/2015 of 12 November 2015).

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 - to 30 October 2015), Anna Miszewska (Member of the Board, Director General - from 1 November 2015).

In 2015, the Management Board held 4 meetings (February, April, June, October). 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 2015, the Board's activities still focused on soliciting further financial declarations for the Perpetual Capital through, among others, developing relations with diplomatic missions of foreign governments in Warsaw, as well as direct relations in selected countries. Also, intensive activities in the USA were conducted.

In 2015, the Management Board also concentrated on passing income earned on the Perpetual Capital for the conservation of the Memorial Site. 2015 was the fourth year during which the Foundation financed the conservation work in the area of the Auschwitz-Birkenau State Museum (Resolution of the Management Board No. 1/2/2015 dated February 16, 2015 on

allocation of the profit of PLN 6 400 000.00 earned on the Perpetual Capital in 2014 to statutory purposes, i.e. conservation of the Memorial Site). According to the demands of the Auschwitz-Birkenau State Museum, PLN 5 226 091.79 were transferred to the Museum's account. In 2015, the Museum spent PLN 5 026 352.89. The remaining amount may be used by the Museum at any time.

The following projects were implemented under the Global Conservation Plan in 2015:

Projects started in the previous years and completed in 2015:

- Preservation and conservation of BI section along with all related facilities – STAGES I and II. The following works were carried out under the project: cleaning of wells and tanks of camp sewage system and its relicts at BI section, intervention works to protect the facilities against further destruction, preparation of construction expert surveys. Stocktaking works were carried out for B123 and B124 barracks.
- Preparatory works necessary to carry out and handle further conservation and construction activities in the area of the former KL Auschwitz II-Birkenau. Drainage of the sewage system and infrastructure related to the drainage ditches at BII section and preparation of a geodetic map for design purposes.

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Projects started and completed in 2015:

- Preservation and conservation of BI section along with all related facilities – STAGE III. The following works were carried out under the project: construction expert surveys for three facilities (B78, B126, B127), building designs for sanitary and electric disciplines for B123 and B124 barracks.

On-going projects:

- Conservation research necessary to carry out further works related to the performance of the GCP and preservation of the Auschwitz-Birkenau Memorial Site – STAGES II, III. The research included, among others, research on the effectiveness of the materials and methods in anti-corrosion protection and cleaning metal components; research on the methods of conservation, protection and reinforcement of wooden components; research on the identification of construction materials aimed to identify the physical and chemical characteristics thereof; research on reinforced concrete.
- Regulation of water conditions of the former KL Auschwitz II-Birkenau – STAGE I. Comprehensive programme and spatial concept of the regulation of water conditions

aimed to protect BI and BII sections along with the area of II, III, IV, V crematoria and sewage treatment plant against an aggressive impact of surface and ground waters was prepared.

- Conservation of wooden facilities in the area of the former KL Auschwitz II-Birkenau. Design documentation for a half of B210 barrack was prepared, stock-taking and expert surveys were made for 6 wooden barracks at BIIa section. Conservation work on a half of B-210 barrack was continued.
- Preservation and conservation of BI section along with all related facilities – conservation of B123 and B124 brick barracks. Partial description of the works completed:
 - protection of paint layers (injections, consolidation using nano-organic and organosilicon agents, layer facing on door frames);
 - removal of the floors of B124 barrack: recognition regarding the removal and storage method;
 - connection to B123 and B124 – rain drain system section – excavation, bedding, pipe laying, etc., filling the remaining part of the excavation using native soil, laying well cap;
 - geodetic measurements of rain drain system, before and after the installation of the rain drain system;
 - removal of plank beds in barracks;
 - ground hardening (approach to the site, forecourt and substructure for containers at B123 and B124) by a third-party company, under the supervision of the persons supervising the construction work.
- Modernisation of the warehouse for textile objects from the collections of the Auschwitz-Birkenau State Museum in Oświęcim – STAGES I and II. Design for special cabinets to store textile objects. The warehouse room was prepared.

In 2015, the activity of the Foundation was made possible thanks to the profit on the investment of the Perpetual Fund, part of which, in accordance with the Foundation's statute, was used to finance current activities, and thanks to the funds donated by KPMG Audyt Sp. z o.o. and Deloitte Doradztwo Podatkowe Sp. z o.o. to administration activities.

In 2015, the Auschwitz-Birkenau Foundation employed five persons full time:

Director General – Jacek Kastelaniec (to 30 October 2015)

Office Manager – Maciej Antosik

Specialist on international relations – from 1 November 2015, Director General – Anna Miszewska

Project manager – Anna Barbur

Financial Assistant – Katarzyna Złoch

The structure of administrative costs of the statutory activity in 2015 financed from the statutory part of profit from the Perpetual Fund and donation of KPMG Audyt Sp. z o.o. and the donation of Deloitte Doradztwo Podatkowe Sp. z o. is presented below.

ADMINISTRATION COSTS OF THE STATUTORY ACTIVITY	PLN
Depreciation	13 011.46
Materials and energy consumption	45 343.46
Outsourced services	806 421.43
Salaries	823 202.17
Social insurance and other benefits	149 560.78
Other costs by types	401 594.54
TOTAL administration cost of the statutory activity	2 239 133.84

Detailed information on the cost of salaries and other costs is included in the Foundation's Financial Statements for the financial year 2015.

In 2015, an audit was conducted in the Foundation's Office for the year 2014. Following the resolution of the Council of the Foundation, the audit was conducted by KPMG Audyt Sp. z o.o. spółka komandytowa. 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 official website.

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 2015, 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 and updated in 2015. 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 13 October 2015, the 5th Meeting of the International Committee of the Auschwitz-Birkenau Foundation took place.

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The meeting was attended by:

- Anna Azari representing Israel;
- Stefan Andersson representing the Kingdom of Sweden;
- Christian Autengruber representing the Republic of Austria;
- Robin Barnett representing the United Kingdom;
- Paul Bekkers representing the Kingdom of the Netherlands;
- İstem Circiroğlu representing the Republic of Turkey;
- Jean M. Dunn representing the Commonwealth of Australia;
- Georges Faber representing Grand Duchy of Luxembourg;

- Aaron Fishman representing the United States of America;
- Sylvain Guiaugué representing the Republic of France;
- Iván Gyurcsik representing the Republic of Hungary;
- Wendy Hinton representing New Zealand;
- Pamela Isfeld representing Canada;
- Jakub Karfik representing the Czech Republic;
- Gerard Keown representing the Republic of Ireland;
- Karsten Klepsvik representing the Kingdom of Norway;
- Dušan Krištofik representing the Republic of Slovakia;
- Benjamin Labarrère representing the Kingdom of Monaco;
- Hanna Lehtinen representing the Republic of Finland;
- Martin Michelet representing Swiss Confederation;
- Rolf Nickel representing the Federal Republic of Germany;
- Maria Amélia Paiva representing the Republic of Portugal;
- Alessandro de Pedys representing the Republic of Italy;
- Patricia Beatriz Salas representing the Republic of Argentina;
- Harri Tiido representing the Republic of Estonia;
- Nato Topchishvili representing Georgia;
- Jens-Christian Wagner representing the Federal Republic of Germany;
- Vladimir Ivanovich Zabarovsky representing the Russian Federation.

During the meeting, a Report on the Foundation's Activity in 2014, Financial Statements, Foundation's employment structure and audit report were presented. Also, 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. In 2015, the following countries joined the Foundation's project:

- Republic of Italy (1 000 000 EUR)
- Kingdom of Spain (100 000 EUR)

In addition, the Republic of Turkey, the Republic of Ireland and the Kingdom of Norway increased their contributions to the Perpetual Capital by EUR 50 thousand, EUR 10 thousand, and EUR 250 thousand, respectively. In 2015, the Federal Republic of Germany, the greatest donor of the Foundation, made the last payment into the Perpetual Capital. The total German donation amounts to EUR 60 million.

All of the payments and payment declarations from 2015 and previous years amount to the total sum of ca. 112 million Euro, which provides an optimistic outlook on the plans of complex conservation of the remains 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 2016, other states are expected to join the project. The Auschwitz-Birkenau Foundation conducts intensive negotiations with the Kingdom of Denmark on joining the Foundation's project.

2. Individual donors and “18 Pillars of Remembrance” 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 Remembrance” 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 Remembrance” by supporting the Auschwitz-Birkenau Foundation with an amount of EUR 1 million. In 2015, the main fundraising activities were focused on this project. The Foundation’s project has been already joined by 9 private donors. In 2015, the project was joined by:

- Second Generation in Honor of the victims and Survivors of the Shoah. Pillar led by Ulrika and Joel Citron;
- In Honor of the United States Holocaust Memorial Museum dedicated by friends of the Museum.

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2015 was an exceptional year due to the celebration of the 70th Anniversary of the Liberation of the Auschwitz-Birkenau Concentration Camp. The “18 Pillars of Remembrance” project significantly contributed to the deepening of relations with the American and Canadian Diasporas. As a result of the project, private donors were acquired who support the Foundation’s Perpetual Capital. Therefore, the “18 Pillars of Remembrance” campaign is considered to be successful.

IV. EXTERNAL SUPPORT FOR THE STATUTORY ACTIVITIES

In 2015, 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, Jewish Community of Warsaw. the Foundation rents office space. Once again the audit was performed by an independent auditor, KPMG Audyt Sp. z o.o. spółka komandytowa.

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 fundraising activities of the Auschwitz-Birkenau Foundation in the United States. In 2015, the Auschwitz-Birkenau Foundation initiated activities aimed to set up the Canadian Friends of Auschwitz-Birkenau Foundation in Canada, an organisation to support the Foundation's fundraising activities in Canada.

V. PLANS FOR 2016

In 2016, the main emphasis will be put on soliciting individual donors in the USA, Canada as well as Europe, under the “18 Pillars of Remembrance” 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.