

**Report of Organizational Actions  
Affecting Basis of Securities**

▶ See separate instructions.

**Part I Reporting Issuer**

1 Issuer's name <b>Berkshire Hills Bancorp, Inc.</b>			2 Issuer's employer identification number (EIN) <b>04-3510455</b>	
3 Name of contact for additional information <b>Allison O'Rourke, Investor Relations Officer</b>		4 Telephone No. of contact <b>413-236-3149</b>		5 Email address of contact <b>AORourke@berkshirebank.com</b>
6 Number and street (or P.O. box if mail is not delivered to street address) of contact <b>24 North Street</b>			7 City, town, or post office, state, and Zip code of contact <b>Pittsfield, MA 01201</b>	
8 Date of action <b>April 17, 2015</b>		9 Classification and description <b>Berkshire Hills Bancorp, Inc. Common Stock</b>		
10 CUSIP number <b>084680107</b>	11 Serial number(s)	12 Ticker symbol <b>BHLB</b>	13 Account number(s)	

**Part II Organizational Action** Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ On April 17, 2015, Berkshire Hills Bancorp, Inc. ("Berkshire") completed its acquisition of Hampden Bancorp, Inc. ("Hampden") through the merger of Hampden with and into Berkshire (the "Merger"). As a result of the Merger, each share of Hampden common stock was exchanged for 0.81 shares of Berkshire common stock. To the extent that the exchange would have resulted in the issuance of a fractional share of Berkshire common stock to a Hampden shareholder, a cash payment equal to the market value equivalent of the fractional share was paid in lieu of issuing a fractional share of Berkshire common stock.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ The merger of Hampden with and into Berkshire qualifies as a tax-free reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended. As a result, no taxable gain or loss will be recognized by any Hampden shareholder upon the exchange of their Hampden shares for shares of Berkshire common stock, except with respect to cash they receive in lieu of a fractional share of Berkshire common stock. Hampden shareholders who receive cash in lieu of a fractional share of Berkshire common stock are deemed to have received the fractional share in the exchange and then as having sold the fractional share for cash. These Hampden shareholders will generally recognize a taxable gain or loss equal to the difference between the tax basis of the Hampden common shares deemed to have been exchanged for the fractional share and the amount of cash received. Further, a shareholder's tax basis in the shares of Berkshire common stock should be the same as such shareholder's total tax basis in his or her shares of Hampden's common stock surrendered (except for the basis attributable to any fractional shares of Berkshire common stock as discussed above).

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ Refer to the description of the basis calculation in Part II, Box 15 above.

The basis attributable to a fractional share of Berkshire common stock is equal to the product of the original Hampden stock basis multiplied by a percentage which is the quotient of the fraction of the Berkshire share divided by the total Berkshire share consideration based on the exchange rate (including the fractional amount).

**Part II Organizational Action** (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ IRC sections 354, 356, 358 and 1001

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18 Can any resulting loss be recognized? ▶ No loss can be recognized on the exchange of Hampden common stock for shares of Berkshire common stock. If a taxable loss is calculated on the deemed sale of a fractional share of Berkshire common stock deemed to have been received in the exchange, this loss can be recognized.

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19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ The transaction was consummated on April 17, 2015. Consequently, the reportable tax year of the Hampden shareholders for reporting the tax effect of the share exchange is the tax year that includes the April 17, 2015 date. This is the 2015 calendar year for those who report taxable income on the basis of a calendar year.

The examples provided herein are for illustrative purposes only and should not be considered tax advice.

You are urged to discuss your specific tax situation with your tax advisor.

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Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

**Sign Here**

Signature ▶  Date ▶ May 27, 2015

Print your name ▶ Josephine Iannelli Title ▶ EVP, Chief Financial Officer

<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶				Firm's EIN ▶
	Firm's address ▶				Phone no.