

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**FORM 8-K**

**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): July 24, 2019

**VERTEX PHARMACEUTICALS INCORPORATED**

*(Exact name of registrant as specified in its charter)*

**MASSACHUSETTS**

*(State or other jurisdiction of incorporation)*

**000-19319**

*(Commission File Number)*

**04-3039129**

*(IRS Employer Identification No.)*

**50 Northern Avenue**

**Boston, Massachusetts 02210**

*(Address of principal executive offices) (Zip Code)*

**(617) 341-6100**

*(Registrant's telephone number, including area code)*

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
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Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.01 par value per share	VRTX	The Nasdaq Global Select Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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**Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers**

On July 25, 2019, Vertex Pharmaceuticals Incorporated (the “Company”) issued a press release announcing Dr. Jeffrey M. Leiden’s upcoming transition to the role of Executive Chairman and the Company’s appointment of Reshma Kewalramani, M.D., as our President and Chief Executive Officer effective April 1, 2020.

Effective as of March 31, 2020, Dr. Leiden will cease to be President and Chief Executive Officer of the Company, and, effective April 1, 2020, Dr. Kewalramani, 46, now the Company’s Executive Vice President, Global Medicines Development and Medical Affairs, and Chief Medical Officer, will become the Company’s next President and Chief Executive Officer and will be appointed to serve on the Company’s board of directors (the “Board”). For additional biographical information on Dr. Kewalramani, please see the Company’s Form 10-K filed with the Securities and Exchange Commission on February 13, 2019. There are no transactions between Dr. Kewalramani and the Company that are required to be disclosed under Item 404(a) of Regulation S-K.

Dr. Leiden has agreed to continue to serve the Company as its Executive Chairman and will, subject to his continuing re-election by the Company’s shareholders, continue to serve on the Board, and as Chairman of the Board.

In connection with the announcement of Dr. Kewalramani’s promotion, the Management Development and Compensation Committee of the Board increased her base salary to \$800,000. In addition, the Company entered into a new employment agreement and a new change of control agreement with Dr. Kewalramani, each of which will be effective upon Dr. Kewalramani’s appointment to the role of President and Chief Executive Officer on April 1, 2020. The employment agreement provides for Dr. Kewalramani to receive a base salary of \$1,150,000 and a target annual bonus of 120% of base salary, and for Dr. Kewalramani’s continued participation in our equity programs applicable to the Company’s senior executives. The first equity awards made after the effective date of the employment agreement are expected to be approved by the Board and our Management Development and Compensation Committee during the first calendar quarter of 2021 with an aggregate target grant date fair value of \$11,000,000. The employment agreement also provides that if Dr. Kewalramani terminates her employment for good reason or if we terminate her employment without cause, including such a termination of employment occurring prior to April 1, 2020, she will be entitled to receive (i) an amount equal to 200% of her base salary and target annual bonus, (ii) a pro-rated portion of the target annual bonus for the year in which her employment terminates, (iii) Company payment of medical, dental and life insurance premiums for 18 months following termination, and (iv) 12 months’ accelerated vesting of her outstanding equity awards (with any applicable performance vesting criteria being deemed achieved at target). If Dr. Kewalramani’s employment is terminated due to her death or disability, she will be entitled to receive (i) a pro-rated annual bonus (based on actual performance) for the year in which the termination of employment occurs, and (ii) consistent with programs applicable to all of the Company’s employees, accelerated vesting of all of her outstanding options and restricted stock unit awards (with any applicable performance vesting criteria being deemed achieved at target). Pursuant to the change of control agreement, if we terminate Dr. Kewalramani’s employment without cause on a date within 90 days prior to or 12 months after a change of control or if Dr. Kewalramani terminates her employment for good reason as a result of an event constituting good reason that occurs on a date within 90 days prior to or 12 months after a change of control, Dr. Kewalramani will receive (i) an amount equal to 299% of her base salary and target annual bonus, (ii) a pro-rated portion of the target annual bonus for the year in which her employment terminates, and (iii) full vesting of all of her outstanding equity awards (with any applicable performance vesting criteria being deemed achieved at target).

Dr. Kewalramani’s current employment agreement and change of control agreement will each expire and be terminated effective upon her appointment to the role of President and Chief Executive Officer on April 1, 2020.

In connection with the leadership transition, the Company also entered into an amendment to the amended and restated employment agreement by and between Dr. Leiden and the Company, dated November 30, 2016, to reflect the parties’ agreement not to extend the term of such employment agreement beyond March 31, 2020, and to enter into a new employment agreement, attached as an exhibit to the amendment, to govern the terms and conditions of Dr. Leiden’s employment as Executive Chairman effective as of April 1, 2020. Dr. Leiden’s employment as President and Chief Executive Officer of the Company will terminate upon the expiration of the term of his current agreement on March 31, 2020, and pursuant to the terms of his current agreement, he will be entitled to equity acceleration resulting from the expiration of the term of his employment agreement. The amendment also provides that if Dr. Leiden’s employment is terminated by the Company without cause prior to the expiration of his current agreement, Dr. Leiden will be entitled to an additional severance payment equal to the severance payment payable under his new employment agreement in the event of the termination of his employment without cause or by him for good reason, as described below.

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The new employment agreement that the Company and Dr. Leiden have agreed to enter into in respect of his service as the Company's Executive Chairman will have a three-year term ending March 31, 2023. During the first year of his term as Executive Chairman, Dr. Leiden will be entitled to a reduced base salary of \$1,000,000 and a reduced target annual bonus of 100% of base salary, and will not receive any base salary or annual bonus for the next two years of the term. In respect of each year during the term of the agreement, Dr. Leiden will be entitled to receive annual equity awards, 50% of which will be subject to performance-based vesting terms, which annual equity awards will have an aggregate grant date value of \$9,000,000, \$8,500,000 and \$6,500,000, respectively. In the event that Dr. Leiden's employment is terminated by the Company without cause or by him for good reason prior to the expiration of the three-year term, he will be entitled to receive Company payment of medical, dental and life insurance premiums for, and to a severance payment in an amount equal to any base salary or annual bonus amounts remaining unpaid under the agreement, and a cash payment equal to the grant date value of each of the annual equity awards he would have received under the agreement following the date of termination had his employment continued through the end of the term. If Dr. Leiden's employment under the term of his new agreement is terminated due to his death or disability prior to the expiration of the three-year term, he will be entitled to any base salary or annual bonus amounts remaining unpaid under the agreement and to a cash payment equal to the grant date value of the next annual equity award he would have received on the grant date immediately following the date of termination had his employment continued through such date.

Any severance payments or benefits provided for under the agreements described above are conditioned on Dr. Leiden's or Dr. Kewalramani's, as applicable, timely execution of a release of claims in favor of the Company. Dr. Leiden and Dr. Kewalramani are also each parties to separate non-disclosure, non-competition and inventions assignment agreements with the Company that impose restrictive covenants in favor of the Company on the executive both during and after employment with the Company.

The foregoing description of the agreements with Dr. Kewalramani and Dr. Leiden does not purport to be complete and is qualified in its entirety by reference to the full text of such agreements, which are filed as Exhibit 10.1 through 10.3 to this Current Report on Form 8-K and incorporated by reference herein.

#### **Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits

Exhibit No.	Description
10.1	<a href="#"><u>Employment Agreement, dated as of July 24, 2019, between Vertex Pharmaceuticals Incorporated and Reshma Kewalramani</u></a>
10.2	<a href="#"><u>Change of Control Agreement, dated as of July 24, 2019, between Vertex Pharmaceuticals Incorporated and Reshma Kewalramani</u></a>
10.3	<a href="#"><u>Amendment No. 1, dated as of July 24, 2019, to the Amended and Restated Employment Agreement, dated November 30, 2016, by and between Vertex Pharmaceuticals Incorporated and Jeffrey M. Leiden, M.D., Ph.D.</u></a>

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**VERTEX PHARMACEUTICALS INCORPORATED**

(Registrant)

Date: July 25, 2019

/s/ Michael Parini

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Michael Parini

Executive Vice President, Chief Legal and Administrative Officer

## EMPLOYMENT AGREEMENT

This Employment Agreement (this "Agreement") is made and entered into as of this 24<sup>th</sup> day of July, 2019, by and between Vertex Pharmaceuticals Incorporated, a Massachusetts corporation (together with its successors and assigns, the "Company"), and Reshma Kewalramani (the "Executive").

### WITNESSETH

WHEREAS, the Company and the Executive desire that the Executive be appointed and serve as the Company's President and Chief Executive Officer on the Effective Date; and

WHEREAS, the Company and the Executive desire to enter into this Agreement to set forth the terms of the Executive's continued employment with the Company, effective as of the Effective Date.

NOW, THEREFORE, in consideration of the promises and mutual covenants contained herein and for other good and valuable consideration, the receipt of which mutually is acknowledged, the Company and the Executive (each individually a "Party", and together the "Parties") agree as follows:

#### 1. DEFINITIONS.

"Accrued Benefits" shall mean (i) any Base Salary earned by the Executive but not paid and (ii) any accrued and vested but then unpaid benefits under the Benefit Plans, in each case, through the date of termination of the Executive's employment.

"Base Salary" shall mean the Executive's base salary in accordance with Section 4 below.

"Benefit Plans" shall mean all employee welfare and pension benefit plans, programs and/or arrangements offered by the Company to its senior executives.

"Board" shall mean the Board of Directors of the Company.

"Cause" shall mean:

- (i) the Executive is convicted of a crime involving moral turpitude;
  - (ii) the Executive's willful refusal or failure to follow a lawful directive or instruction of the Company's Board of Directors or the individual(s) to whom the Executive reports, provided that the Executive receives prior written notice of the directive(s) or instruction(s) that the Executive failed to follow, and provided further that the Company, in good faith, gives the Executive 30 days to correct such failure and further provided that if the Executive corrects the failure(s), any termination of the Executive's employment on account of such failure shall not be treated for purposes of this Agreement as a termination of employment for "Cause";
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- (iii) the Executive commits a material breach of the Company’s insider trading policy or of any provision of this Agreement or the agreement between the Company and the Executive entitled “Employee Non-Disclosure, Non-Competition and Inventions Agreement” dated as of December 14, 2016 (the “Inventions Agreement”); or
- (iv) the Executive commits a breach of the code of conduct or any other material policy of the Company or any of its affiliates that is damaging to the financial condition or reputation of the Company or any of its affiliates.

“Change of Control” shall have the meaning set forth in the Change of Control Agreement.

“Change of Control Agreement” shall mean the Change of Control letter agreement between the Company and the Executive of even date herewith.

“Code” shall mean the Internal Revenue Code of 1986, as amended.

“Common Stock” shall mean the common stock of the Company.

“Compensation Committee” shall mean the Management Development and Compensation Committee of the Board.

“Disability” or “Disabled” shall mean a disability as determined under the Company’s long-term disability plan or program in effect at the time the disability first occurs, or if no such plan or program exists at the time of disability, then a “disability” as defined under Section 22(e)(3) of the Code.

“Effective Date” shall mean April 1, 2020.

“Good Reason” shall mean that, without the Executive’s consent, one or more of the following events occurs:

- (i) the Executive suffers a material reduction in the authorities, duties or job title and responsibilities associated with the Executive’s position as President and Chief Executive Officer of the Company as of the Effective Date; or
- (ii) the Executive’s Base Salary is decreased; or
- (iii) the office to which the Executive is assigned is relocated to a place 35 or more miles away and such relocation is not at the Executive’s request or with the Executive’s prior agreement (and other than in connection with a change in location of the Company’s principal executive offices);

provided that Good Reason shall not exist unless and until within 30 days after the event giving rise to Good Reason under either (i) or (ii) above has occurred, the Executive delivers a written

termination notice to the Company stating that an event giving rise to Good Reason has occurred and identifying with reasonable detail the event that the Executive asserts constitutes Good Reason under either (i) or (ii) above and the Company fails or refuses to cure or eliminate the event giving rise to Good Reason on or within 30 days after receiving such notice and, with respect to the event giving rise to Good Reason under (iii) above, the Executive delivers a written termination notice to the Company within 30 days after the event giving rise to Good Reason occurs. To avoid doubt, the termination of the Executive's employment would become effective at the close of business on the thirtieth day after the Company receives the Executive's termination notice, unless, in the case of an event giving rise to Good Reason under either (i) or (ii) above, the Company cures or eliminates the event giving rise to Good Reason prior to such time.

“Severance Payment” shall mean an amount equal to (x) 200% of the sum of (A) the Base Salary in effect on the date of termination of the Executive's employment, plus (B) the full amount of the Target Bonus for the Executive for the year in which the Executive's employment is terminated, plus (y) any annual bonus earned by the Executive in respect of the year prior to the year in which the termination of the Executive's employment occurs, if not yet paid, plus (z) a pro rata portion of the Target Bonus for the portion of the year in which the termination of the Executive's employment occurs, calculated based on the number of days the Executive is employed during such year; provided, however, that if the Executive terminates the Executive's employment for Good Reason based on a reduction in Base Salary, then the Base Salary to be used in calculating the Severance Payment shall be the Base Salary in effect immediately prior to such reduction in Base Salary.

“Target Bonus” shall mean the target cash bonus for which the Executive is eligible on an annual basis, at a level consistent with the Executive's title and responsibilities, under the Company's bonus program then in effect and applicable to the Company's senior executives generally.

## 2. TERM OF EMPLOYMENT.

The Company hereby continues to employ the Executive, and the Executive hereby accepts such employment as of the Effective Date, continuing until termination in accordance with the terms of this Agreement. The period during which the Executive is employed hereunder is referred to in this Agreement as the “term of employment.”

## 3. POSITION.

On the Effective Date, the Executive will be employed as the Company's President and Chief Executive Officer, reporting to the Board. During the term of employment, the Executive shall be employed by the Company on a full-time basis and shall perform the duties and responsibilities of the Executive's positions and offices and such other duties and responsibilities on behalf of the Company and its affiliates, related to one or more of the Executive's positions



and offices, as may be assigned to the Executive from time to time by the Board or a designated committee thereof.

During the term of employment, the Executive shall devote the Executive's full business time and the Executive's best efforts, business judgment, skill and knowledge exclusively to the advancement of the business and interests of the Company and its affiliates and to the discharge of the Executive's duties and responsibilities hereunder. The Executive shall not accept membership on any board of directors or other governing board of any company, organization, trust or entity or engage in any other business-related or professional activity without the prior approval of two independent directors including the Lead Independent Director and the Chair of the Corporate Governance and Nominating Committee; provided, that the Executive may engage in the passive management of the Executive's personal and family investments and in charitable and community activities; provided, that such activities do not, individually or in the aggregate, give rise to a conflict of interest or otherwise materially interfere with the Executive's performance of the Executive's duties and responsibilities to the Company and its affiliates under this Agreement or the time required for their performance or breach the Executive's obligations set forth in the Inventions Agreement.

The Board shall take such action as may be necessary to appoint or elect the Executive as a member of the Board as of the Effective Date. The Company agrees to propose to the shareholders of the Company at the 2020 annual meeting of the shareholders and at each appropriate annual meeting of such shareholders during the term of employment the election or re-election of the Executive as a member of the Board and, if elected, the Executive shall so serve as a member of the Board.

At the request of the Board, upon termination of the Executive's employment with the Company for any reason, the Executive shall resign as a member of the Board and, upon termination of the Executive's employment with the Company for any reason, the Executive shall resign from the Executive's offices as President and Chief Executive Officer of the Company and shall resign from any other positions, offices and directorships he may have with the Company or any of its affiliates.

#### 4. BASE SALARY.

The Executive's annualized Base Salary as of the Effective Date is \$1,150,000, payable in accordance with the regular payroll practices of the Company. The Base Salary shall be reviewed no less frequently than annually, and any increases thereto (which shall thereafter be deemed the Executive's Base Salary) shall be solely within the discretion of the Board or the Compensation Committee.

#### 5. TARGET BONUS.

During the term of employment, the Executive shall be eligible to participate in the Company's annual cash incentive compensation program applicable to the Company's senior executives, as any such programs are established and modified from time to time by the Board or the Compensation Committee in its sole discretion, and in accordance with the terms of such program, with a Target Bonus as determined by the Board or the Compensation Committee. The Target Bonus for fiscal year 2020 is 120% of Base Salary. For the avoidance of any doubt, the Target Bonus for fiscal year 2020 shall apply in respect of the full fiscal year, without any pro-ration relating to the Effective Date.

#### 6. EQUITY COMPENSATION PROGRAMS.

During the term of employment, the Executive shall be eligible to participate in the Company's equity incentive compensation programs applicable to the Company's senior executives, as such programs may be established and modified from time to time by the Board or the Compensation Committee in its sole discretion. Nothing in this Agreement shall preclude the Company from amending or terminating any of its equity incentive compensation plans, programs or arrangements.

During the first quarter of 2021, at the time annual equity awards are granted to executives of the Company generally, and provided that the Executive remains employed on the date equity awards are granted, the Executive will be granted equity incentive awards with an aggregate target grant date fair value of \$11,000,000 (the "2021 Awards"). The components of the 2021 Awards and the number of shares granted with respect to each component of the 2021 Awards will be determined in accordance with the then applicable methodology used to grant equity incentive awards for senior management generally. The 2021 Awards will be subject to the terms of the Company's equity plan and the award agreements evidencing such awards.

#### 7. EMPLOYEE BENEFIT PROGRAMS.

During the term of employment, the Executive shall be entitled to participate in the Benefit Plans, as such Benefit Plans may be amended from time to time, to the same extent and on the same terms applicable to other senior executives. Nothing in this Agreement shall preclude the Company from amending or terminating any of its Benefit Plans.

#### 8. VACATION.

During the term of employment, the Executive shall be entitled to at least 20 paid vacation days each calendar year in accordance with the Company's vacation policy then in effect.

## 9. TERMINATION OF EMPLOYMENT.

(a) **Termination in Connection with a Change of Control.** To the extent the Executive is entitled, in connection with the Executive's termination of employment, to severance or other benefits under the Change of Control Agreement, the Executive shall not be entitled to any benefits under this Section 9.

(b) **Termination by the Company for Cause; or Termination by the Executive without Good Reason.** If the Company terminates the Executive's employment for Cause, or if the Executive voluntarily terminates the Executive's employment, other than for Good Reason, death or Disability, the term of employment shall end as of the date specified below, and the Executive shall be entitled to the Accrued Benefits.

Any equity awards held by the Executive on the date of termination shall be governed by the applicable equity plan, any applicable grant agreements and any applicable Company securities trading policies.

Termination by the Company for Cause shall be effective as of the date specified in the notice of termination provided by the Company to the Executive. Voluntary termination by the Executive other than for Good Reason, death or Disability shall be effective upon 60 days' prior written notice to the Company and shall not be deemed a breach of this Agreement.

Other than as set forth expressly in this Section 9(b), the Company shall have no obligation or liability to the Executive under this Agreement.

(c) **Termination by the Company Without Cause; or Termination by the Executive for Good Reason.** If the Executive's employment is terminated by the Company without Cause (other than due to death or Disability), or is terminated by the Executive for Good Reason (in accordance with the notice and cure provisions set forth in the definition of "Good Reason" above), the Executive shall be entitled to the Accrued Benefits. In addition, the Executive shall be entitled to the following:

- (i) a lump sum cash payment to the Executive in an amount equal to the Severance Payment, payable within ten days after the execution of the Release (defined below) and expiration, without revocation, of any applicable revocation periods under the Release; provided, that if the 60-day period during which the Release is required to become effective and irrevocable begins in one calendar year and ends in another calendar year, the Severance Payment shall not be made before the first day of the second calendar year;
- (ii) if COBRA coverage is elected by the Executive, the Company shall pay the cost of insurance continuation premiums on the Executive's behalf (whether or not covered by COBRA) to continue standard medical, dental and life insurance

coverage for the Executive and the Executive's eligible dependents (or the cash equivalent of same in the event the Executive or the Executive's eligible dependents are ineligible for continued coverage), on a monthly basis, until the earlier of:

- (A) the date 18 months after the date the Executive's employment is terminated; or
  - (B) the date, or dates, on which the Executive receives equivalent coverage and benefits under the plans, programs and/or arrangements of a subsequent employer (such coverage and benefits to be determined on a coverage-by-coverage or benefit-by-benefit basis); and
- (iii) any equity or equity-based awards (or portions thereof) that are granted to the Executive, including awards granted prior to the Effective Date, to the extent then outstanding and unvested, shall vest as to the portion of the award that would have vested during the 12-month period immediately following the date of termination (with any performance awards for which achievement of the applicable performance criteria has not yet been certified being deemed achieved at target), and, if applicable, shall remain exercisable until the earlier of the end of the 90-day period following the date of termination and the date on which the applicable award would otherwise expire; it being understood that if the terms of an applicable grant agreement would provide for more favorable vesting on a termination of the Executive's employment without Cause or for Good Reason, such terms shall control.

Other than as set forth expressly in this Section 9(c), the Company shall have no obligation or liability to the Executive under this Agreement.

(d) **Termination due to death or Disability.** If the Executive's employment is terminated due to death or Disability, the Executive (or the Executive's estate, as applicable) shall be entitled to the Accrued Rights. In addition, the Executive shall be entitled to the following:

- (i) a lump sum cash payment to the Executive (or the Executive's estate, as applicable) in an amount equal to a pro rata portion of the Target Bonus for the portion of the year in which the termination of the Executive's employment occurs, calculated based on the number of days the Executive was employed during such year, payable within ten days after the execution by the Executive (or the Executive's estate, as applicable) of the Release (defined below) and expiration, without revocation, of any applicable revocation periods under the Release; provided, that if the 60-day period during which the Release is required

to become effective and irrevocable begins in one calendar year and ends in another calendar year, such payment shall not be made before the first day of the second calendar year;

- (ii) any options to purchase Common Stock then outstanding and held by the Executive that are not then vested and exercisable shall immediately become exercisable in full and shall remain exercisable until the earlier of (a) the end of the one (1)-year period immediately following the termination date or (b) the date the stock option(s) would otherwise expire; and
- (iii) any restricted stock units then outstanding and held by the Executive shall become vested (subject to (i) the Executive's making satisfactory arrangements with the Company providing for the payment to the Company of all required withholding taxes and (ii) with the number of shares subject to the restricted stock unit grants that contain performance criteria vesting at target or, if the applicable performance criteria have already been certified, based on earned shares as set forth in the applicable restricted stock unit grant agreement); it being understood (with respect to Section 9(d)(ii) or (iii)), that if the terms of an applicable grant agreement would provide for more favorable vesting on a termination of the Executive's employment due to death or Disability, such terms shall control.

Other than as set forth expressly in this Section 9(d), the Company shall have no obligation or liability to the Executive or the Executive's estate under this Agreement.

(e) **Conditions to Severance.** Any payments and benefits provided under this Section 9, other than the Accrued Benefits, shall be subject to and in exchange for a general release of all claims against the Company, its subsidiaries, and their officers, directors, agents and representatives (the "Release"), substantially in the form attached to this Agreement and marked as Exhibit A, which is executed by the Executive (or the Executive's estate, as applicable) and becomes enforceable and non-revocable within 60 days of the date of termination. No equity or equity-based awards that vest solely under the terms of Section 9 shall be able to be exercised or shall be settled until such time as the Release becomes effective and, if the Release does not so become effective, such awards shall immediately be cancelled. Moreover, notwithstanding anything to the contrary in this Agreement, if at the time of the Executive's termination of employment, the Executive is a "specified employee" (as defined below), any payment of "nonqualified deferred compensation" (as defined under Section 409A of the Code, as amended, including the regulations thereunder ("Section 409A")) attributable to a "separation from service" (as defined below) shall not commence until the first full business day that is six months and one day after the applicable separation from service (or, if earlier, the Executive's death) ("Deferred Payment Date"); except (A) to the extent of amounts that do not constitute a deferral of compensation within the meaning of Treasury regulation Section

1.409A-1(b) (including without limitation by reason of the safe harbor set forth in Section 1.409A-1(b)(9)(iii), as determined by the Company in its reasonable discretion); (B) benefits that qualify as excepted welfare benefits pursuant to Treasury regulation Section 1.409A-1(a)(5); or (C) other amounts or benefits that are not subject to the requirements of Section 409A. Any payments that would otherwise have been made between the separation from service and the Deferred Payment Date, but for this paragraph, shall be made in a lump sum on the Deferred Payment Date. For purposes of this Agreement, all references to “termination of employment” and correlative phrases shall be construed to require a “separation from service” (as defined in Section 1.409A-1(h) of the Treasury regulations, after giving effect to the presumptions contained therein), and the term “specified employee” means an individual determined by the Company to be a specified employee under Treasury regulation Section 1.409A-1(i).

10. ASSIGNABILITY; BINDING NATURE.

This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors, heirs (in the case of the Executive) and assigns. No rights or obligations of the Company under this Agreement may be assigned or transferred by the Company except that such rights or obligations may be assigned or transferred pursuant to a merger or consolidation in which the Company is not the continuing entity, or the sale or liquidation of all or substantially all of the assets of the Company; provided, however, that the assignee or transferee is the successor to all or substantially all of the assets of the Company and such assignee or transferee assumes the liabilities, obligations and duties of the Company, as contained in this Agreement, either contractually or as a matter of law.

11. REPRESENTATIONS.

The Company represents and warrants that it is fully authorized and empowered to enter into this Agreement, and that the performance of its obligations under this Agreement will not violate any agreement between it and any other person, firm or organization. The Executive represents and warrants that no agreement exists between the Executive and any other person, firm or organization that would be violated by the performance of the Executive’s obligations under this Agreement.

12. INDEMNIFICATION; INSURANCE.

The Executive shall at all times be indemnified and eligible for advancement of expenses on the same basis as is provided for the Company’s other executive officers and in accordance with the provisions of the Company’s charter and by-laws then in effect. The Executive shall also be covered under all of the Company’s policies of liability insurance maintained for the benefit of its directors and officers on the same basis as is provided for its other executive officers.

13. ENTIRE AGREEMENT; TERMINATION.

This Agreement, the agreements referenced herein and the Inventions Agreement previously entered into between the Executive and the Company contain the entire understanding and agreement between the Parties concerning the subject matter hereof and supersedes, as of the Effective Date, all other prior agreements, understandings, discussions, negotiations and undertakings, whether written or oral, between the Parties with respect thereto. The Employment Agreement between the Company and the Executive dated March 31, 2018 (the "Prior Agreement") shall remain in full force and effect through the Effective Date. Upon effectiveness of this Agreement on the Effective Date, the Prior Agreement shall automatically terminate and expire and be of no further force and effect. Notwithstanding the foregoing, if the Executive's employment is terminated by the Company without Cause (as defined and determined under the Prior Agreement) or by the Executive for Good Reason (as defined and determined under the Prior Agreement) prior to the Effective Date, the Executive will be entitled to the severance payment and accelerated vesting provisions of Section 9(c) of this Agreement, in place of and to the extent that such provisions are more favorable to the Executive than comparable provisions of Section 9(c) of the Prior Agreement; provided that, for the avoidance of any doubt, any severance payments will be calculated based on the Executive's compensation and benefits at the time of such termination and any accelerated vesting will be with respect to the equity awards held by the Executive at the time of such termination and nothing in the foregoing is intended to or will operate to increase the Executive's base salary, target bonus, or any other compensatory entitlements then in effect. Subject to the terms of this Agreement, at any time during the term of this Agreement, the Company shall be entitled to terminate the Executive's employment at any time, and the Executive may terminate the Executive's employment by the Company at any time, subject to the provisions of Section 9(b) of this Agreement, in each case by written notice provided in accordance with Section 20 of this Agreement.

#### 14. AMENDMENT OR WAIVER.

No provision in this Agreement may be amended unless such amendment is agreed to in writing and signed by the Executive and an authorized officer of the Company provided that the Company may, without the Executive's consent, unilaterally adopt amendments that may be required so that this Agreement continues to comply with applicable law or regulations, including without limitation Section 409A of the Code. No waiver by either Party of any breach by the other Party of any condition or provision contained in this Agreement to be performed by such other Party shall be deemed a waiver of a similar or dissimilar condition or provision at the same or any prior or subsequent time. Any waiver must be in writing and signed by the Executive or an authorized officer of the Company, as the case may be.

#### 15. SEVERABILITY.

If any provision or portion of this Agreement shall be determined to be invalid or unenforceable for any reason, in whole or in part, the remaining provisions of this Agreement

shall be unaffected thereby and shall remain in full force and effect to the fullest extent permitted by law.

16. SURVIVORSHIP.

The respective rights and obligations of the Parties hereunder shall survive any termination of the Executive's employment to the extent necessary to the intended preservation of such rights and obligations.

17. BENEFICIARIES/REFERENCES.

The Executive shall be entitled, to the extent permitted under any applicable law, to select and change a beneficiary or beneficiaries to receive any compensation or benefit payable hereunder following the Executive's death by giving the Company written notice thereof. In the event of the Executive's death or a judicial determination of the Executive's incompetence, reference in this Agreement to the Executive shall be deemed, where appropriate, to refer to the Executive's beneficiary, estate or other legal representative.

18. GOVERNING LAW/JURISDICTION.

This Agreement shall be governed by and construed and interpreted in accordance with the laws of The Commonwealth of Massachusetts without reference to principles of conflict of laws.

19. RESOLUTION OF DISPUTES.

Any disputes arising under or in connection with this Agreement will, at the election of the Executive or the Company, be resolved by binding arbitration, to be held in Massachusetts in accordance with the Rules and Procedures of the American Arbitration Association. If arbitration is elected, the Executive and the Company shall mutually select the arbitrator. If the Executive and the Company cannot agree on the selection of an arbitrator, each Party shall select an arbitrator and the two arbitrators shall select a third arbitrator, and the three arbitrators shall form an arbitration panel that shall resolve the dispute by majority vote. Judgment upon the award rendered by the arbitrator or arbitrators may be entered in any court having jurisdiction thereof. Costs of the arbitrator or arbitrators and other similar costs in connection with an arbitration shall be shared equally by the Parties; all other costs, such as attorneys' fees incurred by each Party, shall be borne by the Party incurring such costs.

20. NOTICES.



All notices that are required or permitted hereunder shall be in writing and sufficient if delivered personally, sent by facsimile (and promptly confirmed by personal delivery, registered or certified mail or overnight courier), sent by nationally-recognized overnight courier or sent by registered or certified mail, postage prepaid, addressed as follows:

If to the Company: Vertex Pharmaceuticals Incorporated

50 Northern Avenue

Boston, MA 02210

Attn: Corporate Secretary

If to the Executive: at the Executive's home address listed in the Company records.

Any such notice shall be deemed to have been given: (a) when delivered if personally delivered or sent by facsimile on a business day; (b) on the business day after dispatch if sent by nationally-recognized overnight courier; and/or (c) on the fifth business day following the date of mailing if sent by mail.

#### 21. HEADINGS.

The headings of the sections contained in this Agreement are for convenience only and shall not be deemed to control or affect the meaning or construction of any provision of this Agreement.

#### 22. COUNTERPARTS.

This Agreement may be executed in two or more counterparts.

#### 23. SECTION 409A OF THE CODE.

It is the intention of the Company and the Executive that this Agreement and the payments provided for herein are either exempt from or meet the requirements of Section 409A of the Code. The Company and the Executive agree to cooperate in good faith in preparing and executing such amendments to this Agreement, if any, as the Company or the Executive may reasonably request solely for the purpose of assuring that this Agreement and the payments provided hereunder remain exempt from or meet the requirements of Section 409A, as applicable. Nothing in this Agreement shall require the Company to increase the Executive's compensation or make the Executive whole for any such changes. In no event, however, shall the Company have any liability relating to the failure or alleged failure of any payment or benefit under this Agreement to comply with, or be exempt from, the requirements of Section 409A of the Code.

Each payment made under this Agreement shall be treated as a separate payment and the right to a series of installment payments under this Agreement is to be treated as a right to a series of separate payments. The Executive's right to payment or reimbursement for any expenses hereunder shall be subject to the following additional rules: (i) the amount of expenses eligible for payment or reimbursement during any calendar year shall not affect the expenses eligible for payment or reimbursement in any other calendar year, (ii) payment or reimbursement shall be made not later than December 31 of the calendar year following the calendar year in which the expense or payment was incurred, and (iii) the right to payment or reimbursement shall not be subject to liquidation or exchange for any other benefit.

24. CLAWBACK.

The payment of all amounts and the equity granted to the Executive by the Company pursuant to this Agreement shall be subject to and shall be deemed amended hereby to incorporate any policy applicable to the executives of the Company adopted by the Company requiring the repayment of compensation paid or provided to the Executive.

25. TAX WITHHOLDING; NO GUARANTEE OF ANY TAX CONSEQUENCES.

All payments hereunder shall be subject to all applicable withholding for any federal, state or local income taxes including any excise taxes under the Code. Notwithstanding any other provision of this Agreement to the contrary or other representation, the Company does not in any way guarantee the tax consequences of any payment or compensation under this Agreement including, without limitation, under Section 409A of the Code.

26. REIMBURSEMENT OF LEGAL FEES AND OTHER EXPENSES.

The Company shall reimburse the Executive's legal fees and expenses incurred in the negotiation of the terms and conditions of this Agreement, to a maximum total reimbursement not to exceed \$20,000, subject to such reasonable substantiation, documentation and submission deadlines as may be specified by the Company.

The Company shall pay or reimburse the Executive for all reasonable and customary business expenses incurred or paid by the Executive in the performance of her duties and responsibilities hereunder, subject to any maximum annual limit and other restrictions on such expenses set by the Board as applicable to executives of the Company generally and to such reasonable substantiation and documentation as may be specified by the Company from time to time.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date first written above.

**Vertex Pharmaceuticals Incorporated**

/s/ Jeffrey Leiden\_\_\_\_\_

Name: Jeffrey Leiden

Title: Chairman, CEO and President

/s/ Bruce Sachs\_\_\_\_\_

Name: Bruce Sachs

Title: Lead Independent Director and Chair of MDCC

**The Executive**

/s/ Reshma Kewalramani\_\_\_\_\_

Reshma Kewalramani

## EXHIBIT A

### RELEASE OF CLAIMS

FOR AND IN CONSIDERATION OF the severance benefits to be provided me in connection with the termination of my employment in accordance with the applicable provision of Section 9 of the employment agreement between me and Vertex Pharmaceuticals Incorporated (the “Company”) made and entered into as of July 24, 2019 and effective as of April 1, 2020 (the “Agreement”), which are conditioned on my signing this Release of Claims, in addition to my continued compliance with the Inventions Agreement (as such term is defined in the Agreement), and to which I am not otherwise entitled, I, on my own behalf and on behalf of my heirs, executors, administrators, beneficiaries, representatives and assigns, and all others connected with or claiming through me, hereby release and forever discharge the Company and its subsidiaries and affiliates and all of their respective past, present and future officers, directors, shareholders, employees, agents, general and limited partners, members, managers, joint venturers, employee benefit plans, representatives, successors and assigns, and all others connected with any of them (collectively, the “Released”), both individually and in their official capacities, from any and all causes of action, rights or claims of any type or description, whether known or unknown, that I have had in the past, now have, or might now have, through the date of my signing of this Release of Claims, including without limitation any causes of action, rights or claims in any way resulting from, arising out of or connected with my employment by the Company or any of its subsidiaries or affiliates or the termination of that employment or pursuant to any federal, state or local law, regulation or other requirement (including without limitation Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act, the Americans with Disabilities Act, and the fair employment practices laws of the state or states in which I have been employed by the Company or any of its subsidiaries or affiliates, each as amended from time to time).

Excluded from the scope of this Release of Claims is (i) any claim arising under an applicable provision of Section 9 of the Agreement after the effective date of this Release of Claims, (ii) any right of indemnification or contribution that I have pursuant to the charter or by laws of the Company and (iii) any claim that may not be waived pursuant to applicable law.

Notwithstanding any of the foregoing, nothing in this Release of Claims shall be construed to prohibit me from filing a charge with or participating in any investigation or proceeding conducted by the federal Equal Employment Opportunity Commission or a comparable state or local agency, except that I hereby agree to waive my right to recover monetary damages or other individual relief in any such charge, investigation or proceeding, or any related complaint or lawsuit filed by me or by anyone else on my behalf. Further, nothing in this Release or any other agreement with the Company limits, restricts or in any other way affects my communicating with

any governmental agency or entity, or communicating with any official or staff person of a governmental agency or entity, concerning matters relevant to the governmental agency or entity.

In signing this Release of Claims, I acknowledge my understanding that I may not sign it prior to the termination of my employment, but that I may consider the terms of this Release of Claims for up to twenty-one (21) days (or such longer period as the Company may specify) from the date my employment with the Company terminates. I also acknowledge that I have been advised by the Company to consult an attorney prior to signing this Release of Claims; that I have had a full and sufficient time to consider this Release of Claims and to consult with an attorney, if I wished to do so, or to consult with any other person of my choosing before signing; and that I am signing this Release of Claims voluntarily and with a full understanding of its terms. I further acknowledge that, in signing this Release of Claims, I have not relied on any promises or representations, express or implied, other than those set forth expressly in the Agreement.

I understand that I may revoke this Release of Claims at any time within seven (7) days of the date of my signing by written notice to the Senior Vice President of Human Resources of the Company or such other person whom the Board of Directors of the Company may designate and that this Release of Claims shall not take effect until the eighth (8th) calendar day following the date of my signing and then only if I have not revoked it during the preceding seven (7) calendar days.

I acknowledge that I continue to be bound by my obligations under the Inventions Agreement, which shall remain in full force and effect in accordance with their terms.

Intending to be legally bound, I have signed this Release of Claims under seal as of the date written below.

Signature: \_\_\_\_\_  
Reshma Kewalramani

Date Signed: \_\_\_\_\_

VERTEX PHARMACEUTICALS INCORPORATED  
50 NORTHERN AVENUE • BOSTON, MA 02210  
TEL. 617.341.6100

July 24, 2019

Reshma Kewalramani  
174 Winding River Road  
Wellesley, MA 02482

RE: Change of Control Agreement

Dear Reshma:

You are a key member of the senior management team of Vertex Pharmaceuticals Incorporated (the "Company"). As a result, the Company would like to provide you with the following "change of control" benefits to help ensure that if the Company becomes involved in a "change of control" transaction, there will be no distraction from your attention to the needs of the Company. This Change of Control Agreement (this "Agreement") is being entered into in connection with your appointment to serve as the Company's President and Chief Executive Officer, and will become effective on April 1, 2020 (the "Effective Date").

I. *Definitions.* For the purposes of this Agreement, capitalized terms used herein shall have the following meanings:

1. "Cause" shall mean:

- (a) your conviction of a crime involving moral turpitude;
  - (b) your willful refusal or failure to follow a lawful directive or instruction of the Company's Board of Directors or the individual(s) to whom you report, provided that you receive prior written notice of the directive(s) or instruction(s) that you failed to follow, and provided further that the Company, in good faith, gives you 30 days to correct such failure and further provided that if you correct the failure(s), any termination of your employment on account of such failure shall not be treated for purposes of this Agreement as a termination of employment for "Cause";
  - (c) you commit a material breach of the Company's insider trading policy or of any provision of the Employment Agreement entered into between you and the Company on the date hereof (the "Employment Agreement") or the agreement between you and the Company entitled "Employee Non-Disclosure, Non-Competition and Inventions Agreement" dated as of December 14, 2016 (the "Inventions Agreement"); or
  - (d) your breach of the code of conduct or any other material policy of the Company or any of its affiliates that is damaging to the financial condition or reputation of the Company or any of its affiliates.
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2. "Change of Control" shall mean that:
  - (a) any "person" or "group" as such terms are used in Sections 13(d) and 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "Act"), becomes a beneficial owner, as such term is used in Rule 13d-3 promulgated under the Act, of securities of the Company representing more than 50% of the combined voting power of the outstanding securities of the Company having the right to vote in the election of directors; or
  - (b) all or substantially all the business or assets of the Company are sold or disposed of, or the Company or a subsidiary of the Company combines with another company pursuant to a merger, consolidation, or other similar transaction, other than (i) a transaction solely for the purpose of reincorporating the Company or one of its subsidiaries in a different jurisdiction or recapitalizing or reclassifying the Company's stock; or (ii) a merger or consolidation in which the shareholders of the Company immediately prior to such merger or consolidation continue to own at least a majority of the outstanding voting securities of the Company or the surviving entity immediately after the merger or consolidation.
3. "Code" shall mean the Internal Revenue Code of 1986, as amended.
4. "Disability" shall mean a disability as determined under the Company's long-term disability plan or program in effect at the time the disability first occurs, or if no such plan or program exists at the time of disability, then a "disability" as defined under Section 22(e)(3) of the Code.
5. "Good Reason" shall mean one of the following events has occurred without your consent:
  - (a) You suffer a material reduction in the authorities, duties or job title and responsibilities associated with your position as President and Chief Executive Officer of the Company;
  - (b) your annual Total Compensation is decreased;
  - (c) the office to which you are assigned is relocated to a place 35 or more miles away; or
  - (d) following a Change of Control, the Company's successor fails to assume the Company's rights and obligations under this Agreement;

provided that Good Reason shall not exist unless and until within 30 days after the event giving rise to Good Reason under (a), (b), (c) or (d) above has occurred, you deliver a written termination notice to the Company stating that an event giving rise to Good Reason has occurred and identifying with reasonable detail the event that you assert constitutes Good Reason under (a), (b), (c) or (d) above and the Company fails or refuses to cure or

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eliminate the event giving rise to Good Reason on or within 30 days after receiving your notice. To avoid doubt, the termination of your employment will become effective at the close of business on the thirtieth day after the Company receives your termination notice, unless the Company cures or eliminates the event giving rise to Good Reason prior to such time.

6. "Termination Date" shall mean the last day of your employment with the Company.
7. "Total Compensation" shall mean your annual compensation opportunity based on the aggregate value of your (1) annual base salary, (2) target bonus, (3) target equity or equity-based awards (measured at grant) and (4) any other long- or short-term cash incentives.

II. *Severance Benefits upon Change of Control.* If:

- (A) your employment is terminated by the Company (except for termination for Cause or due to a Disability or death) and the Termination Date is within 90 days prior to a Change of Control or within 12 months after a Change of Control; or
- (B) you, of your own initiative, (i) terminate your employment for Good Reason (in accordance with the notice and cure provisions set forth in Section I.5 above) and (ii) the event giving rise to Good Reason occurs within 90 days prior to a Change of Control or within 12 months after a Change of Control;

then, you shall receive the following benefits:

1. *Severance Payment.* In exchange for your execution within 60 days of the Termination Date of a general release, in a form satisfactory to the Company, of all claims against the Company, its subsidiaries, and its and their officers, directors and representatives, that becomes enforceable and irrevocable within such 60-day period, the Company shall make a cash payment (the "Severance Payment") to you in an amount equal to the sum of:
    - (a) 299% of the sum of (i) your annual base salary (provided, however, that if you terminate your employment for Good Reason based on a reduction in your annual base salary, then the annual base salary to be used in calculating the Severance Payment shall be your annual base salary in effect immediately prior to such reduction in annual base salary) plus (ii) your target bonus under any bonus program applicable to you for the year in which the Termination Date occurs; plus
    - (b) a pro rata portion of your target bonus for the portion of the year in which the Termination Date occurs under any bonus program applicable to you, calculated based on the number of days you were employed during such year; plus
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- (c) all other cash incentive compensation awards earned by you but not paid prior to the Termination Date; provided that, if a fiscal year has been completed and the incentive award for such fiscal year has not been determined, the incentive compensation for such completed fiscal year shall equal the target bonus for such fiscal year.

Except with respect to any portion of the Severance Payment that is delayed as set forth in this paragraph, the Severance Payment shall be made in cash within ten days after the execution by you of the general release referred to above and expiration without revocation of any applicable revocation periods under such general release (or, if the Change of Control resulting in your becoming entitled to such benefits occurs after such execution and expiration, within ten days after the Change of Control), provided that, if the 60-day period during which the general release is required to become effective and irrevocable begins in one calendar year and ends in another calendar year, the Severance Payment shall not be made before the first day of the second calendar year.

If you are a “specified employee” (as defined below) on the Termination Date, the commencement of the delivery of any such payments that constitute nonqualified deferred compensation payable upon a “separation from service” (as defined below) will be delayed until the first business day that is more than six months after your Termination Date. The determination of whether, and the extent to which, any of the payments to be made to you hereunder are nonqualified deferred compensation shall be made after the application of all applicable exclusions, including those set forth under Treasury Reg. § 1.409A-1(b)(9) and Treasury Reg. § 1.409A-1(a)(5). For purposes of this Agreement, to the extent required to ensure compliance with Section 409A of the Code, all references to “termination of employment” and correlative phrases shall be construed to require a “separation from service” (as defined in Treasury Reg. § 1.409A-1(h), after giving effect to the presumptions contained therein), and the term “specified employee” means an individual determined by the Company to be a specified employee under Treasury Reg. § 1.409A-1(i). Each payment made under this Agreement shall be treated as a separate payment and the right to a series of installment payments under this Agreement is to be treated as a right to a series of separate payments. Your right to payment or reimbursement for any expenses hereunder that would constitute nonqualified deferred compensation subject to Section 409A will be subject to the following additional rules: (i) the amount of expenses eligible for payment or reimbursement during any calendar year shall not affect the expenses eligible for payment or reimbursement in any other calendar year, (ii) payment or reimbursement shall be made not later than December 31 of the calendar year following the calendar year in which the expense or payment was incurred, and (iii) the right to payment or reimbursement shall not be subject to liquidation or exchange for any other benefit.

2. *Accelerated Vesting.*

- (a) On the Termination Date, stock options for the purchase of the Company’s securities held by you as of the Termination Date and not then vested and exercisable shall immediately become vested and exercisable in full. The options to which this
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accelerated vesting applies shall remain exercisable until the earlier of (a) the end of the 90-day period immediately following the later of (i) the Termination Date or (ii) the date of the Change of Control and (b) the date the stock option(s) would otherwise expire; and

- (b) On the Termination Date, each outstanding restricted stock unit grant shall be accelerated and the Shares shall be delivered to you within two business days (subject to (i) your making satisfactory arrangements with the Company providing for the payment to the Company of all required withholding taxes and (ii) with the number of shares subject to the restricted stock unit grants that contain performance criteria vesting at target or, if the applicable performance criteria have already been certified, based on earned shares or units as set forth in the applicable restricted stock unit grant agreement).

If your employment terminates during the 90-day period prior to a Change of Control, the accelerated vesting set forth above shall become effective immediately prior to such Change of Control. Notwithstanding anything to the contrary in this Agreement, the terms of any option agreement or restricted stock unit agreement shall govern the acceleration, if any, of vesting or lapsing of the Company's repurchase rights and period of exercisability of such awards, as applicable, except to the extent that the terms of this Agreement are more favorable to you.

3. *Continued Insurance Coverage.* If COBRA coverage is elected by you, the Company shall pay the cost of insurance continuation premiums on your behalf (whether or not covered by COBRA) to continue standard medical, dental and life insurance coverage for you (or the cash equivalent of same if you are ineligible for continued coverage) until the earlier of (i) the date 18 months after the Termination Date or (ii) the date you begin receiving substantially equivalent coverage and benefits through a subsequent employer.
4. *No Mitigation.* You shall not be required to mitigate the amount of the Severance Payment or any other benefit provided under this Agreement by seeking other employment or otherwise, nor shall the amount of any payment or benefit provided for in this Agreement be reduced (except as provided in Article II Section 3(ii)) by any compensation earned by you as the result of other employment, by retirement benefits, or be offset against any amount claimed to be owed by you to the Company or otherwise (except for any required withholding taxes); provided, that if the Company makes any other severance payments to you under any other program or agreement, including the Employment Agreement, such amounts shall be offset against the payments the Company is obligated to make pursuant to this Agreement.

### III. Miscellaneous.

1. *Employee's Obligations.* Upon the termination of employment, you shall promptly deliver to the Company all property of the Company and all material documents, statistics, account records, programs and other similar tangible items which may be in your possession or
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under your control and which relate in a material way to the business or affairs of the Company or its subsidiaries, and no copies of any such documents or any part thereof shall be retained by you.

2. *Entire Agreement.* This Agreement, the Employment Agreement and the “Employee Non-Disclosure, Non-Competition & Inventions Agreement” executed by you covers the entire understanding of the parties as to the subject matter hereof, superseding, as of the Effective Date, all prior understandings and agreements related hereto. The Change of Control Agreement between you and the Company dated March 31, 2018 (the “Prior Agreement”) will remain in effect through the Effective Date. Upon effectiveness of this Agreement on the Effective Date, the Prior Agreement shall automatically terminate and expire and be of no further force and effect. No modification or amendment of the terms and conditions of this Agreement shall be effective unless in writing and signed by the parties or their respective duly authorized agents, provided, however, that the Company may, without your consent, unilaterally adopt amendments that may be required so that this Agreement continues to comply with applicable law or regulation, including without limitation Section 409A of the Code, provided such amendments do not adversely affect the benefits to be provided to you under Section II of this Agreement. In no event shall the Company have any liability relating to the failure or alleged failure of any payment or benefit under this Agreement to comply with or be exempt from, the requirements of Section 409A.
  3. *Governing Law.* This Agreement shall be governed by the laws of The Commonwealth of Massachusetts, as applied to contracts entered into and performed entirely in Massachusetts by Massachusetts residents.
  4. *Successors and Assigns.* This Agreement may be assigned by the Company upon a sale, transfer or reorganization of the Company. Upon a Change of Control, the Company shall require the successor to assume the Company’s rights and obligations under this Agreement. The Company’s failure to do so shall constitute Good Reason and a material breach of this Agreement. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their successors, permitted assigns, legal representatives and heirs.
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July 24, 2019

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Kindly indicate your acceptance of the foregoing by signing and dating this Agreement as noted below, and returning one fully executed original to my attention.

Very truly yours,

Vertex Pharmaceuticals Incorporated

By: /s/ Jeffrey Leiden

Name: Jeffrey Leiden

Title: Chairman, CEO and President

By: /s/ Bruce Sachs

Name: Bruce Sachs

Title: Lead Independent Director and Chair of MDCC

ACCEPTED AND AGREED:

/s/ Reshma Kewalramani

Reshma Kewalramani

**AMENDMENT NO. 1 TO  
AMENDED AND RESTATED EMPLOYMENT AGREEMENT**

This AMENDMENT NO. 1 is made and entered into effective as of July 24, 2019 (the "Effective Date") to the amended and restated employment agreement dated as of November 30, 2016 (the "Employment Agreement"), between Vertex Pharmaceuticals Incorporated (the "Company") and Jeffrey M. Leiden, MD., Ph.D. (the "Executive").

WHEREAS, the parties have agreed that upon the expiration of the term of the Employment Agreement on March 31, 2020 (the Expiration Date as set forth in the Employment Agreement), the Executive will resign from his position with the Company as its Chief Executive Officer effective on the Expiration Date, and will thereafter continue to serve the Company as its Executive Chairman; and

WHEREAS, the Company and the Executive deem it desirable and appropriate to set forth the terms of the Executive's anticipated continued employment with the Company as its Executive Chairman following the Expiration Date.

NOW, THEREFORE, effective on the Effective Date, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. The Company and the Executive hereby agree to enter into the employment agreement attached hereto as Exhibit 1 prior to the Expiration Date, which agreement shall become effective on the date set forth therein, subject to and contingent on the Executive's continued service with the Company under the terms of the Employment Agreement through the expiration of its term on the Expiration Date.

2. Section 5(d)(i)(A) of the Employment Agreement is hereby amended to add the following sentence at the end: "In addition, the Company shall provide the Executive with the benefits described in Section 5(d)(i)(A) of the employment agreement attached hereto as Exhibit 1, which amounts shall be paid in the time period set forth in such Section 5(d)(i)(A) of such employment agreement."

3. The Company shall reimburse the Executive's legal fees and expenses incurred in the negotiation of the terms and conditions of this Amendment No. 1 and of the employment agreement attached hereto as Exhibit 1, to a maximum total reimbursement not to exceed twenty thousand dollars (\$20,000), subject to such reasonable substantiation, documentation and submission deadlines as may be specified by the Company.

Except as amended hereby and expressly provided herein, the Employment Agreement shall remain in full force and effect.

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IN WITNESS WHEREOF, this Amendment No. 1 has been executed as a sealed instrument by the Company, by its duly authorized representative, and by the Executive, as of the date first above written.

THE COMPANY:                    THE EXECUTIVE:

VERTEX PHARMACEUTICALS  
INCORPORATED

By: /s/ Bruce I. Sachs                    /s/ Jeffrey M. Leiden, M.D., Ph.D.  
Bruce I. Sachs                    Jeffrey M. Leiden, M.D., Ph.D  
Lead Independent Director and  
Chairman of MDCC

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Exhibit 1

**EMPLOYMENT AGREEMENT**

This EMPLOYMENT AGREEMENT (this "Agreement") is made and entered into as of April 1, 2020 (the "Effective Date") between Vertex Pharmaceuticals Incorporated (the "Company") and Jeffrey M. Leiden, MD., Ph.D. (the "Executive") and is effective as of March 31, 2020.

WHEREAS, the Company and the Executive previously entered into an amended and restated employment agreement dated as of November 30, 2016, and amended by an Amendment No. 1 dated as of June 24, 2019 (the "Prior Agreement"), which set forth the terms of the Executive's employment with the Company as its Chief Executive Officer;

WHEREAS, the parties have elected not to extend the term of the Prior Agreement beyond its expiration date, and the Executive hereby resigns from his position with the Company as its Chief Executive Officer effective March 31, 2020;

WHEREAS, on and after the Effective Date, the Executive has agreed to continue to serve the Company as its Executive Chairman, and, subject to his continuing re-election by the Company's shareholders, will also continue to serve on the Board of Directors of the Company (the "Board"), and as the Chairman of the Board; and

WHEREAS, the Company and the Executive deem it desirable and appropriate to enter into this Agreement to set forth the terms of the Executive's employment with the Company as its Executive Chairman, effective as of the Effective Date.

NOW, THEREFORE, effective on the Effective Date, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Termination of Prior Agreement; Employment as Executive Chairman. Subject to and contingent on the Executive's continued employment with the Company under the terms of the Prior Agreement through the expiration of its term on March 31, 2020, this Agreement shall become effective on the Effective Date. Upon effectiveness of this Agreement on the Effective Date, the Prior Agreement shall terminate and be of no further force and effect. Prior to the Effective Date, the Prior Agreement shall remain in full force and effect. The Executive hereby resigns and terminates his employment as Chief Executive Officer of the Company and from all other positions, offices and directorships he may have with the Company or any of its Immediate Affiliates, other than as a member and as Chairman of the Board, and the Company, on its own behalf and on behalf of its Affiliates, hereby accepts such resignations, effective as of March 31, 2020. For purposes of Section 5(h) of the Prior Agreement, the termination of the Executive's employment as the Chief Executive Officer of the Company on March 31, 2020 shall be treated as a termination of employment upon expiration of the term of such agreement, and the Executive shall be entitled to the accelerated vesting and extended exercisability of outstanding

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equity awards held by the Executive as of such date as provided in Section 5(h) of the Prior Agreement. A summary of the equity awards held by the Executive on March 31, 2020 and the treatment of such awards under such Section 5(h) is attached hereto as Exhibit A. Notwithstanding anything to the contrary herein, nothing provided for herein shall constitute, or give rise to, a Good Reason event under the Prior Agreement. During the Term of this Agreement (defined below), the Executive shall be employed in the business of the Company as its Executive Chairman, with the duties as set forth in Section 3 of this Agreement.

2. Term. The Executive's employment under this Agreement shall be for a term (the "Term of this Agreement") commencing on the Effective Date and expiring on the earlier of (i) March 31, 2023 (the "Expiration Date") or (ii) the date this Agreement is terminated in accordance with Section 5 of this Agreement or otherwise. The Term of this Agreement may be extended or renewed only by written agreement signed by the Executive and an expressly authorized representative of the Board.

3. Capacity and Performance.

(a) During the Term of this Agreement, the Executive shall be appointed and serve as the Executive Chairman of the Company. During the Term of this Agreement, the Executive shall also serve on the Board, and as the Chairman of the Board, in each case, subject to his continuing reelection by the Company's shareholders. At the request of the Board, upon termination of his employment with the Company for any reason, the Executive shall resign as a member of the Board and as Chairman of the Board and from his office as Executive Chairman of the Company and any other positions, offices and directorships he may then have with the Company or any of its Immediate Affiliates.

(b) During the Term of this Agreement, the Executive shall diligently perform the duties and responsibilities of Executive Chairman of the Company and such other duties and responsibilities consistent with the position of Executive Chairman, as may be assigned to him from time to time by the Board or a designated committee thereof.

(c) During the Term of this Agreement, the Executive shall devote his best efforts, business judgment, skill and knowledge to the advancement of the business and interests of the Company and its Affiliates and to the discharge of his duties and responsibilities hereunder. The Executive may (i) engage in the passive management of his personal and family investments and in charitable and community activities, (ii) invest in companies other than the Company and its Immediate Affiliates as long as such companies do not have a product that is competitive with a product that the Company is actively marketing, and (iii) act in an investment advisory capacity for and/or serve on the governing boards of companies other than the Company and its Immediate Affiliates as long as such companies do not have a product that is competitive with a product that the Company is actively marketing and/or a product of the Company that is in clinical development; provided that (A) such investments, activities, and any memberships on board of directors or other governing boards other than those of the Company and its Immediate Affiliates authorized by the Board, do not, individually or in the aggregate, give rise to a conflict of interest or otherwise materially interfere with his performance of his duties and responsibilities to the Company and its Affiliates under this Agreement or the time

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required for their performance or breach his obligations set forth in the agreement between the Company and the Executive entitled “Employee Non-Disclosure, Non-Competition and Inventions Agreement” dated as of December 14, 2011 (the “Employee Agreement”) and (B) Executive shall not have an operational role with respect to any companies other than the Company and its Immediate Affiliates. The Executive shall not accept membership on any board of directors or other governing board of any Person or engage in any other business activity without the prior approval of two independent members of the Board, including a Lead Independent Director and the Chair of the Corporate Governance and Nominating Committee of the Board (the “CGNC”), which approval will not be unreasonably withheld, delayed or conditioned.

(d) During the Term of this Agreement (for the avoidance of doubt, not including the Company’s annual shareholder meeting in 2023), the Company agrees to propose to the shareholders of the Company at each appropriate annual meeting of such shareholders the reelection of the Executive as a member of the Board.

4. Compensation and Benefits. As compensation for all services performed by the Executive under and during the Term of this Agreement and subject to performance of the Executive’s duties and responsibilities and of his obligations to the Company and its Affiliates, pursuant to this Agreement, the Employee Agreement or otherwise:

(a) Base Salary. During the first twelve (12) months of the Term of this Agreement, the Company shall pay the Executive a base salary at the rate of One Million Dollars (\$1,000,000) per year (the “Base Salary”), payable in accordance with the normal payroll practices of the Company for its executives. For the remainder of the Term of this Agreement following such twelve (12) month period, the Executive shall not be entitled to any base salary compensation.

(b) Performance Bonus Compensation. For fiscal year 2020, the Executive shall have the opportunity to earn an annual bonus (the “FY2020 Bonus”) under the executive performance bonus plan then applicable to the Company’s executive officers generally, as in effect from time to time, based on target objectives (including both Company and individual performance factors) determined by the Board or a designated committee thereof. The Executive’s target bonus opportunity under the executive performance bonus plan for fiscal year 2020 shall be One Hundred Percent (100%) of the Base Salary (the “Target Bonus”), with the actual amount of the FY2020 Bonus being determined in the reasonable discretion of the Board or its designated committee based on the performance of the Executive and the Company against the target objectives. Except as otherwise provided in accordance with the applicable provision of Section 5 hereof in the event of termination of the Executive’s employment hereunder, the Executive, in order to be eligible to earn the FY2020 Bonus, must be employed on the date payment of annual bonuses for fiscal year 2020 is made to Company executives generally, which shall occur not later than two and one-half months following the close of such fiscal year. Other than the FY2020 Bonus, during the Term of this Agreement, the Executive shall not be entitled to earn any annual incentive or bonus compensation.

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(c) Equity Awards. During the Term of this Agreement, and provided that the Executive has remained in continuous service with the Company through the applicable grant date, subject to the approval of the Board or the Compensation Committee thereof, the Executive will receive the following annual grants of equity awards (the “Annual Stock Awards”). Each Annual Stock Award will be made during the applicable time period set forth below. Fifty percent (50%) of each Annual Stock Award will be in the form of fully vested shares of Company common stock and fifty percent (50%) will be in the form of performance stock units and the Annual Stock Award will have an aggregate grant date value (with performance stock units valued based on target, and the number of shares or units granted, as applicable, determined by dividing such values by the fair market value of the Company’s common stock) as follows:

- (i) \$9,000,000 for fiscal year 2020 (to be granted in the first calendar quarter of 2021) (“Year 1”);
- (ii) \$8,500,000 for fiscal year 2021 (to be granted in the first calendar quarter of 2022) (“Year 2”); and
- (iii) \$6,500,000 for fiscal year 2022 (to be granted in the first calendar quarter of 2023) (“Year 3”).

Both one-year and three-year performance criteria will apply to the performance stock units granted in Year 1, and one-year performance criteria will apply to the performance stock units granted in Year 2 and Year 3. The terms and conditions applicable to each Annual Stock Award shall otherwise be as prescribed by the Compensation Committee, with each Annual Stock Award evidenced by an award agreement that is substantially similar to the form of award agreement used for such type of award for Company executives generally, except for such changes as are necessary or desirable to reflect the terms of the Executive’s employment hereunder.

(d) Other Benefits. During the Term of this Agreement, the Company shall furnish the Executive with an executive office at the Company’s corporate headquarters, which office will be located in close proximity to the Chief Executive Officer of the Company’s primary office, and shall provide the Executive with an administrative assistant. During the Term of this Agreement, the Executive shall be entitled to participate in any and all Employee Benefit Plans from time to time in effect for executives of the Company generally, except to the extent any such Employee Benefit Plan is in a category of benefit provided to the Executive under this Agreement (*e.g.*, a severance pay plan) or otherwise provided the Executive by the Company or any of its Immediate Affiliates; provided, however, that, if a benefit provided the Executive other than under this Agreement disqualifies the Executive from participating in an Employee Benefit Plan for which he would otherwise be eligible, the Company will provide the Executive notice of such disqualification. Such participation shall be subject to the terms of the applicable plan documents and generally applicable Company policies. For purposes of this Agreement, “Employee Benefit Plan” shall have the meaning ascribed to such term in Section 3(3) of ERISA, as amended from time to time.

(e) Business Expenses.

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(i) The Company shall pay or reimburse the Executive for all reasonable and customary business expenses incurred or paid by the Executive in the performance of his duties and responsibilities hereunder, subject to any maximum annual limit and other restrictions on such expenses set by the Board as applicable to executives of the Company generally and to such reasonable substantiation and documentation as may be specified by the Company from time to time; provided, however, that, consistent with the employee travel policy of the Company, expenses incurred by the Executive for travel between his personal residence and the Company's corporate headquarters shall not be payable or reimbursable pursuant to this Section 4(e) or otherwise.

(ii) Any reimbursement of expenses that would constitute nonqualified deferred compensation subject to Section 409A of the Code and the regulations promulgated thereunder, each as amended ("Section 409A"), shall be subject to the following additional rules: (A) no reimbursement of any such expense shall affect the Executive's right to reimbursement of any other such expense in any other taxable year; (B) reimbursement of the expense shall be made, if at all, not later than the end of the calendar year following the calendar year in which the expense was incurred; and (C) the right to reimbursement shall not be subject to liquidation or exchange for any other benefit.

5. Termination of Employment and Severance Benefits. Notwithstanding the provisions of Section 2 hereof, the Executive's employment may be terminated and this Agreement terminated prior to the Expiration Date under the following circumstances:

(a) Death. In the event of the Executive's death during the Term of this Agreement, the Executive's employment hereunder shall immediately and automatically terminate on that date. In such event, following the Date of Termination (as defined below), the Company (i) shall pay to the Executive's estate any Final Compensation (as defined below) that is due, such payment to be made on the next regular payroll date of the Company; (ii) shall pay to the Executive's estate the Base Salary, if then payable under Section 4(a) hereof, if any, that remains unpaid as of the Date of Termination, payable in a single lump sum cash payment on the Company's next regular payday for its executives that follows the expiration of sixty (60) calendar days from the Date of Termination; (iii) shall pay to the Executive's estate the FY2020 Bonus, if earned but unpaid on the Date of Termination, payable on the date annual bonuses for fiscal year 2020 are paid to Company executives generally, or, if the Date of Termination occurs before December 31, 2020, shall pay to the Executive's estate the Target Bonus, payable on the Company's next regular payday for its executives that follows the expiration of sixty (60) calendar days from the Date of Termination; and (iv) shall pay to the Executive's estate the Final Equity Amount, if any, in cash on the Company's next regular payday for its executives that follows the expiration of sixty (60) calendar days from the Date of Termination; it being understood that the obligation to pay any Base Salary under subsection (ii) above, Target Bonus or Final Equity Amount shall be conditioned on the Executive's estate signing and returning a timely and effective Release of Claims (as defined below), such that the Release of Claims becomes effective and irrevocable prior to the expiration of sixty (60) calendar days from the Date of Termination. Any equity awards held by the Executive on the Date of Termination shall

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be governed by the applicable Equity Plan, any applicable grant agreements and any applicable Company securities trading policies. The Company shall have no obligation or liability to the Executive or his estate under this Agreement, other than as set forth expressly in this Section 5(a).

(b) Disability.

(i) The Company may terminate the Executive's employment hereunder during the Term of this Agreement upon notice to the Executive in the event that the Executive becomes disabled through any illness, injury, accident or condition of either a physical or psychological nature and, as a result, is unable to perform all or substantially all of his duties and responsibilities hereunder for one hundred and eighty (180) days during any period of three hundred and sixty-five (365) consecutive calendar days. In the event of such termination, the Company shall (i) pay to the Executive any Final Compensation that is due, such payment to be made on the next regular payroll date of the Company; (ii) shall pay to the Executive's estate the Base Salary, if then payable under Section 4(a) hereof, if any, that remains unpaid as of the Date of Termination, payable in a single lump sum cash payment on the Company's next regular payday for its executives that follows the expiration of sixty (60) calendar days from the Date of Termination; (iii) shall pay to the Executive the FY2020 Bonus, if earned but unpaid on the Date of Termination, payable on the date annual bonuses for fiscal year 2020 are paid to Company executives generally, or, if the Date of Termination occurs before December 31, 2020, shall pay to the Executive the Target Bonus, payable on the Company's next regular payday for its executives that follows the expiration of sixty (60) calendar days from the Date of Termination; and (iv) shall pay to the Executive the Final Equity Amount, if any, in cash on the Company's next regular payday for its executives that follows the expiration of sixty (60) calendar days from the Date of Termination; it being understood that the obligation to pay any Base Salary under subsection (ii) above, Target Bonus or Final Equity Amount shall be conditioned on the Executive or his legal guardian or representative, as applicable, signing and returning a timely and effective Release of Claims, such that the Release of Claims becomes effective and irrevocable prior to the expiration of sixty (60) calendar days from the Date of Termination. Any equity awards held by the Executive on the Date of Termination shall be governed by the applicable Equity Plan, any applicable grant agreements and any applicable Company securities trading policies. The Company shall have no obligation or liability to the Executive under this Agreement other than as expressly set forth in this Section 5(b)(i).

(ii) If any question shall arise as to whether during any period the Executive is disabled through any illness, injury, accident or condition of either a physical or psychological nature so as to be unable to perform all or substantially all of his duties and responsibilities hereunder, the Executive may, and at the request of the Company shall, submit to a medical examination by a physician selected by the Company to whom the Executive or his duly appointed guardian, if any, has no reasonable objection to determine whether the Executive is so disabled and such determination shall for the purposes of this Agreement be conclusive of the issue. If such question shall arise

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and the Executive shall fail to submit to such medical examination, the Board's determination of the issue shall be binding on the Executive.

(c) By the Company for Cause. The Company may terminate the Executive's employment hereunder for Cause at any time during the Term of this Agreement upon notice to the Executive setting forth in reasonable detail the nature of such Cause. The following, as determined by the Board in its reasonable judgment, shall constitute "Cause" for termination:

(i) the Executive's refusal or willful failure to perform (other than by reason of disability), or gross negligence in the performance of, his duties and responsibilities to the Company or any of its Affiliates, which remains uncured or continues after thirty (30) days' notice from the Company specifying in reasonable detail the nature of the refusal, willful failure or gross negligence;

(ii) a material breach of the Employee Agreement or a material breach of a fiduciary duty owed to the Company;

(iii) fraud, embezzlement or other dishonesty by the Executive with respect to the Company or any of its Affiliates (exclusive of trivial matters and good faith errors) or a breach of a published Company policy that places the Company at substantial risk of material liability; or

(iv) the Executive's conviction of, or plea of guilty or nolo contendere to, a felony or any misdemeanor involving moral turpitude.

In the event of termination under this Section 5(c), following the Date of Termination, the Company shall pay the Executive any Final Compensation that is due, such payment to be made on the next regular payroll date of the Company. Any equity awards held by the Executive on the Date of Termination shall be forfeited effective on the Date of Termination. The Company shall have no obligation or liability to the Executive under this Agreement, other than as expressly set forth in this Section 5(c).

(d) By the Company Other than for Cause. The Company may terminate the Executive's employment hereunder other than for Cause upon notice to the Executive at any time during the Term of this Agreement prior to the Expiration Date. In the event of such termination, the Company (i) shall pay to the Executive any Final Compensation that is due, such payment to be made on the next regular payroll date of the Company; and (ii) shall pay to the Executive any FY2020 Bonus, if earned but unpaid on the Date of Termination, which FY2020 bonus shall be payable on the date annual bonuses for fiscal year 2020 are paid to Company executives generally. In addition, the Company shall provide the Executive the following:

(i) Severance.

(A) Severance Pay. The Company shall provide the Executive severance pay equal to the sum of (I) the Base Salary, if then payable under Section 4(a) hereof, if any, that remains unpaid as of the Date of Termination, (II) in lieu of the

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amount set forth in subsection (ii) above, the Target Bonus, if the Date of Termination occurs prior to December 31, 2020, and (III) the grant date value of any Annual Stock Award not yet granted pursuant to Section 4(c) hereof as of the Date of Termination, payable in a single lump sum cash payment on the Company's next regular payday for its executives that follows the expiration of sixty (60) calendar days from the Date of Termination.

(B) Premium Contributions. Provided that the Executive and his eligible dependents, if any, are participating in the Company's group health, dental and vision plans (to the extent offered by the Company) on the Date of Termination and elect on a timely basis to continue that participation in some or all of the offered plans through the federal law commonly known as "COBRA," the Company will contribute to the premium cost of that participation the same amount it contributes to the premium cost of participation for its actively employed executives and their eligible dependents in those plans, until the earliest to occur of (x) the earlier of the last date of the eighteen (18<sup>th</sup>) month after the Date of Termination and the Expiration Date, (y) the date the Executive is eligible to enroll in the health, dental and/or vision plans of another employer, and (z) the date the Executive becomes eligible for Medicare; provided, however, that such participation is dependent on the Executive and his dependents continuing to be eligible to continue participation in the Company's offered plans through COBRA and the Executive paying, by payroll deduction or otherwise, any employee contribution toward the premium cost of such participation that is applicable to the Company's actively employed executives generally. Notwithstanding the foregoing, if this payment arrangement would cause any of the Company's group health, dental or vision plans to fail the non-discrimination testing required by Section 105(h) of the Code or otherwise result in any fine or penalty to the Company under applicable law, the Company may, in its sole discretion, require that the contributions made by the Executive be made on an after-tax basis and the contributions made by the Company be made on a taxable basis. The Executive agrees to notify the Company promptly if he is eligible to enroll in the plans of another employer or if he or any of his dependents ceases to be eligible to continue participation in Company plans through COBRA or when he becomes eligible for Medicare.

(ii) Conditions to Eligibility for Severance Benefits. The provisions of clauses (A) and (B) of Section 5(d)(i) hereof, are referred to in the aggregate hereafter as the "Severance Benefits." The obligation of the Company to provide the Executive the Severance Benefits, or any of them, is conditioned on the Executive signing and returning a timely and effective release of claims in the form attached to this Agreement and marked Exhibit B (the "Release of Claims"), such that the Release of Claims becomes effective and irrevocable prior to the expiration of sixty (60) calendar days from the Date of Termination, and on the Executive continuing to meet his obligations under the Employee Agreement in accordance with its terms from and following the Date of Termination. The Release of Claims that is required in order for the Executive to qualify for the Severance Benefits in accordance with Section 5(d) or Section 5(e) of this Agreement and otherwise to qualify for benefits under Sections 5(a) or 5(b) of this

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Agreement creates legally binding obligations on the part of the Executive. Therefore, the Company advises the Executive to consult an attorney before signing the Release of Claims in any of the foregoing circumstances.

(iii) Any equity awards held by the Executive on the Date of Termination shall be governed by the applicable Equity Plan, any applicable grant agreements and any applicable Company securities trading policies. The Company shall have no obligation or liability to the Executive under this Agreement, other than as expressly set forth in this Section 5(d).

(e) By the Executive for Good Reason.

(i) The Executive may terminate his employment hereunder for Good Reason during the Term of this Agreement (A) by providing notice to the Company specifying in reasonable detail the condition giving rise to the Good Reason no later than thirty (30) days following the occurrence of that condition; (B) by providing the Company thirty (30) days to remedy the condition and so specifying in the notice; and (C) by terminating his employment for Good Reason within thirty (30) days following the expiration of the period to remedy if the Company fails to remedy the condition.

(ii) For purposes of this Agreement, “Good Reason” shall mean the occurrence of any one or more of the following conditions without the Executive’s consent: (A) failure of the Company to appoint the Executive as Executive Chairman of the Company in accordance with Section 3(a) hereof (or other executive-level position having similar duties and responsibilities) or to propose to the shareholders of the Company the reelection of the Executive as a member of the Board in accordance with Section 3(d) hereof or to continue the Executive in those positions and offices at any time during the Term of this Agreement following such appointment or reelection, as applicable; (B) a material adverse change in the Executive’s duties, authority and/or responsibilities that, taken as a whole, effectively constitutes a demotion or a change in reporting relationship such that the Executive does not report to the Board or a designated committee thereof; or (C) other material breach of this Agreement by the Company; provided, however, that the Company’s failure to continue the Executive’s appointment or election as a director or officer of any of its Affiliates, the Company’s appointment of the Executive to another executive-level position having similar duties and responsibilities as Executive Chairman of the Company, a change in reporting relationships resulting from the direct or indirect control of the Company (or a successor corporation) by another Person and any diminution of the business of the Company or any of its Affiliates or any sale or transfer of equity, property or other assets of the Company or any of its Affiliates shall not constitute Good Reason.

(iii) In the event of termination of the Executive’s employment for Good Reason during the Term of this Agreement in accordance with this Section 5(e), the Company shall (i) pay to the Executive any Final Compensation that is due, such payment to be made on the next regular payroll date of the Company; and (ii) shall pay the Executive the FY2020 Bonus, if earned but unpaid on the Date of Termination,

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payable on the date annual bonuses for fiscal year 2020 are paid to Company executives generally. In addition (or in lieu of, as applicable), the Executive shall be entitled to receive the Severance Benefits on the same terms as would have applied had his employment been terminated by the Company other than for Cause in accordance with Section 5(d) above; provided that the Executive satisfies all conditions to such entitlement set forth in Section 5(d)(ii) hereof, which include his signing and return of a timely and effective Release of Claims and his continuing to meet his obligations under the Employee Agreement in accordance with its terms.

(iv) Any equity awards held by the Executive on the Date of Termination shall be governed by the applicable Equity Plan, any applicable grant agreements and any applicable Company securities trading policies. The Company shall have no obligation or liability to the Executive under this Agreement, other than as expressly set forth in this Section 5(e).

(f) By the Executive other than for Good Reason. The Executive may terminate his employment hereunder other than for Good Reason at any time during the Term of this Agreement upon sixty (60) days' notice to the Company. In the event of termination of the Executive's employment pursuant to this Section 5(f), the Board may elect to waive the period of notice, or any portion thereof, and, if the Board so elects, the Company shall pay the Executive the Base Salary (if then payable pursuant to Section 4(a) hereof) for the initial sixty (60) days of the notice period (or for any remaining portion of such initial period). In the event of termination hereunder, following the Date of Termination, the Company shall pay to the Executive any Final Compensation that is due, such payment to be made on the next regular payroll date of the Company. Any equity awards held by the Executive on the Date of Termination shall be governed by the applicable Equity Plan, any applicable grant agreements and any applicable Company securities trading policies. The Company shall have no obligation or liability to the Executive under this Agreement, other than as expressly set forth in this Section 5(f).

(g) Upon Expiration of the Term. Notwithstanding anything to the contrary herein, unless the parties have elected to extend the Term of this Agreement pursuant to Section 2 hereof, or unless Executive's employment is earlier terminated otherwise pursuant to Section 5 hereof, the Executive's employment with the Company hereunder shall automatically terminate on the Expiration Date. In the event of a termination of employment upon the expiration of the Term of this Agreement, following the Date of Termination, the Company shall pay to the Executive any Final Compensation that is due, such payment to be made on the next regular payroll date of the Company. Any equity awards held by the Executive on the Date of Termination shall be governed by the applicable Equity Plan, any applicable grant agreements and any applicable Company securities trading policies. The Company shall have no obligation or liability to the Executive under this Agreement, other than as expressly set forth in this Section 5(g).

(h) Timing of Payments and Section 409A.

(i) To the extent that this Agreement provides for the payment of non-qualified deferred compensation benefits in connection with a termination of the

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Executive's employment (regardless of the reason for such termination), such termination of the Executive's employment triggering payment of benefits under the terms of this Agreement must also constitute a "separation from service" under Section 409A(a)(2)(A)(i) of the Code and Treas. Reg. §1.409A-1(h) before the Company shall make payment of such benefits. To the extent that termination of the Executive's employment does not constitute a separation of service under Section 409A(a)(2)(A)(i) of the Code and Treas. Reg. §1.409A-1(h) (as the result of further services that are reasonably anticipated to be provided by him to the Company or any of its Affiliates or successors at the time his employment terminates), any benefits payable under this Agreement that constitute non-qualified deferred compensation under Section 409A of the Code shall be delayed until after the date of a subsequent event constituting a separation of service under Section 409A(a)(2)(A)(i) of the Code and Treas. Reg. §1.409A-1(h). For purposes of clarification, this Section 5(h)(i) shall not cause any forfeiture of benefits on the Executive's part, but shall only act as a delay in payment of such benefits until such time as a separation from service occurs.

(ii) If, at the time of the Executive's "separation from service" with the Company other than as a result of the Executive's death: (A) the Executive is a "specified employee" (as defined in Section 409A(a)(2)(B)(i) of the Code and Treas. Regs. §1.409A-1(i)), (B) one or more of the payments or benefits received or to be received by the Executive pursuant to this Agreement would constitute non-qualified deferred compensation subject to Section 409A, and (C) the deferral of the commencement of any such payments or benefits otherwise payable hereunder as a result of such separation from service is necessary in order to prevent any accelerated or additional tax under Section 409A, then the Company will defer the commencement of the payment of any amounts otherwise due to the extent necessary (without any reduction in such payments or benefits ultimately paid or provided to the Executive) until the earlier of (x) the business day following the last day of the sixth month after the month in which the Date of Termination occurs, or if later, the date of the Executive's separation from service with the Company occurs, and (y) the date of the Executive's death, but only to the extent necessary to avoid such penalties under Section 409A of the Code. On the earlier of (x) the business day following the last day of the sixth month after the month in which the Date of Termination occurs, or if later, the Executive's separation from service with the Company occurs, and (y) the Executive's death, the Company shall pay the Executive (or his estate) in a lump sum the aggregate value of the non-qualified deferred compensation that the Company otherwise would have paid the Executive prior to that date under this Agreement.

(iii) Each installment payment to be provided to the Executive under this Agreement shall be a separate "payment" within the meaning of Treasury Regulation section 1.409A-2(b)(2)(i).

6. Effect of Termination. The provisions of this Section 6 shall apply to any termination, whether due to the expiration of the Term of this Agreement, termination pursuant to Section 5 or otherwise.

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(a) Payment by the Company of any Final Compensation due to the Executive and provision of any Target Bonus, Final Equity Amount or Severance Benefits, in each case, if due the Executive under the applicable termination provision of Section 5, shall constitute the entire obligation of the Company to the Executive under this Agreement.

(b) Except for any right of the Executive and his eligible dependents to continue participation in any medical, dental or vision plan offered by the Company in accordance with applicable law, the Executive's participation in Employee Benefit Plans of the Company shall terminate pursuant to the terms of each applicable Employee Benefit Plan based on the Date of Termination without regard to the payment of Severance Benefits or pay for notice period waived or any other payment to the Executive following the Date of Termination.

(c) Provisions of this Agreement shall survive any termination if so provided herein or if necessary or desirable to accomplish the purposes of other surviving provisions. Further, the Employee Agreement shall survive the termination of this Agreement and the termination of the Executive's employment howsoever occurring in accordance with the terms thereof, provided, however, that solely in the event that the Executive resigns his employment for Good Reason in accordance with Section 5(e)(ii)(A) of this Agreement because the Company does not appoint the Executive as Executive Chairman of the Company in accordance with Section 3(a) of this Agreement (and does not appoint him to another executive-level position having similar duties and responsibilities), the Executive shall not be bound by Section 4(a) of the Employee Agreement. The obligation of the Company to provide the Target Bonus, Final Equity Amount or Severance Benefits to the Executive under the applicable provision of Section 5 hereof is expressly conditioned on the Executive's continued full performance of his obligations under the Employee Agreement. For purposes of clarity, if the Executive breaches any obligation under the Employee Agreement on or after the Date of Termination, the Company shall have no obligation to pay the Target Bonus, Final Equity Amount or Severance Benefits to the Executive under the applicable provision of Section 5 hereof, and may seek recoupment of any such payments or benefits made after such breach. The determination of whether an activity is competitive with the Company or relates to a Product (as defined in the Employee Agreement) under the Employee Agreement shall be made by two independent members of the Board, including a Lead Independent Director and the Chair of the CGNC. The Executive recognizes that, except as expressly provided in Section 5 hereof, no compensation is earned after termination of employment.

7. Conflicting Agreements. The Executive hereby represents and warrants that the execution of this Agreement and the performance of his obligations hereunder will not breach or be in conflict with any other agreement to which the Executive is a party or is bound and that the Executive is not now subject to any covenants against competition or similar covenants or any court order or other legal obligation that would affect the performance of his obligations hereunder. The Executive agrees not to disclose to or use on behalf of the Company or any of its Affiliates any proprietary information of a prior employer or other Person without such Person's consent.

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8. Indemnification. The Company shall indemnify the Executive to the same extent as it indemnifies its other executive officers and members of its Board under its charter or bylaws, as in effect from time to time. The Executive agrees to promptly notify the Company of any actual or threatened claim arising out of or as a result of his employment or any of his positions or offices held with the Company or his membership on the Board.

9. Definitions. Words or phrases which are initially capitalized or are within quotation marks shall have the meanings provided in this Section and as provided elsewhere herein. For purposes of this Agreement, the following definitions apply:

(a) “Affiliates” means all persons and entities directly or indirectly controlling, controlled by or under common control with the Company, where control may be by management authority, contract or equity interest.

(b) “Code” means the United States Internal Revenue Code of the 1986, as amended.

(c) “Date of Termination” means the date the Executive’s employment with the Company terminates, regardless of the reason for such termination.

(d) “Equity Plan” means the Vertex Pharmaceuticals Incorporated Amended and Restated 2006 Stock and Option Plan, the Vertex Pharmaceuticals Incorporated Amended and Restated 2013 Stock and Option Plan, and any successor plan adopted by the Company, in each case, as amended from time to time.

(e) “Final Compensation” means (i) the Base Salary, if any, earned during the final payroll period of the Executive’s employment under this Agreement, through the Date of Termination, but not yet paid, and (ii) any business expenses incurred by the Executive but un-reimbursed on the Date of Termination, provided that such expenses and required substantiation and documentation are submitted prior to, or within sixty (60) days following, the Date of Termination and that such expenses are reimbursable under Section 4(e) hereof and Company policies.

(f) “Final Equity Amount” means an amount equal to the grant date value of the Annual Stock Award the Executive would have received on the next grant date immediately following the Date of Termination pursuant to Section 4(c) of this Agreement had he continued employment through such date.

(g) “Immediate Affiliates” means the Company’s direct and indirect subsidiaries, the Company’s direct and indirect parents and their direct and indirect subsidiaries (exclusive of the Company).

(h) “Person” means an individual, a corporation, a limited liability company, an association, a partnership, an estate, a trust and any other entity or organization, other than the Company or any of its Affiliates.

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10. Clawback. The payment and benefits provided to the Executive under Section 4 of this Agreement, the Target Bonus, Final Equity Amount and Severance Benefits provided to the Executive under Section 5 of this Agreement, the Annual Stock Awards, and any other equity award granted to the Executive by the Company shall be subject to and shall be deemed amended hereby to incorporate any policy adopted by the Company requiring the repayment of compensation paid to the Executive.

11. Stock Ownership and Transfer. The Executive's ownership and transfer of any shares of the Company's common stock that he receives in connection with the exercise of any stock options granted to the Executive by the Company or the satisfaction of the vesting conditions of any other equity award granted to the Executive by the Company shall be subject to and shall be deemed amended hereby to incorporate any policy that: (i) imposes any stock ownership guidelines or rules on the Company's officers or directors; or (ii) governs the transfer of shares of stock held by employees of the Company, as such policies may exist from time to time.

12. Withholding. All payments made by the Company under this Agreement shall be reduced by any tax or other amounts required to be withheld by the Company under applicable law.

13. Assignment. Neither the Company nor the Executive may make any assignment of this Agreement or any interest herein, by operation of law or otherwise, without the prior written consent of the other; provided, however, that the Company may assign its rights and obligations under this Agreement without the consent of the Executive in the event that the Executive is transferred to a position with any of the Affiliates or in the event that the Company shall hereafter effect a reorganization, consolidate with, or merge into, any Person or transfer all or substantially all of its properties or assets to any Person. This Agreement shall inure to the benefit of and be binding upon the Company and the Executive, their respective successors, executors, administrators, heirs and permitted assigns.

14. Severability. If any portion or provision of this Agreement shall to any extent be declared illegal or unenforceable by a court of competent jurisdiction, then the remainder of this Agreement, or the application of such portion or provision in circumstances other than those as to which it is so declared illegal or unenforceable, shall not be affected thereby, and each portion and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

15. Waiver. No waiver of any provision hereof shall be effective unless made in writing and signed by the waiving party. The failure of either party to require the performance of any term or obligation of this Agreement, or the waiver by either party of any breach of this Agreement, shall not prevent any subsequent enforcement of such term or obligation or be deemed a waiver of any subsequent breach.

16. Notices. Any and all notices, requests, demands and other communications provided for by this Agreement shall be in writing and shall be effective when delivered in person, consigned to a reputable national courier service or deposited in the United States mail,

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postage prepaid, and addressed to the Executive at his last known address on the books of the Company or, in the case of the Company, at its principal place of business in Boston, Massachusetts, attention of the Senior Vice President of Human Resources with a copy to the Office of the General Counsel of the Company, or to such other address as either party may specify by notice to the other actually received.

17. Entire Agreement. This Agreement and the Employee Agreement collectively constitute the entire agreement between the parties and supersede all prior communications, agreements and understandings, written or oral, with respect to the terms and conditions of the Executive's employment.

18. Amendment. This Agreement may be amended or modified only by a written instrument signed by the Executive and by an expressly authorized representative of the Board.

19. Compliance with Section 409A. The provisions of this Agreement are intended to not result in the imposition of additional tax or interest under Section 409A of the Code where applicable, and such provisions shall be interpreted and administered accordingly. If any provision of this Agreement is ambiguous such that one interpretation of the provision would not impose the excise tax under Section 409A and another interpretation of the provision would impose the excise tax under Section 409A, each party intends that this Agreement be interpreted so the excise tax would not be imposed. The Company and the Executive acknowledge that it may be desirable, in view of regulations or other guidance issued under Section 409A, to amend provisions of this Agreement to avoid the acceleration of tax or the imposition of additional tax under Section 409A and that the Company will not unreasonably withhold its consent to any such amendments that in its determination are (i) feasible and necessary to avoid adverse tax consequences under Section 409A for the Executive, and (ii) not adverse to the interests of the Company.

20. Reduction in Payments. To the extent that any payments or benefits provided under Section 5 of this Agreement, or any other type of benefit or payment made to the Executive or for his benefit by the Company or any of its Affiliates, whether paid or payable, provided or to be provided, or distributed or distributable pursuant to the terms of this Agreement or otherwise (collectively, the "Total Payments") would be subject to the excise tax imposed under Section 4999 of the Code, the Total Payments shall be reduced so that the maximum value of the Total Payments (after reduction) shall be one dollar (\$1.00) less than the amount that would cause the Total Payments to be subject to the excise tax imposed by Section 4999 of the Code, provided that no reduction in the Total Payments shall be made if the net after-tax amount of the Total Payments retained by the Executive after reduction are less than the net after tax amount of the Total Payments retained by the Executive without any reduction under this Section 20. If the Total Payments are subject to reduction under this Section 20, the Company shall reduce or eliminate the Total Payments by first reducing or eliminating any Target Bonus, Final Equity Amount or Severance Benefits, as applicable, then by reducing or eliminating any accelerated vesting of any stock option awards, then by reducing or eliminating any accelerated vesting of any restricted stock or restricted stock unit awards, and finally by reducing or eliminating any other remaining Total Payments. The preceding provisions of this Section shall

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take precedence over the provisions of any other plan, arrangement or agreement governing the Executive's rights and entitlements to any benefits or compensation. Any determination that the Total Payments must be reduced in accordance with this Section 20 and the assumptions to be utilized in arriving at such determination, shall be made by the Board in the exercise of its reasonable, good faith discretion based upon the advice of such professional advisors it may deem appropriate in the circumstances.

21. Headings and Counterparts. The headings and captions in this Agreement are for convenience only and in no way define or describe the scope or content of any provision of this Agreement. This Agreement may be executed in two or more counterparts, each of which shall be an original and all of which together shall constitute one and the same instrument.

22. Governing Law. This is a Massachusetts contract and shall be construed and enforced under and be governed in all respects by the laws of The Commonwealth of Massachusetts, without regard to the conflict of laws principles thereof.

*[Remainder of page intentionally blank. Signature page follows immediately.]*

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IN WITNESS WHEREOF, this Agreement has been executed as a sealed instrument by the Company, by its duly authorized representative, and by the Executive, as of the date first above written.

THE COMPANY:                    THE EXECUTIVE:

VERTEX PHARMACEUTICALS  
INCORPORATED

By: \_\_\_\_\_  
Bruce I. Sachs                    Jeffrey M. Leiden, M.D., Ph.D  
Lead Independent Director and  
Chairman of MDCC

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## EXHIBIT B

### RELEASE OF CLAIMS

FOR AND IN CONSIDERATION OF the severance benefits to be provided me in connection with the termination of my employment in accordance with the applicable provision of Section 5 of the employment agreement between me and Vertex Pharmaceuticals Incorporated (the "Company") made and entered into as of April 1, 2020 (the "Agreement"), which are conditioned on my signing this Release of Claims, in addition to my continued compliance with the agreement between me and the Company captioned "Employee Non-Disclosure, Non-Competition and Inventions Agreement" of even date with the Agreement, and to which I am not otherwise entitled, I, on my own behalf and on behalf of my heirs, executors, administrators, beneficiaries, representatives and assigns, and all others connected with or claiming through me, hereby release and forever discharge the Company and its Affiliates (as defined in the Agreement) and all of their respective past, present and future officers, directors, shareholders, employees, agents, general and limited partners, members, managers, joint venturers, representatives, successors and assigns, and all others connected with any of them (collectively, the "Released"), both individually and in their official capacities, from any and all causes of action, rights or claims of any type or description, whether known or unknown, that I have had in the past, now have, or might now have, through the date of my signing of this Release of Claims, including without limitation any causes of action, rights or claims in any way resulting from, arising out of or connected with my employment by the Company or any of its Affiliates or the termination of that employment or pursuant to any federal, state or local law, regulation or other requirement (including without limitation Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act, the Americans with Disabilities Act, and the fair employment practices laws of the state or states in which I have been employed by the Company or any of its Affiliates, each as amended from time to time).

Excluded from the scope of this Release of Claims is (i) any claim arising under an applicable provision of Section 5 of the Agreement after the effective date of this Release of Claims, (ii) any right of indemnification or contribution that I have pursuant to the charter or by laws of the Company and (iii) any claim that may not be waived pursuant to applicable law.

Notwithstanding any of the foregoing, nothing in this Release of Claims shall be construed to prohibit me from filing a charge with or participating in any investigation or proceeding conducted by the federal Equal Employment Opportunity Commission or a comparable state or local agency, except that I hereby agree to waive my right to recover monetary damages or other individual relief in any such charge, investigation or proceeding, or any related complaint or lawsuit filed by me or by anyone else on my behalf. Further, nothing in this Release or any other agreement with the Company (i) limits, restricts or in any other way affects my communicating with any governmental agency or entity, or communicating with any official or staff person of a governmental agency or entity, concerning matters relevant to the governmental agency or entity or (ii) requires me to notify Company about such communication.

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In signing this Release of Claims, I acknowledge my understanding that I may not sign it prior to the termination of my employment, but that I may consider the terms of this Release of Claims for up to twenty-one (21) days (or such longer period as the Company may specify) from the date my employment with the Company terminates. I also acknowledge that I have been advised by the Company, as set forth in Section 5(d) of the Agreement, to consult an attorney prior to signing this Release of Claims; that I have had a full and sufficient time to consider this Release of Claims and to consult with an attorney, if I wished to do so, or to consult with any other person of my choosing before signing; and that I am signing this Release of Claims voluntarily and with a full understanding of its terms. I further acknowledge that, in signing this Release of Claims, I have not relied on any promises or representations, express or implied, other than those set forth expressly in the Agreement.

I understand that I may revoke this Release of Claims at any time within seven (7) days of the date of my signing by written notice to the Senior Vice President of Human Resources of the Company or such other person whom the Board of Directors of the Company may designate and that this Release of Claims shall not take effect until the eighth (8th) calendar day following the date of my signing and then only if I have not revoked it during the preceding seven (7) calendar days.

Intending to be legally bound, I have signed this Release of Claims under seal as of the date written below.

Signature: \_\_\_\_\_  
Jeffrey M. Leiden, M.D., Ph.D.

Date Signed: \_\_\_\_\_