

# VERTEX PHARMACEUTICALS INCORPORATED

## AUDIT AND FINANCE COMMITTEE

### CHARTER

**Amended December 2, 2024**

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

#### **I. Purpose**

The purpose of the Committee shall be to assist the Board in its oversight of the Company’s accounting and financial reporting processes and the audits of the Company’s financial statements. In this regard, the Committee shall: (a) appoint, oversee and replace, if necessary, the independent registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company (the “independent auditor”); (b) review and discuss the Company’s annual audit and quarterly reviews; (c) review the Company’s financial reporting process and internal controls; (d) oversee the Company’s internal audit function; (e) review and make recommendations to the Board concerning the financial structure and financial strategy, and risks of the Company; and (f) perform such other duties as may be assigned by the Board.

The Committee shall discharge its responsibilities and shall assess the information provided by the Company’s management and the Company’s independent auditor, in accordance with its business judgment. While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to prepare the Company’s financial statements, determine the appropriateness of the accounting principles and reporting policies that are used by the Company, establish and maintain adequate internal control over financial reporting, plan or conduct any audit, or determine or certify that the Company’s financial statements are complete, accurate, fairly presented, or in accordance with generally accepted accounting principles (“GAAP”) or applicable rules and regulations. These are the responsibilities of management and/or the independent auditors. In discharging its responsibilities, Committee members should generally be entitled to rely on the integrity and honesty of the Company’s management and independent auditors to the fullest extent permitted by law.

#### **II. Composition**

The Committee shall be composed of at least three independent directors, each of whom shall be appointed, and may be removed at any time with or without cause, by the Board. All members of the Committee shall be qualified to serve on the Committee under the applicable listing standards of the Nasdaq Stock Market and rules of the U.S. Securities and Exchange Commission (the “SEC”), and any additional requirements that the Board deems appropriate. At least one member of the Committee shall be an “audit committee financial expert” as such term

is defined in applicable SEC rules. The Board shall designate one member of the Committee as the Chair.

### **III. Meetings**

The Committee shall meet as often as it deems necessary in order to perform its responsibilities and periodically meet separately with the independent auditor and with Company management. The Committee also may act by unanimous written consent in lieu of a meeting. The Committee shall keep such records of its meetings as it deems appropriate. The Committee shall make regular reports of its actions and recommendations to the Board, as appropriate.

### **IV. Duties and Responsibilities**

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

#### **A. Relationship with the Independent Auditor**

1. Directly overseeing the appointment (subject to shareholder ratification), retention, compensation, evaluation and, if appropriate, termination of the independent auditor, who shall report directly to and be held accountable to the Committee in connection with the audit of the Company's annual financial statements and related services;
2. Approving the independent auditor's annual engagement fees and terms, as well as pre-approving all audit and permitted non-audit services that may be provided by independent auditor;
3. Evaluating, on an annual basis, the independent auditor's qualifications, performance and independence, and in doing so, shall, among other things:
  - a. discuss with and receive from the independent auditor, a formal written statement identifying all relationships between the Company and the independent auditor, as well as the written disclosures and letter concerning independence by the independent auditor required by applicable auditing standards of the Public Company Accounting Oversight Board (the "PCAOB"). The Committee shall actively engage in a dialogue with the independent auditor as to any disclosed relationships or services that may impact its independence;
  - b. evaluate the audit team, monitor the independent auditor's compliance with the audit partner rotation requirements contained in applicable SEC rules, and periodically assess the accounting firm serving as the Company's independent auditor; and
  - c. taking, or recommending that the Board take, appropriate actions to oversee the independence of the independent auditor;
4. Establishing hiring policies for employees or former employees of the independent auditor; and

5. At least annually, receiving a report, orally or in writing, from the independent auditor describing:
  - a. the firm's internal quality control procedures; and
  - b. any material issues raised by the independent auditor's internal quality control review, peer review or any governmental or other professional inquiry performed within the past five years and any remedial actions implemented by the firm.

## **B. Annual Audit and Quarterly Reviews**

1. Reviewing with the independent auditor the overall scope and plans for audits, including authority and organizational reporting lines and adequacy of staffing and compensation, and reviewing with the independent auditor any difficulties with audits and management's response;
2. Reviewing and discussing with management and the independent auditor and, if applicable, the Head of Internal Audit, the results of the annual audit of the Company's financial statements, including, among others:
  - a. all critical accounting policies and practices used in the preparation of the Company's financial statements;
  - b. the independent auditor's judgment about the quality of accounting principles;
  - c. the reasonableness of significant judgments, including a description of any transactions as to which management obtained reports in the application of accounting principles;
  - d. any critical audit matters arising from the current period audit;
  - e. all alternative treatments of financial information within GAAP that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditor;
  - f. all other material written communications between the Independent Auditor and management, such as any management letter and any schedule of unadjusted differences; and
  - g. any other matters required to be communicated to the Committee by the independent auditor under PCAOB standards and SEC rules;
3. Reviewing and pre-approving any material off-balance sheet arrangements and other material financial arrangements of the Company that do not appear on the financial statements of the Company, and reviewing and discussing other material, complex or unusual transactions of the Company involving significant accounting and reporting issues;

4. Reviewing and discussing the annual audit and quarterly review with management, the independent auditor, and the Head of Internal Audit, as appropriate, including, among others:
  - a. the Company's audited financial statements and related disclosures, including the section entitled Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") and any report by the independent auditors related to the financial statements. Based on this review, the Committee shall recommend to the Board the Company's audited financial statements for inclusion in the Company's annual report on Form 10-K; and
  - b. the quarterly financial statements and related disclosures, including the MD&A, before the Company's quarterly report on Form 10-Q is filed with the SEC; and
5. Reviewing with management and the independent auditor any significant changes to reporting policies or standards under GAAP, as well as the effect of regulatory and accounting initiatives that may affect the Company, and considering and approving, if appropriate, changes to the Company's accounting principles and practices.

### **C. Financial Reporting Process and Internal Controls**

1. Receiving and discussing reports from management and the independent auditor regarding any significant judgments made in management's preparation of the financial statements and any significant difficulties encountered during the course of the review or audit, including any restrictions on the scope of work or access to required information, or significant disagreements with management, and management's response to these problems, difficulties or disagreements. The Committee shall be directly responsible for resolving disagreements between the independent auditor and management regarding financial reporting;
2. Receiving reports from the CEO and CFO regarding the adequacy and effectiveness of the Company's internal controls, including any significant deficiencies or material weaknesses and any fraud that involves management or other employees who have a significant role in the company's internal controls;
3. Discussing and reviewing with management and the independent auditor the adequacy and effectiveness of the Company's disclosure controls and procedures, and the integrity of its financial reporting processes, including improvements to any of the same, and obtaining reports on significant findings and recommendations, together with management's responses;
4. Establishing procedures for the:
  - a. receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and
  - b. receipt, retention and treatment of confidential, anonymous submissions by employees of concerns regarding questionable accounting or accounting matters; and

5. Reviewing the type and presentation of information to be included in earnings press releases (including non-GAAP information), as well as financial information and earnings guidance provided to analysts and rating agencies.

#### **D. Internal Audit Function**

1. Reviewing and discussing the scope and results of the internal audit program;
2. Reviewing the performance, as well as approving the appointment and removal, of the Head of Internal Audit; and
3. Reviewing and approving the internal audit charter and audit plan.

#### **E. Finance and Risk**

1. Reviewing the Company's investment and treasury management policies and procedures, as appropriate;
2. Reviewing the status of any material tax audits or proceedings, the Company's tax structure and strategies, and other material tax matters;
3. Discussing periodically with management the nature and adequacy of the Company's policies relating to the Company's financial and accounting systems, accounting policies and investment strategies, including recommendations for improvements to the same, and assessing the steps management has taken to monitor, mitigate and report on risks related to these policies and investment strategies;
4. Reviewing and making recommendations to the Board concerning the financial structure and financing strategy of the Company, including the proposed financial structure related to any proposed corporate acquisitions, consideration of the Company's long-term financing plans and commitments, corporate borrowings and the issuance and/or repurchase of stock (other than in connection with the Company's employee equity compensation plans and programs); and
5. Overseeing the Company's cybersecurity risk management program for identifying, assessing, managing and monitoring cybersecurity risks, and reviewing and discussing with, and receiving updates from, management on the program.

#### **F. Other Matters**

1. Reviewing the adequacy of the Company's Accounting and Finance Departments' resources, including number of personnel and expertise;
2. Preparing the audit committee report required by applicable SEC rules for inclusion in the Company's proxy statement for the annual meeting of shareholders;

3. Reviewing the Company's policies and procedures with respect to all related person transactions (as defined in Item 404 of Regulation S-K), and reviewing and approving or ratifying any related person transactions;
4. Reviewing and discussing updates from management regarding the Company's Code of Conduct, related policies and procedures, and ongoing compliance matters, as appropriate; and
5. Reviewing and approving the Company's directors' and officers' insurance program; and Performing such other lawful activities and functions consistent with this Charter as delegated by the Board.

**V. Delegation of Authority**

The Committee may form and delegate authority (including the authority to grant preapprovals of audit and permitted non-audit services) to one or more subcommittees composed of at least one member of the Committee. However, the Committee shall not delegate to a subcommittee any power or authority required by any law, regulation or listing standard to be exercised by the Committee as a whole. Actions taken by any subcommittee shall be presented to the full Committee at the next Committee meeting.

**VI. Outside Advisors; Investigations**

The Committee shall have the authority to consult with and retain legal, accounting and other advisors, as the Committee may deem appropriate in connection with the performance of its duties and responsibilities as set forth in this Charter. The Committee shall have authority to determine compensation for such advisors, as well as for the independent auditor. The Committee shall receive appropriate funding, as determined by the Committee, from the Company for payment of reasonable compensation to any such advisors and for the payment of ordinary administrative expenses that are necessary or appropriate in carrying out the Committee's duties.

In addition, to the extent it deems necessary or appropriate, the Committee may conduct or authorize investigations into or studies of matters within the Committee's scope of responsibilities.

**VII. Annual Evaluation**

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