

Vertex Pharmaceuticals Incorporated

Audit and Finance Committee

Charter

The Audit and Finance Committee (the “Committee”) of the Board of Directors (the “Board”) of Vertex Pharmaceuticals Incorporated (the “Company”) shall have the responsibilities, authorities and duties described in this Charter.

The Committee shall be comprised of at least three members of the Board, each of whom shall be appointed, and may be removed at any time with or without cause, by the Board. All members of the Committee shall satisfy the requirements for audit committee membership under Rule 10A-3 of the Securities Exchange Act of 1934, as amended, the Corporate Governance Requirements under Nasdaq Stock Market Rule 5605, and any other applicable legal or regulatory requirements for service on the Committee as in effect from time to time. At least one member of the Committee shall be an “audit committee financial expert” as such term is defined in applicable Securities and Exchange Commission (“SEC”) rules. The Board may designate one member of the Committee as the Chair.

The purposes of the Committee shall be to (a) appoint, oversee and replace, if necessary, the Company’s independent registered public accounting firm (the “independent auditor”), (b) assist the Board’s oversight of the Company’s accounting and financial reporting processes and the audits of the Company’s financial statements; (c) review and make recommendations to the Board concerning the financial structure and financing strategy of the Company, (d) oversee the Company’s enterprise risk management programs, and (e) perform such other duties as may be assigned by the Board.

The Committee shall discharge its responsibilities, and shall assess the information provided by the Company’s management and the Company’s independent auditor, in accordance with its business judgment. Management is responsible for the preparation, presentation, and integrity of the Company’s financial statements, for the appropriateness of the accounting principles and reporting policies that are used by the Company and for establishing and maintaining adequate internal control over financial reporting. The independent auditor is responsible for auditing the Company’s financial statements and the Company’s internal control over financial reporting and for reviewing the Company’s unaudited interim financial statements. The authority and responsibilities set forth in this Charter do not reflect or create any duty or obligation of the Committee to plan or conduct any audit, to determine or certify that the Company’s financial statements are complete, accurate, fairly presented, or in accordance with generally accepted accounting principles or applicable law, or to guarantee the independent auditor’s reports.

The Company’s independent auditors shall report directly to and be held accountable to the Committee in connection with the audit of the Company’s annual financial statements and related services. The Committee has sole authority over the appointment, retention, compensation and oversight of the work of the independent auditors, and where appropriate, the replacement of the independent auditors. The

Committee shall ensure that there exist regular systems of reporting to the Committee by each of management and the independent auditors regarding any significant judgments made in management's preparation of the financial statements and any significant difficulties encountered during the course of the review or audit, including any restrictions on the scope of work or access to required information, or significant disagreements with management, and management's response to these problems, difficulties or disagreements. The Committee shall be responsible for resolving disagreements between the independent auditors and the Company's management regarding financial reporting.

The Committee shall assist the Board in fulfilling its oversight responsibilities by doing the following:

1. Annually evaluate, determine the selection of, and if necessary, determine the replacement of or rotation of, the independent auditor, including the experience and qualifications of the lead audit partner and compliance with the applicable rotation requirements; and consider whether there should be regular rotation of the audit firm itself.
2. Approve or pre-approve all auditing services (including comfort letters and statutory audits) and all permitted non-audit services by the auditor.
3. Review, evaluate and discuss formal reports, at least annually, from the independent auditor regarding the auditor's independence, including a delineation of all relationships between the auditor and the Company that bear on the auditor's independence; and recommend to the Board of Directors actions to satisfy the Board of the independence of the auditor.
4. Establish hiring policies for employees or former employees of the independent auditors.
5. At least annually, receive a report, orally or in writing, from the independent auditor detailing changes to the firm's internal quality control procedures and any material issues raised by independent auditor's internal quality control review, peer review or any governmental or other professional inquiry performed within the past five years and any remedial actions implemented by the firm.
6. Review with the independent auditor the overall scope and plans for audits, including authority and organizational reporting lines and adequacy of staffing and compensation. Review with the independent auditor any difficulties with audits and managements' response.
7. Review and discuss with management and the independent auditor the Company's system of internal controls, its financial and critical accounting practices, and policies relating to risk assessment and management.
8. Receive and review reports of the independent auditor discussing (a) all critical accounting policies and practices used in the preparation of the Company's financial statements, (b) all alternative treatments of financial information within

generally accepted accounting principles (“GAAP”) that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditor, and (c) other material written communications between the independent auditor and management, such as any management letter or schedule of unadjusted differences.

9. Review and pre-approve any material off-balance sheet arrangements and other material financial arrangements of the Company that do not appear on the financial statements of the Company, and review and discuss other material, complex or unusual transactions of the Company involving significant accounting and reporting issues.
10. Review and discuss with management and the independent auditor the annual and quarterly financial statements and “Management’s Discussion and Analysis of Financial Conditions and Results of Operations” (“MD&A”) of the Company prior to the filing of the Company’s Annual Report on Form 10-K and Quarterly Reports on Form 10-Q. Discuss results of the annual audit and quarterly review and any other matters required to be communicated to the Committee by the independent auditor under generally accepted auditing standards. Discuss with management and independent auditor their judgment about the quality of accounting principles, the reasonableness of significant judgments, including a description of any transactions as to which the management obtained Statement on Auditing Standards No. 50 letters, and the clarity of disclosures in the financial statements, including the Company’s disclosures of critical accounting policies and other disclosures under MD&A.
11. Review, or establish standards for the type of information and the type of presentation of such information to be included in, earnings press releases and earnings guidance provided to analysts and rating agencies.
12. Review material pending legal proceedings involving the Company and other contingent liabilities.
13. Receive from the CEO and CFO a report of all significant deficiencies and material weaknesses in the design or operation of internal controls, and any fraud that involves management or other employees who have a significant role in the company’s internal controls.
14. Discuss with independent auditor the matters required to be communicated to audit committees in accordance with standards of the Public Company Accounting Oversight Board (“PCAOB”), including Auditing Standard No. 16, Communications with Audit Committee and such other auditing standards as may be promulgated by the PCAOB from time to time with respect to communications required to be made by the independent auditor to the Committee.
15. Establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or

auditing matters, and the confidential, anonymous submissions by employees of concerns regarding questionable accounting or accounting matters.

16. Review the Company's investment and treasury management policies and procedures, as appropriate.
17. Review the adequacy of the Company's Accounting and Finance Departments' resources, including number of personnel and expertise.
18. Review and make recommendations to the Board concerning the financial structure and financing strategy of the Company, including the proposed financial structure related to any proposed corporate acquisitions, consideration of the Company's long-term financing plans and commitments, corporate borrowings and the issuance and/or repurchase of stock (other than in connection with the Company's employee equity compensation plans and programs).
19. Prepare and publish the annual Committee report to be included in the Company's proxy statement for the annual meeting of shareholders.
20. Discuss and review with management and the independent auditors the adequacy and effectiveness of the Company's disclosure controls and procedures, and the integrity of its financial reporting processes, including improvements to any of the same, and obtain reports on significant findings and recommendations, together with management's responses.
21. Review the Company's policies and procedures with respect to all related party transactions (as defined in Item 404 of Regulation S-K), and to review and approve all related party transactions.
22. Discuss periodically with management the nature and adequacy of the Company's policies relating to the Company's financial and accounting systems, accounting policies and investment strategies, including recommendations for improvements to the same, and to assess the steps management has taken to monitor, mitigate and report on risks related to these policies and investment strategies.
23. Review and discuss with management:
 - management's program to identify, assess, manage, and monitor significant business risks of the Company, including financial, operational, regulatory, legal, security (including cybersecurity), business continuity and reputational risks; and
 - management's risk management decisions, practices and activities.

Regularly report to the Board the substance of such reviews and discussions and, as necessary, recommend to the Board such actions as the Committee deems appropriate.

24. Review with management and the independent auditors any significant changes to reporting policies or standards under GAAP, as well as the effect of regulatory and accounting initiatives that may affect the Company, and to consider and approve, if appropriate, changes to the Company's accounting principles and practices.
25. Coordinate with management to establish policies and procedures regarding the Company's Code of Conduct.

The Committee shall have the authority to consult with and retain legal, accounting and other advisors, as the Committee may deem appropriate in connection with the performance of its duties and responsibilities as set forth in this Charter. The Committee shall have authority to determine compensation for such advisors as well as for the independent auditor.

The Committee shall meet as often as it deems necessary in order to perform its responsibilities. The Committee also may act by unanimous written consent in lieu of a meeting. The Committee shall periodically meet separately with the independent auditor and with Company management. The Committee shall keep such records of its meetings as it deems appropriate. The Committee may form and delegate authority to one or more subcommittees comprised of at least one member of the Committee. Any decision of a subcommittee to pre-approve audit, review, attest and non-audit services shall be presented to the Committee at its next scheduled meeting. The Committee shall make regular reports of its actions and recommendations to the Board, as appropriate.

The Committee shall conduct or participate in an annual evaluation of the Committee's performance, including confirmation that all responsibilities outlined in this Charter have been carried out, and shall present that evaluation to the Board. The Committee shall review and reassess the adequacy of this Charter at least annually and submit any recommended changes to the Corporate Governance and Nominating Committee for its consideration.