

# **BERKSHIRE HILLS BANCORP, INC.**

## **BERKSHIRE BANK**

### **COMPENSATION COMMITTEE**

#### **CHARTER**

##### **Purpose**

The joint Compensation Committee (the “Committee”) of the Boards of Directors (collectively, the “Board”) of Berkshire Bank and Berkshire Hills Bancorp, Inc., (collectively, the “Company”) fulfills the Board’s responsibilities relating to the compensation of the Company’s senior executive officers. In doing so, the Committee shall maintain free and open communication with the Board and management of the Company. The Committee maintains the authority to select, compensate, and use outside counsel, independent consultants, or other experts as it deems appropriate. The Committee is appointed by the Board to:

- a) define philosophy, determine program parameters, and make compensation decisions related to the Chief Executive Officer (the “CEO”) and senior executive officers;
- b) evaluate the performance of the CEO and the relationship between performance and compensation policies for the CEO and other senior executive officers;
- c) approve and administer stock-based and incentive compensation plans;
- d) provide oversight of incentive compensation policies and practices to ensure balanced risk management approaches; and,
- e) issue reports in accordance with regulatory requirements regarding compensation policies.

##### **Organization and Meetings**

The Committee shall consist of no fewer than three (3) independent members of the Board whom shall all satisfy the requirements of the (a) New York Stock Exchange (the “NYSE”), including the required independence assessment for compensation committee members, (b) the Securities and Exchange Act of 1934 as amended by the Sarbanes-Oxley Act of 2002, and (c) other applicable laws, rules, and regulations or those promulgated thereunder regarding independence. 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 CEO and SEVP, Chief Human Resources Officer shall meet with the Committee as appropriate. Other representatives from management can also assist the Committee and be called upon as needed. However, representatives from management cannot be present when their compensation is being discussed. The Committee shall meet in executive session regularly without representatives from management. Executive sessions can be called by any member of the Committee.

### **Duties and Responsibilities**

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

#### ***Compensation Function***

1. Annually review and approve Company goals and objectives relevant to CEO and senior executive officer compensation.
2. Annually set goals for the CEO taking into account both individual and corporate performance.
3. Annually review and approve individual goals for the purposes of evaluating performance and determining compensation for other senior executive officers.
4. Review and approve any salary changes for senior executives prior to implementation.
5. Provide oversight for management's decisions concerning the performance and compensation of other Company executive officers, when warranted.
6. Annually review total compensation including cash, equity, and benefits as well as any employment contracts, severance arrangements, and change in control agreements/provisions for the CEO and other senior executive officers.
7. Annually review and approve the compensation structure for senior executive officers.
8. Annually evaluate CEO performance relative to performance goals and determine CEO compensation based on this evaluation, including salary, bonus, incentive and equity compensation. The Committee shall evaluate the performance of senior executive officers with input from the CEO, and approve the annual compensation, including salary, bonus, incentive and equity compensation, for such officers.
9. Oversee and facilitate senior executive succession plans, and assist the Board in developing and evaluating potential candidates for executive positions, including the CEO.
10. Review and make recommendations to the CGNC regarding compensation related to the Board.

11. Periodically review the Company's stock-based plans, and annually review the senior executive incentive compensation plan and benefits. Review approved plan changes with the Board as needed. The Committee shall make recommendations to the Board with respect to the adoption, amendment, or termination of incentive compensation plans and equity plans.
12. Review and discuss, with management, the Compensation Discussion and Analysis section required by Securities and Exchange Commission Regulation S-K, Item 402. Based on such review and discussion, the Committee shall recommend to the Board that the Compensation Discussion and Analysis section be included in the Company's annual report on Form 10-K, and, as applicable, the proxy statement for the annual meeting of shareholders and certify such review in the Compensation Committee Report.
13. Review, evaluate, and discuss with management the results of the advisory vote as to Say on Pay and the frequency of Say on Pay votes.
14. The Committee shall review the Company's incentive compensation programs and policies in relation to risk to ensure that such programs and policies do not create excessive and unnecessary risk taking.

### ***Resource Function***

15. In discharging its duties, the Committee shall have, in its sole discretion, the authority to retain, obtain the advice of or terminate any compensation consultant, legal counsel, or other adviser (the "Adviser") to assist the Committee in fulfilling its responsibilities. The Committee shall be directly responsible for the appointment, compensation, and oversight of the work of any Adviser. The Company shall provide for appropriate funding, as determined by the Committee, for payment of reasonable compensation to such Adviser(s).
16. The Committee may select, or receive advice from, an Adviser only after taking into consideration the following six factors, as well as any other factors identified by the NYSE:
  - a) The provision of other services to the Company by the person that employs the Adviser;
  - b) The amount of fees received from the Company by the person that employs the Adviser, as a percentage of the total revenue of the person that employs the Adviser;
  - c) The policies and procedures of the person that employs the Adviser that are designed to prevent conflicts of interest;
  - d) Any business or personal relationship of the Adviser with a member of the Committee;
  - e) Any stock of the Company owned by the Adviser; and,
  - f) Any business or personal relationship between the Adviser or the person employing the Adviser with an executive officer of the Company.
17. The Committee may select or receive advice from any Advisor of its choice, whether or not independent, after taking into account the above six factors. The Committee must conduct the above independence assessment with respect to any Adviser, other than i) in-house legal counsel, or ii) an Adviser whose role is limited to (a) consulting on any plan that does not discriminate in favor of executive officers or directors and that is available generally to all salaried employees or (b) providing information that either is not customized for the Company or that is customized based on parameters that are not developed by the Adviser, and which the Adviser does not provide advice.

### ***General Function***

18. The Chairperson will prepare an annual calendar detailing the agenda items to be addressed at each meeting; however, the agenda may be revised as circumstances dictate during the year.
19. Review its own performance annually and report this evaluation to the Board and CGNC.
20. Committee members are required to complete the Directors & Officers Questionnaire annually, which serves as the basis for the Board's determination of member independence.
21. 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.
22. Report its actions and recommendations to the Board after each Committee meeting.
23. Perform any other responsibilities deemed appropriate in light of evolving regulations and requirements.
24. Delegate any of its responsibilities to subcommittees as the Committee deems appropriate in its sole discretion.

### **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: February 21, 2019**  
**Board Approved: February 21, 2019**  
**Next Review Date: February 21, 2021**  
**Supersedes Charter Dated: October 26, 2017**  
**Committee Formed: January 12, 2000**