

VERTEX PHARMACEUTICALS INCORPORATED

MANAGEMENT DEVELOPMENT AND COMPENSATION COMMITTEE

CHARTER

Amended January 26, 2025

The Management Development and Compensation 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.

I. Purpose

The purpose of the Committee shall be to discharge the Board’s responsibilities with respect to (a) the compensation of the Company’s executive officers; and (b) the Company’s equity plans and oversight of its benefit plans and to assist the Board with respect to its oversight responsibilities for the compensation of the Company’s nonemployee directors.

II. Composition

The Committee shall be composed of at least three independent directors, 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 be qualified to serve on the Committee under applicable listing standards of the Nasdaq Stock Market (“Nasdaq”), applicable rules of the U.S. Securities and Exchange Commission (the “SEC”), including the requirements for “non-employee directors” as defined in SEC Rule 16b-3, and any additional requirements that the Board deems appropriate. In addition, the members of the Committee shall satisfy the requirements for “outside directors” to the extent the Board deems necessary or appropriate to administer performance-based compensation for purposes of Section 162(m) of the Internal Revenue Code. The Board shall designate one member of the Committee as the Chair.

III. Meetings

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. Neither the CEO nor the Chair of the Board, as applicable, may be present during voting or deliberations of the Committee on his or her own compensation. The Committee shall keep such records of its meetings as it deems appropriate. The Committee shall make regular reports of its actions and recommendations to the Board, as appropriate.

IV. Duties and Responsibilities

In furtherance of this purpose, the Committee shall be responsible for:

A. Executive Compensation

1. Assessing the overall compensation programs of the Company and adopting a written statement of compensation philosophy and objectives;

2. Selecting and approving an appropriate peer group, and reviewing executive compensation in relation to that peer group;
3. Reviewing and approving the corporate goals and objectives relating to the Company's compensation programs for the CEO, other executive officers, and senior leaders; and evaluating and approving the Company's performance against such goals and objectives;
4. Reviewing the performance of the CEO and other executive officers of the Company in light of the pre-established corporate goals and objectives. Based on this review and its subsequent evaluation, the Committee shall approve the compensation levels of the other executive officers, other than the CEO, and, with respect to the CEO's compensation, shall recommend to the Board the compensation levels of the CEO for approval by independent members of the Board;
5. Reviewing and discussing with management the Company's compensation discussion and analysis (the "CD&A") and the compensation committee report (the "committee report") to be included in the Company's annual proxy statement or annual report on Form 10-K, and, based on such review and discussion, recommending to the Board that the CD&A and committee report be so included;
6. Overseeing the Company's submission to shareholder vote of matters relating to compensation, including advisory "say-on-pay" and "say-on-frequency" votes, and considering the results of any such vote, as the Committee deems appropriate;
7. Reviewing and approving any employment, severance and similar arrangement to be made with any executive officer of the Company or, with respect to the CEO, recommending such arrangement to the Board for approval by the independent members of the Board; and
8. Overseeing and administering any recoupment policy of the Company, including any such recoupment policy that may be required by, or in addition to, the Nasdaq Stock Market listing standards from time to time, and approving the adoption, amendment, administration, or termination of any such recoupment policy or policies.

B. Compensation and Equity Plans

1. Reviewing and administering the Company's incentive compensation and equity-based plans, and forms of award agreements, including reviewing and approving any awards, to executive officers, employees, directors, key consultants and other eligible service providers consistent with the terms of such plans, and adopting any amendments to these plans if the Committee deems appropriate; it being understood that the grant of any such awards to the CEO shall be recommended to the Board for approval by the independent members of the Board; and
2. Overseeing the risks associated with the Company's compensation plans, programs and practices.

C. Other Matters

1. Reviewing and making recommendations to the Board with respect to compensation for non-employee directors;
2. Reviewing and approving stock ownership guidelines for executive officers and non-employee directors and overseeing compliance with approved stock ownership guidelines; and
3. Performing such other lawful activities and functions consistent with this Charter as delegated by the Board.

V. Delegation of Authority

The Committee may form and delegate authority to one or more subcommittees comprised of at least one member of the Committee. However, the Committee shall not delegate to a subcommittee any power or authority required by any law, regulation or listing standard to be exercised by the Committee as a whole. Actions taken by any subcommittee shall be presented to the full Committee at the next Committee meeting. The Committee may also delegate authority to one or more officers or other employees of the Company, as determined by the Committee to be appropriate, consistent with the limitations set forth above with respect to delegations to subcommittees.

VI. Outside Advisors

The Committee shall have the authority, in its sole discretion, to consult with and retain legal, compensation, 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. In connection with retaining or obtaining the advice of any such advisor, the Committee shall (a) be directly responsible for the appointment, compensation and oversight of the advisor's work; and (b) take into consideration the applicable factors affecting independence that are specified by Company policy or SEC and Nasdaq rules with respect to such advisor. The Committee shall receive appropriate funding, as determined by the Committee, from the Company for payment of reasonable compensation to any such advisors and for the payment of ordinary administrative expenses that are necessary or appropriate in carrying out the Committee's duties.

VII. Annual Evaluation

The Committee shall conduct or participate in an annual evaluation of the Committee's performance in coordination with the Corporate Governance and Nominating Committee and present the results of that evaluation to the Board. In addition, the Committee shall review and reassess this Charter on an annual basis and submit any recommended changes to the Corporate Governance and Nominating Committee for its consideration and potential recommendation to the full Board for approval.