
**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): **February 5, 2009**

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.)

130 Waverly Street

Cambridge, Massachusetts 02139

(Address of principal executive offices) (Zip Code)

(617) 444-6100

(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))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01 Entry into a Material Definitive Agreement

On February 5, 2009, we amended our Amended and Restated 2006 Stock and Option Plan to increase the maximum number of shares that can be issued to a participant in a calendar year from 600,000 to 700,000.

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

On February 5, 2009, Matthew Emmens was appointed our President, and we announced that he will also become our Chief Executive Officer and Chairman of the Board on May 23, 2009. Mr. Emmens has been one of our directors since 2004, and previously served as Chief Executive Officer of Astra Merck, Inc., and of Shire plc where he continues as non-executive Chairman. Dr. Boger resigned as our President on February 5, 2009 and will remain our Chief Executive Officer until May 23, 2009. Following Mr. Emmens' appointment as Chairman, Charles Sanders, M.D., our current Chairman, will remain as lead outside director on our Board. Dr. Boger will continue as a member of our Board.

Agreements with Matthew W. Emmens

In connection with these changes, on February 5, 2009, we entered into an Agreement with Matthew W. Emmens with a term that expires on May 22, 2012. Pursuant to his agreement, he will receive an initial salary of \$1,100,000, and will participate in our annual cash bonus and equity programs with a target bonus of 115% of his base salary. On February 5, 2009, he received options to purchase 549,000 shares of our common stock with an exercise price of \$33.55 per share, vesting over four years, and a restricted stock grant of 134,129 shares which will vest on February 5, 2012, in each case subject to continued employment at the time of vesting. If, during the Agreement term, Mr. Emmens terminates his employment for good reason or we terminate his employment without cause, he will receive (i) 18 months of severance pay at an annual rate equal to his base salary plus his target bonus, (ii) 18 months' accelerated vesting of outstanding options, and (iii) 50% vesting of any restricted stock grant that would not otherwise vest with 18 months, together with 100% vesting of any restricted stock grant that would otherwise vest within 18 months. If, in connection with a change of control, Mr. Emmens terminates his employment for good reason or we terminate his employment without cause, he will receive 24 months of severance pay and full vesting of his outstanding

options and restricted stock awards. A copy of the Agreement is attached as Exhibit 10.1 and is incorporated herein by reference. In addition, on February 5, 2009, we entered into an Employee Non-disclosure, Non-competition and Inventions Agreement with Matthew W. Emmens, which is attached hereto as Exhibit 10.2 and incorporated herein by reference.

Transition Agreement with Joshua S. Boger

On February 5, 2009, we entered into a transition agreement with Joshua S. Boger. Pursuant to the transition agreement, his employment agreement, dated November 1, 1994, as amended to date, was amended to provide that his employment term will expire on May 23, 2009.

On May 23, 2009, or if Dr. Boger's employment is sooner terminated other than for cause, upon his termination of employment Dr. Boger will become entitled to the following: (i) a lump sum payment of \$2,850,453 payable in November 2009, (ii) 18 months' accelerated vesting of his outstanding stock options, which will remain exercisable until December 31, 2010, subject to specified limitations, (iii) 18 months' accelerated vesting of each outstanding restricted stock award, treating each award as if it vests ratably over the term of the grant and (iv) reimbursement for certain expenses. If, prior to December 31, 2010, we experience a change of control or enter into a binding agreement for a change of control which results in a change of control, all of Dr. Boger's unvested stock options and restricted stock grants will vest, and Dr. Boger will receive payment of approximately \$2.8 million and additional payments to compensate Dr. Boger if payments made to him result in certain adverse tax consequences, including excise taxes under Section 4999 of the Internal Revenue Code.

A copy of the transition agreement is attached as Exhibit 10.3 and is incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit</u>	<u>Description of Document</u>
10.1	Agreement between Matthew W. Emmens and Vertex Pharmaceuticals Incorporated, dated February 5, 2009.
10.2	Employee Non-disclosure, Non-competition and Inventions Agreement between Matthew W. Emmens and Vertex Pharmaceuticals Incorporated, dated February 5, 2009.
10.3	Transition Agreement between Joshua S. Boger and Vertex Pharmaceuticals Incorporated, dated February 5, 2009.

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: February 10, 2009

/s/ Kenneth S. Boger
Kenneth S. Boger
Senior Vice President and General Counsel

AGREEMENT

AGREEMENT made and entered into in Cambridge, Massachusetts, by and between Vertex Pharmaceuticals Incorporated (the "Company") and Matthew W. Emmens (the "Executive"), effective as of the 5th day of February, 2009.

WHEREAS, the operations of the Company and its Affiliates are a complex matter requiring direction and leadership in a variety of arenas, including financial, strategic planning, regulatory, community relations and others;

WHEREAS, the Executive is possessed of certain experience and expertise in the Company's industry that qualify him to provide the direction and leadership required by the Company and its Affiliates and also has knowledge of the Company, having served as a member of its board of directors (the "Board") since 2004; and

WHEREAS, subject to the terms and conditions hereinafter set forth, the Company therefore wishes to employ the Executive as Chairman of the Board ("Chairman") and President and Chief Executive Officer of the Company and the Executive wishes to accept such employment;

NOW, THEREFORE, in consideration of the foregoing premises and the mutual promises, terms, provisions and conditions set forth in this Agreement, the parties hereby agree:

1. Employment. Subject to the terms and conditions set forth in this Agreement, the Company hereby offers, and the Executive hereby accepts, employment.
2. Term. Subject to earlier termination as hereinafter provided, the Executive's employment under this Agreement shall be for a term commencing on February 5, 2009 (the "Commencement Date") and expiring on May 22, 2012 (the "Expiration Date"). 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, from and after the Commencement Date, the Executive shall serve the Company as its President. On May 23, 2009, and continuing during the remainder of the term hereof, the Executive shall be appointed to the position of Chief Executive Officer of the Company and elected as Chairman. In addition, and without further compensation, the Executive shall serve as a director and/or officer of one or more of the Company's Immediate Affiliates (as defined in Section 9 hereof) if so elected or appointed from time to time. 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

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and his 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 Immediate Affiliates.

(b) During the term hereof, the Executive shall be employed by the Company on a full-time basis and shall perform the duties and responsibilities of his positions and offices and such other duties and responsibilities on behalf of the Company and its Affiliates, reasonably related to one or more of his positions and offices, as may be assigned to him from time to time by the Board or a designated committee thereof.

(c) During the term hereof, the Executive shall devote his full business time, except as otherwise provided in this Section 3(c), and his 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 his duties and responsibilities hereunder. The Executive may engage in the passive management of his personal and family investments and in charitable and community activities; provided that such activities, and any memberships on board of directors or other governing boards other than those 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 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" of even date with this Agreement (the "Employee Agreement"). The Executive represents and warrants that, as of the effective date of this Agreement, first written above, he has no existing obligations and has not undertaken any future obligations, except for duties as member and chairman of the board of directors of Shire plc (the "Shire Board"). The Company acknowledges that the Executive has disclosed to the Board the likely time required by the Executive to fulfill his obligations to the Shire Board (the "Shire Obligations") and the Company agrees that on this basis the Shire Obligations will not substantially interfere with the performance of the Executive's duties and responsibilities to the Company and its Affiliates or the time required for their performance and further agrees that the Executive's membership on, and position as chairman of, the Shire Board do not in themselves constitute a breach of the Employee Agreement. It is agreed that, exclusive of his Shire Obligations, 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 express written approval of the Board or a designated committee thereof.

(d) The Company agrees to propose to the shareholders of the Company at each appropriate Annual Meeting of such shareholders during the term hereof the election or 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 hereof 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:

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(a) Base Salary. During the term hereof, the Company shall pay the Executive a base salary at the rate of One Million, One Hundred Thousand Dollars (\$1,100,000) per year, payable in accordance with the normal payroll practices of the Company for its executives and subject to increase

from time to time in the sole discretion of the Board or a designated committee thereof. Such base salary, as from time to time increased, is hereafter referred to as the "Base Salary."

(b) Performance Bonus Compensation. For each fiscal year completed during the term hereof, the Executive shall have the opportunity to earn an annual bonus ("Annual Bonus") under the executive performance bonus plan then applicable to the Company's executives generally, as in effect from time to time, based on target objectives determined by the Board or a designated committee thereof after consultation with the Executive. The Executive's target bonus opportunity (the "Target Bonus") under the executive performance bonus plan shall be One Hundred and Fifteen Percent (115%) of the Base Salary, with the actual amount of each Annual 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 an Annual Bonus for any fiscal year occurring during the term hereof, must be employed on the date payment of annual bonuses for that fiscal year is made to Company executives generally, which shall generally occur not later than two and one-half months following the close of the fiscal year for which the Annual Bonus was earned.

(c) Equity Participation. The Board shall grant the Executive equity in accordance with the following:

(i) On the Commencement Date, the Board shall grant the Executive a non-qualified option to purchase 549,000 shares of the common stock of the Company, with an exercise price equal to the fair market value on the date of grant (the "Option"), subject to the Executive's signing of the agreement captioned Vertex Pharmaceuticals Incorporated Amended and Restated 2006 Stock and Option Plan Option Grant" (the "Option Agreement") under which the Option is granted. The shares subject to the Option shall vest quarterly during the four (4) year period following the date of grant in accordance with the terms and conditions of the plan captioned "Vertex Pharmaceuticals Incorporated Amended and Restated 2006 Stock and Option Plan" (the "Stock and Option Plan") and the Option Agreement, provided that the Executive is employed by the Company on each vesting date. Except as otherwise provided in this Agreement, the Option shall be subject to all terms and conditions of the Stock and Option Plan and the Option Agreement and to such Company securities trading policies generally applicable to Company executives and the equity granted to them, as in effect from time to time.

(ii) On the Commencement Date, the Board shall grant the Executive 134,129 shares of restricted stock (the "Restricted Stock"), subject to the Executive's signing of the agreement captioned "Vertex Pharmaceuticals Incorporated 2006 Stock and Option Plan Restricted Stock Award"

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(the "Award Agreement") under which the Restricted Stock is granted. The Restricted Stock shall vest in its entirety on the third (3rd) anniversary of the date of grant, provided that the Executive is employed by the Company hereunder on the vesting date. Except as otherwise provided in this Agreement, the Restricted Stock shall be subject to all terms and conditions of the Stock and Option Plan and the Award Agreement and to such Company securities trading policies generally applicable to Company executives and the equity granted to them, as in effect from time to time.

(iii) The Executive shall be eligible for additional grants of equity compensation (by which is meant stock options, restricted stock and restricted stock units, if any, granted by the Company to employees) during the term hereof only to the extent expressly awarded to him individually in the discretion of the Board or its delegates.

(iv) In the event that (A) the Executive's employment terminates on May 22, 2012 as a result of the expiration of the term hereof and without the Company having made an offer to the Executive to extend or renew this Agreement at least through February 5, 2013 or to otherwise continue his employment at least through February 5, 2013 on terms that in the aggregate are not materially less favorable to the Executive than those in effect on the May 22, 2012; or (B) the Executive's employment with the Company terminates after May 22, 2012 but prior to February 5, 2013, (I) while he is employed by the Company on an at-will basis, and such termination is not initiated by the Company for "cause" as defined in section 12 of the Stock and Option Plan and is not the result of a voluntary quit by the Executive or (II) while he is employed under an extension or renewal of this Agreement or under another contract of employment with the Company; and such termination is not by the Company for cause or by the Executive without good reason (as "cause" and "good reason" are defined in the applicable contract of employment) and does not entitle the Executive to accelerated vesting of those shares subject to the Option that are then unvested; and provided that the Executive signs and returns the release of claims provided him by the Company within the time limitations specified therein, which release of claims shall be in the form set forth in Exhibit A hereto, *mutatis mutandis*, and continues to meet his obligations under the Employee Agreement in accordance with its terms; then, that portion of the Option that remains unvested on the Date of Termination shall vest and become exercisable on the later of the effective date of the release of claims and the date the release of claims, signed by the Executive, is received by the Company and shall remain exercisable until the end of the three (3) month period following the Date of Termination. Notwithstanding the foregoing, however, a release of claims shall not be required in the event of termination resulting from the death of the Executive and, in that event, the unvested shares subject to the Option shall vest on the next business day following the date notice of the Executive's death is received by the Company and shall remain exercisable until the end of the three (3) month period following the Date of Termination. For the avoidance of doubt, the exercise period provided under clause (y) is that period between the date on which the Release of Claims has both been received by the Company and taken effect and the date which is the last day of the three (3) month period immediately following the

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Date of Termination. Notwithstanding this Section 4(c)(iv), however, the terms of the Stock and Option Plan or the Option Agreement shall govern the acceleration of vesting hereunder except to the extent that the terms of this Agreement are more favorable to the Executive.

(d) Vacations. During the term hereof, the Executive shall be entitled to earn vacation at the rate of four (4) weeks per year, to be taken at such times and intervals as shall be determined by the Executive, subject to the reasonable business needs of the Company and its Immediate Affiliates. Vacation shall otherwise be governed by the policies of the Company as applicable to its executives generally, as in effect from time to time.

(e) Other Benefits. During the term hereof, 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.

(f) Business Expenses.

(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. If the Executive elects to pilot his own airplane during business travel, he shall be entitled to reimbursement of actual expenses not to exceed the cost of a first class flight and with the understanding and agreement that no director or employee of the Company or any of its Affiliates may accompany him on his personal airplane for business purposes.

(ii) Any reimbursement of expenses that would constitute nonqualified deferred compensation subject to Section 409A of the Internal Revenue 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.

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(g) Relocation Expenses. The Company shall reimburse the reasonable relocation expenses incurred by the Executive in relocating to the greater Cambridge, Massachusetts area, in accordance with the terms and conditions of the Vertex Pharmaceuticals Incorporated Relocation Program, Level 3, as in effect at the time such expenses are incurred, except that the Executive shall not be eligible for reimbursement of temporary housing expenses and will not be eligible for benefits under the relocation policy that are redundant or inconsistent with the benefits provided him under Section 4(h) hereof.

(h) Assistance with Sale of Residence. In connection with the Executive's relocation to the greater Cambridge, Massachusetts area, the Company will engage Coldwell Banker and pay its fees for the Coldwell Banker Residential Brokerage Relocation Services Home Sale Programs (the "Programs"), as described herein, for the sale of the Executive's Pennsylvania residence under terms of those Programs, except as revised herein with respect to the length of time provided the Executive to make his election to sell his Pennsylvania residence under the Programs as provided herein. On the Commencement Date, the Executive will be eligible to concurrently participate in the following: (1) the Programs' "Appraised Value Program" and "Amended Value Sale", provided, however, the Executive shall have up to six months to accept the appraised offer, which shall be conducted as soon as administratively practicable after the Executive starts participating in the Programs; and (2) the Programs' "Buyer Value Option" for a period of up to six months or, if sooner, until the Executive either sells his Pennsylvania residence to a third party for an offer that is higher than the appraised value, provided, however that a guaranteed offer to purchase and appraisals will be made pursuant to the "Appraised Value Program". The Executive shall have six months to make his election to sell his Pennsylvania residence under the Appraised Value Program or the Amended Value Sale Program, whichever is applicable.

(i) Reimbursement of Legal Fees. The Company shall reimburse the Executive's legal fees and expenses incurred in the negotiation of the terms and conditions of his employment with the Company under this Agreement and the Employee Agreement, 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.

5. Termination of Employment and Severance Benefits. Notwithstanding the provisions of Section 2 hereof, the Executive's employment hereunder shall terminate prior to the expiration of the term hereof under the following circumstances:

(a) Death. In the event of the Executive's death during the term hereof, the Executive's employment hereunder shall immediately and automatically terminate on that date. In such event, following the "Date of Termination" (as defined in Section 9 hereof), the Company shall pay to the Executive's estate any "Final Compensation" (as also defined in Section 9) that is due; shall pay the Executive's estate any Annual Bonus earned for the fiscal year immediately preceding that in which the Executive's death occurs, if unpaid on the Date of Termination, which Annual Bonus shall be paid to his estate on the date annual bonuses for that immediately preceding fiscal year are paid to Company executives generally; and shall pay to the

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Executive's estate any "Final Pro-Rated Bonus" that is due (determined in accordance with the definition set forth in Section 9 hereof), payable on the date annual bonuses for that fiscal year are paid to Company executives generally. Any equity granted the Executive pursuant to Section 4(c) hereof shall be governed by that Section 4(c) and by the Stock and Option Plan or any successor plan, any applicable 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, upon notice to the Executive, in the event that the Executive becomes disabled during the term hereof 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 provide the Executive any Final Compensation due; shall pay the Executive any Annual Bonus earned for the fiscal year immediately preceding that in which termination of the Executive's employment occurs, if unpaid on the Date of Termination, which Annual Bonus shall be paid on the date annual bonuses for that immediately preceding fiscal year are paid to Company executives generally; and shall pay the Executive any Final Pro-Rated Bonus due for the fiscal year in which the Date of Termination occurs, payable on the date annual bonuses for that fiscal year are paid to Company executives generally. Any equity granted the Executive pursuant to Section 4(c) hereof shall be governed by that Section 4(c) and by the Stock and Option Plan

or any successor plan, any applicable 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) The Board may designate another employee to act in the Executive's place during any period of the Executive's disability. Notwithstanding any such designation, the Executive shall continue to receive the Base Salary in accordance with Section 4(a) hereof and shall continue participation in the Employee Benefit Plans of the Company in accordance with Section 4(e) to the extent permitted by the then-current terms of the applicable Employee Benefit Plans, until the Executive becomes eligible for disability income benefits under any disability income plan in which the Executive is participating through his employment with the Company or until the termination of his employment, whichever shall occur first. While receiving disability income benefits under any such disability income plan, the Executive shall not be entitled to receive any Base Salary under Section 4(a) hereof, but shall be entitled to continue to participate in the Company's Employee Benefit Plans in accordance with Section 4(e) to the extent permitted by the then-current terms of the Employee Benefit Plans until the termination of his employment.

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(iii) 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 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 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 or plea of guilty or nolo contendere to a felony or any misdemeanor involving moral turpitude.

In the event of termination hereunder, the Company shall pay the Executive any Final Compensation due following the Date of Termination. Any equity granted the Executive pursuant to Section 4(c) hereof shall be governed by that Section 4(c) and by the Stock and Option Plan or any successor plan, any applicable 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(c).

(d) By the Company Other than for Cause. The Company may terminate the Executive's employment hereunder other than for Cause at any time upon notice to the Executive. In the event of such termination, the Company shall provide the Executive any Final Compensation due and shall pay the Executive any Annual Bonus earned for the fiscal year immediately preceding that in which termination occurs, if unpaid on the Date of Termination, which Annual Bonus shall be payable on the date annual bonuses for that immediately preceding

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fiscal year are paid to Company executives generally. In addition, the Company shall provide the Executive the following:

(i) Severance Benefits.

(A) Severance Pay. The Company shall provide the Executive severance pay equal to one-twelfth of the sum of the Base Salary and the Target Bonus for the fiscal year in which the Date of Termination occurs multiplied by 18 (the "Severance Pay"), paid over the period of eighteen (18) months following the Date of Termination (the "Severance Pay Period"). Subject to Section 5(h)(i) hereof, Severance Pay to which the Executive is entitled hereunder shall be payable in accordance with the normal payroll practices of the Company for its executives (but, excluding only the first payment, no less frequently than monthly), with the first payment, which shall be retroactive to the day immediately following the Date of Termination, being due and 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.

(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 by its actively employed executives and their eligible dependents in those plans, until the earlier to occur of the last day of the Severance Pay Period and the date the Executive is eligible to enroll in the health, dental and/or vision plans of another employer; 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, any employee contribution toward the premium cost of such participation that is applicable to the Company's actively employed executives generally. 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.

(C) Final Pro-Rated Bonus. Subject to Section 5(h)(i) hereof, the Company will pay the Executive a Final Pro-Rated Bonus on the later of the date annual bonuses are paid to Company executives generally for the fiscal year in which the Executive's employment terminates and the date of the Company's next regular payday for its executives that follows the expiration of sixty (60) calendar days from the Date of Termination.

(D) Accelerated Vesting of Equity. On the next business day following the later of the effective date of the Release of Claims (as that term is defined in Section 5(d)(ii) below) and the date the Release of Claims, signed by the Executive, is

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received by the Company (which business day is hereafter referred to as the "Accelerated Vesting Date"), that portion of the Option that remains unvested on the Date of Termination and any other stock options granted the Executive in connection with his employment hereunder (the "Additional Options") that remain unvested on the Date of Termination shall be deemed to have been held by the Executive for an additional eighteen (18) months from the Date of Termination for purposes of vesting and exercise rights and any shares subject to the Option or to one of the Additional Options that become exercisable as a result thereof shall remain exercisable until the earlier of (y) the end of the three (3) month period following the Date of Termination and (z) the date on which the option to which those shares are subject (whether it be the Option or one of the Additional Options) would otherwise expire. For the avoidance of doubt, the exercise period provided under clause (y) is that period between the date on which the Release of Claims has both been received by the Company and taken effect and the date which is the last day of the three (3) month period immediately following the Date of Termination. If the Restricted Stock granted the Executive during the term hereof is unvested on the Date of Termination, but its vesting date (i.e., the third anniversary of the date of its grant) is no more than eighteen (18) months from the Date of Termination, then on the Accelerated Vesting Date the Restricted Stock shall be fully vested. If the Date of Termination occurs less than eighteen (18) months after the date of grant of the Restricted Stock, then fifty percent (50%) of the Restricted Stock shall vest on the Accelerated Vesting Date. With respect to any other grant of restricted stock provided the Executive in connection with his employment hereunder that is unvested on the Date of Termination, such restricted stock shall vest in full on the Accelerated Vesting Date if its normal vesting date is no more than eighteen (18) months from the Date of Termination and if its normal vesting date is more than eighteen (18) months from the Date of Termination, then fifty percent (50%) of the restricted stock grant shall vest on the Accelerated Vesting Date. Notwithstanding the foregoing, however, the terms of any plan or agreement applicable to the Option, any Additional Options, the Restricted Stock or any other restricted stock or restricted stock units, if any, granted the Executive in connection with his employment shall govern the acceleration of vesting except to the extent that the terms of this Agreement are more favorable to the Executive.

(ii) Conditions to Eligibility for Severance Benefits. The provisions of clauses (A) through (D) 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 return of a timely and effective release of claims in the form attached to this Agreement and marked Exhibit A (the "Release of Claims") and on his continuing to meet his obligations under the Employee Agreement in accordance with its terms. The release of claims that is required in order for the Executive to qualify for the Severance Benefits in accordance with Section 5(d) and Section 5(e) of this Agreement, for the Enhanced Separation Pay and certain of the Severance Benefits in accordance with Section 5(g) hereof or for accelerated vesting of the Option in accordance with Section 4(c)(iv) hereof creates legally binding obligations on the part of the Executive and the Company

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therefore advises the Executive to consult an attorney before signing the release of claims in any of the foregoing circumstances.

(e) By the Executive for Good Reason.

(i) The Executive may terminate his employment hereunder for Good Reason (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 or elect the Executive as President, Chief Executive Officer and Chairman in accordance with Section 3(a) hereof or to continue the Executive in those positions and offices at any time during the term hereof following such appointment or election; (B) a material adverse change in the Executive's duties, authority and/or responsibilities that, taken as a whole, effectively constitutes a demotion; (C) other material breach of this Agreement by the Company, including a material reduction in the Base Salary or Target Bonus; or (D) the relocation of the office to which the Executive is assigned to a place thirty-five (35) or more miles away from Cambridge, Massachusetts and such relocation is not at the Executive's request or with the Executive's prior agreement and is other than in connection with a change in location of the Company's principal executive offices; 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, 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. Notwithstanding clause (B) of the definition of Good Reason and the proviso to that definition, however, in the event there occurs a Change of Control (defined in Section 5(g)(iii) hereof) and a resulting change in the Executive's reporting relationship, without the Executive's consent, such that the Executive is reporting to an executive officer of a parent entity, rather than to the board of directors of the Company (or a successor corporation) or to the board of directors of a parent thereof, any material erosion of the Executive's independent authority shall in itself constitute Good Reason for termination; provided that the Executive complies with Section 5(e)(i) hereof and such termination for Good Reason occurs within two years of such Change of Control and, further, with the understanding and agreement that the fact that there has been a change in the Executive's reporting relationship shall not itself constitute an erosion of the Executive's independent authority.

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(iii) In the event of termination of the Executive's employment for Good Reason in accordance with this Section 5(e), the Company shall provide the Executive any Final Compensation due and shall pay the Executive any Annual Bonus earned for the fiscal year immediately preceding that in which termination occurs, if unpaid on the Date of Termination, which Annual Bonus shall be payable on the date annual bonuses for that immediately preceding fiscal year are paid to Company executives generally. In addition, 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.

(f) By the Executive other than for Good Reason. The Executive may terminate his employment hereunder other than for Good Reason at any time 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 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, the Company shall pay the Executive any Final Compensation due following the Date of Termination. Any equity granted the Executive pursuant to Section 4(c) hereof shall be governed by that Section 4(c) and by the Stock and Option Plan or any successor plan, any applicable 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 a Change of Control.

(i) If a Change of Control occurs and, at the time of such occurrence or within two (2) years thereafter, the Company terminates the Executive's employment other than for Cause in accordance with Section 5(d) hereof or the Executive terminates his employment for Good Reason in accordance with Section 5(e), the Company shall provide the Executive any Final Compensation due and shall pay the Executive any Annual Bonus earned for the fiscal year immediately preceding that in which termination occurs, if unpaid on the Date of Termination, which Annual Bonus shall be payable on the date annual bonuses for that immediately preceding fiscal year are paid to Company executives generally and, in addition, provided that the Executive meets all conditions to eligibility of the Severance Benefits as set forth in Section 5(d)(ii) hereof, 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 or by the Executive for Good Reason prior to the occurrence of a Change of Control, except that (I) in lieu of providing the Executive Severance Pay during the Severance Pay Period in accordance with clause (A) of Section 5(d)(i), the Company, subject to Section 5(h)(i) hereof, shall pay the Executive, no later than the sixtieth (60) calendar day following the

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Date of Termination, a single lump sum payment equal to twice the sum of the Base Salary (at the annual rate) and the Target Bonus (the "Enhanced Separation Pay"); (II) in lieu of the premium contributions that the Company would otherwise have provided under clause (B) of Section 5(d)(i) for participation by the Executive and his eligible dependents in the Company's group health, dental and vision plans (to the extent offered by the Company) under COBRA, the Company shall pay the full premium cost and any required administrative fee for the duration specified in Section 5(d)(i)(B); and (III) in lieu of the accelerated vesting provided under clause (D) of Section 5(d)(i), any portion of the Option and any Additional Options that are unvested on the Date of Termination and have not yet expired in accordance with their terms shall vest and become exercisable on the Accelerated Vesting Date and shall remain exercisable until the earlier of the (y) end of the three (3) month period following the Date of Termination and (z) the date on which the option to which those shares are subject (whether it be the Option or one of the Additional Options) would otherwise expire and if the Restricted Stock or any other restricted stock or restricted stock units granted the Executive during his employment hereunder are unvested on the Date of Termination, they too shall vest on the Accelerated Vesting Date.

(ii) A "Change of Control" shall be deemed to take place if hereafter any "Person" or "group" as such terms are used in Sections 13(d) and 14(d)(2) of the Securities Exchange Act of 1934 (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 fifty percent (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.

(iii) The Company shall promptly reimburse the Executive for the amount of all reasonable attorneys' fees and expenses incurred by the Executive during the period commencing on the effective date of the Change of Control and ending on the sixth (6th) anniversary of the Date of Termination in seeking to obtain or enforce any right or benefit provided the Executive under this Section 5(g).

(h) Timing of Payments and Section 409A.

(i) If at the time the Executive's employment hereunder terminates, the Executive is a "specified employee," as hereafter defined, any and all amounts payable under Section 5(d), Section 5(e) or Section 5(g) hereof in connection with such

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termination of employment that constitute deferred compensation subject to Section 409A, as determined by the Company in its reasonable judgment, and that would (but for this sentence) be payable within six (6) months following such termination of employment, shall instead be paid on the date that follows the date of such termination of employment by six (6) months.

(ii) For purposes of this Agreement, the phrase “termination of employment” and correlative phrases mean a “separation from service” as defined in Treas. Regs. §1.409A-1(h), and the term “specified employee” means an individual determined by the Company to be a specified employee under Treas. Regs. §1.409A-1(i). For the avoidance of doubt, any tax liability to which the Executive is subject under Section 409A shall be solely the Executive’s responsibility.

(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).

(i) Post-Agreement Employment. In the event the Executive remains in the employ of the Company or any of its Affiliates following termination of this Agreement, whether by expiration of the term hereof or otherwise, then such employment shall be at will.

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

(a) Payment by the Company of any Final Compensation due to the Executive and provision of any Severance Pay or Enhanced Separation Pay and any other Severance Benefits if due the Executive under the applicable termination provision of Section 5 and any accelerated vesting to which the Executive is entitled under Section 4(c)(iv) 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 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 Severance Pay, Enhanced Separation Pay 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, including without limitation Section 4(c)(iv) in accordance with its terms. Further, the Employee Agreement shall survive termination of the Executive’s employment howsoever occurring in accordance with the terms thereof. The obligation of the Company to make payments of Severance Pay or Enhanced Separation Pay and to provide other Severance Benefits to the Executive under Section 5(d), 5(e) or 5(g) hereof and to provide accelerated vesting in accordance with Section 4(c)(iv) hereof is expressly conditioned on the Executive’s continued full performance of his obligations under the Employee Agreement. The Executive recognizes

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that, except as expressly provided in Section 5(d) or 5(e) or 5(g), or in the case of payment for notice waived pursuant to Section 5(f) hereof, or accelerated vesting in accordance with Section 4(c)(iv) 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, including without limitation Shire plc, without such Person’s consent.

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

(c) “Final Compensation” means (i) Base Salary earned during the final payroll period of the Executive’s employment hereunder, through the Date of Termination, but not yet paid, (ii) pay at the rate of the Base Salary for any vacation earned but not used, through the Date of Termination and (iii) 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(f) hereof and Company policies.

(d) “Final Pro-Rated Bonus” means the sum that results from multiplying the Annual Bonus the Executive would have earned for the fiscal year in which the Date of Termination occurs had he continued employment through the last day of that fiscal year, by a fraction, the numerator of which shall be the number of days the Executive was employed during the fiscal year, through the Date of Termination, and the denominator of which shall be 365 (the “Final Pro-Rated Bonus”); provided, however, in the event of a termination of employment

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pursuant to Section 5(b), the numerator shall instead be the number of days the Executive was employed during the fiscal year, through his last day of active employment.

(e) “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).

(f) Except as otherwise expressly provided in Section 5(g)(iii), “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.

10. 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.

11. 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.

12. 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.

13. 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.

14. 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, 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 Cambridge, Massachusetts, attention of the Senior Vice President of Human Resources with a copy to the

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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.

15. Entire Agreement. This Agreement constitutes the entire agreement between the parties and supersedes all prior communications, agreements and understandings, written or oral, with respect to the terms and conditions of the Executive’s employment, excluding only the disclosed Share Obligations, the Employee Agreement and any obligations of confidentiality or other obligations arising from the Executive’s membership on the Board in effect on the effective date of this Agreement, all of which shall remain in full force and effect in accordance with their terms.

16. 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.

17. Compliance with Section 409A. 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 materially adverse to the interests of the Company.

18. 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.

19. 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:
VERTEX PHARMACEUTICALS INCORPORATED

THE EXECUTIVE:

By: /s/ Charles A. Sanders
Charles A. Sanders, M.D.
Chairman of the Board

Signature: /s/ Matthew W. Emmens
Matthew W. Emmens

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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") effective as of February 5, 2009 (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 Section 4(c)(iv) or applicable provision of Section 5 of the Agreement after the effective date of this Release of Claim and (ii) any right of indemnification or contribution that I have pursuant to the charter or by laws of the Company.

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: _____
Matthew W. Emmens

Date Signed: _____

EMPLOYEE NON-DISCLOSURE, NON-COMPETITION & INVENTIONS AGREEMENT

This Agreement made and entered into in Cambridge, Massachusetts, by Matthew W. Emmens (the "Executive") with Vertex Pharmaceuticals Incorporated (the "Company"), effective as of the Executive's first day of employment with the Company, on the 5th day of February, 2009.

WHEREAS, the Employee acknowledges the importance to Vertex Pharmaceuticals Incorporated (the "Company") and its Affiliates (as hereafter defined) of protecting the valuable Confidential Information (as hereafter defined) and goodwill that they have developed or acquired and their other legitimate interests.

NOW, THEREFORE, in consideration of his initial employment with the Company and in consideration of his being granted access to trade secrets and other confidential information of the Company and its Affiliates and for other good and valuable consideration, the receipt and sufficiency of which I hereby acknowledge, the Executive hereby agrees with the Company as follows:

1. Confidentiality. The Executive acknowledges that the Company and its Affiliates continually develop Confidential Information; that the Executive may develop Confidential Information for the Company and its Affiliates; and that the Executive has learned and will continue to learn of Confidential Information while serving as a member of the board of directors of the Company (the "Board") and will learn of Confidential Information hereafter during the course of employment with the Company. The Executive shall comply with the policies and procedures of the Company for protecting Confidential Information and shall not disclose to any Person (as hereafter defined) or use, other than as required for the proper performance of his duties and responsibilities to the Company and its Affiliates, or as required by applicable law after notice to the Company and a reasonable opportunity for the Company to seek protection of the Confidential Information prior to disclosure, any Confidential Information obtained by the Executive incident to his employment or other association with the Company or any of its Affiliates. The Executive understands and agrees that these restrictions shall continue to apply after his employment with the Company terminates, regardless of the reason for such termination. The confidentiality obligation under this Section 1 shall not apply to information that is generally known or readily available to the public at the time of disclosure to the Executive or that becomes generally known or readily available to the public thereafter through no wrongful act on the part of the Executive or any other Person having an obligation of confidentiality to the Company or any of its Affiliates.

2. Return of Company Property. All documents, records, tapes and other media of every kind and description relating to the business, present or otherwise, of the Company or any of its Affiliates and any copies, in whole or in part, thereof (the "Documents"), whether or not prepared by the Executive, shall be the sole and exclusive property of the Company and its Affiliates. The Executive shall safeguard all Documents and shall surrender to the Company at the time his employment terminates, or at such earlier time or times as the Board or its designee may specify, all Documents and all other property of the Company and its Affiliates then in the Executive's possession or control.

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3. Assignment of Rights to Intellectual Property. The Executive shall promptly and fully disclose to the Company all Intellectual Property (as defined in Section 8 hereof). The Executive hereby assigns and agrees to assign to the Company (or as otherwise directed by the Company) the Executive's full right, title and interest in and to all Intellectual Property. The Executive agrees to execute any and all applications for domestic and foreign patents, copyrights or other proprietary rights and to do such other acts (including without limitation the execution and delivery of instruments of further assurance or confirmation) requested by the Company to assign the Intellectual Property to the Company and to permit the Company to enforce any patents, copyrights or other proprietary rights to the Intellectual Property. The Executive will not charge the Company for time spent in complying with these obligations. All copyrightable works that the Executive creates shall be considered "work made for hire" and shall, upon creation, be owned exclusively by the Company.

4. Restricted Activities. The Executive agrees that the following restrictions on his activities during and after his employment are necessary to protect the goodwill, Confidential Information and other legitimate interests of the Company and its Affiliates:

(a) While the Executive is employed by the Company and for eighteen (18) months after his employment terminates, regardless of the basis of such termination, the Executive shall not, directly or indirectly, whether as owner, partner, investor, consultant, agent, employee, co-venturer or otherwise, (i) compete with the Company or any of its Immediate Affiliates (as defined in Section 8 hereof) within the United States or in any other country in which the Company or any of its Immediate Affiliates markets, or is in active planning to market, any of the Products or otherwise conducts or is in active planning to conduct business; (ii) undertake any planning for any business competitive with the Products of the Company or any of its Immediate Affiliates; or (iii) compete, or undertake any planning to compete with, the Exclusive Licensees (as also defined in Section 8) with respect to those Products as to which the Exclusive Licensees are licensed by the Company or any of its Immediate Affiliates in those geographic areas covered by those licenses. Specifically, but without limiting the foregoing, the Executive agrees not to engage in any manner in any activity that is directly or indirectly competitive or potentially competitive with the Products or with any of the other business activities of the Company or any of its Immediate Affiliates conducted or under consideration at any time during the Executive's employment or his service on the Board and further agrees not to work or provide services, in any capacity, whether as an employee, independent contractor or otherwise, whether with or without compensation, for or to any Person who is engaged in any business that is competitive with the business of the Company or any of its Immediate Affiliates or any of the Exclusive Licensees (to respect to the Products licensed), as conducted or in planning during the Executive's employment. For the purposes of this Section 4, the business of the Company and its Immediate Affiliates and the Exclusive Licensees shall include all Products and the Executive's undertaking shall encompass all items, products and services that may be used in substitution for Products. The foregoing, however, shall not prevent the Executive's passive ownership of two percent (2%) or less of the equity securities of any publicly traded company; nor in any way limit him in the performance of his duties as a member and/or chairman of the Board of Directors of Shire Pharmaceuticals Inc. (the "Shire Board") in accordance with Section 3(c) of the Executive's employment agreement with Company of even date herewith (the "Employment Agreement").

(b) The Executive agrees that, during his employment with the Company, he will not undertake any outside activity, whether or not competitive with the business of the

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Company or any of its Immediate Affiliates, that could reasonably give rise to a conflict of interest or otherwise interfere with any his duties, responsibilities or obligations to the Company or any of its Immediate Affiliates. It is expressly understood and agreed that the Executive's performance of his duties as a member and/or chairman of the Shire Board in accordance with Section 3(c) of the Employment Agreement shall not be a breach of this Section 4(b).

(c) The Executive agrees that, during his employment with the Company and during the eighteen (18) months immediately following termination of his employment, regardless of the basis of such termination, the Executive will not directly or indirectly (a) solicit or encourage any customer or prospective customer of the Company or any of its Immediate Affiliates or any of their Exclusive Licensees to terminate or diminish its relationship with the Company or any of its Immediate Affiliates; (b) seek to persuade any such customer or prospective customer of the Company or any of its Immediate Affiliates or any Exclusive Licensee to conduct with the Executive or any other Person any business or activity that such customer, prospective customer or Exclusive Licensee conducts or could conduct with the Company or any of its Immediate Affiliates or (c) solicit or encourage any customer or prospective customer of any of the Exclusive Licensees for any of the Products to terminate or diminish such business with the Exclusive Licensees or to conduct such business with the Executive or any other Person; provided that these restrictions shall apply after termination of the Executive's employment with the Company (y) only with respect to those Persons who are or have been Exclusive Licensees or who are or have been a customer or potential customer of the Company or any of its Immediate Affiliates or the Exclusive Licensees at any time within the twelve (12) month period immediately preceding the Date of Termination or whose business has been solicited on behalf of the Company or any of its Immediate Affiliates or any of the Exclusive Licensees by any of their employees or agents within said twelve (12) month period, other than by form letter, blanket mailing or published advertisement, and (z) only if the Executive has been introduced to, or otherwise had contact with, such Person as a result of his employment or other associations with the Company or one of its Immediate Affiliates or one of their Exclusive Licensees or has had access to Confidential Information that would assist in the Executive's solicitation of such Person in competition with the Company or one of its Immediate Affiliates or one of the Exclusive Licensees.

(d) The Executive agrees that during his employment (except in the course of his duties on behalf of the Company or any of its Immediate Affiliates) and during the eighteen (18) month period immediately following termination of his employment, regardless of the basis for such termination, the Executive will not, and will not assist any other Person to, (a) hire or solicit for hiring any employee of the Company or any of its Immediate Affiliates or any of the Exclusive Licensees or seek to persuade any employee of the Company or any of its Immediate Affiliates or any of the Exclusive Licensees to discontinue employment or (b) solicit or encourage any independent contractor providing services to the Company or any of its Immediate Affiliates or any of the Exclusive Licensees to terminate or diminish its relationship with them. For the purposes of the Executive's obligations hereunder following termination of his employment with the Company, an "employee" of the Company or any of its Immediate Affiliates or any of the Exclusive Licensees or an "independent contractor" providing services to the Company or any of its Immediate Affiliates or any of the Exclusive Licensees is any Person who was such at any time during the twelve (12) months preceding the Date of Termination.

5. Notification Requirement. During the eighteen (18) months immediately following the Date of Termination, the Executive shall give notice to the Company prior to begin

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employment or a consulting position stating the name and address of the Person for whom such employment or consulting is undertaken and the nature of the Executive's position with such Person. The Executive agrees to also provide the Company with such other pertinent information as the Company may reasonably request in order to determine the Executive's continued compliance with his surviving obligations under Sections 1, 3 and 4 hereof.

6. Enforcement of Covenants. The Executive acknowledges that he has carefully read and considered all the terms and conditions of this Agreement, including the restraints imposed on him pursuant to Sections 1, 3 and 4 hereof. The Executive agrees without reservation that each of the restraints contained herein is necessary for the reasonable and proper protection of the goodwill, Confidential Information and other legitimate interests of the Company and its Immediate Affiliates; that each and every one of those restraints is reasonable in respect to subject matter, length of time and geographic area; and that these restraints, individually or in the aggregate, will not prevent him from obtaining other suitable employment during the period in which the Executive is bound by these restraints. The Executive further agrees that he will not assert, or permit to be asserted on his behalf, in any forum, any position contrary to the foregoing. The Executive further acknowledges that, were he to breach any of the covenants contained in Section 1, 3 or 4 hereof, the damage to the Company would be irreparable. The Executive therefore agrees that the Company, in addition to any other remedies available to it, shall be entitled to preliminary and permanent injunctive relief against any breach or threatened breach by the Executive of any of said covenants, without having to post bond. The parties further agree that, in the event that any provision of Section 1, 3 or 4 hereof shall be determined by any court of competent jurisdiction to be unenforceable by reason of its being extended over too great a time, too large a geographic area or too great a range of activities, such provision shall be deemed to be modified to permit its enforcement to the maximum extent permitted by law.

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.

8. 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) "Confidential Information" means any and all information of the Company and its Affiliates that is not generally known by Persons with whom the Company or any of its Affiliates competes or does business, or with whom the Company or any of its Affiliates plans to compete or do business and any and all information, publicly known in whole or in part or not, that, if disclosed by the Company or any of its Affiliates, would assist in competition against

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them. Confidential Information includes without limitation such information relating to (i) the development, research, testing, manufacturing, marketing and financial activities of the Company and its Affiliates, (ii) the Products, (iii) the costs, sources of supply, financial performance and strategic plans of the Company and its Affiliates, (iv) the identity and special needs of the customers of the Company and its Affiliates and (v) the people and organizations with whom the Company and its Affiliates have business relationships and the nature and substance of those relationships. Confidential Information also includes any and all information received by the Company or any of its Affiliates belonging to any customer or other Person with any understanding, express or implied, that the information would not be disclosed.

(c) “Date of Termination” means the date the Executive’s employment with the Company terminates, regardless of the reason for such termination, and, for the avoidance of doubt, whether occurring pursuant to the employment agreement between the Company and the Executive of even date herewith or otherwise.

(d) “Exclusive Licensees” means those Persons licensed by the Company and/or by one or more of its Immediate Affiliates to distribute in specific geographic areas one or more of the Products.

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

(f) “Intellectual Property” means inventions, discoveries, developments, methods, processes, compositions, works, concepts and ideas (whether or not patentable or copyrightable or registrable under any comparable law or constituting trade secrets) conceived, made, created, developed or reduced to practice by the Executive (whether alone or with others, whether or not during normal business hours or on or off Company premises) during the Executive’s service on the Board or his employment with the Company or any of its Immediate Affiliates or that relate to the Products or to any prospective activity of the Company or any of its Immediate Affiliates or to any work performed by the Executive for the Company or any of its Immediate Affiliates or that make use of Confidential Information or any of the equipment or facilities of the Company or any of its Immediate Affiliates.

(g) “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.

(h) “Products” mean all products planned, researched, developed, tested, manufactured, sold, licensed, leased or otherwise distributed or put into use by the Company or any of its Immediate Affiliates, together with all services provided or planned by the Company or any of its Immediate Affiliates, during the Executive’s employment or during the period of his service on the Board that preceded the Commencement Date.

9. Assignment. Neither the Company nor the Executive may make any assignment of this Agreement or any interest in it, 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 Executive’s consent in the event that the Company shall hereafter affect a reorganization, consolidate with, or merge into any Person or transfer to any Person all or substantially all of the business, properties or assets of the Company. This Agreement shall inure to the benefit of and be binding upon the Executive and the Company, and

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each of their respective successors, executors, administrators, heirs, representatives and permitted assigns. The Executive also agree that each of the Company’s Affiliates shall have the right to enforce all of his obligations to that Affiliate under this Agreement. The Executive hereby expressly consents to be bound by the provisions of this Agreement for the benefit of the Company and of any successor or permitted assign to whose employ the Executive may be transferred, without the necessity that this Agreement be re-signed at the time of such transfer.

10. 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.

11. 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, 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 Cambridge, 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.

12. Not a Contract for a Fixed Term. The Executive acknowledges and agrees that this Agreement does not in any way obligate the Company to retain his services for a fixed period or at a fixed level of compensation; nor does it in any way restrict his right or that of the Company to terminate his employment at any time, with or without notice or cause.

13. Entire Agreement; Amendments; Waivers; Survival. This Agreement sets forth the entire agreement between me and the Company and supersedes all prior and contemporaneous communications, agreements and understandings, written or oral, with respect to the subject matter hereof; provided, however, that this Agreement shall not terminate or supersede the employment agreement between the Executive and the Company of even date hereof; nor shall it supersede any confidentiality of other obligations the Executive may have in connection with his service on the Board. This Agreement may not be modified or amended, and no breach shall be deemed to be waived, unless agreed to in writing by the Executive and an expressly authorized member of the Board. If any provision of this Agreement should, for any reason, be held invalid or unenforceable in any respect, it shall not affect any other provisions, and shall be construed by limiting it so as to be enforceable to the maximum extent permissible by law. Provisions of this Agreement shall survive any termination of the Executive’s employment to the extent so provided in this Agreement or if necessary or desirable to accomplish the purpose of other surviving provisions.

14. 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.

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15. 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.

16. Executive's Representations. In signing this Agreement, the Executive represents and warrants to the Company that he has read and understood all of its terms; that he has had a full and reasonable opportunity to consider its terms and to consult with an attorney and any person of his choosing before signing, if he wished to do so; that he has not relied on any agreements or representations, express or implied, concerning the subject matter hereof that are not set forth expressly in this Agreement; and that he has signed this Agreement knowingly and voluntarily.

Intending to be legally bound hereby, the Executive has signed this Agreement under seal to take effect as of the date first written above.

THE EXECUTIVE:

Signature: /s/ Matthew W. Emmens
Matthew W. Emmens

Accepted and Agreed:
VERTEX PHARMACEUTICALS

By: /s/ Charles A. Sanders
Charles A. Sanders
Chairman of the Board

Executed on February 5, 2009

Joshua S. Boger
243 Old Pickard Road
Concord, MA 01742

Re: Transition Agreement

Dear Dr. Boger:

This letter follows up on the discussions we have had concerning your separation from employment with Vertex Pharmaceuticals Incorporated (“Vertex” or the “Company”). The purpose of our discussions and our agreement upon terms is to establish an amicable arrangement for ending our employment relationship, to provide for a smooth transition of your responsibilities, to release the Company from certain claims and to permit you to receive certain severance pay and related benefits. With this understanding, and in exchange for your promises and those of the Company as set forth below, you and the Company agree as follows (this “Agreement”).

1. Employment Status and Final Payments:

(a) The Employment Agreement between you and the Company dated November 1, 1994, as amended May 12, 1995, November 8, 2004 and December 30, 2008 (as amended, the “Employment Agreement”) is acknowledged to be in full force and effect as of the date hereof. The Employment Agreement is hereby amended to terminate on May 23, 2009 unless terminated earlier in accordance with the terms of the Employment Agreement (the “Term”). Except as provided in this Agreement, the provisions of the Employment Agreement shall apply and be in full force during the Term. All capitalized terms used herein without specific definition shall have the meanings set forth in the Employment Agreement.

(b) On February 5, 2009, you will resign your position as the President of Vertex. You will continue to serve as the Chief Executive Officer of the Company from February 5, 2009 until the end of the Term. All executive team members will report directly to the new President, who shall report to you.

(c) You will devote your full time to the business of the Company and faithfully perform such duties and responsibilities as the Board of Directors, or any of its designees, may reasonably assign to you from time to time, including but not limited to assisting the new

President with his transition to the Company and his preparation to become the Chief Executive Officer of the Company on May 23, 2009.

(d) You will continue to receive the same level of compensation and other benefits under the Employment Agreement until the expiration of the Term except that the Company shall increase your base salary to the rate of \$950,151 per annum effective February 5, 2009.

(e) Provided that you remain employed with the Company until May 23, 2009, you agree and acknowledge that (i) your employment shall immediately terminate on May 23, 2009, (ii) the Company thereafter shall have no further obligations to you under the Employment Agreement except as provided below in Section 5 of this Agreement, and (iii) your compensation and payments in connection with such termination and for all future periods shall be governed solely by this Agreement. In the event that you die or become disabled (within the meaning of the Employment Agreement) prior to May 23, 2009, whether or not there has then been a Change in Control, your employment shall be deemed to have terminated under this Section 1(e), and you agree and acknowledge that the Company thereafter shall have no further obligations to you under the Employment Agreement except as provided below in Section 5 of this Agreement, and your compensation and payments in connection with such termination and for all future periods shall be governed solely by this Agreement.

(f) If (i) (A) the Company terminates your employment without Cause prior to May 23, 2009, or (B) you terminate your employment for Good Reason in compliance with the Employment Agreement prior to May 23, 2009, and (ii) a Change in Control (as defined in Section 7(f) below) has not yet occurred, then you shall be eligible to receive the payments and benefits set forth in this Agreement after any such employment termination, and not under the Employment Agreement except as provided in Section 5 of this Agreement.

(g) If your employment with the Company terminates prior to May 23, 2009, for any reason not described in Section 1(e) or 1(f) above, then your rights to any payments or compensation following any such employment termination shall be governed solely by the terms of the Employment Agreement.

(h) Other than your position as a member of Class III of the Board of Directors of the Company or any committee of the Board of Directors of the Company, you shall not hold any positions or offices with the Company or any of its subsidiaries upon the earlier of your employment termination or May 23, 2009 (the “Termination Date”), and all of your duties and obligations associated with such positions or offices immediately shall cease on the Termination Date. Notwithstanding the foregoing, for purposes of determining when payments and benefits shall be provided to you under either Section 2 or Section 7 of this Agreement, the Termination Date shall in no event be earlier than your “separation from service” as determined under Section 409A of the Code and after applying the presumptions set forth in Treasury Regulation Section 1.409A-1(h).

(i) Regardless of the reason for your employment termination with the Company, upon the Termination Date you shall in all events be entitled to (i) all earned but unpaid wages and all accrued but unused vacation time, subject to standard payroll deductions and withholding, (ii) reimbursement for all reasonable, business-related expenses incurred by you up

provided benefit plan, program, contract or practice based on your employment up until the Termination Date.

2. **Consideration:**

Provided that (i) your employment is terminated under the circumstances set forth in either Section 1(e) or 1(f) of this Agreement, (ii) you execute an update to the release provided in Section 6 below in substantially the form attached hereto as Exhibit A (the "Supplemental Release") within twenty-one (21) days after the Termination Date, and (iii) you do not subsequently revoke such updated release as permitted under Section 16 below, the Company will provide the following payments and benefits in exchange for, and in consideration of, your full execution of this Agreement:

(a) On the date that is six (6) months and one (1) day following the Termination Date, the Company shall pay you a one-time, lump sum payment in the amount of \$2,850,453.

(b) Upon the Termination Date, you and your dependents may be eligible to continue your group medical plan coverage under Company-sponsored plans pursuant to the federal law known as COBRA. If you are eligible, and in the event you and your dependents elect COBRA continuation coverage, the Company shall provide you a cash subsidy to pay the cost of COBRA coverage properly and timely elected by you and your dependents for a period of up to eighteen (18) months from the Termination Date. This subsidy shall be paid monthly on your behalf in an amount equal to the then current monthly charge for this COBRA coverage; provided, however, that no amount shall be paid in excess of \$16,500 during the first six months after your Termination Date. Any monthly COBRA payment that cannot be paid under the immediately preceding sentence shall be paid in a single lump sum payment during the first payroll period immediately following such six month period. For purposes of COBRA, Section 4980B(f)(3)(B) of the Code, the qualifying event associated with the termination of your employment with the Company shall be the Termination Date. You understand and acknowledge that it is solely your responsibility to elect COBRA continuation coverage if you desire such coverage, and that the cash payment under this Section 2(b) is taxable to you. You further understand and acknowledge that the Company's cash subsidy towards your COBRA coverage is a taxable event to you, and that you shall be solely responsible for all taxes on this benefit. Your rights and obligations under the Company's group medical plans shall be governed by the specific terms of the plans and COBRA. Information concerning COBRA rights, coverage and election will be sent to you under separate cover. In the event you obtain comparable health insurance coverage through other employment prior to the expiration of the eighteen-month period, the Company's obligation to continue to provide cash payments under this Section 2(b) shall cease as of the effective date of such coverage. Should you obtain such coverage, you agree to promptly notify Director – Compensation and Benefits in writing, including the effective date of such coverage.

(c) The Company will reimburse you for your reasonable fees and expenses of legal counsel incurred in connection with negotiating this Agreement up to \$80,000, subject to the presentation of such documentation as Vertex may reasonably require, provided that such

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reimbursement shall be made no later than the calendar year following the calendar year in which such fees and expenses are incurred.

(d) Except as otherwise specifically provided in this Agreement or, as applicable, the Employment Agreement, you acknowledge and agree that you will not receive nor are entitled to receive any additional compensation or benefits and that no additional benefits are otherwise due or owing to you under any Company employment agreement or policy or practice.

3. **Stock Options:**

(a) Exhibit B to this Agreement lists each stock option granted to you during your employment with the Company as of the date of this Agreement that remains outstanding (collectively, the "Stock Options"). Except as specifically set forth in this Section 3 and Section 7 below, all of your rights and obligations under each Stock Option, including without limitation vesting, exercise and expiration, shall be governed by the terms and conditions of the Equity Plan (as defined below) under which the Company issued each Stock Option and the award agreement governing each Stock Option. The Company represents to you that none of your actual award agreements contain any materially different terms as compared to the form of award agreement for each Equity Plan that have been publicly filed by the Company with the United States Securities and Exchange Commission (the "SEC"). For purposes of this Plan, the "Equity Plans" are the Vertex Pharmaceuticals Incorporated 1994 Stock and Option Plan, as amended, the Vertex Pharmaceuticals Incorporated 1996 Stock and Option Plan, as amended and the Vertex Pharmaceuticals Incorporated Amended and Restated 2006 Stock and Option Plan, as amended (collectively, the "Equity Plans"). Each of the Stock Options are listed on Exhibit B.

(b) Provided that you meet the requirements to receive payments and benefits as set forth in Sections 2(i), 2(ii) and 2(iii) above, the Company shall add an additional eighteen (18) months of service to your period of employment effective as of May 23, 2009, solely for purposes of determining the vested percentage under each of the Stock Options. The number of Stock Options that will become vested on May 23, 2009 if you meet the requirements to receive payments and benefits as set forth in Sections 2(i), 2(ii) and 2(iii) above is set forth in Exhibit B.

(c) Each of your outstanding and vested Stock Options shall in all events remain exercisable until December 31, 2010, provided, however, that if a Qualifying Change in Control Event (as defined in Section 7(a) of this Agreement) occurs, and you are entitled to payments and vesting pursuant to Section 7(a) below, all Stock Options held by you at the time of such event shall remain exercisable for the period set forth in the applicable Equity Plan (as if the termination of service under such Equity Plan took place on the date of the Qualifying Change in Control Event), subject to the Company's right to extinguish the Stock Options under the Equity Plans on the Change in Control (as defined in Section 7(f) of this Agreement). Notwithstanding anything to the contrary, no Stock Option the fair market value (as determined using the arithmetic mean of the high and low prices on February 5, 2009) of which exceeds the exercise price thereof as of the date hereof shall be exercisable beyond the earlier of the latest date upon which such Stock Option could have expired by its original terms under any circumstances or the tenth anniversary of the original date of grant of the Stock Option.

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(d) For any period after the Termination Date that you continue in the service of the Company in any capacity that provides eligibility under the applicable Equity Plan and governing Stock Option award agreement, such that there shall not have been a "termination of service" under the applicable Equity Plan and such award agreement, each outstanding Stock Option shall continue to vest after your Termination Date in accordance with the provisions of the applicable Equity Plan and such award agreement. Such continued vesting will be in addition to the eighteen (18) months of additional deemed service provided for in Section 3(b) above.

(e) Notwithstanding anything to the contrary, under Section 12 of each of the Equity Plans and your award agreement governing each Stock Option, “cause” shall be limited to events that have occurred prior to the Termination Date and, after the Termination Date, “cause” shall be limited solely to your actions in your capacity as, or as a result of your status as, a Class III Director of the Company or if you breach the Non-competition Covenant or the Inventions Agreement (both as defined below); provided, that you shall not be deemed to have been terminated for “cause” based on your actions in your capacity as a Class III Director of the Company if said actions were based on the advice of counsel to the Company or its Board of Directors or if you are treated in a discriminatory manner with respect to your Equity Awards from other Directors who are similarly situated.

4. **Restricted Stock:**

(a) Exhibit C to this Agreement lists each share of restricted stock granted to you during your employment with the Company as of the date of this Agreement that remains subject to a Lapsing Repurchase Right (collectively, the “Restricted Stock”). Except as specifically set forth in this Section 4 and Section 7 below, all of your rights and obligations under the Restricted Stock shall be governed by the terms and conditions of the applicable Equity Plan and your award agreement governing each share of Restricted Stock (each, a “Restricted Stock Agreement”). The Company represents to you that the none of your actual award agreements contain any materially different terms as compared to the form of award agreement for each Equity Plan that have been publicly filed by the Company with the SEC. A “Lapsing Repurchase Right,” with respect to a share of Restricted Stock, shall have the meaning set forth in the Restricted Stock Agreement applicable to such share.

(b) Provided that you meet the requirements to receive payments and benefits as set forth in Section 2(i), 2(ii) and 2(iii) above, the Company’s Lapsing Repurchase Rights with respect to the Restricted Stock shall lapse with respect to a “Pro-Rata Share of Restricted Stock” (as defined in the Second Amendment to the Employment Agreement dated November 8, 2004) as of May 23, 2009. The number of shares of Restricted Stock with respect to which the Lapsing Repurchase Right lapses on May 23, 2009, pursuant to this Section 4(b) is set forth on Exhibit C.

(c) For any period after the Termination Date that you continue in the service of the Company in any capacity that provides eligibility under the applicable Equity Plan, such that there shall not have been a “termination of service” under the applicable Equity Plan, each outstanding Restricted Stock award shall continue to vest after your Termination Date in accordance with the provisions of the applicable Equity Plan and governing Restricted Stock Agreement. Such continued vesting will be in addition to the lapse of a “Pro-Rata Share of

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Restricted Stock” to occur on May 23, 2009 as provided for in Section 4(b) above. Accordingly such Restricted Stock may also vest after your Termination Date based on continued service as a Class III director, other service, if any, that provides for continued eligibility under the applicable Equity Plan and the Company’s subsequent performance. Specifically, the date on which the remaining unvested portion, if any, of the Restricted Stock (after application of Section 7(b) above) is scheduled to vest based solely on providing continued services shall be eighteen (18) months earlier than such otherwise scheduled date. You shall also be entitled to accelerated vesting on the remaining unvested portion, if any, of the Restricted Stock if the Company meets the applicable performance criteria while you remain in service as a Class III director or do not otherwise undergo a termination of service under the applicable Equity Plan. For purposes of illustration only, if shares subject to a Restricted Stock grant that is made on May 23, 2009 only vested in four years (on May 23, 2013) and you qualified for accelerated vesting under Section 4(b) above, you would be immediately vested in 37.5% of the Restricted Stock on May 23, 2009, (18 months / 48 months) pursuant to Section 7(b) above, and you would vest in the remaining portion of the Restricted Stock by either providing services as a Class III director (or otherwise providing eligible services, if any) for an additional thirty (30) months or remaining in service as a director (or otherwise providing eligible services, if any) when the Company meets the performance criteria applicable to the Restricted Stock.

(d) Notwithstanding anything to the contrary, under Section 12 of each of the Equity Plans and your award agreement governing each share of Restricted Stock, “cause” shall be limited to events that have occurred prior to the Termination Date and, after the Termination Date, “cause” shall be limited solely to your actions in your capacity as, or as a result of your status as, a Class III Director of the Company or if you breach the Non-competition Covenant or the Inventions Agreement (both as defined below); provided, that you shall not be deemed to have been terminated for “cause” based on your actions in your capacity as a Class III Director of the Company if said actions were based on the advice of counsel to the Company or its Board of Directors or if you are treated in a discriminatory manner with respect to your Equity Awards from other Directors who are similarly situated.

5. **Excise Tax Gross-Up:**

Subject to Section 7 below, you will remain entitled to the excise tax gross-up contained in Sections 7.1.5 and 7.1.6 of the Employment Agreement, and the Company shall bear the costs associated with the calculation of the tax gross-up, if any. Notwithstanding anything to the contrary contained in the Employment Agreement, for purposes of determining the amount of the gross-up payment, you shall be deemed to pay federal income taxes at the actual rate of federal income taxation applicable to you in the calendar year in which the gross-up payment is to be made and state and local income taxes at the actual rates of taxation applicable to you and as are in effect in the state and locality of your residence in the calendar year in which the gross-up payment is to be made, net of the maximum reduction in federal income taxes that can be obtained from deduction of such state and local taxes, taking into account any limitations applicable to you. At the request of the Company, you shall provide information necessary from your accountants and financial advisors to determine your actual rates for federal, state and local income taxes. For the avoidance of doubt, you shall continue to be entitled to reimbursement from the Company of any reasonable expenses incurred in connection with a tax audit to the

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extent attributable to the application of Section 4999 of the Code to any payment or benefit provided to you.

6. **Limited Release:**

In exchange for the benefits to be provided to you hereunder, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, you and your representatives, estate, heirs, successors and assigns, hereby absolutely and unconditionally release, remise, discharge, indemnify and hold harmless the Company Releasees (defined to include the Company and any of its parents, subsidiaries or affiliates, predecessors, successors or assigns, and its and their respective current and former partners, directors, shareholders, officers, employees, attorneys and agents, all both individually and in their official capacities), from any and all actions or causes of action, suits, claims, complaints, contracts, liabilities, agreements, promises,

torts, debts, damages, controversies, judgments, rights and demands, whether existing or contingent, known or unknown, suspected or unsuspected, up to and including the date you sign this Agreement (collectively, "Claims"), concerning (1) Claims of breach of the Employment Contract; (2) Claims concerning the manner or means of your separation of employment from the Company, including without limitation Claims for alleged wrongful termination or constructive discharge, discrimination, retaliation, intentional or negligent infliction of emotional distress, negligent misrepresentation, intentional misrepresentation, fraud, defamation or violation of public policy; and (3) Claims concerning actions taken (or not taken) by any Company Releasee relating to your separation of employment.

Notwithstanding any contrary provisions of this Agreement, you are not releasing and will not, as of the Termination Date, be releasing the Company Releasees from: (1) Claims relating to any vested rights under any company benefit plan; (2) any Claims for indemnification by the Company pursuant to applicable law and/or the Company's Amended and Restated By-Laws; or (3) any claims to enforce the terms of this Agreement.

7. Qualifying Change in Control Event:

(a) You may become entitled to additional payments and vesting in Stock Options and Restricted Stock as described in this Section 7 if you meet the requirements to receive payments and benefits as set forth in Sections 2(i), 2(ii) and 2(iii) above, and you satisfy a Change in Control vesting condition that shall occur if (i) the Company experiences a Change in Control (as defined in Section 7(f) below) prior to December 31, 2010, (ii) the Company has entered into, on or after the date hereof, a binding agreement to effect a transaction that directly results in a Change in Control, subject to satisfaction of customary closing conditions, prior to December 31, 2010, and a Change in Control takes place thereafter pursuant to the terms of such agreement, or (iii) the Company experiences a Change in Control, the consummation of which gives rise to an obligation on the part of the Company to pay money to a third party pursuant to the terms of a binding agreement to which reference is made in the immediately preceding clause. For purposes of this Agreement, a "Qualifying Change in Control Event" is a Change in Control described in either paragraph (i), (ii) or (iii) if you had previously met the requirements to receive payments and benefits as set forth in Sections 2(i), 2(ii) and 2(iii) above.

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(b) At such time, if any, before a Qualifying Change in Control Event, that you experience a "termination of service" under the Equity Plans, all Stock Options that are then unvested and shares of Restricted Stock that remain subject to a Lapsing Repurchase Right will be suspended. For avoidance of doubt, a suspension means that you will not be able to exercise any unvested Stock Options or sell any of the shares of Restricted Stock that are subject to a Lapsing Repurchase Right, nor will the Company be entitled to have you forfeit any of these awards. If at any time after December 31, 2010 it becomes clear that there is no possibility that there will be a Qualifying Change in Control Event, then you shall forfeit any Stock Options or Restricted Stock that had previously been suspended.

(c) Upon a Qualifying Change in Control Event, the Company will pay you a cash payment equal to the amount that would be determined under Section 7.1.2 of the Employment Agreement (assuming that you were employed on the Qualifying Change in Control Event, were receiving salary at a rate of \$950,151 per annum and the last two annual bonuses paid to you were the bonuses paid in 2008 and 2009), less the amount, if any, previously paid under Section 2(a) of this Agreement if your Termination Date occurred before the Qualifying Change in Control Event.

(d) Upon a Qualifying Change in Control Event, the Company will pay a cash amount to you equal to the cost, determined as of the Qualifying Change in Control Event, of providing you with life, disability, accident and health insurance benefits for three years less any amounts previously paid to you or on your behalf under Section 2(b) above.

(e) Upon a Qualifying Change in Control Event, all Stock Options and Restricted Stock, including those that were suspended under Section 7(b) above, shall immediately vest. and shall remain exercisable for the period set forth in the applicable Equity Plan (as if the termination of service under such Equity Plan took place on the date of the Qualifying Change in Control Event), subject to the Company's right to extinguish the Stock Options under the Equity Plans on the Change in Control (as defined in Section 7(f) of this Agreement).

(f) A "Change in Control" for purposes of this Agreement shall mean a Change in Control as defined under the Employment Agreement.

(g) Notwithstanding anything to the contrary in this Section 7, you shall not be entitled to, and the Company shall have no obligation to provide, any of the payments or additional vesting set forth in Section 5 or this Section 7 of this Agreement if you Actively Participate in the transaction or series of transactions that constitute a Qualifying Change in Control Event. For purposes of this Section 7(g), "Actively Participate" means that you alone or in concert with one or more other persons, initiate, direct or materially assist the acquiring person or entity in connection with a transaction or series of transactions that result in a Qualifying Change in Control Event, without the approval of the Company's Board of Directors. For purposes of interpreting the phrase "Actively Participate" the principles of law governing the definition of "person" or "group" as such terms are used in Sections 13(d) and 14(d)(2) of the Securities Exchange Act of 1934 shall apply. For the avoidance of doubt, neither your employment by the Company or a successor entity after a Qualifying Change in Control Event nor your providing of information to others in the performance of, and in compliance with,

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your duties as an executive officer or director of the Company shall, by itself, be deemed as your having Actively Participated in a Change in Control.

8. Accord and Satisfaction:

The payments and benefits set forth above in Sections 1, 2 and 7, and the amendments set forth above in Sections 3 and 4 shall be complete and unconditional payment, settlement, accord and/or satisfaction with respect to all obligations and liabilities of the Company Releasees to you, including, without limitation, all claims for back wages, salary, vacation pay, draws, incentive pay, bonuses, stock and stock options, commissions, severance pay, reimbursement of expenses, any and all other forms of compensation or benefits, attorney's fees, or other costs or sums, under the Employment Agreement or otherwise.

9. Waiver of Rights and Claims Under the ADEA:

Since you are 40 years of age or older, you are being informed that you have or may have specific rights and/or claims under the Age Discrimination in Employment Act of 1967 ("ADEA"), as amended, and you agree that:

(a) in consideration for the rights provided in this Agreement, a portion of which you are not otherwise entitled to receive, you specifically and voluntarily waive such rights and/or claims you might have against the Company Releasees under the ADEA (as amended) to the extent such rights and/or claims arose prior to the date this Agreement was executed;

(b) you are advised that you have at least twenty-one (21) days within which to consider the terms of this Agreement and to consult with or seek advice from an attorney of your choice or any other person of your choosing prior to executing this Agreement;

(c) you are advised that, notwithstanding any other contrary provision of this Agreement, consistent with the provisions of the ADEA (as amended) and other federal discrimination laws, nothing in this Agreement shall be deemed to prohibit you from challenging the validity of the Release under Section 6 or the Supplemental Release provided pursuant to Section 2 (together the “Releases”) under the federal age or other discrimination laws (the “Federal Discrimination Laws”) or from filing a charge or complaint of age or other employment related discrimination with the Equal Employment Opportunity Commission (“EEOC”), or from participating in any investigation or proceeding conducted by the EEOC. Further, nothing in the Releases or this Agreement shall be deemed to limit the Company’s right to seek immediate dismissal of such charge or complaint on the basis that your signing of this Agreement constitutes a full release of any individual rights under the Federal Discrimination Laws, or to seek restitution to the extent permitted by law of the economic benefits provided to you under this Agreement if you successfully challenge the validity of either or both of the Releases and prevail in any claim under the Federal Discrimination Laws;

(d) you have carefully read and fully understand all of the provisions of this Agreement, and you knowingly and voluntarily agree to all of the terms set forth in this Agreement; and

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(e) in entering into this Agreement you are not relying on any representation, promise or inducement made by the Company or its attorneys with the exception of those promises described in this document.

10. Acknowledgements:

(a) You acknowledge that you were informed and understand that you have twenty-one (21) days to review this Agreement and consider its terms before signing it. The 21-day review period will not be affected or extended by any revisions, whether material or immaterial, that might be made to this Agreement.

(b) You further acknowledge that, while this Agreement is intended to comply with Section 409A of the Code, and shall be so interpreted, any tax liability incurred by you under Section 409A of the Code is solely your responsibility.

11. Company Files, Documents and Other Property:

You agree that on or before the Termination Date you will return to the Company all Company property and materials, including but not limited to, (if applicable) personal computers, laptops, Blackberries, fax machines, scanners, copiers, Company credit cards and telephone charge cards, manuals, building keys and passes, courtesy parking passes, diskettes, intangible information stored on diskettes, software programs and data compiled with the use of those programs, software passwords or codes, tangible copies of trade secrets and confidential information, sales forecasts, names and addresses of Company customers and potential customers, customer lists, customer contacts, sales information, sales forecasts, memoranda, sales brochures, business or marketing plans, reports, projections, and any and all other information or property previously or currently held or used by you that is or was related to your employment with the Company (“Company Property”), provided, however, that you may retain Company Property that is necessary to carry out your duties as a member of the Board of Directors. Notwithstanding the foregoing, Company Property does not include any personal documents or data compiled not related to the business of the Company that you may have created using commercially available third-party software licensed by the Company. You agree that in the event that you discover any other Company Property in your possession after the Termination Date of this Agreement you will immediately return such property to the Company. Upon the termination of your service as a member of the Board of Directors, you will immediately return to the Company all remaining Company Property in your possession.

The Company agrees that it will maintain your Company email account for the period of thirty (30) days immediately following the Termination Date and shall automatically forward a copy of all emails sent to you at the Company during such period to your home email address; provided that, you immediately return or delete any and all correspondence containing Company trade secrets or confidential information, as referenced above, and any and all correspondence that is not of a personal nature to you, unless the information or correspondence is necessary for you to carry out your duties as a member of the Board of Directors, in which case you may permissibly retain such information and correspondence, so long as you delete such information and correspondence upon the termination of your service on the Board of Directors. In addition, the Company agrees that it will maintain your Company voicemail account for the period of thirty

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(30) days immediately following the Termination Date, and you and the Company agree that your current executive assistant shall be given access to your voicemail account and shall be instructed to communicate to you on a regular basis all personal messages left on your voicemail as well as all other communication.

12. Future Conduct:

(a) Mutual Nondisparagement: You will not make disparaging, critical or otherwise detrimental comments to any person or entity concerning the Company, its officers, directors, employees, stockholders or business partners; the products, services or programs provided or to be provided by the Company; the business affairs, operation, management or the financial condition of the Company; or the circumstances surrounding your employment and/or separation of employment from the Company. Likewise, the Company will not, and will take actions designed to ensure that its executive officers and members of its Board of Directors will not, make disparaging, critical or otherwise detrimental comments to any person or entity concerning you or the circumstances surrounding your employment and/or separation of employment from the Company. The Company shall instruct all the executive officers and

members of its Board of Directors of their respective obligations under this Section 12(a). Your and the Company's sole remedy in enforcing the terms of this Section 12(a) shall be injunctive relief and/or the recovery of damages as determined by a court of competent jurisdiction. Except as ordered by a court of competent jurisdiction (provided the Company cannot off set any nonqualified deferred compensation under Section 409A of the Code), the Company shall not have the right to set off the amount of such damages, if any, against any payment or benefit otherwise due to you from the Company pursuant to this Agreement or your Employment Agreement, nor shall your violation of the provisions of this Section 12(a) vitiate or limit any of the Company's obligations under this Agreement or the Employment Agreement.

(b) **Disclosures:** Nothing herein shall prohibit or bar you or the Company from providing truthful testimony in any legal proceeding or in communicating with any governmental agency or representative or from making any truthful disclosure required, authorized or permitted under law; provided, however, that in providing such testimony or making such disclosures or communications, you and the Company agree to use reasonable efforts to ensure that this Section is complied with to the maximum extent possible. Notwithstanding the foregoing, nothing in this Agreement shall bar or prohibit you from contacting, seeking assistance from or participating in any proceeding before any federal or state administrative agency to the extent permitted by applicable federal, state and/or local law. However, you nevertheless will be prohibited to the fullest extent authorized by law from obtaining monetary damages in any agency proceeding in which you do so participate.

(c) **No Agency Relationship.** From and after the Termination Date, unless otherwise expressly authorized in writing by the Company's Board of Directors, and except in those circumstances where you are acting pursuant to your duties as a member of the Board of Directors, you shall no longer be the agent of the Company and shall no longer have the power or authority to, and you shall no longer attempt to, (i) bind the Company, (ii) incur any liability or obligation on behalf of the Company, or (iii) hold yourself out as authorized to act on behalf of the Company, including, without limitation, participating in any investor calls or communicating with the media regarding the Company.

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(d) **Litigation Cooperation.** During your continued employment with the Company and after the Termination Date, you agree to cooperate fully with the Company in any action, proceeding, charge or lawsuit in which the Company is a party as reasonably requested by the Company from time to time or as required by law or legal process. After the Termination Date, you agree to provide such litigation assistance at such times that are mutually agreeable to you and the Company, and that do not unreasonably interfere with employment, service on boards of directors, or volunteering in which you may be engaged. For the twelve month period immediately following the Termination Date, you agree to provide such litigation assistance without further compensation than the agreements of the Company in this Agreement and reimbursement of reasonable expenses directly incurred by you in connection with such litigation assistance. After the twelve-month anniversary of the Termination Date, the Company shall pay you \$500 per hour in connection with any such litigation assistance (other than your participation as a witness or deponent pursuant to a deposition notice, subpoena, summons or other legal process) and reimburse you for reasonable expenses directly incurred by you in connection with such litigation assistance. For purposes of this paragraph, the term "expenses" shall not include attorneys' fees.

(e) **Indemnification.** During your continued employment with the Company and after the Termination Date, you shall be eligible for indemnification to the fullest extent permitted under the Company's Amended and Restated By-Laws, and for coverage under the Company's Directors and Officers Liability Insurance Policy in accordance with the terms and conditions set forth therein, provided that the Company continues to maintain such insurance coverage.

13. Employee Nondisclosure and Inventions Agreement; Agreement Not to Compete:

You hereby acknowledge the existence and continued validity of the Employee Non-Disclosure and Inventions Agreement that you previously executed (the "Inventions Agreement") and the "Non-competition" covenant set forth in Section 8 (the "Non-competition Covenant") of the Employment Agreement, for the period of time set forth in the Non-competition Covenant. You agree to abide by your obligations contained in the Inventions Agreement and the Non-competition Covenant for the periods set forth therein.

14. Tax Withholding and Reporting.

The Company shall withhold any taxes that are required to be withheld from the payments and benefits provided under this Agreement. If you do not make withholding arrangements in advance of the payment of compensation or benefits under this Agreement that are reasonably satisfactory to the Company, the Company shall be entitled to withhold amounts from such payments and benefits in any reasonable manner as it determines its sole discretion. You acknowledge that the Company's sole liability regarding taxes is to forward any amounts withheld to each appropriate taxing authority. Further, the Company shall satisfy all applicable reporting requirements.

15. Representations and Governing Law:

(a) This Agreement sets forth the complete and sole agreement between the parties and supersedes any and all other agreements or understandings, whether oral or written, except

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the Employment Agreement to the extent it applies to the period of time prior to the Termination Date as expressly set forth in Section 1 of this Agreement, the Inventions Agreement, the Noncompetition Covenant and the stock option and restricted stock agreements as modified to the extent referenced in Sections 3 and 4, each of which shall remain in full force and effect in accordance with their respective terms and as modified by this Agreement. This Agreement may not be changed, amended, modified, altered or rescinded except upon the express written consent of the Company and you.

(b) If any provision of this Agreement, or part thereof, is held invalid, void or voidable as against public policy or otherwise, the invalidity shall not affect other provisions, or parts thereof, which may be given effect without the invalid provision or part. To this extent, the provisions and parts thereof of this Agreement are declared to be severable. Any waiver of any provision of this Agreement shall not constitute a waiver of any other provision of this Agreement unless expressly so indicated otherwise. The language of all parts of this Agreement shall in all cases be construed according to its fair meaning and not strictly for or against either of the parties.

(c) This Agreement and any claims arising out of this Agreement (or any other claims arising out of the relationship between the parties) shall be governed by and construed in accordance with the laws of The Commonwealth of Massachusetts and shall in all respects be interpreted, enforced and governed under the internal and domestic laws of Massachusetts, without giving effect to the principles of conflicts of laws of such state. Any claims or legal actions by one party against the other shall be commenced and maintained in state or federal court located in Massachusetts, and you and the Company hereby submit to the jurisdiction and venue of any such court.

(d) You may not assign any of your rights or delegate any of your duties under this Agreement; provided, however, that any unpaid benefits, whether or not due from the Company at such time, shall inure to the benefit of your heirs and estate. The rights and obligations of the Company shall inure to the benefit of, and shall be binding upon, the Company's successors and assigns.

16. Revocation Period: You may revoke this Agreement at any time during the seven-day period immediately following your execution hereof. As a result, this Agreement shall not become effective or enforceable until the seven-day revocation period has expired.

If this letter correctly states the agreement and understanding we have reached, please indicate your acceptance by countersigning the enclosed copy and returning it to me.

Very truly yours,

VERTEX PHARMACEUTICALS INCORPORATED

By: /s/ CHARLES A. SANDERS
CHARLES A. SANDERS

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I REPRESENT THAT I HAVE HAD AN OPPORTUNITY TO FULLY DISCUSS AND REVIEW THE TERMS OF THIS AGREEMENT WITH AN ATTORNEY OF MY CHOOSING, AND THAT I HAVE CAREFULLY READ THIS AGREEMENT, FULLY UNDERSTAND ITS TERMS AND CONDITIONS AND KNOWINGLY AND VOLUNTARILY SIGN MY NAME OF MY OWN FREE ACT. IN ENTERING INTO THIS AGREEMENT, I DO NOT RELY ON ANY REPRESENTATION, PROMISE OR INDUCEMENT MADE BY THE COMPANY OR ITS REPRESENTATIVES WITH THE EXCEPTION OF THE CONSIDERATION DESCRIBED IN THIS DOCUMENT.

Accepted and Agreed to:

 /s/ Joshua S. Boger

Joshua S. Boger

Date: February 5, 2009

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**IF YOU DO NOT WISH TO USE THE 21-DAY PERIOD,
PLEASE CAREFULLY REVIEW AND SIGN THIS DOCUMENT**

I, Joshua S. Boger, acknowledge that I was informed and understand that I have 21 days within which to consider the attached Transition Agreement and Release, have been advised of my right to consult with an attorney regarding such Agreement and have considered carefully every provision of the Agreement, and that after having engaged in those actions, I prefer to and have requested that I enter into the Agreement prior to the expiration of the 21-day period.

Dated: February 5, 2009

 /s/ Joshua S. Boger
Joshua S. Boger

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Exhibit A

Supplemental Release

In exchange for the benefits to be provided to you hereunder, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, you and your representatives, estate, heirs, successors and assigns, hereby absolutely and unconditionally release, remise, discharge, indemnify and hold harmless the Company Releasees (defined to include the Company and any of its parents, subsidiaries or affiliates, predecessors, successors or assigns, and its and their respective current and former partners, directors, shareholders, officers, employees, attorneys and agents, all both individually and in their official capacities), from any and all actions or causes of action, suits, claims, complaints, contracts, liabilities, agreements, promises, torts, debts, damages, controversies, judgments, rights and demands, whether existing or contingent, known or unknown, suspected or unsuspected, up to and including the date you sign this Agreement (collectively, "Claims"), concerning (1) Claims of breach of the Employment Contract; (2) Claims concerning the manner or means of your separation of employment from the Company, including without limitation Claims for alleged wrongful termination or constructive discharge, discrimination, retaliation, intentional or negligent infliction of emotional distress, negligent misrepresentation, intentional misrepresentation,

fraud, defamation or violation of public policy; and (3) Claims concerning actions taken (or not taken) by any Company Releasee relating to your separation of employment.

Notwithstanding any contrary provisions of this Agreement, you are not releasing and will not, as of signing this Supplemental Release, be releasing the Company Releasees from: (1) Claims relating to any vested rights under any company benefit plan; (2) any Claims for indemnification by the Company pursuant to applicable law and/or the Company's Amended and Restated By-laws; or (3) any claims to enforce the terms of this Supplemental Release.

Exhibit B

Stock Options

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Exhibit C

Restricted Stock

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