

**BERKSHIRE HILLS BANCORP, INC.**

**BERKSHIRE BANK**

**RISK MANAGEMENT AND CAPITAL COMMITTEE**

**CHARTER**

**Purpose**

The joint Risk Management and Capital Committee (the “Committee”) of the Boards of Directors (collectively, the “Board”) of Berkshire Bank and Berkshire Hills Bancorp, Inc., (collectively, the “Company”) is responsible for overseeing the management and control of the Company’s capital and Material Business Risks and ensuring compliance with applicable capital, risk management, and safety and soundness requirements. The Committee is appointed by the Board to:

- a) oversee management’s program to limit or control the Material Business Risks that confront the Company,
- b) approve policies and procedures designed to identify, measure, monitor, control, and report the Material Business Risks of the Company, and,
- c) oversee and monitor the capital position of the Company, including capital plans, costs of capital, opportunities and threats to capital, and share performance.

*The term “Material Business Risks” includes the following categories: credit risk, interest rate risk, price risk, liquidity risk, operational risk, strategic risk, reputation risk, and compliance risk. Since the Compliance and Regulatory Committee governs compliance risk, this particular risk is excluded from the reference to Material Business Risks for purposes of this Charter unless noted otherwise.*

**Organization and Meetings**

The Committee shall consist of no fewer than three (3) members, at least one half of whom shall satisfy the independence requirements of the (a) New York Stock Exchange and (b) Securities and Exchange Act of 1934 as amended by the Sarbanes-Oxley Act of 2002, and the rules and regulations promulgated thereunder. The Chairperson shall be an independent director. The members and Chairperson of the Committee shall be appointed and replaced by the Board upon consideration of the recommendations of the Corporate Governance/Nominating Committee of the Board (the “CGNC”). The Board may, at any time, change the membership of the Committee and fill vacancies.

The Committee shall meet at such times as the Board shall determine in advance and at such other times as the Chairperson or majority of the Committee members shall determine. However, there shall be no less than four (4) quarterly meetings per year. The Chairperson or designee shall preside at all meetings of the Committee. In the absence of the Chairperson, the Chairperson or a majority of the Committee members shall designate another member of the Committee to serve as acting chairperson for the duly convened meeting. The Committee shall maintain minutes and records of its meetings. The Secretary of the Company shall be the Secretary of the Committee.

A majority of the members of the Committee present in person or by telephone, by means of which all persons participating in the meeting can hear each other, shall constitute a quorum. The Committee shall take action upon the affirmative vote of a majority of the Committee members present. However, the Committee may act by unanimous written or email consent in lieu of a meeting.

The SEVP, Chief Risk Officer shall meet with the Committee as appropriate. Other representatives from management can assist the Committee and be called upon as needed, including the following:

- Chief Executive Officer
- President
- SEVP, Chief Financial Officer
- SEVP, General Counsel & Corporate Secretary
- SEVP, Chief Credit Officer
- SEVP, Chief Administrative Officer
- EVP, Information Technology & Project Management
- EVP, Compliance & Regulatory
- SVP, Risk Management & Policy
- SVP, Loan Review
- SVP, Treasurer
- SVP, Chief Information Security Officer

The Committee can also receive periodic reports from the following management committees to assist in its duties and responsibilities:

- Enterprise Risk Management and Asset/Liability Committee
- Credit Risk Committee
- Stress Testing Committee
- Policy Committee
- Technology Steering Committee

### **Duties and Responsibilities**

The specific duties, responsibilities, and authorities of the Committee shall include the following:

#### ***Risk Management Function***

1. Set the tone for the risk culture, risk appetite, and risk management platform of the Company.
2. Review and approve appropriate risk management parameters and applicable risk tolerances related to the Material Business Risks.
3. Review, approve, or recommend policies to the Board that are designed to identify, measure, monitor, control, and report Material Business Risks and compliance with applicable laws.
4. Review the Company's risk profile and exposure to Material Business Risks, including compliance and emerging risks. The Committee shall also periodically review and consider available economic and dashboard summaries that serve to highlight certain conditions, positions, and exposures in relation to established plans, tolerances, and risk appetites.

5. Oversee the establishment of Material Risk and Performance Indicators for the purpose of effectively identifying, measuring, monitoring, controlling, and reporting Material Business Risks, including compliance risk, in relation to strategic objectives and established risk appetites.
6. Review reports, updates, plans, and risk assessments presented by various divisions and lines of business, which can include the Risk Management, Model Risk, Loan Review, Treasury, Legal, Human Resource, Retail Banking, Commercial Banking, Mortgage Banking, Compliance, Information Technology, and Information Security departments or functions.
7. Assist the Board in determining that the Company is operated in accordance with prudent safety and soundness standards.
8. Monitor concentrations of risk and seek to reduce or mitigate unwarranted risk exposures.
9. Ensure that the Company maintains adequate and effective insurance policies, including directors' and officers' insurance coverage.

### ***Capital Function***

10. Assist the Board in monitoring the level and adequacy of capital and capital ratios in light of the Company's risk appetite, risk profile, anticipated future trends, and use of operating and financial leverage to balance risk and capital returns.
11. Oversee and review the adequacy and progress of management's implementation of the Company's Capital Plans and stress tests that will document strategies for monitoring the capital position, complying with regulations, ensuring capital adequacy for future expansion and business development, and mitigating inherent risks in the balance sheet
12. Review the Capital Planning Policy and recommend changes to the Board.
13. Keep abreast of current regulations and changes to regulations as published, which will directly or indirectly affect the capital position of the Company.
14. Assess and monitor the Company's ability to meet its obligation to act as a source of strength for its subsidiary banks pursuant to prudent banking practices and applicable regulations.
15. Review the adequacy of the Company's Dividend Policy and recommend changes to the Board. The Committee shall also assess the effect of proposed or planned dividends, stock repurchases, and retention verses payout practices, and business expansions or acquisitions.
16. Evaluate the Company's competitive standing as an investment for its providers of capital, assess the Company's share performance, and review input from analysts and investors regarding capital returns and planning initiatives.

### ***General Function***

17. Review its own performance annually and report this evaluation to the Board and CGNC.

18. Committee members are required to complete the Directors & Officers Questionnaire annually, which serves as the basis for the Board's determination of member independence.
19. Review and approve such corporate and bank policies as may be delegated by the Board from time to time. The results of such reviews shall be presented at the next Board meeting.
20. Report its actions and recommendations to the Board after each Committee meeting.
21. At the sole discretion of the Committee, conduct investigations, assessments, or reviews into matters within its scope of responsibility and engage internal or external counsels, advisors, or consultants as deemed necessary to assist in discharging its duties. In connection therewith, appropriate funding shall be provided as solely determined by the Committee.

### **Review and Approval**

The Committee shall review and reassess the adequacy of this Charter as needed, but at least every two years from approval, and recommend proposed changes to the Board. Approval of the Board is required for any changes to this Charter to take effect.

**Committee Reviewed: December 12, 2018**  
**Board Approved: December 13, 2018**  
**Supersedes Charter Dated: June 21, 2018**  
**Next Review Date: December 13, 2020**  
**Committee Formed: October 22, 2015**