

**SUBSTANTIVE REPORT ON THE ACTIVITIES
OF AUSCHWITZ-BIRKENAU FOUNDATION IN 2011**

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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 shall finance conservatory work at the Memorial Place Auschwitz-Birkenau.

I. FORMAL INFORMATION

Auschwitz-Birkenau Foundation
KRS (National Court Registry) No.: 0000328383, REGON: 141817074.
Registered headquarters:
Warsaw (00-104), ul. Twarda 6

Official website: www.foundation.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

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 have been 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 website (www.foundation.auschwitz.org).

The information regarding income and its sources, as well as the costs of implementation of statutory objectives, has been detailed in the Financial Statement for the year 2011. The Statement includes also information on salaries and the value of the Foundation's assets in 2011. The document has been published at the Foundation's website (www.foundation.auschwitz.org).

Information regarding the balance of the Foundations bank accounts as of December 31, 2011:

Current bank accounts PLN: 6,256,132.22
Current bank accounts EUR: 871,766.30
Current bank accounts USD: 2,103.27
Accrued interests – short term deposits: 8,792.44

Bank: PKO BP and PEKAO S.A.

Information on securities purchased by the Foundation

In 2011, the Foundation purchased government and corporate bonds of overall value 60,977,780.77 PLN issued by the following entities: DexiaGroup, Royal Bank of Scotland, PKO Finance, Europejski Fundusz Leasingowy (EFL – European Leasing Fund), Republic of Poland, Kingdom of Belgium.

The overall value of all the securities in the Foundation's possession as of December 31, 2011 equals 62,080,454,62 PLN

Information on other purchased fixed assets

In 2011, the Foundation purchased a car for 19,000.00 PLN and a desktop computer (server) for 4,909.03 PLN.

Information on assets and liabilities for statistical purposes

Assets: 69,266,450.93 PLN
Liabilities: 17,733.31 PLN

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 2011, as well as corrections of CIT-8 for 2009 and 2010. As of December 31, 2011, the short-term liabilities to US and ZUS due to salaries totaled 7,389.12 PLN.

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

II. ACTIVITY 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 are: Władysław Bartoszewski (Chairman), Eleonora Bergman, Agnieszka Magdziak-Miszewska, Kalman Sultanik, Jürgen Rüttgers, Serge Klarsfeld, Józef Wancer, Piotr Kadłcik, Edward Kosakowski, Zbigniew Nosowski, Paweł Machcewicz, Marek Zajac. In 2011, the meeting of the Council was held on May 31. In 2011, the Council adopted 11 resolutions, both during the meeting and by circulation.

Resolution no. 1 (March 7, 2011): The Council appointed members of the International Committee of the Foundation.

Resolution no. 2 (March 7, 2011): The Council selected the statutory auditor to audit the Foundation's financial statements.

Resolution no. 3 (May 31, 2011) The Council made changes to the Statute and adopted its uniform text.

Resolution no. 4 (May 31, 2011): The Council accepted the annual action plan of the Foundation and the financial plan for 2011.

Resolution no. 5 (May 31, 2011): The Council approved the Substantive Report on the Foundation's activity in 2010, delivered by the Board.

Resolution no. 6 (May 31, 2011): The Council approved the financial statements of the Foundation for 2009 and 2010.

Resolution no. 7 (May 31, 2011): The Council defined the conditions of employing a Board member: Director General of the Foundation.

Resolution no. 8 (May 31, 2011): The Council granted approval on the performance of duties of the President of the Management Board to Piotr Cywiński.

Resolution no. 9 (May 31, 2011): The Council granted approval on the performance of duties of the Vice-President of the Management Board to Rafał Pióro

Resolution no. 10 (May 31, 2011): The Council granted approval on the performance of duties of the Vice-President of the Management Board to Łukaszowi Rozdeiczer-Kryszkowski.

Resolution no. 11 (May 31, 2011): The Council granted approval on the performance of duties of the Member of the Management Board and Director General to Jacek Kastelaniec.

2. Management Board

Management Board of 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 (Vice-President), Jacek Kastelaniec (Member of the Board). In 2011, the Board held 4 meetings (February, May, October, December). Its particular

duties were to: prepare the annual action plan and financial plan for the Foundation, establish the procedures of the Board's work, managing the Foundation's assets, determining the size of Foundation's staff and the amount of funds spent on salaries of the employees, according to the approved financial plan, accepting donations, inheritances, endowments, subsidies and donations. In managing the Foundation's current activities, the Board is supported by the Foundation Office, operating in premises rented on concessional terms from the Jewish Community of Warsaw.

In 2011 the activities focused on soliciting further financial declarations for the Perpetual Fund through developing relations with diplomatic representations of foreign governments in Warsaw, as well as direct relations in selected countries. Activities aimed at attracting private donors have also been launched. Preparations were started to register a supporting organization of the Foundation, *Friends of Auschwitz-Birkenau Foundation*, in the United States, which shall allow donors in the USA to deduct their donation to the Perpetual Fund from the income tax for natural persons. The registration is being managed by the Weil, Gotshal & Manges law firm, serving the Foundation *pro bono*. Richard Edelman, the owner of Edelman PR, whose offices around the world also support the Foundation free of charge, promised his assistance in finding potential donors.

Another important area of work in 2011 was the preparation of application method by the State Auschwitz-Birkenau Museum for funds necessary for conservation, transfer procedure of those funds as well as financial settlement of the financed activities.

In 2011, the activity of the Foundation was made possible thanks to funds donated by *Fondation pour la Memoire de la Shoah*, KPMG company, and the profit on the investment of Perpetual Fund, part of which, in accordance with the Foundation's statute, was used to finance current activity

In 2011, Auschwitz-Birkenau Foundation employed four persons full time and one through a commission contract:

General Director, Jacek Kastelaniec
Director of the Office, Maciej Antosik
Project Manager, Maciej Bulanda (until June 2011)
Specialist on international relations, Anna Miszewska
Office Assistant, Ewa Gruczek (January-September 2011)
Office Assistant, Bogusława Madalińska (since November 2011)

The structure of operational costs in 2011, financed from the donation of the French *Fondation pour la Memoire de la Shoah* (400,000 PLN), donation from KPMG Audyt Sp. z o.o. (79,950 PLN), and the profit from the Perpetual Fund, is presented below.

Structure of the Foundation's costs in the financial year 2011, based on the Financial Report for 2011:

| | |
|--|-------------------|
| I. Fixed costs | 349,751.86 |
| Salaries and contracts | 274,107.17 |
| Accounting and payroll svcs | 31,906.20 |
| Communication (phone/internet) | 30,778.49 |
| Rent | 12,690.00 |
| Medical services | 270.00 |
| II. Other costs (incl. investments) | 329,994.26 |
| Total | 679,746.12 |

In 2011, administrative costs of the Foundation totaled at 658,661.95 PLN

The sum of 21,084.17 PLN covered the purchase of a company car and liabilities for 2010.

In 2011, the audit was conducted in the Foundation's Office for the years 2009-2010. Following the resolution of the Foundation Council, the audit was conducted by KPMG, resulting in "no objections" on behalf of the auditors. The audit, as well as all reports and statements in Polish and English are available at the Foundation website (fundacja.auschwitz.org).

3. Financial Committee

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

In 2011, the Committee held 5 meetings (January, April, June, October, December). Its main tasks have been to develop recommendations regarding the method of investing funds from the Perpetual Capital, and to grant expert support to the Management Board in direct investment activity.

4. International Committee

The Auschwitz-Birkenau Foundation International Committee gathers the representatives of donor states. The Committee was established to provide the participant 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 opinion.

The first meeting of the International Committee took place on March 10, 2011. The meeting was attended by: Benedict de Cerjat (Swiss Confederation), Douglas Davidson (United States), Urmas Klaas (Republic of Estonia), Marcel Kurpershoek (Kingdom of the Netherlands), Hannah Lessing (Austria), Andreas Meitzner representing Cornelia Pieper (the government of the Federal Republic of Germany), Lazard Perez (Kingdom of Belgium), Jan Sechter (Czech Republic) and Jens-Christian Wagner (representative of the German *Länder*). During the meeting, the hitherto work of the Foundation and plans for the following year were discussed.

III. SOLICITING DECLARATIONS OF FINANCIAL SUPPORT FOR THE PERPETUAL FUND

1. Countries

The letter sent out in February 2009 by Polish Prime Minister Donald Tusk, informing the leaders of over 40 countries about the key intentions of Auschwitz-Birkenau Foundation, as well as the task to collect 120 million Euro for the Perpetual Fund, was received very well among many governments and heads of states.

In 2011 the Foundation received payments and declarations of payment from:

- Republic of Poland (10 000 000 EUR)
- French Republic (5 000 000 EUR)
- State of Israel (3 600 000 NIS)
- New Zealand (50 000 USD)
- Republic of Turkey (50 000 EUR)
- United Kingdom of Great Britain and Northern Ireland (2 100 000 GBP)
- City of Kołobrzeg (10 000 PLN)

All of the above payments combined with payments and declarations from previous years amount to the total sum of ca. 97 million Euro, which provides an optimistic outlook on the plans of complex conservation of the former Nazi German concentration and extermination camp Auschwitz-Birkenau, as well as opens the perspective of similar declarations from countries with which negotiations are being held. Italy, Serbia, Croatia, Bosnia and Herzegovina, Slovenia, Australia, Brazil, Argentina, Spain, Canada, Finland, Luxemburg and Monaco can be named here, as well as some countries that might still increase the level of their contribution.

The Polish Ministry of Foreign Affairs took active part in the 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.

2. Individual donors and cooperation with companies

Another important aspect of Auschwitz-Birkenau Foundation's activity in 2011 was the *Intervene Now – Auschwitz-Birkenau* campaign, targeted at individual donors. The campaign was prepared in cooperation with Edelman PR, which provided its services free of charge. The campaign utilizes the *PayPal* mechanism, which individuals may use to transfer funds for the Perpetual Fund and for the current activity of the Foundation's Office. The campaign operates mostly on *Facebook*. By the end of 2011, ca. 3,500 persons signed up at the campaign website and ca. 35,000 USD was collected by the Foundation. The *Intervene Now* campaign was inaugurated on January 27, 2011 (the 66. anniversary of KL Auschwitz liberation, International Holocaust Remembrance Day) in ten countries at once, including Poland, Spain, Great Britain, Brazil, the United States and Israel).

In 2011, the decision was also made to win prominent individual donors for the project.

IV. EXTERNAL SUPPORT FOR THE STATUTORY ACTIVITIES

In 2011, the Foundation continued cooperation with law and accounting firms that have been supporting its work. Legal assistance is provided free of charge by Weil law firm. Tax advisory services are delivered by Ernst&Young on very preferential conditions. 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.

The fundraising activities have been aided by different materials, among them a film, produced for the Foundation by Alvernia Film Studio and directed by Renata Gabryjelska. Both the employees of Alvernia studio and Ms. Gabryjelska worked *pro bono* on the project. In the last quarter of 2011, intense effort was launched to create a new website of the Foundation. The task is being implemented by graphic designers of Edelman PR, who also work *pro bono* for the Foundation.