

FOR DECISION

The Board is responsible for appointing GAVI's independent auditor. At its meeting on 29 November 2010, the Audit and Finance Committee will review the engagement letters for KPMG's reappointment and consider recommending to the Board that it:

- Appoint KPMG SA/AG as independent auditor of the GAVI Alliance for 2010
- Appoint KPMG LLP to provide US tax services for the GAVI Alliance for 2010
- Approve the 2010 audit and tax engagement letters with KPMG SA/AG and KPMG LLP.

Audit and Tax Engagement Letters

Audit Engagement

- 1.1 The majority of GAVI's overall audit work will be performed on the GAVI Alliance in Switzerland. To perform the work, KPMG SA/AG (Geneva) has tabled the enclosed audit engagement letter for the Board's consideration.
- 1.2 KPMG's proposed fee is US\$ 193,000 and represents an increase of 8% versus last year's audit, fully attributable to the devaluation of the US Dollar. On a local currency basis, KPMG in Switzerland is keeping its costs flat. The Secretariat considers this fee reasonable and will suggest that the Audit and Finance Committee recommend this engagement to the Board.

Tax Engagement

- 2.1 Although the GAVI Alliance is exempt from taxation, it is still required to file tax returns in the United States and Switzerland. A tax engagement letter has been provided by KPMG in Washington United States for tax services.
- 2.2 KPMG has proposed a fee of US\$ 8,000 for 2010 and this represents no increase versus last year. The Secretariat considers this fee reasonable and will suggest that the Audit and Finance Committee recommend this engagement to the Board.
- 2.3 The Board approved in November 2009 an engagement with KPMG SA/AG to provide Swiss tax consulting services. The engagement was for a fixed price of \$8,000 for the fiscal years 2009 and 2010.



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Confidential

Our ref PHP/KV/sl

Board of Directors of
The GAVI Alliance
Chemin des Mines 2
1202 Genève

Attention: Chair of the Board of Directors

Geneva, 12 November 2010

Engagement letter for the activities as independent auditors of the GAVI Alliance concerning the consolidated financial statements for the year ending 31 December 2010

This letter (the Engagement Letter) confirms our understanding of our engagement to provide professional services to the GAVI Alliance.

Objectives and Limitations of Services

Audit Services

We will issue a written report upon our audit of the GAVI Alliance's consolidated financial statements as set forth in Appendix I.

We have the responsibility to conduct and will conduct the audit of the consolidated financial statements in accordance with auditing standards generally accepted in the United States of America, with the objective of expressing an opinion as to whether the presentation of the consolidated financial statements, taken as a whole, conforms with U.S. generally accepted accounting principles.

In conducting the audit, we will perform tests of the accounting records and such other procedures, as we consider necessary in the circumstances, to provide a reasonable basis for our opinion on the consolidated financial statements. We also will assess the accounting principles used and significant estimates made by management, and evaluate the overall consolidated financial statement presentation.

Our audit of the consolidated financial statements is planned and performed to obtain reasonable, but not absolute, assurance about whether the consolidated financial statements are free of material misstatement, whether caused by error or fraud. Absolute assurance is not attainable because of the nature of audit evidence and the characteristics of fraud. Therefore, there is a risk that material errors, fraud (including fraud that may be an illegal act), and other illegal acts may exist and not be detected by an audit of financial statements performed in accordance with the auditing standards generally accepted in the United States of America. Also, an audit is not designed to detect matters that are immaterial to the consolidated financial statements.

Our report will be addressed to the board of directors of the GAVI Alliance. We cannot provide assurance that an unqualified opinion will be rendered. Circumstances may arise in which it is necessary for us to modify our report or withdraw from the engagement. While our report may be sent to the GAVI Alliance electronically for your convenience, only the hard copy report is to be relied upon as our work product.



100 YEARS
INSPIRING
GROWTH

KPMG AG/SA, a Swiss corporation, is a subsidiary of KPMG Holding AG/SA, which is a subsidiary of KPMG Europe LLP and a member of the KPMG network of independent firms affiliated with KPMG International, a Swiss cooperative.

Member of the Swiss Institute of Certified Accountants and Tax Consultants



Geneva, 12 November 2010

Internal Control over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we will consider the GAVI Alliance's internal control in order to determine the nature, timing, and extent of our audit procedures for the purpose of expressing an opinion on the consolidated financial statements and not to provide assurance on internal control.

The objective of our audit of the consolidated financial statements is not to report on the GAVI Alliance's internal control and we are not obligated to search for material weaknesses or significant deficiencies as part of our audit of the consolidated financial statements. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our Responsibility to Communicate with the Audit Committee or others with equivalent authority or responsibility, such as the board of directors

While the objective of our audit of the consolidated financial statements is not to report on the GAVI Alliance's internal control and we are not obligated to search for significant deficiencies or material weaknesses as part of our audit of the consolidated financial statements, we will communicate, in writing, significant deficiencies or material weaknesses to the audit committee to the extent they come to our attention.

We will report to the audit committee, in writing, the following matters:

- Corrected misstatements arising from the audit that could, in our judgment, either individually or in aggregate, have a significant effect on the GAVI Alliance's financial reporting process. In this context, corrected misstatements are proposed corrections of the financial statements that were recorded by management and, in our judgment, may not have been detected except through the auditing procedures performed.
- Uncorrected misstatements aggregated during the current engagement and pertaining to the latest period presented that were determined by management to be immaterial, both individually and in aggregate.
- Any disagreements with management or other significant difficulties encountered in performance of our audit.
- Other matters required to be communicated by auditing standards generally accepted in the United States of America.

We will also read minutes, if any, of audit committee meetings for consistency with our understanding of the communications made to the audit committee and determine that the audit committee has received copies of all material written communications between ourselves and management. We will also determine that the audit committee has been informed of i) the initial selection of, or the reasons for any change in, significant accounting policies or their application during the period under audit, ii) the methods used by management to account for significant unusual transactions, and iii) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

To the extent that they come to our attention, we will inform the appropriate level of management about any illegal acts, unless they are clearly inconsequential, material errors in the financial statements and any instances of fraud.



Geneva, 12 November 2010

Further, to the extent they come to our attention, we also will communicate directly to the audit committee illegal acts that come to our attention, unless they are clearly inconsequential, material errors in the financial statements and any instances of fraud that involve senior management or that, in our judgment, cause a material misstatement of the financial statements.

If, during the performance of our audit procedures, circumstances arise which make it necessary to modify our report or withdraw from the engagement, we will communicate to the audit committee our reasons for withdrawal.

Management Responsibilities

The management of the GAVI Alliance is responsible for the fair presentation, in accordance with U.S. generally accepted accounting principles, of the consolidated financial statements and all representations contained therein. Management also is responsible for identifying and ensuring that the GAVI Alliance complies with laws and regulations applicable to its activities, and for informing us of any known material violations of such laws and regulations. Management also is responsible for preventing and detecting fraud, including the design and implementation of programs and controls to prevent and detect fraud, for adopting sound accounting policies, and for establishing and maintaining effective internal controls and procedures for financial reporting to maintain the reliability of the consolidated financial statements and to provide reasonable assurance against the possibility of misstatements that are material to the consolidated financial statements. Management is also responsible for informing us, of which it has knowledge, of all significant deficiencies or material weaknesses in the design or operation of such controls. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities.

Management of the GAVI Alliance also agrees that all records, documentation, and information we request in connection with our audit will be made available to us, that all material information will be disclosed to us, and that we will have the full cooperation of the GAVI Alliance's personnel. As required by the auditing standards generally accepted in the United States of America, we will make specific inquiries of management about the representations embodied in the consolidated financial statements and the effectiveness of internal control, and obtain a representation letter from management about these matters. The responses to our inquiries, the written representations, and the results of audit tests, among other things, comprise the evidential matter we will rely upon in forming an opinion on the consolidated financial statements.

Management is responsible for adjusting the consolidated financial statements to correct material misstatements and for affirming to us in the representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the consolidated financial statements being reported upon taken as a whole. Because of the importance of management's representations to the effective performance of our services, the GAVI Alliance will release KPMG SA (KPMG) and its personnel from any claims, liabilities, costs, and expenses relating to our services under this letter attributable to any known misrepresentations in the representation letter referred to above.

Other Matters

This letter shall serve as the GAVI Alliance's authorization for the use of e-mail and other electronic methods to transmit and receive information, including confidential information, between KPMG and the GAVI Alliance and between KPMG and outside specialists or other entities engaged by either KPMG or the GAVI Alliance. The GAVI Alliance acknowledges that e-mail travels over the public Internet, which is not a secure means of communication and, thus, confidentiality of the transmitted information could be compromised through no fault of KPMG. KPMG will employ commercially reasonable efforts and take appropriate precautions to protect the privacy and confidentiality of transmitted information.



Geneva, 12 November 2010

Further, for purposes of the services described in this letter only, the GAVI Alliance hereby grants to KPMG a limited, revocable, non-exclusive, non-transferable, paid up and royalty-free license, without right of sublicense, to use all names, logos, trademarks and service marks of the GAVI Alliance solely for presentations or reports to the GAVI Alliance or for internal KPMG presentations and intranet sites.

The work papers for this engagement are the property of KPMG. In the event KPMG is requested pursuant to subpoena or other legal process to produce its documents relating to this engagement for the GAVI Alliance in judicial or administrative proceedings to which KPMG is not a party, the GAVI Alliance shall reimburse KPMG at standard billing rates for its professional time and expenses, including reasonable attorney's fees, incurred in responding to such requests.

KPMG member firms located outside Switzerland and other third-party service providers operating under our supervision may also participate in providing the services described in this letter.

The GAVI Alliance agrees to provide prompt notification if the GAVI Alliance or any of its affiliates currently are or become subject to the laws of a foreign jurisdiction that require regulation of any securities issued by the GAVI Alliance or such subsidiary or affiliate that would result in KPMG becoming subject to registration in such jurisdiction.

Fees for Services

Appendix I to this letter lists the report that we will issue as part of this engagement and our fees for professional services to be performed per this letter.

In addition, fees for any special audit-related projects, such as research and/or consultation on special business or financial issues, will be billed separately from the audit fees for professional services set forth in Appendix I and may be subject to written arrangements supplemental to those in this letter.

General Terms of Business

We accept this engagement on the basis that our General Terms of Business enclosed will apply to this work and govern our relationship with you. This engagement letter is the "Agreement" mentioned in our General Terms of Business. Please read these General Terms of Business carefully. There are various exclusions and limitations on our liability and associated obligations imposed on you. We draw your attention in particular to the following clauses:

- Clause 3: Publication and Use of Reports
- Clauses 4 to 6: Treatment of Confidential Information received from you
- Clauses 13 and 14: Your Duty to Cooperate with KPMG
- Clauses 21 to 24: Exclusion and Limitation of KPMG's Liability
- Clause 29: Applicable Law and Jurisdiction

All disputes arising from or under the Agreement shall unless otherwise stated in this engagement letter be subject to the exclusive jurisdiction of the competent courts of Geneva.

* * * * *

Geneva, 12 November 2010

Our engagement herein is for the provision of annual audit services for the financial statements and for the periods described in Appendix I, and it is understood that such services are provided as a single engagement. Pursuant to our arrangement as reflected in this letter, we will provide the services set forth in Appendix I as a single engagement for each of the GAVI Alliance's subsequent fiscal years until either the audit committee or we terminate this agreement, or mutually agree to the modification of its terms. The fees for each subsequent year will be annually subject to negotiation and approval by the management of the GAVI Alliance.

We shall be pleased to discuss this letter with you at any time. For your convenience in confirming these arrangements, we enclose a copy of this letter. Please sign and return it to us.

Very truly yours,

KPMG SA

Pierre Henri Pingeon

Karina Vartanova

Enclosures:

General Terms of Business: Assurance and Related Services
Copy of this letter

Cc: Chair of the Audit Committee

Accepted by the Board of Directors:

We acknowledge and agree to the above conditions.

The GAVI Alliance, Geneva

.....
Date

.....
Signature

.....
Signature



*Engagement letter for the activities as independent auditors
of the GAVI Alliance concerning the consolidated financial statements
for the year ending 31 December 2010*

Geneva, 12 November 2010

Appendix I

Fees for Services

Based upon our discussions with and representations of the management, our fees for services we will perform are estimated as follows:

| | |
|--|------------|
| Audit of consolidated balance sheets of the GAVI Alliance as of 31 December, 2010 and 2009, and the related consolidated statements of activities, cash flows and functional expenses for each of the years then ended | \$ 193,000 |
|--|------------|

The above estimates are based on the level of experience of the individuals who will perform the services. In addition, expenses are billed for reimbursement as incurred. Expenses for items such as travel, telephone, postage, and typing, printing, and reproduction of financial statements are not included in the above estimate. Circumstances encountered during the performance of these services that warrant additional time or expense could cause us to be unable to deliver them within the above estimates. We will endeavor to notify you of any such circumstances as they are assessed.

Where KPMG is reimbursed for expenses, it is KPMG's policy to bill clients the amount incurred at the time the good or service is purchased. If KPMG subsequently receives a volume rebate or other incentive payment from a vendor relating to such expenses, KPMG does not credit such payment to the client. Instead, KPMG applies such payments to reduce its overhead costs, which costs are taken into account in determining KPMG's standard billing rates and certain transaction charges which may be charged to clients.

We anticipate the billing schedule to be as follows:

| | |
|----------------|--|
| 20% of the fee | on signing of this letter |
| 30% of the fee | at commencement of the interim fieldwork |
| 40% of the fee | at commencement of the final fieldwork |
| 10% of the fee | with the signed audit report |



General Terms of Business: Assurance and Related Services

These General Terms of Business apply to the provision of assurance related Services by KPMG to a client pursuant to a written agreement incorporating these General Terms of Business (the "Agreement").

Definitions

Client – the contracting party concluding the Agreement with KPMG.

KPMG – the entity concluding the Agreement with the Client

KPMG-Persons – consist of:

- a. KPMG Holding AG with its registered office in Zurich and all subsidiaries, including all partners, employees and agents of KPMG Holding AG and its subsidiaries,
- b. any other member firm of KPMG International Cooperative¹ and all entities controlled by such member firm, including all of the partners, employees and agents of such member firm and entities controlled by them,
- c. in general all auxiliary persons (in part already mentioned in a. and b.) engaged by KPMG.

Services – assurance and related services to be provided by KPMG under the Agreement.

Applicability

1. These General Terms of Business shall be applicable, subject to variation in accordance with the Agreement.

Reporting

2. KPMG shall supply the product of its Services ("Reports") in writing or in electronic form in accordance with clause 15. Reports shall be binding when signed and delivered by KPMG. Drafts, interim reports or oral statements may vary from the final Report.

Publication and Use of Reports

3. Reports shall not be copied, referred to or disclosed, in whole or in part, without KPMG's prior written consent. The Client may disclose any Reports to its professional advisors for the purposes of seeking advice in relation to matters to which the Services relate, provided that when doing so the Client informs those professional advisors that
 - a. disclosure by them (save for their own internal purposes) is not permitted without KPMG's prior written consent, and
 - b. to the fullest extent permitted by law KPMG accepts no responsibility or liability to such professional advisors in connection with the Services.

Confidential Information

4. KPMG may acquire confidential documents or information concerning the Client's business affairs in the course of providing the Services ("Confidential Information"). In relation to Confidential Information KPMG shall comply with the confidentiality standards of its regulatory bodies and the law. KPMG shall disclose Confidential Information to the extent required to do so by the law or any authority with whose requirements it is bound to comply. In addition, KPMG may disclose Confidential Information to (i) third parties that are subject to a statutory or contractual secrecy obligation to the extent required to provide the Services (for example where KPMG involves third parties with specialist knowledge or prepares documents or provides information in relation to financial information of a company included in the consolidated financial statements of another entity (ii) KPMG-Persons to perform quality review procedures and (iii) in relation

to professional indemnity matters to its insurers, legal advisors or KPMG Europe LLP²'s risk management.

5. In relation to the organization of its conduct of engagements KPMG may share basic engagement data, consisting solely of client name, contact details, general scope, risk assessment and financial data relating to the Services for the purpose of:
 - a. financial reporting and coordinating client and engagement acceptance procedures;
 - b. independence and conflict checks;
 - c. identifying Client needs and making appropriate communication

to the extent required, with KPMG Europe LLP, KPMG International Cooperative, KPMG EMA Cooperative³ and KPMG-Persons.

6. The working papers are the property of KPMG. KPMG may be requested to make certain working papers available to the Federal Audit Oversight Authority (FAOA) pursuant to authority given to it by the Audit Oversight Act (AOA). In such case, KPMG may provide copies of such working papers on request. The FAOA may make such working papers accessible to other public authorities.

Fees

7. Unless otherwise stated in the Agreement, KPMG shall provide the Client with invoices periodically according to the progress of the work.
8. In addition to the payment of fees KPMG shall invoice the Client for all expenses incurred in the provision of the Services (e.g. travel, subsistence and accommodation expenses) as well as cash outlays (e.g. administrative, notary and other mandatory fees). Where required KPMG shall charge Value Added Tax in the amount provided for by law.
9. Estimations of fees are based on assumptions made at the time of calculation. Should unforeseen circumstances arise which lead to an increase in the fees, KPMG will inform the Client of the reasons for and extent of such excess as soon as possible. In such case, the charges for work done will be calculated by reference to the relevant hourly rates at the time of performance of the work.
10. KPMG reserves the right to make the provision of Services dependant on the full settlement of any demand or the making of advance payments.
11. An offsetting of any demand for payment of the invoice and expenses of KPMG may only be made in the case of either an undisputed claim or legal order in favour of the Client.
12. With the exception of invoices for advance payments, which are payable immediately, invoices are payable in full within 30 days of the invoice date. Unless otherwise agreed, payment is to be made in Swiss francs on the bank account indicated by KPMG.

Client's Duty to Cooperate

13. The Client shall provide KPMG promptly and without special request with all documents and information necessary for the provision of the Services. Further the Client is to timely inform KPMG of any incidents or circumstances which could be relevant for the provision of the Services. This also applies to such documents and information, instances or circumstances which become known in the course of the provision of the Services and where applicable, after delivery of the Report until the date

² KPMG Europe LLP is a UK limited liability partnership and the ultimate parent company of KPMG Holding AG.

³ KPMG EMA Cooperative is a Swiss legal entity of which all European, African and Middle Eastern KPMG firms are members. KPMG EMA Cooperative provides no services to clients. Each member firm is a separate and independent legal entity and each describes itself as such.

¹ KPMG International Cooperative is a Swiss legal entity of which all KPMG firms are members. KPMG International Cooperative provides no services to clients. Each member firm is a separate and independent legal entity and each describes itself as such.



of the relevant Shareholders Meeting⁴. KPMG may assume that the information and documents submitted are complete and accurate. Upon request, the Client shall provide KPMG with a signed letter of representation together with a signed copy of the relevant document(s).

14. Where the Client requires KPMG or the nature of the Services is such that it is likely to be more efficient for KPMG to perform work at the Client's premises or using the Client's computer systems or telephone networks, the Client shall ensure without cost to KPMG that all necessary arrangements are made for access, security, IT-security, virus checks, facilities, licenses, consents etc.

Communication and Data Exchange

15. Unless otherwise notified to KPMG, KPMG may communicate and exchange unencrypted data with the Client by using direct connections or remote access to the Client's network infrastructure using applications and corresponding protocols like e-mail, FTP, telnet and others or by using different types of media, such as memory sticks, floppy disks, CDs, DVDs. In consenting to this method of communication and data exchange the Client accepts the inherent risks (including without limitation the security risks of interception of data or unauthorized access to network infrastructures, the risks of corruption of communication or data, the risks of viruses or other malicious codes, the risk of configuration mismatch or compromised services). The Client shall perform virus checks and maintain reasonable security measures.
16. For the purposes of delivery of the Services KPMG may use computer software and servers operated under the authority of KPMG International Cooperative and/or KPMG Europe LLP. As a consequence of KPMG's use of such software and servers, data, as limited under clauses 4 and 5, and voicemail data, may be transferred outside of Switzerland.
17. KPMG is entitled to outsource its IT or parts thereof to:
 - a. third party providers within Switzerland; and
 - b. subject to the limitations in clauses 4 and 5, to third party providers abroad.

Sub-Contractors

18. KPMG may appoint sub-contractors to assist it in providing the Services. Where any such sub-contractors are not member firms of KPMG International Co operative, KPMG shall inform the Client before doing so.
19. Where other auditors are involved in the audit of a Client component whose financial statements are to be consolidated, such auditors are not performing assurance and related services on KPMG's behalf even though they might be KPMG-Persons. Such auditors shall not be considered to be sub-contractors of KPMG.
20. The Client shall make arrangement for KPMG to provide these auditors with the necessary instructions for the planning and conduct of their services. Further, the Client shall ensure that KPMG receives from these auditors all necessary information in order that KPMG may assess the relevance of the work performed by these auditors.

Limitation of Liability

21. Subject to the exceptions contained in clause 23 and unless otherwise regulated in the Agreement, all liability of KPMG to the Client under the Agreement, is hereby
 - a. for all types of damage,
 - b. on whatever legal principle liability of KPMG might be based,

- c. no matter whether the damage is caused by KPMG or an auxiliary person of KPMG

limited in total to a maximum of one time the fees owed to KPMG in accordance with the terms of the Agreement.

22. Where the Client discloses the Product of Services to third parties with express written consent of KPMG, the limitation of liability contained in clause 21 shall also be applicable to those third parties ("Other Beneficiaries"). Should both the Client and/or Other Beneficiaries suffer damage, the damages owed by KPMG, limited in accordance with the terms of clause 21, are where necessary to be divided among them. Express written consent is normally evidenced by a direct agreement between KPMG and the Other Beneficiary. Where this is not practicable, for whatever reason, KPMG may give express written consent to the Client to disclose the Product of Services to the Other Beneficiary, subject to the Client agreeing to be responsible for informing such third party of its status and entitlement as an Other Beneficiary.
23. The limitation of liability set out above in clause 21 shall not be applicable in the event that
 - a. KPMG has caused the damage by intentional misconduct or by gross negligence, or
 - b. an auxiliary person of KPMG has caused the damage by intentional misconduct or by gross negligence and the auxiliary person was acting in the performance of an officially licensed business activity ("obrigkeitlich konzessioniertes Gewerbe")
24. With the exception of KPMG itself, all liability of KPMG-Persons is hereby excluded
 - a. both with regard to the Client and Other Beneficiaries as the case may be,
 - b. for all types of damage,
 - c. on whatever legal principle liability of the KPMG-Persons might be based,
 - d. however the damage is caused, unless by intentional misconduct or grossly negligent conduct of one of these KPMG-Persons.

KPMG-Persons may independently rely on this limitation of liability. The limitation of liability may also be relied upon by persons who in the course of or following the provision of Services are no longer KPMG-Persons.

Termination

25. KPMG and/or the Client can terminate the Agreement at any time by giving notice to the other party in writing.
26. Termination shall not affect any rights that may have been acquired by either KPMG or the Client before termination. All sums due to KPMG in respect of fees and/or expenses in accordance with clause 8 to 12 shall become payable in full when termination takes effect.
27. The provisions of these General Terms of Business shall survive termination of the Agreement, except for the following clauses: 7, 10, 13, 14, 15, 18, 25, 26.

Severability

28. If any of the provisions of these General Terms of Business or of the Agreement are deemed to be invalid, void or unenforceable, the remaining provisions shall continue in full force and effect.

Applicable Law and Jurisdiction

29. These General Terms of Business and the Agreement are subject to and governed by Swiss law to the exclusion of Swiss International Private Law and any International Treaties. All disputes arising from or under these General Terms of Business or the Agreement shall unless otherwise stated in the Agreement be subject to the **exclusive jurisdiction of the competent courts of Zurich, District 4.**

⁴ A Shareholders Meeting means a general meeting of a joint-stock company ("AG"/"SA"), partnership limited by shares or cooperative; member's meeting of a limited liability company; general meeting of members of an association; general meeting of delegates in a cooperative or association if so provided in the articles of association.

US Tax Engagement Letter

November 12, 2010

PRIVATE

Mr. Tony Dutson
Senior Director Finance & Chief Accounting Officer
The GAVI Alliance
2 Chemin Des Mines
1202 Geneva
Switzerland

Dear Mr. Dutson :

We are pleased you have engaged KPMG LLP (“KPMG”) to provide tax compliance and tax consulting services for The GAVI Alliance; (“Client” or “you”). This letter confirms the scope and related terms of your engagement of KPMG.

I. Tax Compliance Services

RETURN REVIEW SERVICES

We will review the following returns, supporting schedules, and associated work papers for the taxable year ending December 31, 2010. We understand that we should review the following returns for you:

- **The GAVI Alliance; U.S. Form 990, Return of Organization Exempt From Income Tax**

We will sign the return(s) as paid preparer provided that, in our best judgment, signing the return(s) would be consistent with applicable law and professional standards. However, we will not file extensions for any returns listed above that we are reviewing.

At the completion of the engagement, KPMG will provide you with a written memorandum summarizing the work performed with respect to this review.

Extensions

Extensions may be filed for initial due dates of the returns, if allowed by the regulating authorities. If necessary, and if allowed by the regulating authorities, we will prepare extensions for the returns listed above. Further, if we do not receive all the requested information from you in time for us to prepare the returns by the next statutory due date, we will prepare and file a request for an additional extension of time to file the return(s) listed above for which an additional extension is available. If a payment is due, we will prepare a request for an extension of time to file the return(s) and provide it to you for your signature and filing. If you notify us at

US Tax Engagement Letter

least thirty (30) days before the due date, we will assist you with the determination of the amount of the extension payment required to extend the time for filing the returns.

ESTIMATED TAX PAYMENT ASSISTANCE

We understand that we will not be providing assistance to you with the determination of any quarterly estimated tax payments for the subsequent year.

Other Matters

This engagement letter is also intended to apply to preliminary engagement planning activities related to the tax and information returns specified above for the immediately succeeding tax year. We will provide you with a list of the information we will require in order to prepare the returns.

We will perform these services from the information you submit. We will not audit or independently verify the data you submit. However, we may ask for clarification of some of the information. Our engagement cannot be relied on to uncover errors, omissions, or irregularities, should any exist in the underlying information incorporated in the tax return(s). However, we will inform you of any such matters that come to our attention. Because management has ultimate responsibility for the tax return(s), please have the appropriate corporate officials review the return(s) before an officer signs and files the return(s).

Please note that if you had a taxable presence (e.g., any income sourced to a jurisdiction, an employee within the jurisdiction or any tangible property owned or rented within the jurisdiction) in a jurisdiction not listed above, you may be subject to income or franchise tax in that jurisdiction, depending upon the particular facts. It is Client's obligation to notify KPMG if assistance is needed to determine whether you are liable for income or franchise tax or have a filing requirement in any jurisdiction not listed above.

All returns are subject to examination by the taxing authorities. In the event of an examination, you may be requested to produce documents, records, or other evidence to substantiate the items of income and deduction shown on the tax return(s). In preparing your return(s), we rely on your representations that you understand and have complied with applicable documentation requirements for your income, expenses, deductions, and credits. If an examination occurs, and if you and we agree to have KPMG assist or represent Client in the examination, any such additional services and the fee therefore would be set forth in a separate engagement letter.

Transfer Pricing

We did not prepare or participate in the preparation of a "transfer pricing study" to account for actual or imputed transactions between any related entities for the taxable year. Under section 482 including Treasury regulations, interpreting those sections, the Internal Revenue Service has authority to reallocate income and deductions between related parties under certain circumstances to accurately reflect income. Upon our request, you will also provide us with representations that

you are in compliance with those requirements as well as additional support. In some situations, it may be necessary for you to obtain a transfer pricing study to substantiate your filing positions under section 6662 of the Internal Revenue Code and the authorities, including Treasury regulations, interpreting those sections.

Tax Return Standards

KPMG applies elevated standards in preparing tax returns. Under these standards, we must be able to determine that a return position is at least “more likely than not” to be upheld (i.e., has a greater than 50 percent likelihood of success if challenged by the taxing authorities). If a return position relates to a transaction that is a “principal purpose transaction” or a transaction that the IRS or a state tax authority has identified as a “listed transaction,” we must arrive at a “should” confidence level (i.e., approximately a 70 percent or greater likelihood of success if challenged by the taxing authorities) with respect to the position. In determining whether a return position meets the appropriate standard, we will not take into account the possibility that a tax return will not be audited, that an issue will not be raised on audit, or that an issue will be settled. We will inform you as soon as possible if, during our preparation or review, we determine circumstances exist that prevent us from completing the tax return under these standards. We will not render any advice with respect to a federal or state “listed transaction” or any transaction that is substantially similar to a federal or state “listed transaction.”

Electronic Filing

KPMG has not been engaged for electronic filing. It is the responsibility of The GAVI Alliance to comply with the mandated electronic filing federal requirements to timely submit the return to the tax authorities. We are required to sign the appropriate e-Signature form(s) as paid-preparer for each Federal/state return listed above that is subject to mandated electronic filing requirements.

II. Tax Consulting Services

This engagement letter also covers tax consulting matters that may arise for which you seek our advice, both written and oral, and that are not the subject of a separate engagement letter. We will apply the elevated standards described in the “Tax Return Standards” section of this letter with respect to any such advice which would cause KPMG to be considered a tax return preparer under Treasury Regulation §301.7701-15. KPMG will not render any advice with respect to a federal or state “listed transaction” or any transaction that is substantially similar to a federal or state “listed transaction.”

The general tax consulting services included in this tax compliance engagement letter pertain to: (1) routine tax advice concerning the federal, state, local, and foreign tax matters related to the preparation of the prior year’s federal, state, local, and foreign tax returns; (2) routine tax advice concerning the federal, state, local, and foreign tax matters related to the computation of the client’s taxable income for the current year or future years; and (3) routine dealings with a federal, state, local, or foreign tax authority (e.g., responding to automated interest and penalty notices, preparing tax computations based upon the taxpayer’s concession or settlement of an issue with the relevant tax authority).

US Tax Engagement Letter

If matters exceed the scope of this engagement letter, we will issue a separate engagement letter or clarifying addendum to confirm the scope and related terms. Furthermore, a separate engagement letter will be issued for each discrete tax consulting project not specified in this engagement letter (e.g., transfer pricing study, assistance with grant making procedures, private letter rulings, etc.) and for tax controversy representation.

When, in the course of providing general tax consulting services, it is determined that the service would exceed the scope of this letter, preliminary engagement planning activities undertaken prior to the issuance of a separate engagement letter for the discrete tax consulting project are intended to be covered by this engagement letter.

To be of greatest assistance to you, we should be advised **in advance** of proposed transactions.

We do not anticipate that the written tax advice provided under this engagement letter will be a Covered Opinion as defined in §10.35 of Circular 230 (Covered Opinion). Therefore, all the written tax advice provided under this engagement letter will contain the following legend:

ANY TAX ADVICE IN THIS COMMUNICATION IS NOT INTENDED OR WRITTEN BY KPMG TO BE USED, AND CANNOT BE USED, BY A CLIENT OR ANY OTHER PERSON OR ENTITY FOR THE PURPOSE OF (i) AVOIDING PENALTIES THAT MAY BE IMPOSED ON ANY TAXPAYER OR (ii) PROMOTING, MARKETING OR RECOMMENDING TO ANOTHER PARTY ANY MATTERS ADDRESSED HEREIN.

However, if our services will rise to the level of a Covered Opinion, we will issue a separate engagement letter for the issuance of a Covered Opinion.

GAO Independence Standards

We have considered the effect of this engagement on the ongoing, planned and future audits as required by *Government Auditing Standards* and have determined that this engagement will not impair KPMG's independence.

Fees

I. Tax Compliance Services

We estimate that our fees for tax compliance services will be the lesser of:

- Actual time incurred to complete the work at our standard hourly rates for the individuals involved in providing the services; or
- \$8,000

US Tax Engagement Letter

In addition, we will bill you for our out-of-pocket expenses (e.g., travel, lodging, meals, etc.). We will also bill you an administrative recovery fee equal to 10% of our discounted standard hourly rates for the time incurred in completing this engagement.

We will endeavor to notify you if we encounter any circumstances that warrant additional time or expense in connection with our services. Examples of such circumstances include, but are not limited to, providing more than two draft returns to you for review, or providing us with information that is inaccurate, untimely, incomplete, or not in the format we requested, or if there are additional filing requirements associated with ownership of, or transactions with, foreign parties, excise taxes, protective disclosures, federal or state income taxes, or state charitable filings that were not included in the scope of tax compliance services described above. If such matters exceed the scope of the engagement we will issue an addendum or separate engagement letters to confirm the scope with you.

Our fees for tax compliance services will be progress billed as follows:

| <i>Progress bill to be mailed on</i> | <i>Amount to be billed</i> |
|--|----------------------------|
| <i>Receipt of signed engagement letter</i> | <i>\$ 4,750</i> |
| <i>Delivery of returns</i> | <i>Balance due</i> |

II. Tax Consulting Services

Our fees for any tax consulting services under this engagement will be based on the actual time incurred to complete the work at our standard hourly rates for the individuals involved in providing the services.

In addition, we will bill you for our out-of-pocket expenses (e.g., travel, lodging, meals, etc.). We will also bill you an administrative recovery fee equal to 10% of our discounted standard hourly rates for the time incurred in completing this engagement.

Our fees for tax consulting services will be billed as incurred.

Consent to Disclose and Use Tax Return Information

Federal law prohibits our disclosing, without your consent, your tax return information to third parties (such as one or more KPMG International Member Firms or to KPMG LLP's India-based returns processing center, the "Q-Center") or our use of that information for purposes other than the preparation of your return. In executing this engagement letter, you authorize KPMG LLP to disclose your tax return information to the Q-Center or such other third party service providers as you may request or as may be required for purposes of completing the services under this engagement letter (including, but not limited to, the processing of your return). Your consent will be valid until such time as we have completed the services described in, and any services that are ancillary to, those described in this engagement letter.

* * *

US Tax Engagement Letter

The attached Standard Terms and Conditions for Advisory and Tax Services are made part of this engagement letter. Please sign the enclosed copy of this letter to confirm our agreement and return it to us as soon as possible so that we may begin work on this engagement.

Unless otherwise terminated, modified, or superseded in writing, this engagement letter is intended to apply for a period of 15 months from the date of signing by the client. In addition, effective as of the date of signing, this engagement letter supersedes any and all previously issued engagement letters pertaining to the services described above.

If you have any questions, please call me.

Very truly yours,

KPMG LLP

D. Greg Goller
Managing Director, Tax

Enclosures:
Standard Terms and Conditions for Advisory and Tax Services

ACCEPTED:

The GAVI Alliance

Name

_____,
Date

cc: Pierre-Henri Pingeon; KPMG Audit Partner, Geneve