

**ALKERMES, INC.**  
**AUDIT COMMITTEE OF THE BOARD OF DIRECTORS**

**Audit and Non-Audit Services Pre-Approval Policy**

**Statement of Principles**

Under the Sarbanes-Oxley Act of 2002 (the “Act”) and the corporate governance provisions of the Nasdaq Listings Requirements, the Audit Committee of the Board of Directors (the “Committee”) is responsible for the appointment, compensation and oversight of the work of the independent auditor for Alkermes, Inc. (the “Company”). As part of this responsibility, the Committee is required to pre-approve the audit and non-audit services performed by the independent auditor and to assure that the performance of non-audit related services by the independent auditor does not impair the auditor’s independence from the Company. To implement these provisions of the Act, and the related rules promulgated by the Securities and Exchange Commission (the “SEC”), the Committee has adopted this Audit and Non-Audit Services Pre-Approval Policy (the “Policy”) to set forth the procedures and the conditions pursuant to which audit and non-audit services proposed to be performed by the independent auditor are pre-approved by the Committee or its designee.

**Responsibility of Audit Committee; Delegation**

The Committee, or, in the event it delegates its authority to one or more of its members as stated below, its designee, shall pre-approve the provision of all audit and non-audit services provided to the Company by any independent auditing firm engaged to perform the external audit of the Company’s financial statements (“Pre-Approval”). The Committee may delegate its Pre-Approval authority to one or more of its members. Any such delegation shall be in writing and shall continue in effect until the earlier of: (1) termination of such delegation in writing by the Committee; (2) resignation or removal of the member from the Committee or the Board; or (3) expiration of the term of the delegated member if such member is not re-elected to the Board and appointed to the Committee. The member(s) to whom such authority is delegated shall report any Pre-Approval decisions made to the Committee at its next scheduled meeting.

Any Pre-Approval actions may be taken at any meeting of the Committee, by Unanimous Written Consent of the Committee, or by action in writing or verbally (if verbally, followed up in writing) if Pre-Approval is provided by the Committee’s designee.

The Committee does not delegate its responsibilities to pre-approve services performed by the independent auditor to management.

**Pre-Approval**

**Generally**

Prior to the beginning of each fiscal year, management will submit to the Committee a request for Pre-Approval of Audit Services, Audit-Related Services, Tax Services and/or All Other Services, as described below, anticipated to be incurred during such fiscal year. Such request will include as much specificity and detail as is reasonable to enable the Committee to satisfy its responsibilities, and include a copy of the engagement letter to be executed by the Committee to document the engagement of the independent auditor and a good faith estimate or range of the fees for such services.

During the course of a fiscal year, management shall submit to the Committee or its designee a request for Pre-Approval of any additional Audit Services, Audit-Related Services, Tax Services and All Other Services, not listed in the initial request for Pre-Approval described above, or for any material changes to the scope of any service for which Pre-Approval has been obtained. Such request will include as much specificity and detail as is reasonable to enable the Committee to satisfy its responsibilities. Such request must include a detailed description of the services to be rendered and a joint statement by both the independent auditor and the Chief Financial Officer or Director of Finance as to whether, in their view, the request or application is consistent with the SEC's rules on auditor independence.

The Committee and its designee may consult with whomever it chooses in connection with its Pre-Approval determinations.

### **Audit Services**

The Committee shall pre-approve the engagement of the independent auditor to perform the annual external audit of the Company's financial statements ("Audit Services"). Audit Services includes services identified in the request that only the independent auditor reasonably can provide for the fiscal year for which such Pre-Approval is sought, which services may include some or all of the specific services listed on Appendix A attached to this Policy.

Any request for Pre-Approval of Audit Services will include a good faith estimate or range of the fees for the Audit Services requested.

### **Audit-Related Services**

"Audit-Related Services" are defined as assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements and that are traditionally performed by the independent auditor. The Audit Committee believes that the provision of Audit-Related Services does not impair the independence of the auditor and is consistent with the SEC's rules on auditor independence. Management shall request Pre-Approval for those Audit-Related Services it reasonably believes will be required for the fiscal year for which such Pre-Approval is sought. The type of Audit-Related Services for which Pre-Approval may be sought includes, but is not limited to, the specific services identified on Appendix B attached to this Policy.

Any request for Pre-Approval of Audit-Related Services will include a good faith estimate or range of the fees for the Audit-Related Services requested.

### **Tax Services**

The type of "Tax Services" for which Pre-Approval may be subject includes, but is not limited to, the specific services identified on Appendix C attached to the Policy. The Committee believes that the independent auditor can provide Tax Services to the Company without impairing the auditor's independence, and the SEC has stated that the independent auditor may provide such services. Management shall request Pre-Approval for those Tax Services it reasonably believes will be required for the fiscal year for which such Pre-Approval is sought. In addition, the use of the independent auditor to provide services to any executive officer or director of the Company, in his or her individual capacity, where such services are paid for by the Company, shall be specifically pre-approved by the Committee. However, the Committee will not permit the retention of the independent auditor in connection with (1) a transaction initially recommended by the independent auditor, the sole business purpose of which may be tax avoidance and the tax treatment of which may not be supported in the Internal Revenue Code and

related regulations; or (2) representing the Company before a tax court, district court or federal court of claims.

Any request for Pre-Approval of Tax Services will include a good faith estimate or range of the fees for the Tax Services requested.

### **All Other Services**

The Committee shall approve all other permissible non-audit services (“All Other Services”) to be provided by the independent auditor. The Committee must believe that such services would not impair the independence of the Company’s auditor and are consistent with the SEC’s rules on auditor independence. Management shall request Pre-Approval for those All Other Services it reasonably believes will be required for the fiscal year for which such Pre-Approval is sought. Examples of such All Other Services for which Pre-Approval can be separately sought include: (1) risk management advisory services, e.g., assessment and testing of security infrastructure controls; and (2) treasury advisory services, e.g., review of check-clearing and float-management practices and recommendations regarding potential areas of improvement.

Any request for Pre-Approval of All Other Services will a good faith estimate or range of the fees for the All Other Services requested.

### **De Minimis Exception to Pre-Approval Requirement**

In its performance of its responsibilities under this Policy and subject to Section VI hereof, prior approval of certain All Other Services is not required by the Committee if: (1) such services involve no more than 5% of the amounts paid by the Company to the auditors during the fiscal year in which such All Other Services are provided; (2) such All Other Services were not identified by the Company to be All Other Services at the time of the engagement; and (3) such All Other Services are approved by the Committee prior to completion of the audit for such fiscal year.

### **Prohibited Services**

Notwithstanding any other provision of this Policy, the Committee shall not approve the performance of the following prohibited services by the independent auditor to the Company: (1) bookkeeping or other services related to the accounting records or financial statements of the Company; (2) financial information systems design and implementation; (3) appraisal or valuation services, fairness opinions, or contribution-in-kind reports; (4) actuarial services; (5) internal audit outsourcing services; (6) management functions or human resources; (7) broker or dealer, investment adviser, or investment banking services; (8) legal services; and (9) expert services unrelated to the audit; provided, that, in accordance with SEC rules, the services listed in (1) through (5) above are not prohibited if the Committee concludes, in its reasonable judgment, that the results of these services will not be subject to audit procedures during an audit of the Company’s financial statements. This conclusion must overcome the presumption that such prohibited services will be subject to audit procedures.

### **Considerations by the Audit Committee Regarding Non-Audit Services**

For all Pre-Approval activities regarding All Other Services, the Committee or its designee will consider whether: (1) such services are consistent with the SEC’s rules on auditor independence; (2) the independent auditor is best positioned to provide the most effective and efficient service, for reasons including its familiarity with the Company’s business, management, culture, accounting systems, risk

profile and other factors; and/or (3) the service might enhance the Company's ability to manage or control risk or improve audit quality.

### **Pre-Approval Procedures**

All services to be provided by the independent auditor will be reviewed by the Chief Financial Officer and/or the Director of Finance. The Chief Financial Officer and/or Director of Finance will determine whether such services are included within the list of services for which Pre-Approval has been provided under this Policy.

The Committee designates the Director of Finance or, if that position is vacant, the Chief Financial Officer to monitor the performance of all services provided by the independent auditor and to determine whether such services are in compliance with the Pre-Approvals given in accordance with this Policy. Such individual will report the results of such monitoring activities to the Committee on a periodic basis.

The directives in the Section VII do not delegate any required duties or authority of the Committee to management or relieve the Committee from any of its responsibilities under the Securities Exchange Act of 1934, as amended, and the rules of the Securities and Exchange Commission.

**Appendix A**  
**Audit Services**

Statutory audits or financial audits for subsidiaries or affiliates of the Company (including required quarterly reviews)
Services associated with SEC registration statements, periodic reports and other documents filed with the SEC or other documents issued in connection with public or private securities offerings (e.g., comfort letters, consents), and assistance in responding to SEC comment letters.
Consultations concerning financial accounting and reporting standards such as the accounting or disclosure treatment of transactions or events and/or the actual or potential impact of final or proposed rules, standards or interpretations by the SEC, FASB, PCAOB or other regulatory or standard setting bodies (Note: Under SEC rules, some consultations may be “audit-related” services rather than “audit” services)
Attestation of management reports on internal controls for financial reporting

**Appendix B**  
**Audit-Related Services**

Financial statement audits of employee benefit plans
Due diligence services relating to potential business acquisitions/dispositions
Accounting consultations, due diligence and audits in connection with acquisitions/dispositions
Agreed-upon or expanded audit procedures related to accounting and/or billing records required to respond to or comply with financial, accounting or regulatory reporting matters
Internal control reviews and assistance with internal control reporting requirements
Consultations concerning financial accounting and reporting standards such as the accounting or disclosure treatment of transactions or events and/or the actual or potential impact of final or proposed rules, standards or interpretations by the SEC, FASB, PCAOB or other regulatory or standard-setting bodies (Note: Under SEC rules, some consultations may be “audit” services rather than “audit-related” services)
Attest services not required by statute or regulation
Information systems reviews not performed in connection with the audit (e.g., application, data center and technical reviews)
Review of the effectiveness of the internal audit function
General assistance with the implementations of the requirements of SEC rules or listing standards promulgated pursuant to the Act
Subsidiary or equity investee audits not required by statute or regulation that are incremental to the audit of the consolidated financial statements
S-8’s to be filed
Closing balance sheet audits pertaining to dispositions

**Appendix C**  
**Tax Services**

U.S. federal, state and local tax planning and advice (e.g., assistance with tax audits and appeals, tax advice related to mergers and acquisitions, employee benefits plans and requests for rulings or technical advice from taxing authorities)
U.S. federal, state and local tax compliance (e.g., the preparation of original and amended tax returns, claims for refund and tax payment-planning services)
International tax planning and advice (e.g., assistance with tax audits and appeals, tax advice related to mergers and acquisitions, employee benefits plans and requests for rulings or technical advice from taxing authorities)
International tax compliance (e.g., the preparation of original and amended tax returns, claims for refund and tax payment-planning services)
Tax consultations to include but not limited to items such as state and local sales and use tax issues, payroll, stock options, supply chain, compensation, revenue recognition, R&D expenditures and credits, Reliant investments, potential acquisition or dispositions and associated deal structure, foreign subsidiaries, stock or debt issuance disclosures or other tax disclosures.
Review of federal, state, local and international income, franchise, and other tax returns

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