

Berkshire Hills Bancorp, Inc.

Audit Committee Charter

Purpose

The Audit Committee (the "Committee") of the Boards of Directors (collectively the "Board") of Berkshire Hills Bancorp, Inc. (the "Company") and Berkshire Bank (the "Bank") is appointed by the Board to assist in fulfilling the Board's oversight responsibilities for the Institution's accounting and financial reporting processes and audits of the Institution's financial statements. For purposes of this document, the term "Institution" will include the Company and the Bank on an individual and on a consolidated basis. Approval of the Board is required for any changes to this Charter.

In order to fulfill its oversight responsibilities, the Committee shall, on an ongoing basis, monitor and assess:

1. The quality and integrity of the Institution's financial statements, disclosures, earnings releases and regulatory submissions;
2. The audits of the Institution's financial statements and the selection, engagement, compensation, independence, qualifications and performance of the independent auditors;
3. The independence, qualifications and performance of the internal audit process;
4. The Institution's system of internal controls; and
5. Compliance with legal and regulatory requirements related to accounting and financial reporting and with the Institution's Code of Conduct.

Organization and Qualifications

The Committee shall consist of no fewer than three members. Each member of the Committee shall satisfy the independence, experience and financial expertise requirements of The New York Stock Exchange ("NYSE"), Section 36 of the Federal Deposit Insurance Act and Section of the FDIC Rules and Regulations and the Securities and Exchange Act of 1934 (the "Exchange Act"), as amended by the Sarbanes-Oxley Act of 2002, and the rules promulgated thereunder.

As a minimum requirement, each member of the Committee shall be "financially literate" as determined by the Board in accordance with the NYSE listing standards, or will be able to do so within a reasonable period of time thereafter. Furthermore, at least one member of the Committee shall be designated as the "audit committee financial expert" as defined by the United States Securities and Exchange Commission.

Subject to any requirements of the NYSE listing standards, the members of the Committee and its Chair shall be appointed and replaced by the Board upon consideration of recommendations from the Company's Governance/ Nominating Committee and in accordance with the Company's bylaws. The Board may, at any time, change the membership of the Committee and fill vacancies, subject to the above organizational requirements.

The Company does not limit the number of public company audit committees on which a Committee member may serve, but if a member serves on more than three other public company audit committees, the Board must have determined that this simultaneous service would not impair the member's ability to serve on the Committee, and the Company must disclose this determination in its proxy statement for its annual meeting.

Audit Committee members are required to complete the D&O questionnaire annually, which serves as the basis for the Board of Directors determination of Audit Committee independence.

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Meetings and Minutes

The Committee shall meet at such times as the Board shall determine in advance and at such other times as circumstances dictate. However, there will be no less than four (4) quarterly meetings per year and, to the extent practicable, all Committee members are expected to attend each meeting, in person or via teleconference. The Chair of the Committee shall preside at all meetings of the Committee. In the absence of the Chair at a duly convened meeting, the Committee shall select a member of the Committee to serve as acting chair of the meeting. Meeting agendas will be prepared by the FVP - Audit Manager and the Chair of the Committee and will be provided in advance to Committee members, along with all relevant subject matter. In lieu of a meeting, the Committee may act by unanimous written consent.

The Chair shall deliver a report of each Committee meeting to the Board at its next regularly scheduled meeting following the Committee meeting.

Representatives from Management who regularly assist the Committee and present at meetings may include, but shall not be limited to, the following individuals:

FVP - Audit Manager
ESVP Chief Financial Officer
SVP/ Chief Accounting Officer and/or VP Controller

The Committee shall meet periodically in executive session with the Chief Executive Officer, the President, the Chief Financial Officer, the Chief Risk Officer, the Compliance Officer, the General Counsel and other members of management to discuss the Institution's financial statements and any other matters that the Committee deems appropriate.

The following Audit Committee agenda items will be routinely discussed but no less than quarterly:

- Internal audit reports (issued by internal audit or by outsourced vendors) and Management's corrective actions and responses
- Follow-up Matrix for all previous audit findings
- Reports of SOX activity under the direction of the FVP -Audit Manager
- Regulation O report
- Educational material
- Internal Audit Training
- Internal Audit Staffing

Quorum

A majority of the members of the Committee present at any meeting in person or by telephone, by means of which all persons participating in the meeting may hear each other, shall constitute a quorum. The Committee shall take action upon the affirmative vote of a majority of the Committee members present.

Duties and Responsibilities

The Committee is vested with all specific duties, responsibilities and authority required by Rule IOA-3 under the Exchange Act. The Committee, in carrying out its responsibilities, believes its policies and procedures should remain flexible in order to best react to changing conditions and

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Amended and Restated by the Audit Committee: December 14, 2017

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circumstances. The following shall be the principal duties and responsibilities of the Committee. These matters are set out as a guide, with the understanding that the Committee may alter or supplement them as appropriate and necessary in light of changing business, legislative, regulatory or other conditions.

Financial Statements, Disclosures and Earnings Releases

Prior to public distribution of the Institution's quarterly and annual financial statements, Forms 10-Q, earnings releases and Form 10-K, the Committee shall review such information with the independent auditors and with management to determine that the independent auditors and management are satisfied with the disclosures and content of such financial information and statements. These reviews will also include discussion of those matters required to be communicated to the Committee by the independent auditors under the standards of the Public Company Accounting Oversight Board and professional standards.

The Committee shall report the results of its reviews of financial statements, audits, earnings releases and regulatory submissions to the Board for ratification.

The Committee has the responsibilities and powers set forth in this Charter. Management is responsible for the preparation, presentation and integrity of the Company's financial statements; for the appropriateness of the accounting principles and reporting policies that are used by the Company; and for establishing and maintaining internal control over financial reporting. The independent auditors are responsible for auditing the Company's financial statements and the effectiveness of internal control over financial reporting, and for reviewing the Company's unaudited interim financial statements.

The Committee's review of the financial statements shall include:

1. The appropriateness of accounting principles and financial statement presentations, including any significant changes in the Company's selection or application of accounting principles, and major issues as to the adequacy and effectiveness of the Company's internal control over financial reporting and any specific remedial actions adopted in light of significant deficiencies or material weaknesses;
2. Discussions with management and the independent auditors regarding significant financial reporting issues and judgments made about the preparation of the financial statements and the reasonableness of those judgments, including analyses of the effects of alternative GAAP methods on the financial statements;
3. Consideration of the effect of regulatory and accounting initiatives, as well as off-balance sheet transactions, on the financial statements;
4. Consideration of the judgment of both management and the independent auditors about the quality, not just the acceptability, of accounting principles; and
5. The completeness and clarity of the disclosures in the financial statements.

Monitoring and Assessment of the Independent Auditors

The Committee shall annually select and retain the independent auditors. The independent auditors will report to the Committee, and they are directly accountable to the Committee, which has the sole authority and responsibility to select, retain, evaluate and, where appropriate, terminate and replace the independent auditors, subject, if applicable, to shareholder ratification.

The Committee shall approve all compensation, fees and terms for the audit engagement and for non-audit engagements to be performed by the independent auditors. Such Committee

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approval shall be in advance except where such services are within the limits prescribed by the Institution's Pre-approval Policy. All such pre-approved services will be reported to the Committee by management on a quarterly basis and ratified by the Committee.

At least annually, the Committee shall obtain and review a report by the independent auditors describing:

1. The firm's internal quality control procedures;
2. Any material issues raised by the most recent internal quality control review or peer review of the firm, or by any inquiry, inspection, or investigation by governmental or professional authorities, such as the PCAOB within the preceding five years, with respect to one or more independent audits carried out by the firm, and any steps taken to deal with any such issues; and
3. All relationships between the independent auditors and the Company to assess the auditors' independence.

The Committee shall present its conclusions with respect to the independent auditors to the Board.

The Committee shall confirm with management and the independent auditors that the independent auditors are not providing any impermissible services.

The Committee shall review and discuss with the independent auditors and management the following:

1. The proposed annual audit scope, audit testing plan, staffing and approach;
2. The results of the independent auditors' analysis of significant financial reporting issues, judgments and practices, including changes in, or adoptions of, accounting principles and disclosure practices;
3. The development, selection and disclosure of critical accounting estimates and analyses of alternative assumptions or estimates, and the effect of such estimates on the Institution's financial statements;
4. Significant litigation, contingencies and claims against the Institution and material accounting issues that require disclosure in the financial statements;
5. Information regarding any "second" opinions sought by management from other independent auditors with respect to the accounting treatment of a particular event or transaction;
6. The independent auditors' judgment about the quality, not just the acceptability, of accounting principles and the clarity of the financial disclosure practices used or proposed to be used, and particularly, the degree of aggressiveness or conservatism of the Institution's accounting principles and underlying estimates, and other significant decisions made in preparing the financial statements;
7. The independent auditors' significant findings and recommendations resulting from the audit, as well as management's response to such findings and recommendations;
8. Matters related to the conduct of the audit that are required to be communicated to the Committee under generally accepted auditing standards, including topics covered by SAS 54,99 and 114; and PCAOB Standards AS 1301 and 1305.
9. Accounting considerations arising from changes or potential changes in generally accepted accounting principles, financial reporting policies, internal controls or the Institution's operations, and the effect such changes would have on the Institution's

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financial statements;

10. Any difficulties encountered in the course of audit work or any material disagreements that arose or may arise between management and the independent auditors, including disclosure of any accounting adjustments that were noted or proposed by the independent auditors, but were not adopted, recorded or reflected and/or any restrictions on the scope of activities or access to requested information.

The Committee shall oversee and ensure the independence of the independent auditors by:

1. Receiving from, reviewing and discussing with the independent auditors, on an annual basis, a formal written statement delineating all relationships between the independent auditors and the Company, consistent with Independence Standards Board Standard 1 ("PCAOB Rule 3526"). If necessary, the Committee will immediately report to the Board any disclosed services or relationships that may impact the objectivity and independence of the independent auditors;
2. Engaging in an open dialogue with the independent auditors concerning the nature and scope of any disclosed relationships or professional services that may impact the objectivity and independence of the independent auditors and, where necessary, take appropriate action to ensure the continuing independence of the independent auditors;
3. Ensuring that the independent auditors have a process in place to address the rotation of the lead audit partner and other audit partners serving the account as required under the SEC independence rules, and more specifically, that the lead audit partner and the audit partner responsible for reviewing the audit are rotated every five (5) years as required by the Sarbanes-Oxley Act of 2002.
4. Taking appropriate action to monitor the Institution's hiring of employees or former employees of the independent auditors who were engaged on the Institution's account (recognizing that the Sarbanes-Oxley Act of 2002 does not permit the CEO, controller, CFO or Chief Accounting Officer to have participated in the Institution's audit as an employee of the independent auditors during the preceding one (1) year period).

The Committee shall review any reports of the independent auditors mandated by Section OA of the Exchange Act, as well as reports concerning:

1. All critical accounting policies and practices used;
2. All alternative treatments of financial information within generally accepted accounting principles ("GAAP") that have been discussed with management, the ramifications of such alternatives, and the accounting treatment preferred by the independent auditors;
3. Any other material written communications with management; and
4. Any information with respect to illegal acts in accordance with Section OA of the Exchange Act.

The Committee shall provide the independent auditors with the opportunity to meet with the Committee in executive session without members of management present. Among the items to be discussed in these meetings are the independent auditors' evaluation of the Institution's financial, accounting and auditing personnel and an assessment of the level of cooperation that the independent auditors received during the course of any audits. Meetings with the independent auditors will be conducted not less frequently than quarterly.

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Monitoring and Assessment of the Internal Audit Process

The FVP - Audit Manager shall be directly accountable and shall report functionally to the Committee and administratively to the President. The Committee shall exercise final approval on the appointment, compensation, evaluation, oversight and replacement of the FVP - Audit Manager and/or any independent firm engaged by the Company to prepare and issue internal audits and reports. In addition, on a regular basis the Committee shall solicit feedback from executive management, lines of business/departments and other internal audit members on the overall effectiveness of the FVP - Audit Manager in his leadership of the internal audit function.

On an annual basis, or more frequently, as required, the Committee shall review the performance of the internal audit function. In doing so, the Committee shall consider training needs of internal audit personnel and shall have oversight of the internal audit department's training needs and requests.

Annually, the FVP - Audit Manager and/or any independent firm engaged for this purpose shall prepare a comprehensive, IT and non-IT internal audit plan for the Committee's review. The plan will be based on thorough risk assessments (IT and non-IT) of the Institution and its system of internal controls, encompassing both operational and financial issues, with concentration in areas of high risk and sensitivity. In reviewing the internal audit plan, the Committee shall specifically assess the independence of the FVP - Audit Manager to ensure that all potential independence concerns are mitigated. In addition to reviewing the audit plan, the Committee shall review with the FVP - Audit Manager the scope of activities, organizational structure and adequate staffing of the internal audit function, giving specific consideration to the number, experience and qualifications of the internal auditors. In reviewing the proposed internal audit scope and approach, the Committee shall consider coordination of audit efforts between the internal and independent auditors to avoid duplication of efforts and to ensure complete coverage and any other factors that may impact the effectiveness and cost of the audit process. Upon the conclusion of its annual review, the Committee shall approve both the internal audit plan and the IT and non-IT risk assessments on which it is based.

On a periodic basis, the Committee will review reports from the FVP - Audit Manager on the Company's risk management processes and system of internal controls. Based on such reviews and on discussions with the FVP - Audit Manager, the internal audit plan may be modified as necessary.

The Committee will review all audits performed by internal audit and will have the opportunity to discuss audits with the FVP - Audit Manager or their designee. All findings will be summarized on a tracking matrix and will be reviewed no less than quarterly by the Committee, together with Management's responses to such findings and corrective action that has been taken. The Committee may at any time request management and/or responsible individuals to attend a meeting to discuss the findings, recommendations and/or responses.

The Committee shall ensure that there are no unjustified restrictions or limitations placed on the internal audit function or on access to information, and the Committee shall further ensure that all internal audit personnel are objective and independent from management. The FVP will provide a report on an annual basis regarding the independence of the internal audit department staff and any known conflicts.

On a regular basis, but not less than quarterly, the Committee shall provide the opportunity for

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the FVP - Audit Manager to meet with the Committee in executive session without members of management present to discuss any matters that the Committee or the FVP - Audit Manager feel warrant discussion. The Committee may also request such an executive session with any auditors to whom the internal audit function has been outsourced.

No less than quarterly, the FVP will present a training plan for the internal audit staff which will be subject to change based on the regulatory environment and overall training needs identified throughout the year. The FVP Audit Manager will present a summary of the training that has been completed by the internal audit staff no less than quarterly

In discharging its obligations, the Committee itself is not responsible for the planning or conduct of internal audits or for a determination that internal audit procedures are complete or in compliance with regulations. This is the responsibility of the FVP -Audit Manager.

Outsourcing Arrangements

The Audit Committee authorizes the use of outside firms to provide assistance to the Internal Audit function. These engagements are to assist internal audit staff when the Company's internal auditors lack the expertise required for an internal audit, or have other scheduling issues that are preventing the completion of such audits. Such assignments are most often in specialized areas such as but not limited to: information technology, fiduciary, mortgage banking, consumer compliance, stress testing, and capital markets activities. The vendor will perform agreed-upon procedures in specific areas and reports findings directly to the Company's FVP Audit Manager or Audit Committee as appropriate. All outside engagements for internal audit assistance will be approved by the Audit Committee. All reports that are issued will be reported to the Audit Committee upon completion and any observations noted will be tracked until corrective action has been implemented.

Monitoring the System of Internal Controls

The Committee shall consider the effectiveness of the Institution's system of internal controls and management's compliance with processes, procedures and internal controls.

The Committee shall discuss with management and the internal and independent auditors any recommendations for improvement of internal controls or areas in which enhanced controls and procedures should be implemented.

The Committee shall review the disclosures made by the Institution's Chief Executive Officer and Chief Financial Officer regarding compliance with their certification obligations for the Institution's Form 10-K and 10-Q as required under the Sarbanes-Oxley Act of 2002, including the Institution's internal controls for financial reporting and evaluation thereof.

Other Duties and Responsibilities

At least annually and as necessary, the Committee shall review and assess the adequacy of this charter, confirm that all duties and responsibilities outlined in this charter have been carried out and recommend any proposed changes in the charter to the Board for approval.

The Committee shall perform an evaluation of its performance at least annually to determine whether it is functioning effectively. The Committee also shall discuss with the independent auditors the accountants' observations related to the effectiveness of the Committee.

The Committee shall issue a report each year for inclusion in the proxy statement for the

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Company's annual meeting of shareholders in accordance with the requirements of the Securities and Exchange Commission. In addition, the Committee shall review and approve all other disclosures regarding the Committee and the performance of its duties to be included in such proxy statement or in any other document or report to be filed with the Securities and Exchange Commission.

The Committee shall establish appropriate procedures for:

1. The receipt, retention and treatment of complaints received by the Institution from external parties regarding accounting, internal accounting controls or auditing matters; and;
2. The confidential, anonymous submission by employees of the Institution of concerns regarding accounting or auditing matters or internal control weaknesses.

The Committee will review periodically, but no less frequently than quarterly, a summary of the Institution's transactions with Executive Officers and Directors of the Institution and with firms that employ directors, as well as any other related party transactions. The purpose of such review is to enable the Committee to make a recommendation to the disinterested members of the Board that the transactions are fair, reasonable and within the Institution's policy and that such transactions should be ratified and approved. "Related person" and "transaction" shall have the meanings given to such terms in Securities and Exchange Commission Regulation S-K, Item 404, as amended from time to time.

The Committee shall review such corporate and Bank policies as may be delegated by the Board, including a review of any changes recommended by the department charged with administration and oversight of such policy. The Committee's approval of such policies shall be presented at the next Board meeting for ratification.

The Committee shall review reports received from regulators concerning any legal, regulatory or compliance matters that might have a material effect on the Institution's financial statements or the integrity of financial information and shall review corrective actions taken in response to such reports and findings.

The Committee shall inquire of and discuss with management any financial, legal, and regulatory or compliance matters, risks and exposures of which management has knowledge that could have a significant impact on the Institution's financial statements. The Committee shall assess the steps management has taken to identify, monitor, control and minimize such risks to the Institution.

The Committee is at all times authorized to have direct, independent and confidential access to the independent auditors and to the Company's other directors, management and personnel to carry out the Committee's purposes. The Committee is authorized to conduct or authorize investigations into any matters relating to the purposes, duties or responsibilities of the Committee.

As the Committee deems necessary to carry out its duties, it is authorized to select, engage (including approval of the fees and terms of engagement), oversee, terminate and obtain advice and assistance from outside legal, accounting or other advisers or consultants. The Company will provide for appropriate funding, as determined by the Committee, for payment of: compensation to the independent auditors for their audit and audit related, review and attest services; compensation to any advisers engaged by the Committee; and ordinary administrative

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expenses of the Committee that are necessary or appropriate in carrying out its duties. The Committee will have sole authority to approve the engagement of any such consultant or its affiliates for additional services to the Company, including the purchase of any products from such consultant or its affiliates.

The Committee shall perform such other duties as the Board may delegate to it, or as the Committee may deem necessary or advisable, in order to perform its role and fulfill its duties and responsibilities.