

BERKSHIRE HILLS BANCORP INC

Form PRE 14A

March 22, 2018

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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934 (Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

Berkshire Hills Bancorp, Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1)

Title of each class of securities to which transaction applies:

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Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1)

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Filing Party:

N/A

(4)

Date Filed:

N/A

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April 6, 2018

Dear Berkshire Hills Bancorp Shareholder:

It is our pleasure to invite you to attend the 2018 Annual Meeting of Shareholders, which will be held at:

Berkshire Plaza Hotel

One West Street

Pittsfield, Massachusetts 01201

Thursday, May 17, 2018

10:00 a.m., local time

Please see the Notice of Annual Meeting on the next page for more information about our admission procedures.

We urge you to vote your proxy online, or by telephone, or by completing and returning a proxy card by mail as soon as possible, even if you plan to attend the Annual Meeting.

Your vote is important to us. Thank you for your attention to the enclosed materials, and for your continued support of our company.

Michael P. Daly, Chief Executive Officer

William J. Ryan, Chairman of the Board of Directors

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Notice of Annual Meeting
of Shareholders

Notice of 2018 Annual Meeting of Shareholders of Berkshire Hills Bancorp, Inc.

When:	Where:	Record Date:
Thursday, May 17, 2018	Berkshire Plaza Hotel	March 22, 2018
10 a.m. local time	One West Street	
	Pittsfield, MA 01201	

We are holding this meeting for the following purposes:

1.
To elect as directors the nominees named in the Proxy Statement each to serve a one-year term or until their successors are duly elected and qualified;
2.
To amend Berkshire's Certificate of Incorporation to increase the Company's authorized common stock from 50 million to 100 million shares;
3.
To amend Berkshire's Certificate of Incorporation to increase the Company's authorized preferred stock from 1 million to 2 million shares;
4.
To approve the Berkshire Hills Bancorp, Inc. 2018 Equity Incentive Plan;
5.
To provide an advisory vote on executive compensation practices;
6.
To ratify the appointment of the Company's independent registered public accounting firm for fiscal year 2018; and
7.
To transact any other Company business that may properly come before the meeting.

The Board of Directors unanimously recommends that you vote "FOR" each of the proposed director nominees and "FOR" the proposals to be presented at the annual meeting.

Shareholders of record at the close of business on March 22, 2018, are entitled to vote at the meeting, either in person or by proxy. There are several ways to vote. You can vote your shares online, by telephone, by regular mail or in person at the annual meeting. To access your proxy materials and vote online, please visit www.proxyvote.com and follow the instructions. The notice previously provided to you contains the necessary codes required to vote online. If you wish to vote by telephone, please call 1-800-690-6903 using a touch-tone phone and follow the prompted instructions. You may also vote by mail by requesting a paper proxy card using the instructions provided to you in the

notice. Finally, you may vote in person at the annual meeting, even if you have previously submitted a proxy. Whatever method you choose, please vote in advance of the meeting to ensure that your shares will be voted as you direct.

Boston, Massachusetts

April 6, 2018

By order of the Board of Directors

Wm. Gordon Prescott, Corporate Secretary

Admission Procedures

The meeting is open to shareholders of Berkshire Hills Bancorp, Inc. Everyone attending the meeting should bring a photo ID. If your shares are registered in the name of a bank, broker, or other holder of record, please also bring documentation of your stock ownership as of March 22, 2018 (such as a brokerage statement).

IMPORTANT NOTICE REGARDING AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON MAY 17, 2018:

The Notice of Annual Meeting, 2018 Proxy Statement, and Annual Report to Shareholders for fiscal 2017 are each available at www.proxyvote.com.

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Berkshire Hills Bancorp, Inc. 2018 Equity Incentive Plan

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Berkshire Hills Bancorp, Inc.

Proxy Statement

Proxy Summary

This summary gives you an overview of selected information in this year's proxy. We encourage you to read the entire proxy statement carefully before voting. We have also provided you with the 2017 Summary Annual Report and the 2017 Annual Report on SEC Form 10-K.

Annual Meeting of Shareholders

Time and Date: 10:00 a.m. local time, Thursday, May 17, 2018

Place: Berkshire Plaza Hotel, One West Street, Pittsfield, Massachusetts 01201

Record Date: Shareholders as of the close of business on March 22, 2018 are entitled to vote

Proposals to be Voted on by Shareholders

Proposal	Board's Voting Recommendation	Page References (for more information)
<u>1 — Election of Directors</u>	<u>FOR</u> <u>(all nominees)</u>	pp. <u>9-29</u>
<u>2 — Amendment to Berkshire's Certificate of Incorporation to Increase the Company's Authorized Common Stock from 50 Million to 100 Million Shares</u>	<u>FOR</u>	pp. <u>30-31</u>
<u>3 — Amendment to Berkshire's Certificate of Incorporation to Increase the Company's Authorized Preferred Stock from 1 Million to 2 Million Shares</u>	<u>FOR</u>	pp. <u>32-33</u>
<u>4 — Approval of the Berkshire Hills Bancorp, Inc. 2018 Equity Incentive Plan</u>	<u>FOR</u>	pp. <u>34-42</u>
<u>5 — Advisory Vote on Executive Compensation</u>	<u>FOR</u>	pp. <u>43</u>
<u>6 — Ratification of the Appointment of the Independent Registered Public Accounting Firm</u>	<u>FOR</u>	pp. <u>83-86</u>

We are providing this proxy statement to you in connection with the solicitation of proxies for the 2018 Annual Meeting of Shareholders and to transact any other business that may properly come before the meeting. In this proxy statement, we also refer to Berkshire Hills Bancorp, Inc. as "Berkshire" or the "Company". We also refer to its subsidiary, Berkshire Bank, as the "Bank". We are mailing a notice of the annual meeting to shareholders of record as of March 22, 2018, beginning on April 6, 2018.

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Summary of Proposals for 2018

1 — Election of Directors. This year, Berkshire has 9 (out of 13) directors up for election, each to serve a one-year term if elected. The Company's Board of Directors has nominated Messrs. Bossidy, Brunelle, Curley, Daly, Mahoney, Murphy, Ryan, Templeton and Ms. Massad for election in 2018.

2 — Amendment of Berkshire's Certificate of Incorporation to Increase the Company's Authorized Common Stock from 50 Million to 100 Million Shares. Berkshire's Certificate of Incorporation authorizes 50 million shares of common stock, of which 45,373,126 shares are outstanding. An increase to 100 million shares of authorized common stock increases our flexibility to issue common stock in a variety of circumstances.

3 — Amendment of Berkshire's Certificate of Incorporation to Increase the Company's Authorized Preferred Stock from 1 Million to 2 Million Shares. Berkshire's Certificate of Incorporation authorizes 1 million shares of preferred stock, of which 522,000 shares are outstanding. An increase to 2 million shares of authorized preferred stock increases our flexibility to issue such stock in a variety of circumstances.

4 — Approval of the Berkshire Hills Bancorp, Inc. 2018 Equity Incentive Plan. There are a limited number of shares remaining under Berkshire's current equity plan. Approval of the 2018 Equity Incentive Plan will give the Company the flexibility it needs to continue to attract, motivate and retain highly qualified officers, employees and directors by offering a competitive compensation program that is linked to the performance of our common stock.

5 — Advisory Vote on Executive Compensation. This advisory vote is for the approval of the Company's Named Executive Officer compensation as set forth within this proxy statement. Berkshire strives to promote shareholder value and sound risk management by aligning executive pay and company performance.

6 — Ratification of Independent Registered Public Accounting Firm. This advisory vote ratifies the selection of Crowe Horwath LLP ("Crowe") as the Company's independent registered public accounting firm for fiscal year 2018.

Corporate Governance Highlights

Our commitment to good corporate governance is illustrated as follows:

Independent Oversight	Shareholder Orientation	Good Governance
Majority independent directors (11 of 13); median tenure of 5 years	Rigorous board and committee self-assessments conducted annually	Diverse board membership (skills, tenure, age); annual director education
Strong and engaged independent chairman of the board	Robust stock-ownership guidelines	Annual evaluation of CEO and senior management and review of succession plans
All key committees are fully independent	Annual shareholder engagement program	Directors attended 99% of all Board and Committee meetings in 2017
Regular executive sessions of independent directors	Majority voting, with director resignation policy for uncontested elections	Risk oversight by full board and committees
Chair of Corporate Governance or Chairman can call special meeting of the Board at any time for any reason	No poison pill in place; annual election of all directors beginning in 2019	Formal ethics code, reporting hotline and ethics training to all employees

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Shareholder Engagement and Responsiveness

We have an active engagement program that focuses on gathering feedback from the governance teams of our largest institutional shareholders. Based on these ongoing discussions, in the last year we made several enhancements to our governance programs which include:

- Declassified the Board of Directors
- Added a relative total shareholder return (“TSR”) measure to the long-term incentive plan
- Increased disclosure around compensation policies, procedures and decisions
- Increased disclosure relating to the Board of Directors’ composition, recruiting and nominating practices
- Introduced an anti-hedging policy and increased disclosure around our restrictive pledging policy
- Eliminated geographical residency requirement for eligibility to serve on the Board

Since the implementation of “Say-on-Pay”, we have received support above 90% for our Advisory Vote on Executive Compensation. In 2016 we received 67% of votes in favor of the Company’s executive compensation. In 2017, we improved to 75% of vote in favor, but we continue to strive to improve the shareholder approval. As a result, the Board of Directors has taken action over the past year to further engage shareholders to better understand their views and make enhancements to our compensation and governance practices.

What We Did:

- Proactively reached out to our largest institutional shareholders, representing 75% of our institutional ownership, to solicit their feedback.
- Had extensive dialogue with a diverse group of our shareholders during the year and obtained additional feedback from advisors and other knowledgeable third parties.
- Solicited feedback and answered questions about our executive compensation programs and Board governance practices.

What We Heard and How We Responded:

- Shareholders were pleased with the changes we made in the last year, particularly the declassified board and increased disclosures.
-

We continued to enhance our proxy statement disclosure this year to include more detail on director qualifications, the board evaluation process, risk management, gender diversity and sustainability.

- There was general support for the design of the compensation plans. The importance of aligning goals with shareholder returns was reinforced and some of the shareholders desired more disclosure around individual incentive awards.
- The Compensation Committee changed the long-term incentive plan goals in 2017 to include a relative TSR measure, along with a cumulative core EPS goal. The Committee feels that this combination will drive executive performance that is both favorable to the shareholders and to the Company's long term strategic plans. We also continued to enhance the disclosures tied to the Compensation Committee's philosophy and process in determining goals and individual awards.
- Some shareholders suggested adopting a proxy access provision, majority voting standards, and/or the right to call a special meeting in our bylaws.
- The Board has had extensive conversations about each of these items and will continue to evaluate potential future action.

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Our Compensation Philosophy

We seek to provide an executive compensation program that is consistent with promoting sound risk management and long-term value creation for our shareholders. The key principles that support our philosophy are:

Attract and retain highly talented executives committed to our success

Pay for performance

Align executive interests with those of our shareholders

Manage risk through oversight and compensation design features and practices

Key Elements of our Compensation Programs

Compensation Mix

Target Mix

- Direct compensation is made up of base salary, short-term cash incentive (“STI”) and long-term equity incentive (“LTI”)

- Target mix is 57% performance based for CEO and 47% performance-based for other NEOs

Long-Term/Equity Compensation

LTI Award

- Awards consist of 50% performance shares and 50% time-based shares

- Performance shares are earned at the end of a 3-year period based on Company performance

- Time-based shares are earned proportionally over a 3-year period

Corporate Performance Measures

Performance Measures

- Performance measures and targets are designed to motivate and reward executives for achieving improved earnings and profitability over the long term, driving total shareholder returns and managing risk

- Goal setting is aligned with annual and multi-year financial targets

*

For reconciliation of non-GAAP measures to their most directly comparable GAAP financial measures, please see Appendix A.

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Our Compensation Practices and Policies

What We Do:

Pay for Performance: A significant portion of each Named Executive Officer’s annual compensation target is variable and tied to company and individual performance results. The Company uses a mix of performance metrics and our short- and long-term plans provide a balanced timeframe for incentive opportunities.

Link Performance Measures with Strategic Objectives: Performance measures and individual goals for incentive compensation are linked to strategic, operating and financial goals designed to create long-term shareholder value.

Annual Say-on-Pay Vote: We conduct an annual Say-on-Pay advisory vote.

Independent Compensation Consultant: The Compensation Committee engages its own independent compensation consultant to review the Company’s executive compensation program and practices.

Shareholder Engagement: As part of the Company’s shareholder outreach program, members of the Compensation Committee and members of management welcome engagement with shareholders to better understand their perceptions and views on our executive compensation program.

Stock Ownership Guidelines: We have significant stock ownership guidelines requiring our executives and directors to hold substantial equity ownership.

Clawback Policy: The clawback policy allows the Board to recover incentive compensation paid to an executive if the financial results that the awards were based on are materially restated due to fraud, intentional misconduct or gross negligence.

Incentivize Sound Risk Management: Our compensation program includes features intended to discourage employees from taking unnecessary and excessive risks, including balanced performance metrics, emphasis on long-term shareholder value creation, and clawback provisions.

What We Don’t Do:

Gross-ups for Excise Taxes: We do not provide change-in-control tax gross-ups to individuals hired after 2009 (only two legacy agreements are still in place).

Hedging and Pledging: All of our employees and directors are prohibited from engaging in hedging, monetization, derivative or similar transactions with company securities. We also have a policy that discourages pledging of company securities, with very limited exceptions.

Contracts: Our executives, with the exception of the CEO, are all employed “at will” and the relationship may be terminated by the Company or the employee at any time without any severance payments.

Dividends: We do not pay dividends on any restricted stock awards until vested.

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2017 Company Performance

2017 was a transformational year for Berkshire. Our major accomplishments included:

- Growing revenue by more than 40%
- Gaining a major position in Worcester, MA — an important regional market
- Announcing the relocation of the Company’s corporate headquarters to Boston and expanding our team within that market
- Crossing the \$10 billion threshold for total assets
- Completing our largest acquisition and successfully managing our largest stock offering to date

Our Board of Directors evaluates performance primarily on the basis of non-GAAP core and organic measures. The Company excludes net charges not viewed as related to ongoing operations, as shown in Appendix A. Many of these charges relate to the direct and indirect costs of acquisitions, which are central to Berkshire’s strategy; these costs are viewed as part of the merger investment. In 2017, there was also a significant noncash charge to write-down the deferred tax asset following federal tax reform.

The Board tracks the Company’s performance on GAAP measures but its overall direction to management is to achieve certain core and organic performance targets which the Company views as most critical to shareholder value. The Board does not view GAAP results in many cases as indicative of business performance and value creation. With few exceptions, the equity analysts who cover our Company agree with the Company’s approach to evaluating its performance.

The Board sets budget goals each year which are generally targeted to result in improved shareholder value. The Board also participates with management in directing certain investments in infrastructure and risk management to support the long-term growth strategy which are not immediately accretive to earnings measures. The Board considers conditions and expectations in the banking industry and in the investment community in setting management priorities. The Compensation Committee establishes specific forms of short- and long-term incentive compensation to support the Board’s performance objectives.

In 2017, GAAP earnings and profitability decreased due to merger charges and tax reform. Core results improved, even as the Company withstood a shifting regulatory landscape while also absorbing the increased regulatory costs of crossing \$10 billion in assets. In 2017 management performed strongly and in several areas exceeded stretch objectives. The Board strongly believes that performance and pay were well aligned in a year with transformational strategic accomplishments and exceptional management performance.

In 2017, the Company introduced three-year TSR as a major element of the incentive structure. As the chart below shows, in its first year Berkshire performed in the 68th percentile among the regional bank peers. The Company delivered results in 2017 after absorbing growth-related costs in the prior two years which held its stock return modestly below peers. The Board views the three-year total stock return of nearly 50% as a strong investment return.

(1)
TSR percentile is based on comparison with 2017 Long Term Incentive comparator index as defined in the CD&A of this proxy.

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2017 Financial Highlights

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Proposal 1:

Election of Directors for a One-Year Term

The Board of Directors has nominated and recommends Paul T. Bossidy, David M. Brunelle, Robert M. Curley, Michael P. Daly, Cornelius D. Mahoney, Pamela A. Massad, Richard J. Murphy, William J. Ryan and D. Jeffrey Templeton for election as directors, to serve until the 2019 Annual Meeting, or until their successors are duly elected and qualified.

Background. The Company's Board of Directors currently consists of 13 members. Prior to the 2017 annual meeting of shareholders, the Board was divided into three classes, each with three-year staggered terms, with one-third of the directors elected each year. Effective as of last year, the Board members are elected on an annual basis as the term of each class expires. Since shareholders approved the declassification of the Board of Directors at the 2017 Annual Meeting and the 2016 class of directors were elected to a three-year term, the 2019 Annual Meeting will be the first that all board members stand for election on an annual basis. The nominees for election this year are Paul T. Bossidy, David M. Brunelle, Robert M. Curley, Michael P. Daly, Cornelius D. Mahoney, Pamela A. Massad, Richard J. Murphy, William J. Ryan and D. Jeffrey Templeton. All nine of the nominees currently serve on the Board. Shareholders will vote to elect the above-referenced nominees to hold office for a one-year term. If a nominee is unable to be a candidate when the election takes place, the shares represented by valid proxies will be voted in favor of the remaining nominees. The Board of Directors does not currently anticipate that any of the nominees will be unable to be a candidate for election.

Additional Information. Information regarding the director nominees is set forth below under the heading "— Information Regarding Directors and Director Nominees."

The affirmative vote of a plurality of the Company's outstanding common stock present in person or by proxy at the Annual Meeting is required to elect the nominees for directors; provided, however, in the case of an uncontested election of directors, it is the Company's policy that if a director is elected by a plurality but not a majority of the votes cast for such director, such director must submit his or her resignation to the Board of Directors, which will be subject to review by the Corporate Governance/Nominating Committee of the Board of Directors. The Corporate Governance/Nominating Committee will then make a recommendation to the Board of Directors as to whether to accept or reject the director's resignation. Unless otherwise instructed, the proxy holders will vote the proxies received by them "FOR" the election of the nominees as directors.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT SHAREHOLDERS VOTE "FOR" THE ELECTION OF ITS DIRECTOR NOMINEES.

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Proposal 1: Election of Directors • Information Regarding Directors and Director Nominees

Information Regarding Directors and Director Nominees

Since our last annual meeting, the Board took actions to engage shareholders, advisors and other knowledgeable third-parties to discuss a number of important topics and better understand their views. We appreciate the honest feedback, open exchange of ideas and opportunity to learn from one another. As a result of those conversations and our own commitment to good governance, the Board made the following governance changes this year:

- Committee rotation and appointment of new Chairs occurred throughout the year, which included new Audit and Corporate Governance/Nominating Committee Chairs.
- The Board has implemented the shareholder-approved change to the Company’s Certificate of Incorporation to phase out the classified Board structure so that all directors would stand for election on an annual basis by 2019.
- Disclosure concerning the composition of the Board has been enhanced, including more information on skill sets, background and our recruiting and nomination process.
- The Board also maintains a strict anti-hedging policy and restricts the pledging of Company stock as laid out on page 72 of this proxy statement.
- Eliminated geographical residency requirement for eligibility to serve on the Board.

2018 Nominees for Election to the Board of Directors

PAUL T. BOSSIDY, President and CEO of Patripabre Capital LLC

Mr. Bossidy is President and Chief Executive Officer of Patripabre Capital LLC, in Ridgefield, Connecticut, and provides consulting services to companies in the financial services industry. Mr. Bossidy previously served as President and Chief Executive Officer of Clayton Holdings LLC from 2008 to 2014, when it was acquired by Radian Group, Inc. He also formerly served as Senior Operations Executive at Cerberus Capital Management and has held various executive appointments for General Electric Company, most recently as President and Chief Executive Officer of GE Capital Solutions Group, a diversified global commercial finance company. He is a certified public accountant. Mr. Bossidy has been designated by the Board of Directors as a financial expert under the rules of the Securities and Exchange Commission.

Independent

Years of Service: 2

Age: 57

Board Committees:

- Audit (chair)
- Corporate Governance/
Nominating

Other Directorships: Former Director of Altisource Asset Management Corporation (2012-2017); Former Chair of Altisource Audit Committee (2012-2017)

Qualifications, Skills and Experience:

- Public Company Board
- Talent Management
- Financial Institution Executive
- Regulated Industry

- Business Operations/Strategic Planning
- Corporate Responsibility/ Community Leader
- Financial Expertise/Literacy
- Mortgage Industry
- Risk Management

Current Term End: 2018 (nominated for re-election)

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Proposal 1: Election of Directors • Information Regarding Directors and Director Nominees

DAVID M. BRUNELLE, Co-Founder and Managing Director of North Pointe Wealth Management

Mr. Brunelle is Co-Founder and Managing Director of North Pointe Wealth Management in Worcester, Massachusetts. He has over 20 years of experience in financial services working with businesses, individuals, families and charitable foundations. Mr. Brunelle is a former Director of Commerce Bancshares Corp. and Commerce Bank & Trust Company and served on Commerce’s audit and loan committees. He has also served as trustee or corporator for numerous non-profit entities in and around Worcester, including The Nativity School of Worcester, The Worcester Regional Research Bureau, The Worcester Educational Development Foundation, the UMass/Memorial Foundation, Becker College and the Greater Worcester Community Foundation.

Qualifications, Skills and Experience:

- | | | |
|---|--|--|
| <ul style="list-style-type: none"> • Independent Years of Service: < 1 Age: 47 Board Committees: <ul style="list-style-type: none"> • Audit • Compliance & Regulatory | <ul style="list-style-type: none"> • Public Company Board • Business Operations/Strategic Planning • Financial Expertise/Literacy • Risk Management • Wealth Management/Insurance | <ul style="list-style-type: none"> • Talent Management • Regulated Industry • Corporate Responsibility/ Community Leader • Small Business Owner/Operator |
|---|--|--|

Current Term End: 2018 (nominated for re-election)

ROBERT M. CURLEY, Chairman of the New York Region of Berkshire Bank

Mr. Curley is Chairman of the New York region of Berkshire Bank. He previously served as Chairman and President for Citizens Bank in New York from 2005 to 2009. Prior to joining Citizens, Mr. Curley served at Charter One Bank where he was President for New York and New England. During the period of 1976 to 1999, Mr. Curley was employed by KeyCorp, where he rose to the position of Vice Chairman of KeyBank N.A., and served as President and Chief Executive Officer of four subsidiary banks. Mr. Curley was hired by the Company and the Bank as Chairman of our New York region and appointed as a director of the Company and the Bank in December 2009.

- | | | |
|--|---|---|
| <ul style="list-style-type: none"> Non-Independent Years of Service: 7 Age: 70 Board Committees: <ul style="list-style-type: none"> • Risk Management & Capital | <p>Qualifications, Skills and Experience:</p> <ul style="list-style-type: none"> • Financial Institution Executive • Regulated Industry | <ul style="list-style-type: none"> • Talent Management • Regulated Industry |
|--|---|---|

- Compliance & Regulatory
- Business Operations/Strategic Planning
- Financial Expertise/Literacy
- Risk Management
- Corporate Responsibility/ Community Leader

Current Term End: 2018 (nominated for re-election)

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Proposal 1: Election of Directors • Information Regarding Directors and Director Nominees

MICHAEL P. DALY, President and CEO of Berkshire Hills Bancorp, Inc.

Mr. Daly is President and Chief Executive Officer of the Company and Chief Executive Officer of the Bank. Before these appointments in 2002, Mr. Daly served as Executive Vice President and Senior Loan Officer of the Bank. Previously he served as Senior Vice President of commercial banking, and also previously managed consumer lending and operations. He has been an employee of the Bank since 1986.

Qualifications, Skills and Experience

<p>Non-Independent Years of Service: 15 Age: 56</p>	<ul style="list-style-type: none"> • Public Company CEO • Public Company Board • Financial Institution Executive • Business Operations/Strategic Planning • Financial Expertise/Literacy 	<ul style="list-style-type: none"> • Risk Management • Talent Management • Regulated Industry • Corporate Responsibility/ Community Leader
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Current Term End: 2018 (nominated for re-election)

CORNELIUS D. MAHONEY, Former Chairman, President and CEO of Woronoco Bancorp, Inc.

Mr. Mahoney is the former Chairman, President and Chief Executive Officer of Woronoco Bancorp, Inc. and Woronoco Savings Bank before their merger with Berkshire in June 2005. He is a former Chairman of America's Community Bankers and the Massachusetts Bankers Association and a former Director of the Federal Home Loan Bank of Boston. He was a member of the Thrift Institution Advisory Council to the Federal Reserve Board of Governors and is a past Chairman of the Board of Trustees of Westfield State College.

<p>Independent Years of Service: 12 Age: 72 Board Committees: • Compensation •</p>	<p>Qualifications, Skills and Experience:</p> <ul style="list-style-type: none"> • Public Company CEO • Public Company Board 	<ul style="list-style-type: none"> • Risk Management • Talent Management
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Compliance &
Regulatory

- Financial Institution Executive

- Regulated Industry

- Business Operations and Strategic Planning

- Corporate Responsibility/ Community Leader

- Financial Expertise/Literacy

Current Term End: 2018 (nominated for re-election)

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PAMELA A. MASSAD, ESQ., Of Counsel with Fletcher Tilton PC

Ms. Massad has been Of Counsel with Fletcher Tilton PC since April 2001. She has over 30 years of experience as a practicing attorney, concentrating her practice in the areas of banking and finance, secured lending, corporate and real estate law, and is a member of the Worcester and Massachusetts Bar Associations. Ms. Massad is a former Director of Commerce Bancshares Corp. and Commerce Bank & Trust Company and served on Commerce’s loan, compliance and compensation committees. Ms. Massad currently serves as a director of the Hanover Theatre and as a trustee of the Nativity School of Worcester. Additionally, Ms. Massad serves as a director for many well-known Massachusetts businesses including Diamond Chevrolet, Inc. and Diamond Auto Group, Pie Co. Realty, Inc. and Table Talk Pies, Inc.

Qualifications, Skills and Experience:

- Public Company Board
- Talent Management
- Independent
- Business Operations/Strategic Planning
- Years of Service: < 1
- Corporate Responsibility/ Community Leader
- Age: 62
- Financial Expertise/Literacy
- Board Committees:
- Mortgage Industry
- Risk & Capital
- Real Estate/Leasing
- Compliance & Regulatory
- Risk Management
- Legal Expertise

Current Term End: 2018 (nominated for re-election)

RICHARD J. MURPHY, Chief Operating Officer and Executive Vice President of Tri-City ValleyCats

Mr. Murphy is Chief Operating Officer and Executive Vice President of the Tri-City ValleyCats minor league baseball team, a Class-A affiliate of the Houston Astros based in Troy, New York. He previously served as Chairman of the New York-Penn League Schedule Committee and is a current member of the Board of Directors for Minor League Baseball’s Baseball Internet Rights Corporation.

- Independent
- Qualifications, Skills and Experience:
- Years of Service: 3
- Business Operations/Strategic Planning
- Talent Management
- Age: 55
- Small Business Owner/Operator
- Board Committees:
- Audit

Financial Expertise/Literacy

- Compliance & Regulatory
(Chair)

- Marketing/PR

- Corporate Responsibility/
Community Leader

Current Term End: 2018 (nominated for re-election)

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BERKSHIRE HILLS BANCORP, INC. | 2018 PROXY STATEMENT

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WILLIAM J. RYAN, Chairman of the Board of Directors of Berkshire Hills Bancorp, Inc.

Mr. Ryan is the Chairman of the Board of Directors of the Company. Mr. Ryan previously served as Chairman of the Board and Chief Executive Officer of Banknorth from 1985 through 2005 and then subsequently Chairman of the Board and Chief Executive Officer of TD Banknorth from 2005-2007.

Other Directorships: Former director of Anthem, Inc. (2001-2017); former Chairman of the Board (2011-2015) and director (2011-2016) of Unum Group.

Qualifications, Skills and Experience:

<ul style="list-style-type: none"> • Independent Chairman Years of Service: 3 Age: 74 Board Committees: • Compensation • Corporate Governance/ Nominating (Chair) 	<ul style="list-style-type: none"> • Public Company CEO • Public Company Board • Financial Institution Executive • Business Operations/Strategic Planning • Financial Expertise/Literacy 	<ul style="list-style-type: none"> • Risk Management • Talent Management • Regulated Industry • Corporate Responsibility/ Community Leader
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Current Term End: 2018 (nominated for re-election)

D. JEFFREY TEMPLETON, Owner and President of The Mosher Company, Inc.

Mr. Templeton is the owner and President of The Mosher Company, Inc., located in Chicopee, Massachusetts, a manufacturer of buffing and polishing compounds, abrasive slurries and a distributor of related grinding, polishing and lapping machinery. Mr. Templeton is a former director of Woronoco Bancorp.

<ul style="list-style-type: none"> Independent Years of Service: 12 Age: 76 Board Committees: • Compensation • 	<p>Qualifications, Skills and Experience:</p> <ul style="list-style-type: none"> • Public Company Board • Business Operations/Strategic Planning 	<ul style="list-style-type: none"> • Talent Management • Small Business Owner/Operator
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Corporate Governance/
Nominating

- Financial Expertise/Literacy

- Corporate Responsibility/ Community
Leader

Current Term End: 2018 (nominated for re-election)

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Directors with Terms Ending in 2019

JOHN B. DAVIES, Agent Emeritus with Massachusetts Mutual Life Insurance

Mr. Davies is a former Executive Vice President of Massachusetts Mutual Life Insurance and is currently an Agent Emeritus with Massachusetts Mutual, providing high net worth counseling with a focus on tax efficiency and intergenerational transfers of wealth. Mr. Davies currently serves on the Westfield State University Foundation Board. Mr. Davies is a former director of Woronoco Bancorp.

Qualifications, Skills and Experience:

Independent Years of Service: 12 Age: 68 Board Committees: • Compensation (Chair) • Corporate Governance/ Nominating	• Public Company Board • Financial Institution Executive • Business Operations/Strategic Planning • Financial Expertise/Literacy	• Regulated Industry • Wealth Management/Insurance • Talent Management • Corporate Responsibility/ Community Leader
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Current Term End: 2019 Annual Meeting

J. WILLIAR DUNLAEVY, Former Chairman and CEO of Legacy Bancorp, Inc.

Mr. Dunlaevy is the former Chief Executive Officer and Chairman of the Board of Legacy Bancorp, Inc. and Legacy Banks (collectively, “Legacy”). Mr. Dunlaevy served as the Chief Executive Officer and Chairman of the Board of Legacy from 1996 until their merger with Berkshire in 2011. A community leader, Mr. Dunlaevy currently serves as a director of the Berkshire Bank Foundation, and previously served as Chairman of the Berkshire Taconic Community Foundation. Mr. Dunlaevy has also been a director of the Depositors Insurance Fund, Massachusetts Bankers Association, and Savings Bank Life Insurance Company of Massachusetts (“SBLI”). Mr. Dunlaevy has been designated by the Board of Directors as a financial expert under the rules of the Securities and Exchange Commission.

Independent Years of Service: 6 Age: 71 Board Committees: • Audit •	Qualifications, Skills and Experience: • Public Company CEO • Public Company Board •	• Risk Management • Talent Management •
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Risk Management & Capital
(Chair)

Financial Institution Executive

Regulated Industry

- Business Operations/Strategic Planning

- Corporate Responsibility/ Community Leader

- Financial Expertise/Literacy

Current Term End: 2019 Annual Meeting

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Laurie Norton Moffatt, Director & CEO of the Norman Rockwell Museum

Ms. Moffatt is the Director and Chief Executive Officer of the Norman Rockwell Museum, Stockbridge, Massachusetts. Since 1986, Ms. Moffatt has overseen the expansion of the museum’s facilities and the creation of a scholars’ research program. Her efforts resulted in the Museum receiving the National Humanities Medal, America’s highest humanities honor. Ms. Moffatt is also an active community leader. She is a founder of 1Berkshire and Berkshire Creative Economy Council and serves as a trustee of Berkshire Health Systems and a director of Berkshire Health Systems, Inc. and Berkshire Medical Center, Inc.

Independent Years of Service: 4 Age: 61 Board Committees: <ul style="list-style-type: none"> • Risk Management & Capital • Compliance & Regulatory 	Qualifications, Skills and Experience: <ul style="list-style-type: none"> • Business Operations/Strategic Planning • Financial Expertise/Literacy • Talent Management 	<ul style="list-style-type: none"> • Marketing/PR • Small Business Owner/Operator • Corporate Responsibility/ Community Leader
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Current Term End: 2019 Annual Meeting

Patrick J. Sheehan, Owner and Manager of Sheehan Health Group

Mr. Sheehan is owner and manager of multiple healthcare businesses in New England. Through his management company, Sheehan Health Group, he has operated multiple nursing homes, an independent and assisted living community, a home care agency and a rehabilitation company. A veteran of the healthcare industry, Mr. Sheehan has been successfully rehabilitating and managing healthcare properties since 1990.

Independent Years of Service: 2 Age: 46 Board Committees: <ul style="list-style-type: none"> • Audit • Risk Management & Capital 	Qualifications, Skills and Experience: <ul style="list-style-type: none"> • Business Operations/Strategic Planning • Financial Expertise/Literacy • Regulated Industry 	<ul style="list-style-type: none"> • Talent Management • Small Business Owner/Operator • Corporate Responsibility/ Community Leader
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Current Term End: 2019 Annual Meeting

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2018 COMMITTEE STRUCTURE

Nominee Name, Age & Primary Occupation	Director Since	Director Category	Audit	Comp	Corp Gov & Nom	Risk & Capital	Compliance & Reg
Paul T. Bossidy, Age 57 President and Chief Executive Officer of Patripabre Capital LLC	2015	I	C		*		
David M. Brunelle, Age 47 Co-Founder and Managing Director of North Pointe Wealth Management	2017	I	*				*
Robert M. Curley, Age 70 Chairman of the New York Region of Berkshire Bank	2010	M				*	*
Michael P. Daly, Age 56 President and CEO of Berkshire Hills Bancorp, Inc.	2002	M					
John B. Davies, Age 68 Agent Emeritus with Massachusetts Mutual Life Insurance	2005	I		C	*		
J. Williar Dunlaevy, Age 71 Former Chairman and CEO of Legacy Bancorp, Inc.	2011	I	*			C	
Cornelius D. Mahoney, Age 72 Former Chairman, President and CEO of Woronoco Bancorp, Inc.	2005	I		*			*
Pamela A. Massad, Esq., Age 62 Of Counsel with Fletcher Tilton PC	2017	I				*	*
Laurie Norton Moffatt, Age 61 Director & CEO of the Norman Rockwell Museum	2013	I				*	*
Richard J. Murphy, Age 55 Chief Operating Officer and Executive Vice President of Tri-City ValleyCats	2014	I	*				C
William J. Ryan, Age 74 Chairman of the Board of Directors of Berkshire Hills Bancorp, Inc	2014	I/C		*	C		
Patrick J. Sheehan, Age 46 Owner and manager of Sheehan Health Group	2015	I	*			*	
D. Jeffrey Templeton, Age 76 Owner and President of The Mosher Company, Inc	2005	I		*	*		

M = Management Director

I = Independent Director

C = Chair

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Proposal 1: Election of Directors • Corporate Governance

Corporate Governance

The Company is committed to strong corporate governance policies, practices and procedures designed to make the Board more effective in exercising its oversight role. The following sections provide an overview of our corporate governance structure, including independence and other criteria we use in selecting director nominees, our Board leadership structure, and the responsibilities of the Board and each of its Committees. Our Corporate Governance Policy, among other key governance materials, help guide our Board and management in the performance of their duties and are regularly reviewed by the Board.

Key Corporate Governance Documents

Please visit our investor relations website at ir.berkshirebank.com to view the following documents:

- Corporate Governance Policy
- Code of Business Conduct
- Anonymous Reporting Line Policy
- Board Committee Charters
- Certificate of Incorporation
- Company By-Laws

These documents are available free of charge on our website or by writing to Berkshire Hills Bancorp, c/o Wm. Gordon Prescott, Senior Vice President and Corporate Secretary, P.O. Box 1308, Pittsfield, MA 01202.

The Board and management regularly review best practices in corporate governance and are committed to a program that serves the long-term interests of our shareholders. We believe good governance strengthens accountability and promotes responsible corporate citizenship. Our current best practices are highlighted below:

Independent Oversight	Shareholder Orientation	Good Governance
Majority independent directors (11 of 13); median tenure of 5 years	Rigorous board and committee self-assessments conducted annually	Diverse board membership (skills, tenure, age); annual director education
Strong and engaged independent chairman of the board	Robust stock-ownership guidelines	Annual evaluation of CEO and senior management and review of succession plans
All key committees are fully independent	Annual shareholder engagement program	Directors attended 99% of all Board and Committee meetings in 2017