

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name		2 Issuer's employer identification number (EIN)	
Berkshire Hills Bancorp, Inc.		04-3510455	
3 Name of contact for additional information	4 Telephone No. of contact	5 Email address of contact	
Erin E. Duggan, Investor Relations Manager	413-236-3773	eduggan@berkshirebank.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact		7 City, town, or post office, state, and Zip code of contact	
60 State Street		Boston, MA 02109	
8 Date of action		9 Classification and description	
May 17, 2019		Berkshire Hills Bancorp, Inc. Common Stock	
10 CUSIP number	11 Serial number(s)	12 Ticker symbol	13 Account number(s)
084680107		BHLB	

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 May 17, 2019, Berkshire Hills Bancorp, Inc. ("Berkshire") completed its acquisition of SI Financial Group, Inc. ("SI Financial") through the merger of SI Financial with and into Berkshire (the "Merger"). As a result of the Merger, each share of SI Financial common stock was exchanged for 0.48 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 SI Financial shareholder, cash was paid in lieu of a fractional share of Berkshire common stock at a rate of \$30.00 per whole 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 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 SI Financial shareholder upon the exchange of their SI Financial shares for shares of Berkshire common stock, except with respect to cash they receive in lieu of a fractional share of Berkshire common stock. SI Financial 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 SI Financial shareholders will generally recognize a taxable gain or loss equal to the difference between the tax basis of the SI Financial 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 SI Financial's 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 May 17, 2019 closing price of a single share of Berkshire common stock on the New York Stock Exchange was \$30.89.

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

18 Can any resulting loss be recognized? ▶ No loss can be recognized upon the exchange of SI Financial 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 or deemed to have been received in the exchange, this loss can be recognized.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ The transaction was consummated on May 17, 2019. Consequently, the reportable tax year of the SI Financial shareholders for reporting the tax effect of the share exchange is the tax year that includes the May 17, 2019 date. This is the 2019 calendar year for those who report taxable income on the basis of a calendar year.

SI Financial shareholders are urged to consult with their own tax advisors as to the U.S. federal income tax consequences of the Merger, and the guidance provided herein should not be considered tax advice.

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 ▶ *Stephen J. O'Toole*

Date ▶ 6/20/2019

Print your name ▶ Stephen J. O'Toole

Title ▶ SVP - Tax Director

Paid Preparer Use Only

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.	