

Substantive Report on the Activities of Auschwitz-Birkenau Foundation in 2010

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1. FORMAL INFORMATION

The Auschwitz-Birkenau Foundation has its registered office
in Warsaw, 6 Twarda street 00-104

KRS number: 0000328383, REGON number: 141817074.

The Foundation is managed by the Management Board:

Piotr Cywiński – Chairman of the Board

Rafał Pióro – Vice-chairman of the Board

Łukasz Rozdeiczner Kryszkowski – Vice-chairman of the Board

Jacek Kastelaniec – member of the Board, Director General

The principles, forms and the range of statutory activities of the Foundation are specified in the Statutes of the Auschwitz-Birkenau Foundation adopted on June 11 2010 included as the attachment No.1 to this report.

Information on the Foundation's income and its sources, as well as on the expenses for statutory activities together with other costs is specified in the Financial Statements for the year 2010 included as the Attachment No. 2 to this report. The Statements also present assets, liabilities and the overall paid salaries of the Foundation.

2. INTRODUCTION – GENERAL INFORMATION

The Auschwitz-Birkenau Foundation was established in January 2009 by Prof. Władysław Bartoszewski. The main objective of the Auschwitz-Birkenau Foundation is to raise EUR 120 million for the Perpetual Fund. The profits from the Fund will be used to finance a long-term programme of conservation works at the site of the former German Nazi concentration and extermination camp Auschwitz-Birkenau.

Preserving the authenticity of Auschwitz is a duty of the whole world, not only to the innocent victims but also to future generations. Only by saving the unique significance of the remains of the camp will it be possible to give next generations the opportunity for the fundamental, multidimensional experience that a visit to this historical Memorial provides. The protection of the sites and remains of Auschwitz-Birkenau is also the international community's homage to the victims of this unimaginable crime.

Today, beside the testimonies of the witnesses, Auschwitz-Birkenau is the most important preserved site of the largest crime in the history of Europe – Nazi Germany's extermination of European Jews. Auschwitz has also become a symbol of the terror of which Poles, Gypsies or Soviet prisoners-of-war were also victims. The utmost effort must be made to preserve this largest Memorial in its authentic and fully comprehensible form. This is the principal task of the Auschwitz-Birkenau Foundation.

Council of the Foundation:

The authority of the Foundation is the Council of the Auschwitz-Birkenau Foundation, the members of which are: Władysław Bartoszewski (chairman), Eleonora

Bergman, Henryk Flug, Piotr Kadłcik, Serge Klarsfeld, Edward Kosakowski, Paweł Machcewicz, Agnieszka Magdziak-Miszewska, Zbigniew Nosowski, Jürgen Ruttgers, Kalman Sultanik, Józef Wancer, Marek Zając, and archbishop Józef Życiński (deceased). In 2010, the Council held a meeting on 11 June, when two resolutions were adopted:

-----Resolution No. 1/2010-----

RESOLUTION No 1
OF THE AUSCHWITZ-BIRKENAU FOUNDATION
LOCATED IN WARSAW
DATED 11.06.2010
REGARDING THE ESTABLISHMENT OF INVESTMENT RULES FOR THE
AUSCHWITZ-BIRKENAU FOUNDATION'S PERPETUAL CAPITAL

The Auschwitz-Birkenau Foundation's Council is in favor of the proposal introduced by the Financial Commission's members: Józef Wancer, Ekkehard Thiesler, Włodzimierz Grudziński, Antoni F. Reczek, and Claude Trink; the Council determines the following:

1. Financial Commission's primary objective is to secure the safety of the Perpetual Capital (with the emphasis put on the grand scale of the project and Commission's great responsibility).
2. Until a further decision is made by the Financial Commission, the Financial Commission members decided that the Auschwitz-Birkenau Foundation's funds should initially be invested in two currencies. Minimum of 70% of the total funds will be invested in Euros. No more than 30% of the funds will be converted and invested in PLN. These guidelines are subject to currency requirements presented by the donors and other limits within legal agreements between the Auschwitz-Birkenau Foundation and its donors. These guidelines apply to all of the funds already obtained by the Foundation (as soon as they are accepted by the Auschwitz-Birkenau Foundation Council).
3. The rating (of the bonds and of the financial/banking institutions) always has to be the same or better than the one of Poland. In all cases when the rating falls below the one of Poland, the Foundation's Management Board must notify the Financial Commission and further appropriate action will be undertaken (and each case will be reviewed separately).
4. The Financial Commission agreed on setting up investment progressive limits. These limits relate to the amount of funds accumulated by the Foundation. Until the Perpetual Capital reaches € 60 million - 5% of 60 million will be invested in one type of bond (no more than 3 million per issuer). The same percentage applies once the Perpetual Capital reaches over 60 million Euros – 5% of 120 (no more than 6 million per issuer).
5. Until a further decision is made by the Financial Commission, the Foundation will invest 90% of its funds in bonds and up to 10% in guaranteed investment funds.

6. Until a further decision is made by the Financial Commission, the Foundation will not hire an asset manager. The bank will help the Foundation with each transaction (confirmed by one of the Financial Commission members). Each transaction will be discussed with the Management Board and at least one of the Financial Commission members.

7. **The Financial Commission recommends the 4% annual income target as the official investment strategy of the Auschwitz-Birkenau Foundation.**

-----Resolution No. 2/2010-----

**RESOLUTION No. 2
OF THE AUSCHWITZ-BIRKENAU FOUNDATION'S COUNCIL
LOCATED IN WARSAW
DATED 11 JUNE 2010
CONCERNING THE AMENDMENT OF THE FOUNDATION'S STATUTES AND
ADOPTING THE UNIFORM TEXT OF THE FOUNDATION'S STATUTES**

(1) Acting pursuant to the provision set forth in § 22 point 1 of the Foundation's Statutes, the Foundation's Council – after obtaining the opinion of the Museum's Director and the Foundation's Management Board – decides to make the following amendments to the Foundation's Statutes:

(a) to § 9, point 3a of the following content shall be added:

„3a. The means constituting the Perpetual Capital shall be invested in accordance with the principle “safety of means is more important than additional profit” and this shall be achieved by proper investment differentiation and diversification.”

(b) to § 9 point 4 of the Foundation's Statutes, a third sentence shall be added as follows:

„After the amount of EUR 120 million has been paid towards the Perpetual Capital, the current operating costs of the Foundation may not exceed 10% of profits from the Perpetual Capital.”

(c) to § 10 point 1, a letter ‘d’ shall be added:

„d) the Financial Committee”

(d) to § 11 point 2, a third sentence shall be added as follows:

„The Chairman of the Financial Committee is entitled to attend the sessions of the Foundation's Council and has the right to express their opinions and to propose draft resolutions. The Chairman of the Financial Committee is entitled to attend the sessions of the Foundation's Council also in the event not being the member of the Foundation's Council.”

(e) to § 13 the following point 2a shall be added:

„2a. Appointing and recalling the members of the Financial Committee.”

(f) to § 13 the following point 10 shall be added:

„10. Approving the rules and strategies for investing the Perpetual Capital.”

(g) after § 18 an additional § 18a shall be added:

„§ 18 a

The Financial Committee

1. The Financial Committee consists of 4-10 members, including the Chairman, who possess the appropriate knowledge of finance or accounting, and are appointed by the Foundation's

Council for a five-year term of office. The Financial Committee may adopt its own By-Laws specifying the principles of its operation that need to be approved by the Foundation's Council.

2. The Financial Committee develops the guidelines and strategies for investing the Perpetual Capital and submits these to the Foundation's Council for approval. The Financial Committee supervises and advises the Management Board on operational issues as regards the investment and management of the Foundation's assets, taking into account the guidelines and strategies approved by the Foundation's Council. The Chairman of the Financial Committee informs the Foundation's Council about the significant investment decisions on a yearly basis.

3. The functions performed by the Members of the Financial Committee are the functions of honour. Members of the Financial Committee are entitled to reimbursement of the costs incurred in relation with the functions performed."

(h) after § 21 a new § 21a of the following content shall be added:

„§ 21 a

The Annual Report on the Foundation's activities and the External Audit

The annual report on the Foundation's activities and the external audit shall present, irrespective of the contents required by the applicable laws, the following:

- a) the appraisal of the correctness of the Foundation's management,
- b) any changes in the Foundation's financial status and income, as well as information on its liquidity and profitability,
- c) transactions generating losses and the reasons for losses, in the event that the transactions and the reasons had an impact on the financial status and income,
- d) the reasons for the net loss shown in the profit and loss account."

(2) The Foundation's Council decides to adopt the uniform text of the Foundation's Statutes including the amendments specified in clause (1) of this Resolution. The uniform text of the Statutes constitutes Appendix 1 to this Resolution.

Management Board of the Foundation:

The Foundation is run by the Management Board of the Auschwitz-Birkenau Foundation, the members of which are: Piotr M.A. Cywiński (president) Ph.D, Rafał Pióro (vice president), Łukasz Rozdeiczer Kryszkowski (vice president), and Jacek Kastelaniec (director general). In 2010 the Management Board formally met twice: in June and in December. Its duties include supervising the Foundation's property, determining the employment policy of the Foundation in accordance with the adopted financial plan.

In 2010, Piotr M.A. Cywiński made a number of visits abroad, during which he spoke of the Foundation's activities and the challenges of preserving the Auschwitz-Birkenau State Museum. He was also interviewed by numerous tv stations, newspapers and magazines, which contributed to preparation of public opinion in various countries to accept donating public funds to the Perpetual Fund. Rafał Pióro supervised issues related to conservation works at the Museum and coordinated the cooperation with the conservation team and preparing informative material. Łukasz Rozdeiczer Kryszkowski

supervised legal issues related to the activities of the Foundation and the Financial Committee. The responsibilities of Jacek Kastelaniec are detailed in point 2.

Financial Committee:

The Financial Committee of the Auschwitz-Birkenau Foundation is responsible for ensuring security of the funds in the Perpetual Fund. The members of the Committee are: Józef Wancer (chairman), Włodzimierz Grudziński, Antoni F. Reczek, Ekkehard Thiesler and Claude Trink (who joined the Committee in March 2010). The Committee held five meetings in 2010 (in March, April, June, September and November). Its main objectives concerned supervising the work of the Management Board with respect to financial operations, and developing an investment recommendation for the Perpetual Fund. The strategy proposed by the Committee was approved by the Foundation's Council in resolution no. 1/2010 at the meeting on 11 June 2010.

The Financial Committee also recommended KPMG as the auditor of the Foundation's financial statements for 2009 and 2010, and proposed to establish cooperation with Bank Pekao S.A. regarding the maintenance of some of the investment accounts within the Perpetual Fund.

International Committee:

In 2010, the Foundation began establishing the International Committee – an advisory and opinioning body. Invitations to the Committee, with a request to nominate a representative, were sent to the embassies of the countries that contributed to the Perpetual Fund.

Employees of the Foundation:

In 2010, the Foundation had altogether five employees:

- Director General, Jacek Kastelaniec (pursuant to the decision of the Foundation's Council of 16 December 2009)
- Office Manager, Maria Zalewska (until August 2010)
- Office Manager, Maciej Antosik (since September 2010)
- Project Manager, Maciej Bulanda (since June 2010)
- International Relations Specialist, Anna Miszevska (since June 2010)

3. SOLICITING FURTHER DECLARATIONS OF FINANCIAL SUPPORT FOR THE PERPETUAL FUND

In February 2009, Prime Minister of the Republic of Poland, Donald Tusk, in his letter to the governments of over forty countries, presented the main goals of the Auschwitz-Birkenau Foundation and its aim to amass 120 million Euro for the Perpetual Fund. The letter met with many positive reactions.

On 15 December 2010, an agreement was signed between the Foundation and the Federal Republic of Germany for EUR 60 million to be donated to the Perpetual Fund. According to the agreement, the payment will be made in five instalments of EUR 12 million each year commencing from 2011.

The Foundation also received binding declarations from the United States and the Republic of Austria for the contribution of USD 15 million and EUR 6 million, respectively.

In 2010, the Perpetual Fund was also supported by the Kingdom of the Netherlands (EUR 400,000), the Swiss Confederation (CHF 100,000), the city of Boulogne-Billancourt (EUR 25,000), the Republic of Malta (EUR 5,000), individual contributions in PLN (PLN 1,024.22) and individual contributions in euro (EUR 130). Moreover, by final and binding court sentence dated 30 December 2010, the offenders responsible for stealing the sign from the entrance gate of the Museum were sentenced to pay 30,000 PLN to the Foundation. The aforesaid payments and declarations make up more than EUR 80 million, which is 2/3 of the EUR 120 million that is necessary. This allows us to look to the Foundation's future with optimism. It also brings us closer to the possibility of comprehensive safeguarding the authentic remains of the former German Nazi concentration and extermination camp of Auschwitz-Birkenau. This also opens the prospect of similar declarations of states such as:

- **United Kingdom:** The project for financial support to preserve Auschwitz-Birkenau Museum was supported by the former prime minister of the United Kingdom, Gordon Brown. No clear financial decision had been made by 31 December 2010, but there is much to indicate that the United Kingdom will take part in the Foundation's project.

- **Belgium:** Intensive talks throughout the year have resulted in a clear financial declaration of EUR 500,000.
- **Australia:** Negotiations are reaching an advanced stage; Her Excellency the Ambassador of Australia to Poland, Ruth Pearce, confirmed that the engagement of the Australian government is possible. In November 2010, Piotr M.A. Cywiński and director general paid a visit to Australia. After meeting with the representatives of the government and Jewish organisations, they received declaration of strong support. No specific financial declarations have been made so far.
- **New Zealand:** Director general visited New Zealand in November 2010 and after meeting with the representatives of the government, he received a declaration of support for the Foundation's activities. No specific financial declarations have been made so far.
- **Canada:** Representatives of the Foundation visited Ottawa, Montreal and Toronto in December 2010 and met with the representatives of the Jewish community, members of Canadian parliament (including minister Jason Kenney) and the representatives of the Canadian Polish Congress. Despite Canada's reserved response to Prime Minister Donald Tusk's letter, after the visit there are prospects for the Canadian support of the Foundation's project.
- **Brazil:** Director general visited São Paulo in October 2010 and met with the representatives of the Jewish community and the local authorities. He received a declaration of support for the Foundation's project. No specific financial declarations have been made so far.
- **Argentina:** Director general visited Buenos Aires in October 2010 and met with the representatives of the Jewish community and state authorities. He received a declaration of support for the mission to preserve the authenticity of the Auschwitz-Birkenau Memorial Site. No specific financial declarations have been made so far.
- **Spain:** The Foundation's representatives visited Spain in September 2010. They met with the representatives of the Jewish community and state authorities. They received

declarations of support and the assurance that the Spanish government would make a decision by the end of December 2010 regarding the contribution to the Perpetual Fund. No specific financial declarations have been made so far.

- **France:** Intensive talks are in progress with the representatives of the French government. Jacek Kastelaniec and Piotr Cywiński took part in a number of meetings in Warsaw and Paris. Unfortunately, despite the declared moral support for the mission to preserve the authenticity of the Memorial Site, no clear and specific financial declaration has been forthcoming. *City of Paris, however, made a separate declaration of 310 000 EUR for the Perpetual Fund [information added 12.09.2011].*

Thanks to the French initiative, the European Commission declared EU engagement at the level of 4 million Euro. However, this sum will not be transferred to the Perpetual Fund. It will be used to cover the costs of separate conservation projects run by the Auschwitz-Birkenau State Museum

The Ministry of Foreign Affairs of the Republic of Poland actively participated in organising the visits of the Foundation's employees to the countries mentioned above. Polish diplomats took part in a number of meetings abroad and helped to make and keep many contacts with members of foreign governments.

4. THE FOUNDATION'S INFORMATIVE FOLDER AND THE *INTERVENE NOW* CAMPAIGN

In addition to the fundraising efforts mentioned above, the Foundation worked on the informative folder entitled *The preservation of Auschwitz-Birkenau – our responsibility for future generations*. It contains basic information on the Foundation's objectives and an invitation to participate in the project of building the Perpetual Fund. The completion of this material was possible thanks to the work of Gutenberg Networks, So Design and Pozytyw Poligrafia, which prepared and produced the folder *pro bono*. It was sent to all the institutions, both governmental and private, that the Foundation invited to the project. It is also a part of the *Intervene Now* campaign that was prepared in 2010 with *pro bono* support of Edelman PR agency.

The *Intervene Now* campaign is addressed to individual donors, who can help to build the Perpetual Fund and support the Foundation's mission through Facebook and the Foundation and the Museum website. The campaign was launched on 27 January 2011 at the 66th anniversary of the Liberation of KL Auschwitz and the International Holocaust Remembrance Day in nine countries: Poland, Germany, the United States, the United Kingdom, Spain, Brazil, Israel, Canada and France. The goal is not only to raise the necessary amount for the Perpetual Fund, but primarily to reach the public, especially young people, and raise awareness of the necessity to preserve and keep the memory about the victims of Auschwitz.

In 2010, the preparations for the campaign also required staying in contact with representatives of the media world-wide. Thanks to this, *Intervene Now* was mentioned in many foreign newspapers and news services. Cooperation with the media was one of the main priorities of the Foundation and the Museum in 2010, as it enabled the public to learn more about the Foundation's mission. This gives hope that the cry for help to save the Memorial Site will be heard and understood better.

5. THE GRANT FROM THE GERMAN FEDERAL FOREIGN OFFICE FOR THE RUNNING COSTS OF THE FOUNDATION (JANUARY 2010 – DECEMBER 2010)

The Foundation's work from February to June 2010 was limited due to the lack of funds. In June 2010, the grant of PLN 469,008 from the German Federal Foreign Office allowed to intensify the efforts to raise funds for the Perpetual Fund and secure the Foundation's financial needs until the end of 2010. Thanks to this, the Foundation's office could afford the necessary equipment, additional furniture and more office supplies.

The funds received from the Federal Foreign Office also enabled the Foundation to secure the salaries of its employees and therefore raise funds for the conservation more effectively, as well as prepare graphic and audiovisual informative material. Moreover, it allowed to organize travels and meetings aimed at seeking support for our mission of saving the Auschwitz-Birkenau Memorial Site.

6. ACTIVITIES OF THE FOUNDATION'S WARSAW OFFICE

The Foundation's registered office is located in the premises of the Union of the Jewish Religious Communities in Poland at 6 Twarda , Warsaw.

The activities of the office concentrate on soliciting further declarations of financial support for the Perpetual Fund. Its main duties include routine civil-law and banking procedures, as well as organising the work of the Foundation's Management Board, the Foundation's Council and Financial Committee.

The Foundation's office is also responsible for initiating and maintaining contacts with representatives of governments of many countries, mainly through relations with their embassies in Warsaw. These comprehensive efforts have resulted in foreign visits of the Foundation's employees organised by the office with the cooperation of embassies and the Polish Ministry of Foreign Affairs. In 2010, the Foundation's office planned and financed all foreign visits of the Foundation's representatives (except for the visit to Australia, financed by the hosts). The visits confirmed that direct meetings with the potential donors are the most effective way of soliciting financial support for the Perpetual Fund.

The office also concentrates on establishing contacts with the appropriate representatives of international organisations and NGOs, as well as with private donors. Letters of Piotr Cywiński with the informative folder were sent to the presidents and managers of the world's largest banks and corporations, such as Google, Deutsche Bank, and Facebook.

In 2010, the Foundation's office also continued cooperating with law firms Weil, Gotshal & Manges and Clifford Chance, which provided their services to the Foundation *pro bono*. Tax advisory and accountancy services were provided by Ernst & Young, which cooperates with the Foundation on very beneficial terms. In November, the office established contact with KPMG to perform an audit for 2009 and 2010. The reason for cooperating with KPMG was the belief that the activities of the office and of the entire Foundation should be as transparent as possible. KPMG performs this task as a donation for the Foundation.

Another important goal is to ensure the best quality information exchange between the Foundation's office and the Auschwitz-Birkenau State Museum. In particular, it was necessary to ensure the coherence of the two institutions' informative policies. For this purpose, the office remained in regular contact with the Museum's sections of conservation and public relations. It allowed for effective cooperation, especially during the preparations

the *Intervene Now* campaign, and the development of joint procedures for fundraising for the Perpetual Fund.

In December 2010, the Foundation's office received EUR 100,000 from the French *Fondation pour la Memoire de la Shoah* for the running costs in 2011.

7. PLANS FOR 2011

In 2011, the Foundation intends to continue the negotiations with the representatives of the foreign governments in Warsaw to which Prime Minister Donald Tusk sent his letter. The priority will be to obtain further specific financial declarations. The intention is to take advantage of the international interest in the project brought about by the contributions and declarations made to date, by establishing contacts with media world-wide and maintaining existing ones. It is also necessary to hold more meetings and pay more international visits. For this purpose, the representatives of the Foundation plan to travel to all the countries which gave a positive response to the letter sent by Prime Minister Donald Tusk. In 2011, thanks to the procedures so far developed, the Foundation will be able to invest the first significant contributions to the Perpetual Fund. At the same time, efforts will be made to find sources of financing the running costs of the Foundation's office in 2012 and part of 2013.