

Edgar Filing: BERKSHIRE HILLS BANCORP INC - Form DEF 14A

BERKSHIRE HILLS BANCORP INC  
Form DEF 14A  
April 01, 2005

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934  
(Amendment No. \_\_\_\_\_)

Filed by the Registrant   
Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to ss. 240.14a-12

Berkshire Hills Bancorp, Inc.

-----  
(Name of Registrant as Specified In Its Charter)

-----  
(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

N/A

-----  
(2) Aggregate number of securities to which transactions applies:

N/A

-----  
(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

N/A

-----  
(4) Proposed maximum aggregate value of transaction:

N/A

-----  
(5) Total fee paid:

N/A

-----  
 Fee paid previously with preliminary materials.

Edgar Filing: BERKSHIRE HILLS BANCORP INC - Form DEF 14A

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a) (2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

N/A

(2) Form, Schedule or Registration Statement No.:

N/A

(3) Filing Party:

N/A

(4) Date Filed:

N/A

[Letterhead of Berkshire Hills Bancorp, Inc.]

April 1, 2005

Dear Stockholder:

You are cordially invited to attend the annual meeting of stockholders of Berkshire Hills Bancorp, Inc. The meeting will be held at the Crowne Plaza Hotel, One West Street, Pittsfield, Massachusetts on Thursday, May 5, 2005 at 10:00 a.m., local time.

The notice of annual meeting and proxy statement appearing on the following pages describe the formal business to be transacted at the meeting. Directors and officers of the Company, as well as a representative of Wolf & Company, P.C., the Company's independent auditors, will be present to respond to appropriate questions of stockholders.

It is important that your shares are represented at this meeting, whether or not you attend the meeting in person and regardless of the number of shares you own. To make sure your shares are represented, we urge you to complete and mail the enclosed proxy card promptly. If you attend the meeting, you may vote in person even if you have previously mailed a proxy card.

We look forward to seeing you at the meeting.

Sincerely,

/s/ Michael P. Daly  
Michael P. Daly  
President and Chief Executive  
Officer

/s/ Lawrence A. Bossidy  
Lawrence A. Bossidy  
Non-Executive Chairman of the  
Board

Berkshire Hills Bancorp, Inc.  
24 North Street  
Pittsfield, Massachusetts 01201

Edgar Filing: BERKSHIRE HILLS BANCORP INC - Form DEF 14A

(413) 443-5601

-----  
Notice of Annual Meeting of Stockholders  
-----

On Thursday, May 5, 2005, Berkshire Hills Bancorp, Inc. (the "Company") will hold its annual meeting of stockholders at the Crowne Plaza Hotel, One West Street, Pittsfield, Massachusetts. The meeting will begin at 10:00 a.m., local time. At the meeting, the stockholders will consider and act on the following:

1. The election of three directors to serve for terms of three years;
2. The ratification of the appointment of Wolf & Company, P.C. as independent auditors for the Company for the fiscal year ending December 31, 2005; and
3. The transaction of any other business that may properly come before the meeting.

NOTE: The Board of Directors is not aware of any other business scheduled to come before the meeting.

Only stockholders of record at the close of business on March 17, 2005 are entitled to receive notice of and to vote at the meeting and any adjournment or postponement of the meeting.

Please complete and sign the enclosed proxy card, which is solicited by the Board of Directors, and mail it promptly in the enclosed envelope. The proxy will not be used if you attend the meeting and vote in person.

BY ORDER OF THE BOARD OF DIRECTORS

/s/ Gerald A. Denmark  
Gerald A. Denmark  
Corporate Secretary

Pittsfield, Massachusetts  
April 1, 2005

IMPORTANT: The prompt return of proxies will save the Company the expense of further requests for proxies to ensure a quorum. A self-addressed envelope is enclosed for your convenience. No postage is required if mailed in the United States.

Berkshire Hills Bancorp, Inc.

-----  
Proxy Statement  
-----

This proxy statement is furnished in connection with the solicitation of proxies by the Board of Directors of Berkshire Hills Bancorp, Inc. (the "Company" or "Berkshire Hills") to be used at the annual meeting of stockholders of the Company. The Company is the holding company for Berkshire Bank (the "Bank"). The annual meeting will be held at the Crowne Plaza Hotel, One West Street, Pittsfield, Massachusetts on Thursday, May 5, 2005 at 10:00 a.m., local time. This proxy statement and the enclosed proxy card are being mailed to stockholders of record on or about April 1, 2005.

## Edgar Filing: BERKSHIRE HILLS BANCORP INC - Form DEF 14A

### Voting and Proxy Procedure

#### Who Can Vote at the Meeting

You are entitled to vote your Company common stock if the records of the Company show that you held your shares as of the close of business on March 17, 2005. If your shares are held in a stock brokerage account or by a bank or other nominee, you are considered the beneficial owner of shares held in "street name" and these proxy materials are being forwarded to you by your broker or nominee. As the beneficial owner, you have the right to direct your broker how to vote.

As of the close of business on March 17, 2005, there were 5,830,843 shares of Company common stock outstanding. Each share of common stock has one vote. The Company's Certificate of Incorporation provides that a record owner of the Company's common stock who beneficially owns, either directly or indirectly, in excess of 10% of the Company's outstanding shares, is not entitled to any vote in respect of the shares held in excess of the 10% limit.

#### Attending the Meeting

If you were a stockholder as of the close of business on March 17, 2005, you may attend the meeting. However, if you held your shares in street name, you will need proof of ownership to be admitted to the meeting. A recent brokerage statement or a letter from a bank or broker are examples of proof of ownership. If you want to vote your shares of Company common stock held in street name in person at the meeting, you will have to get a written proxy in your name from the broker, bank or other nominee who holds your shares.

#### Vote Required

A majority of the outstanding shares of common stock entitled to vote is required to be represented at the meeting to constitute a quorum for the transaction of business. If you return valid proxy instructions or attend the meeting in person, your shares will be counted for purposes of determining whether there is a quorum, even if you abstain from voting. Broker non-votes also will be counted for purposes of determining the existence of a quorum. A broker non-vote occurs when a broker, bank or other nominee holding shares for a beneficial owner does not vote on a particular proposal because the nominee does not have discretionary voting power with respect to that item and has not received voting instructions from the beneficial owner.

In voting on the election of directors, you may vote in favor of all nominees, withhold votes as to all nominees or withhold votes as to specific nominees. There is no cumulative voting for the election of directors. Directors are elected by a plurality of the votes cast at the annual meeting. This means that the nominees receiving the greatest number of votes will be elected. Votes that are withheld and broker non-votes will have no effect on the outcome of the election.

In voting on the ratification of the appointment of Wolf & Company, P.C. as independent auditors, you may vote in favor of the proposal, against the proposal or abstain from voting. To be approved, this matter requires the affirmative vote of a majority of the votes cast at the annual meeting. Broker non-votes and abstentions will not be counted as votes cast and will have no effect on the voting on this proposal.

#### Voting by Proxy

## Edgar Filing: BERKSHIRE HILLS BANCORP INC - Form DEF 14A

The Company's Board of Directors is sending you this proxy statement to request that you allow your shares of Company common stock to be represented at the annual meeting by the persons named in the enclosed proxy card. All shares of Company common stock represented at the meeting by properly executed and dated proxies will be voted according to the instructions indicated on the proxy card. If you sign, date and return a proxy card without giving voting instructions, your shares will be voted as recommended by the Company's Board of Directors. The Board of Directors recommends that you vote "FOR" each of the nominees for director and "FOR" ratification of Wolf & Company, P.C. as the Company's independent auditors for the 2005 fiscal year.

If any matters not described in this proxy statement are properly presented at the annual meeting, the persons named in the proxy card will use their judgment to determine how to vote your shares. This includes a motion to adjourn or postpone the meeting to solicit additional proxies. If the annual meeting is postponed or adjourned, your Company common stock may be voted by the persons named in the proxy card on the new meeting date as well, provided such new meeting occurs within 30 days of the annual meeting and you have not revoked your proxy. The Company does not currently know of any other matters to be presented at the meeting.

You may revoke your proxy at any time before the vote is taken at the meeting. To revoke your proxy, you must either advise the Corporate Secretary of the Company in writing before your common stock has been voted at the annual meeting, deliver a later dated proxy or attend the meeting and vote your shares in person by ballot. Attendance at the annual meeting will not in itself constitute revocation of your proxy.

If your Company common stock is held in street name, you will receive instructions from your broker, bank or other nominee that you must follow to have your shares voted. Your broker, bank or other nominee may allow you to deliver your voting instructions via the telephone or the Internet. Please review the proxy card or instruction form provided by your broker, bank or other nominee that accompanies this proxy statement.

2

### Participants in Berkshire Bank's ESOP or 401(k) Plan

If you participate in the Berkshire Bank Employee Stock Ownership Plan (the "ESOP") or if you hold Berkshire Hills common stock through the Berkshire Bank Employees' Savings & Profit Sharing Plan (the "401(k) Plan"), you will receive vote authorization materials for each plan that will reflect all the shares that you may direct the trustees to vote on your behalf under the plans. Under the terms of the ESOP, the ESOP trustee votes all shares held by the ESOP, but each ESOP participant may direct the trustee how to vote the shares of common stock allocated to his or her account. The ESOP trustee, subject to the exercise of its fiduciary duties, will vote all unallocated shares of Company common stock held by the ESOP and allocated shares for which no voting instructions are received in the same proportion as shares for which it has received timely voting instructions. Under the terms of the 401(k) Plan, you are entitled to direct the trustee how to vote the shares of Berkshire Hills common stock credited to your account in the 401(k) Plan. The trustee will vote all shares for which it does not receive timely instructions from participants in the same proportion as the instructions the trustee receives from participants. The deadline for returning your voting instructions to each plan's trustee is April 27, 2005.

Corporate Governance

## Edgar Filing: BERKSHIRE HILLS BANCORP INC - Form DEF 14A

### General

The Company periodically reviews its corporate governance policies and procedures to ensure that the Company meets the highest standards of ethical conduct, reports results with accuracy and transparency and maintains full compliance with the laws, rules and regulations that govern the Company's operations. As part of this periodic corporate governance review, the Board of Directors reviews and adopts best corporate governance policies and practices for the Company.

### Code of Business Conduct

The Company has adopted a Code of Business Conduct that is designed to promote the highest standards of ethical conduct by the Company's directors, executive officers and employees. The Code of Business Conduct requires that the Company's directors, executive officers and employees avoid conflicts of interest, comply with all laws and other legal requirements, conduct business in an honest and ethical manner and otherwise act with integrity and in the Company's best interest. Under the terms of the Code of Business Conduct, directors, executive officers and employees are required to report any conduct that they believe in good faith to be an actual or apparent violation of the Code of Business Conduct. A copy of the Code of Business Conduct can be found in the Governance Documents portion of the Investor Relations section of the Company's website ([www.berkshirebank.com](http://www.berkshirebank.com)).

As a mechanism to encourage compliance with the Code of Business Conduct, the Company has established procedures to receive, retain and treat complaints regarding accounting, internal accounting controls and auditing matters. These procedures ensure that individuals may submit concerns regarding questionable accounting or auditing matters in a confidential and anonymous manner. The Code of Business Conduct also prohibits the Company from retaliating against any director, executive officer or employee who reports actual or apparent violations of the Code of Business Conduct.

3

### Meetings of the Board of Directors

The Company conducts business through meetings of its Board of Directors and through activities of its committees. The Board of Directors generally meets monthly and may have additional meetings as needed. During 2004, the Board of Directors held 11 meetings. All of the current directors attended at least 75% of the total number of the board meetings held and committee meetings on which such directors served during 2004.

### Committees of the Board of Directors

The Company's Board of Directors maintains three standing committees: the Audit, Compensation and Corporate Governance/Nominating Committees. All members of each committee are independent in accordance with the listing standards of the American Stock Exchange. The charters of all three committees are available in the Governance Documents portion of the Investor Relations section of the Company's website ([www.berkshirebank.com](http://www.berkshirebank.com)).

Audit Committee. The Audit Committee, consisting of Thomas R. Dawson (Chair), A. Allen Gray, Peter J. Lafayette and Corydon L. Thurston, assists the Board of Directors in its oversight of the Company's accounting and reporting practices, the quality and integrity of the Company's financial reports and the Company's compliance with applicable laws and regulations. The Committee is also responsible for engaging the Company's independent auditors and monitoring their

## Edgar Filing: BERKSHIRE HILLS BANCORP INC - Form DEF 14A

conduct and independence. The Audit Committee met five times in 2004. The Board of Directors has designated Thomas R. Dawson as an audit committee financial expert under the rules of the Securities and Exchange Commission. The report of the Audit Committee required by the rules of the Securities and Exchange Commission is included in this proxy statement. See "Proposal 2 - Audit Committee Report."

Compensation Committee. The Compensation Committee, consisting of Catherine B. Miller (Chair), Lawrence A. Bossidy and Edward G. McCormick, reviews and establishes the compensation for all executive officers. The Committee also assists the Board of Directors in evaluating potential candidates for executive positions. The Compensation Committee met six times in 2004. The report of the Compensation Committee required by the rules of the Securities and Exchange Commission is included in this proxy statement. See "Compensation Committee Report on Executive Compensation."

Corporate Governance/Nominating Committee. The Company's Corporate Governance/Nominating Committee, consisting of Messrs. Bossidy (Chair) and McCormick, Ms. Miller and Ann H. Trabulsi, assists the Board of Directors in identifying qualified individuals to serve as Board members, in determining the composition of the Board of Directors and its committees, in monitoring a process to assess Board effectiveness and in developing and implementing the Company's corporate governance guidelines. The Corporate Governance/Nominating Committee also considers and recommends the nominees for director to stand for election at the Company's annual meeting of stockholders. The Corporate Governance/Nominating Committee met five times in 2004. The procedures of the Corporate Governance/Nominating Committee required to be disclosed by the rules of the Securities and Exchange Commission are included in this proxy statement. See "Corporate Governance/Nominating Committee Procedures."

Attendance at the Annual Meeting. The Board of Directors encourages each director to attend annual meetings of stockholders. All but two directors attended the 2004 annual meeting of stockholders.

4

### Directors' Compensation

Fees. Non-employee directors of the Bank each receive an annual retainer of \$17,200 for board service and an annual retainer of \$7,200 for each committee on which he or she serves. The Bank does not pay additional fees for attendance at board or committee meetings. Additionally, the Clerk of the Bank receives an annual retainer of \$500. The Company does not pay separate fees for service on its Board of Directors.

Award Grants. On January 30, 2004, each non-employee director received non-statutory stock options to purchase 495 shares of common stock at an exercise price of \$37.80, the fair market value of the common stock on the date of grant. Additionally, these non-employee directors were each granted 287 shares of restricted stock awards. The restricted stock awards vest and the options become exercisable on January 30, 2007.

### Stock Ownership

The following table provides information as of March 17, 2005, with respect to persons known by the Company to be the beneficial owners of more than 5% of the Company's outstanding common stock. A person may be considered to own any shares of common stock over which he or she has, directly or indirectly, sole or shared voting or investing power.

Edgar Filing: BERKSHIRE HILLS BANCORP INC - Form DEF 14A

Name and Address -----	Number of Shares Owned -----	Percent of Common Stock Outstanding -----
Berkshire Bank Employee Stock Ownership Plan 24 North Street Pittsfield, Massachusetts 01201	603,785 (1)	10.36%
Private Capital Management 8889 Pelican Bay Boulevard Naples, Florida 34108	578,811 (2)	9.93%
Berkshire Bank Foundation 24 North Street Pittsfield, Massachusetts 01201	568,427 (3)	9.75%
Goldman Sachs Asset Management, L.P. 32 Old Slip New York, New York 10005	335,852 (4)	5.76%
Morris Massry c/o Tri City Rentals 255 Washington Avenue Extension Albany, New York 12205	312,300 (5)	5.36%
Barclays Global Investors, NA Barclays Global Fund Advisors 45 Fremont Street San Francisco, California 94105	312,063 (6)	5.35%

(1) Includes 149,545 shares that have not been allocated to participants' accounts. Under the terms of the ESOP, the ESOP trustee will vote shares allocated to participants' accounts in the manner directed by the participants. The ESOP trustee, subject to its fiduciary responsibilities, will vote unallocated shares and allocated shares for which no timely voting instructions are received in the same proportion as shares for which the trustee has received proper voting instructions from participants.

(footnotes continued on following page)

- (2) Based on information contained in a Schedule 13G/A filed with the U.S. Securities and Exchange Commission on February 14, 2005.
- (3) The foundation's gift instrument requires that all shares of common stock held by the foundation must be voted in the same ratio as all other shares of Company common stock on all proposals considered by stockholders of the Company.
- (4) Based on information contained in a Schedule 13G filed with the U.S. Securities and Exchange Commission on February 7, 2005.
- (5) Based on information contained in a Schedule 13D filed with the U.S. Securities and Exchange Commission on October 26, 2004.



Edgar Filing: BERKSHIRE HILLS BANCORP INC - Form DEF 14A

(6) Barclays Global Investors, NA and Barclays Global Fund Advisors beneficially own 239,210 and 72,853 shares, respectively, of the Company's common stock and are considered to be a "group" as the term is defined under the Securities and Exchange Act of 1934, as amended. Based on information contained in a Schedule 13G filed with the U.S. Securities and Exchange Commission on February 14, 2005.

The following table provides information about the shares of Company common stock that may be considered to be owned by each director or nominee for director of the Company, by the executive officers named in the Summary Compensation Table and by all directors, nominees for director and executive officers of the Company as a group as of March 17, 2005. A person may be considered to own any shares of common stock over which he or she has, directly or indirectly, sole or shared voting or investment power. Unless otherwise indicated, each of the named individuals has sole voting and investment power with respect to the shares shown.

Name -----	Number of Shares Owned (Excluding Options)			Number of Shares That May Be Acquired Within 60 Days by Exercising Options
	(1)	(2)	(3)	
Thomas O. Andrews .....	31,042			9,208
Lawrence A. Bossidy .....	36,042			4,604
Michael P. Daly .....	73,747	(5)		31,349
Thomas R. Dawson .....	12,689			9,208
David B. Farrell .....	1,000			--
Gayle P. Fawcett .....	29,999			16,141
A. Allen Gray .....	21,132			9,208
Peter J. Lafayette .....	12,042	(6)		9,208
Edward G. McCormick .....	18,975			9,208
Catherine B. Miller .....	19,530	(7)		4,604
Wayne F. Patenaude .....	14,396	(8)		10,000
Corydon L. Thurston .....	11,256	(9)		9,208
Ann H. Trabulsi .....	17,042	(10)		9,208
Robert A. Wells .....	63,659	(11)		20,356
All Executive Officers, Directors and Director Nominees, as a Group (14 persons) .....	362,551			167,450

\* Represents less than 1% of the Company's outstanding shares.

(1) Includes unvested shares of restricted stock awards held in trust, with respect to which the beneficial owner has voting but not investment power as follows: Messrs. Andrews, Dawson, Gray, Lafayette, McCormick and Thurston, Ms. Miller and Ms. Trabulsi, each--1,438 shares; Mr. Bossidy--3,740 shares; Mr. Daly--32,106 shares; Ms. Fawcett--13,198 shares; Mr. Patenaude--9,055 shares; and Mr. Wells--7,653 shares.

(footnotes continued on following page)

(2) Includes shares allocated under the Berkshire Bank Employee Stock

## Edgar Filing: BERKSHIRE HILLS BANCORP INC - Form DEF 14A

Ownership Plan, with respect to which each individual has voting but not investment power as follows: Mr. Daly--3,937 shares; Ms. Fawcett--3,431 shares; Mr. Patenaude--778 shares; and Mr. Wells--3,375 shares.

- (3) Includes shares held in trust in the Berkshire Bank 401(k) Plan as to which each participant has investment and voting power as follows: Mr. Daly--8,181 shares; Ms. Fawcett--2,864 shares; and Mr. Wells-- 26,985 shares.
- (4) Based on 5,830,843 shares of Company common stock outstanding and entitled to vote as of March 17, 2005, plus the number of shares that each person may acquire within 60 days by exercising stock options.
- (5) Includes 3,075 shares held in trust as part of the Berkshire Bank Supplemental Executive Retirement Plan, with respect to which Mr. Daly has shared voting power.
- (6) Includes 2,460 shares held by the individual retirement account of Mr. Lafayette's spouse.
- (7) Includes 1,069 shares held by Ms. Miller's spouse.
- (8) Includes 950 shares held by the individual retirement account of Mr. Patenaude's spouse.
- (9) Includes 106 held by Mr. Thurston's child and 107 shares held by a custodian for Mr. Thurston's other child.
- (10) Includes 1,000 shares held by Ms. Trabulsi's spouse.
- (11) Includes 1,100 shares held by Mr. Wells' spouse.

### Proposal 1 -- Election of Directors

The Company's Board of Directors currently consists of eleven members. All of the directors are independent under the current listing standards of the American Stock Exchange, except for Michael P. Daly and Robert A. Wells. Mr. Daly is not independent because he is an employee of the Company and Berkshire Bank. Mr. Wells is not independent because he is a former employee of the Company and Berkshire Bank. The Board is divided into three classes as equal in number as possible, each with three-year staggered terms, with approximately one-third of the directors elected each year. The nominees for election this year are Michael P. Daly, David B. Farrell and Catherine B. Miller. Both Mr. Daly and Ms. Miller are directors of the Company and the Bank. Mr. Farrell is a new director nominee.

Mr. Farrell was recommended to the Corporate Governance/Nominating Committee by a non-management director. The Corporate Governance/Nominating Committee then recommended Mr. Farrell's nomination to the full Board of Directors.

Thomas O. Andrews, Thomas R. Dawson and A. Allen Gray will retire from the Board of Directors, effective as of the annual meeting date. Assuming his election by stockholders, Mr. Farrell will fill one of these vacancies. The Board will then reduce the size of the Board to nine members.

It is intended that the proxies solicited by the Board of Directors will be voted for the election of the nominees named above. If any nominee is unable to serve, the persons named in the proxy card will vote your shares to approve the election of any substitute proposed by the Board of Directors. Alternatively, the Board of Directors may adopt a resolution to reduce the size of the Board. At this time, the Board of Directors knows of no reason why any

## Edgar Filing: BERKSHIRE HILLS BANCORP INC - Form DEF 14A

nominee might be unable to serve.

The Board of Directors recommends a vote "FOR" the election of all nominees.

Information regarding the nominees and the directors continuing in office is provided below. Unless otherwise stated, each individual has held his or her current occupation for the last five years. The age indicated in each nominee's biography is as of December 31, 2004. There are no family relationships among the directors or executive officers. The indicated period for service as a director includes service as a director of the Bank.

7

### Nominees for Election of Directors

The nominees standing for election are:

Michael P. Daly was appointed President and Chief Executive Officer of the Company and the Bank in October 2002. Prior to his appointment, Mr. Daly served as Senior Vice President, Commercial Lending from October 1997 until January 2000 and then as Executive Vice President of the Company and the Bank from January 2000 to October 2002. Age 43. Director since 2002.

David B. Farrell has served as the President and a member of the Board of Directors of Bob's Stores, a retail company headquartered in Meriden, Connecticut, since October 1999. Bob's Stores filed for Chapter 11 bankruptcy protection on October 22, 2003. Mr. Farrell led the company through the bankruptcy reorganization process and on December 24, 2003, Bob's Stores emerged from bankruptcy through the sale of substantially all of its assets to a subsidiary of the TJX Companies, Inc. Age 49.

Catherine B. Miller is a former partner and vice president of Wheeler & Taylor, Inc., an insurance agency with offices in Stockbridge, Great Barrington and Sheffield, Massachusetts. Age 63. Director since 1983.

### Directors Continuing in Office

The following directors have terms ending in 2006:

Lawrence A. Bossidy was the Chairman of Allied Signal from 1991 to 1999 and its Chief Executive Officer from 1992 to 1999 when he became Chairman of Honeywell International, Inc. following the merger of the two companies. Mr. Bossidy served as the Chairman of Honeywell from December 1999 to April 2000 and from July 2001 until June 2002. Mr. Bossidy was also the Chief Executive Officer of Honeywell from July 2001 to February 2002. Mr. Bossidy serves on the Boards of Directors of J.P. Morgan Chase & Co. and Merck & Co., Inc. Age 69. Director since 2002.

Peter J. Lafayette has been the President of Berkshire Housing Development Corporation, a non-profit housing development and consultation organization since 1980 and the President of Berkshire Housing Services, Inc., a property management company, since 2000. Both entities are located in Pittsfield, Massachusetts. Age 57. Director since 1996.

Corydon L. Thurston has served as the President of North Adams Tower Company, Inc., which owns and manages telecommunication towers, since May 2004. Before this position, he served as the President of Berkshire Broadcasting Company, Inc. until it sold the three radio stations it owned and operated in North Adams and Great Barrington, Massachusetts. Age 52. Director since 1988.

## Edgar Filing: BERKSHIRE HILLS BANCORP INC - Form DEF 14A

The following directors have terms ending in 2007:

Edward G. McCormick is the managing partner of the law firm of McCormick, Murtagh, Marcus & Almgren, located in Great Barrington, Massachusetts. Age 57. Director since 1994.

Ann H. Trabulsi is a community volunteer serving on various non-profit boards, including Berkshire Medical Center and Berkshire Health Systems. Age 69. Director since 1976.

8

Robert A. Wells was the Chairman of the Boards of the Company, the Bank, Berkshire Bank Foundation and Greater Berkshire Foundation, Inc. until his retirement from all Chairman positions in December 2003. Mr. Wells served as the President and Chief Executive Officer of Berkshire County Savings Bank prior to its merger with Great Barrington Savings Bank in May 1997. Age 65. Director since 1976.

### Proposal 2 -- Ratification of Independent Auditors

The Audit Committee of the Board of Directors has appointed Wolf & Company, P.C. to be its auditors for the 2005 fiscal year, subject to ratification by stockholders. A representative of Wolf & Company, P.C. is expected to be present at the annual meeting to respond to appropriate questions from stockholders and will have the opportunity to make a statement should he or she desire to do so.

If the ratification of the appointment of the auditors is not approved by a majority of the votes cast by stockholders at the annual meeting, other independent public accountants may be considered by the Audit Committee of the Board of Directors.

The Board of Directors recommends that stockholders vote "FOR" the ratification of the appointment of Wolf & Company, P.C. as independent auditors.

### Audit Fees

The following table sets forth the fees billed to the Company for the fiscal years ending December 31, 2004 and December 31, 2003 by Wolf & Company, P.C.:

	2004	2003
	----	----
Audit Fees .....	\$305,250	\$203,250
Audit-Related Fees(1) .....	10,950	14,400
Tax Fees(2) .....	48,200	45,000
All other fees .....	--	--

-----  
(1) Consists primarily of the audit of the Bank's employee benefit plans and due diligence assistance.

(2) Consists of tax filings and tax-related compliance and other advisory services.

### Pre-Approval of Services by the Independent Auditor

The Audit Committee will consider on a case-by-case basis and, if

## Edgar Filing: BERKSHIRE HILLS BANCORP INC - Form DEF 14A

appropriate, approve all audit and non-audit services to be provided by the Company's independent auditors. Alternatively, the Audit Committee may adopt a policy for pre-approval of audit and permitted non-audit services by the Company's independent auditor.

9

The report of the Audit Committee graph shall not be deemed incorporated by reference by any general statement incorporating by reference this proxy statement into any filing under the Securities Act or the Exchange Act, except to the extent that the Company specifically incorporates this information by reference, and shall not otherwise be deemed filed under such Acts.

### Audit Committee Report

The Company's management is responsible for the Company's internal controls and financial reporting process. The independent auditors are responsible for performing an independent audit of the Company's consolidated financial statements and issuing an opinion on the conformity of those financial statements with generally accepted accounting principles. The Audit Committee oversees the Company's internal controls and financial reporting process on behalf of the Board of Directors.

In this context, the Audit Committee has met and held discussions with management and the independent auditors. Management represented to the Audit Committee that the Company's consolidated financial statements were prepared in accordance with generally accepted accounting principles and the Audit Committee has reviewed and discussed the consolidated financial statements with management and the independent auditors. The Audit Committee discussed with the independent auditors matters required to be discussed by Statement on Auditing Standards No. 61 (Communication With Audit Committees), including the quality, not just the acceptability, of the accounting principles, the reasonableness of significant judgments and the clarity of the disclosures in the financial statements.

In addition, the Audit Committee has received the written disclosures and the letter from the independent auditors required by the Independence Standards Board Standard No. 1 (Independence Discussions With Audit Committees) and has discussed with the independent auditors the auditors' independence from the Company and its management. In concluding that the auditors are independent, the Audit Committee considered, among other factors, whether the non-audit services provided by the auditors were compatible with its independence.

The Audit Committee discussed with the Company's independent auditors the overall scope and plans for their audit. The Audit Committee meets with the independent auditors, with and without management present, to discuss the results of their examination, their evaluation of the Company's internal controls, and the overall quality of the Company's financial reporting.

In performing all of these functions, the Audit Committee acts only in an oversight capacity. In its oversight role, the Audit Committee relies on the work and assurances of the Company's management, which has the primary responsibility for financial statements and reports, and of the independent auditors who, in their report, express an opinion on the conformity of the Company's financial statements to generally accepted accounting principles. The Audit Committee's oversight does not provide it with an independent basis to determine that management has maintained appropriate accounting and financial reporting principles or policies, or appropriate internal controls and procedures designed to assure compliance with accounting standards and applicable laws and regulations. Furthermore, the Audit Committee's considerations and discussions with management and the independent auditors do

## Edgar Filing: BERKSHIRE HILLS BANCORP INC - Form DEF 14A

not assure that the Company's financial statements are presented in accordance with generally accepted accounting principles, that the audit of the Company's financial statements has been carried out in accordance with generally accepted auditing standards or that the Company's independent auditors are in fact "independent."

10

In reliance on the reviews and discussions referred to above, the Audit Committee recommended to the Board of Directors, and the board has approved, that the audited consolidated financial statements be included in the Company's Annual Report on Form 10-K for the year ended December 31, 2004 for filing with the Securities and Exchange Commission. The Audit Committee also has approved, subject to stockholder ratification, the selection of the Company's independent auditors, for the fiscal year ended December 31, 2005.

Audit Committee of the Board of Directors of  
Berkshire Hills Bancorp, Inc.

Thomas R. Dawson, Chair  
A. Allen Gray  
Peter J. Lafayette  
Corydon L. Thurston

11

### Executive Compensation

#### Summary Compensation Table

The following information is furnished for the President and Chief Executive Officer and all other executive officers of Berkshire Bank who received a salary and bonus of \$100,000 or more during the year ended December 31, 2004.

Name and Position	Year	Annual Compensation			Long-Term
		Salary	Bonus	Other Annual Compensation (1)	Restrictions on Stock Awards (\$)
Michael P. Daly..... President and Chief Executive Officer	2004	\$325,000	\$115,000	\$ --	\$113,4
	2003	285,000	85,000	--	783,4
	2002	174,894	33,784	--	
Wayne F. Patenaude..... Senior Vice President and Chief Financial Officer (4)	2004	\$170,000	\$40,000	\$ --	\$ 56,7
	2003	135,834	42,000	26,567 (5)	229,5
Gayle P. Fawcett..... Senior Vice President	2004	\$165,000	\$42,500	\$ --	\$ 56,7
	2003	151,888	42,000	--	331,4
	2002	118,759	13,487	--	

Edgar Filing: BERKSHIRE HILLS BANCORP INC - Form DEF 14A

-----

- (1) For Mr. Daly and Ms. Fawcett, does not include the aggregate amount of perquisites and other benefits, which was less than \$50,000 or 10% of the total annual salary and bonus reported.
- (2) Reflects 3,000, 1,500 and 1,500 shares granted to Messrs. Daly and Patenaude and Ms. Fawcett, respectively, under the Berkshire Hills Bancorp, Inc. 2003 Equity Compensation Plan. The dollar amount set forth in the table represents the market value of the shares on the date of the grant. The restricted stock awards vest in three equal annual installments beginning on the first anniversary of the date of grant. When shares become vested and are distributed from the trust in which they are held, the recipient will also receive an amount equal to accumulated cash and stock dividends (if any) paid with respect thereto, plus earnings thereon. The number and value of all unvested shares of restricted stock held under the Berkshire Hills Bancorp, Inc. 2001 Stock-Based Incentive Plan and the Berkshire Hills Bancorp, Inc. 2003 Equity Compensation Plan that are allocated to each named executive officer as of December 31, 2004, is as follows, based on \$37.15, the closing price of the Company's common stock on December 31, 2004:

	Number of Unvested Shares	Value of Unvested Shares
	-----	-----
Mr. Daly.....	39,700	\$1,474,855
Mr. Patenaude.....	9,500	352,925
Ms. Fawcett.....	15,843	588,567

(footnotes continued on the following page)

12

- (3) Details of the amounts reported in the "All Other Compensation" column for 2004 are provided in the table below.

Item	Mr. Daly	Mr. Patenaude	Ms. Fawcett
-----	-----	-----	-----
Employer contribution to 401(k) plan .....	\$ 14,350	\$ 10,137	\$ 11,986
Market value of allocations under the employee stock ownership plan .....	30,422	28,910	29,752
Market value of allocations under the supplemental executive retirement plan .....	81,767	--	--
	-----	-----	-----
Total .....	\$126,539	\$ 39,047	\$ 41,738
	=====	=====	=====

- (4) Mr. Patenaude became an executive officer on February 24, 2003. Information for the 2002 fiscal year is not disclosed, as Mr. Patenaude was not an executive officer during that period.
- (5) Includes moving expenses of \$17,781 and housing expenses of \$8,786.

## Edgar Filing: BERKSHIRE HILLS BANCORP INC - Form DEF 14A

### Employment Agreements

Berkshire Bank and Berkshire Hills each maintain an employment agreement with Mr. Daly, which provides for a two-year term that extends daily unless the Board of Directors or Mr. Daly gives the other party written notice of non-renewal. The employment agreements provide for a base salary for Mr. Daly of \$325,000, which is reviewed at least annually. In addition to the base salary, the employment agreements provide for, among other things, participation in stock and employee benefit plans and fringe benefits applicable to executive personnel.

If Mr. Daly dies during the agreement term, the Bank will pay his beneficiary his base salary, and continue his dependents' medical coverage for six months. If Mr. Daly becomes disabled and begins to receive benefits under the long-term disability insurance policy maintained by the Bank, the Bank may reduce Mr. Daly's base salary by amounts he receives under the disability policy insurance. If Mr. Daly becomes incapacitated as a result of disability and can no longer perform his duties, the Bank may terminate the agreement and pay him severance in the same manner as for involuntary termination, as discussed below. Upon such termination, Mr. Daly will receive continued medical and life insurance coverage for two years following his termination of employment.

The employment agreements provide for termination by Berkshire Bank or Berkshire Hills for cause, as defined in the employment agreements, at any time. If Berkshire Bank or Berkshire Hills chooses to terminate Mr. Daly's employment for reasons other than for cause (including his incapacity due to disability as discussed above), or if he resigns from Berkshire Bank or Berkshire Hills under specified circumstances that would constitute constructive termination, Mr. Daly (or, upon his death, his beneficiary) would be entitled to receive an amount equal to the remaining base salary and incentive compensation payments, including amounts related to stock-based compensation, due for the remaining term of the employment agreement and the contributions that would have been made on his behalf to any employee benefit plans of Berkshire Bank and Berkshire Hills during the remaining term of the employment agreement. Berkshire Bank and Berkshire Hills would also continue and/or pay for life, health, dental and disability coverage for Mr. Daly and his covered dependents until the earliest of his death, employment with another employer or the end of the remaining term of the employment agreements. Upon termination of the executive's employment under these circumstances, the executive must adhere to a one-year non-competition and non-disclosure restriction.

13

Under the employment agreements, if voluntary (upon circumstances discussed in the agreements) or involuntary termination follows a change in control of Berkshire Bank or Berkshire Hills, Mr. Daly (or, upon his death, his beneficiary) would be entitled to a severance payment equal to the greater of: (1) the payments due for the remaining term of the agreement; or (2) three times the average of his annual compensation (as described in the agreements) for the five preceding taxable years. Berkshire Bank and Berkshire Hills would also continue Mr. Daly's life, health and disability coverage for thirty-six months. Even though the Berkshire Bank and Berkshire Hills employment agreements each provide for a severance payment if a change in control occurs, Mr. Daly would not receive duplicative payments or benefits under the agreements. Mr. Daly would also be entitled to receive a tax indemnification payment if payments under the employment agreements trigger liability under the Internal Revenue Code for the excise tax applicable to "excess parachute payments." Under applicable law, the excise tax is triggered by change in control-related payments that equal or exceed a "base" amount that is three times the executive's average taxable income over the five years preceding the change in



## Edgar Filing: BERKSHIRE HILLS BANCORP INC - Form DEF 14A

control. The excise tax equals 20% of the amount of the payment in excess of the executive's base amount.

Payments to Mr. Daly under the Bank's employment agreement are guaranteed by Berkshire Hills if payments or benefits are not paid by the Bank. All reasonable costs and legal fees paid or incurred by Mr. Daly in any dispute or question of interpretation relating to the employment agreements will be paid by Berkshire Bank or Berkshire Hills, respectively, if he is successful on the merits in a legal judgment, arbitration or settlement. The employment agreements also provide that Berkshire Bank and Berkshire Hills will indemnify Mr. Daly to the fullest extent legally allowable.

### Change in Control Agreements

Berkshire Hills and Berkshire Bank each maintain a change in control agreement with Mr. Patenaude and Ms. Fawcett. Each change in control agreement has a term of three years and is renewable annually for an additional year at the sole discretion of the Boards of Directors of the Bank and Berkshire Hills. The change in control agreements provide that if involuntary termination, other than for cause, or voluntary termination (upon the occurrence of circumstances specified in the agreements) follows a change in control of Berkshire Hills or Berkshire Bank, Mr. Patenaude and Ms. Fawcett will be entitled to receive a severance payment equal to three times his or her average annual compensation (as described in the agreements) for the five most recent taxable years. Berkshire Bank will also continue their health and welfare benefits coverage for thirty-six months following termination. Mr. Patenaude and Ms. Fawcett must comply with a one-year non-competition and non-disclosure provision following their receipt of severance payments under the agreements.

Although the Berkshire Bank and Berkshire Hills agreements each provide for severance payments upon termination in connection with a change in control, Mr. Patenaude and Ms. Fawcett would not receive any duplicative payments. Mr. Patenaude and Ms. Fawcett would receive tax indemnification if their individual severance payments trigger liability for the excise tax on excess parachute payments under the Internal Revenue Code.

14

### Other Retirement Arrangements

Berkshire Bank maintains a supplemental retirement arrangement with Mr. Daly to provide him with an annual retirement benefit at age 62 equal to 70% of his average compensation, calculated based on the three consecutive years during which his compensation is the highest. Benefits under the supplemental retirement arrangement are reduced by the benefits Mr. Daly would receive under the 401(k) plan and ESOP, and by 50% of his social security benefits.

The supplemental retirement arrangement also provides for a reduced benefit upon Mr. Daly's early retirement after age 55 but prior to age 62, and upon his death or disability. If Mr. Daly terminates employment in connection with a change in control, he would receive an annual benefit equal to the retirement benefit he would have received if he retired on the date immediately preceding his termination and had attained age 62, regardless of his actual age on the termination date. Mr. Daly may elect to receive supplemental retirement benefits in the form of an annuity with ten annual payments guaranteed, or in an actuarial equivalent lump sum.

### Option Grants in Last Fiscal Year

The following table lists all grants of options to the named executive

Edgar Filing: BERKSHIRE HILLS BANCORP INC - Form DEF 14A

officers in 2004 and contains certain information about the potential value of those options based upon certain assumptions as to the appreciation of the Company's stock over the life of the option.

Name	Number of Securities Underlying Options Granted (#) (1)	% of Total Options Granted to Employees in Fiscal Year	Exercise or Base Price Per Share	Expiration Date	Potential Value
Michael P. Daly .....	6,000	20.7%	\$37.80	January 30, 2014	\$14
Wayne F. Patenaude .....	2,000	6.9	37.80	January 30, 2014	4
Gayle P. Fawcett .....	2,000	6.9	37.80	January 30, 2014	4

(1) Options become fully exercisable on the second anniversary of the date of grant; provided, however, that options become immediately exercisable upon a change in control or if the optionee terminates employment due to death or disability.

(2) The dollar gains under these columns result from calculations required by the Securities and Exchange Commission's rules and are not intended to forecast future price appreciation of the common stock. Options have value only if the stock price increases above the exercise price shown in the table during the effective option period. In order for the executive to realize the potential values set forth in the 5% and 10% columns in the table, the price per share of the Company's common stock would be approximately \$61.57 and \$98.04, respectively, as of the expiration date of the options.

Fiscal Year-End Option Values

The following table provides certain information with respect to the number and value of shares of Berkshire Hills common stock represented by outstanding options held by the named executive officers as of December 31, 2004. None of the named executive officers exercised any options during 2004.

Name	Number of Securities Underlying Unexercised Options at Fiscal Year End (#)		Value of Unexercised In-the-Money Options at Fiscal Year End (\$) (1)	
	Exercisable	Unexercisable	Exercisable	Unexercisable
Michael P. Daly.....	31,319	54,531	\$592,859	\$805,861
Wayne F. Patenaude.....	5,000	22,000	71,000	284,000
Gayle P. Fawcett.....	11,141	15,859	216,559	239,872

## Edgar Filing: BERKSHIRE HILLS BANCORP INC - Form DEF 14A

- (1) Value of unexercisable in-the-money stock options equals the market value of shares covered by in-the-money options on December 31, 2004, less the option exercise price. Options are in-the-money if the market value of shares covered by the options is greater than the exercise price.

The report of the Compensation Committee and the stock performance graph shall not be deemed incorporated by reference by any general statement incorporating by reference this proxy statement into any filing under the Securities Act or the Exchange Act, except to the extent that the Company specifically incorporates this information by reference, and shall not otherwise be deemed filed under such Acts.

### Compensation Committee Report on Executive Compensation

Compensation Committee Report on Executive Compensation. Under the rules established by the Securities and Exchange Commission, the Company is required to provide certain data and information about the compensation and benefits provided to the Company's Chief Executive Officer ("CEO") and the other executive officers of the Company. The disclosure requirements for the Chief Executive Officer and other executive officers include the use of tables and a report explaining the rationale and considerations that led to fundamental compensation decisions affecting those individuals. In fulfillment of this requirement, the Company's Compensation Committee, at the direction of the Board of Directors, has prepared the following report for inclusion in this proxy statement.

Policies and Practices. The Compensation Committee approves the compensation policies and objectives for all employees of the Company and the Bank and establishes the compensation for the Chief Executive Officer and other executives. However, because all of the executive officers of the Company are also executives of the Bank, the Bank pays their compensation.

The Company's executive compensation program is designed to attract, retain, motivate and reward the highly qualified individuals required to achieve the Company's objectives. In determining the appropriate level of compensation, the Compensation Committee reviewed the total compensation of peer banks within the industry, with a particular focus on institutions in New England. In addition, the Compensation Committee periodically retains an outside compensation consultant to compare the total compensation and components of compensation for the Company's executive officers with other financial institutions of similar size and characteristics to ensure that compensation is consistent and competitive with such other financial institutions and that compensation serves as an appropriate incentive for individuals to achieve the Company's objectives.

16

Base salaries are tied to the level of responsibility of each executive officer and are established to be consistent and competitive with the practices of comparable financial institutions in the region. All executive officers participate in the Bank's Incentive Compensation Plan, which provides performance-based cash payments. Targets are established each year with individual awards dependent upon Company, department and individual performance. In addition, executive officers participate in other benefit plans available to all employees including the 401(k) Plan and the Employee Stock Ownership Plan. Executive officers may, at the discretion of the Compensation Committee, also participate in supplemental benefit plans, as well as the Stock-Based Incentive Plan and the Equity Compensation Plan.

## Edgar Filing: BERKSHIRE HILLS BANCORP INC - Form DEF 14A

The executive incentive awards paid for 2004 reflect each individual's level of accomplishment, as based on the preparation of a written performance review, and the Company's performance, including earnings per share, asset growth and return on capital. Decisions by the Compensation Committee with respect to compensation of executive officers are reviewed by the full Board of Directors.

Compensation of the Chief Executive Officer. The compensation for the CEO in 2004 was determined in the same manner as that established for all other executive officers. A written performance review was prepared, which included an assessment of the CEO's performance against certain individual leadership goals and financial and growth objectives for the Company. The CEO's base salary and incentive award reflected the results of such assessment.

Compensation Committee of the Board of Directors of  
Berkshire Hills Bancorp, Inc.

Catherine B. Miller, Chair  
Lawrence A. Bossidy  
Edward G. McCormick

17

### Stock Performance Graph

The following graph compares the cumulative total stockholder return on the Company common stock with the cumulative total return on the American Stock Exchange Major Market Index and the SNL \$1 Billion - \$5 Billion Thrift Index. The graph assumes that \$100 was invested at the close of business on June 28, 2000, the initial day of trading of the Company's common stock. Total return assumes the reinvestment of all dividends.

[LINE GRAPH OMITTED]

	Period Ended			
	6/28/00	12/31/00	12/31/01	12/31/02
Berkshire Hills Bancorp, Inc.....	\$100.00	\$128.78	\$169.52	\$201.25
The AMEX Major Market Index.....	100.00	95.91	93.40	81.97
The SNL \$1 Billion - \$5 Billion Thrift Index.....	100.00	130.78	186.45	238.76

18

### Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934 requires the Company's executive officers and directors, and persons who own more than 10% of any registered class of the Company's equity securities, to file reports of ownership and changes in ownership with the Securities and Exchange Commission. These individuals are required by regulation to furnish the Company with copies of all Section 16(a) reports they file.

Based solely on its review of the copies of the reports it has received

## Edgar Filing: BERKSHIRE HILLS BANCORP INC - Form DEF 14A

and written representations provided to the Company from the individuals required to file the reports, the Company believes that each of its executive officers and directors has complied with applicable reporting requirements for transactions in Company common stock during the fiscal year ended December 31, 2004.

### Transactions with Management

The Sarbanes-Oxley Act generally prohibits loans by Berkshire Bank to its executive officers and directors. However, the Sarbanes-Oxley Act contains a specific exemption from such prohibition for loans by Berkshire Bank to its executive officers and directors in compliance with federal banking regulations. Federal banking regulations require that all loans or extensions of credit to executive officers and directors of insured financial institutions must be made on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with other persons, except for loans made under programs generally available to all employees and must not involve more than the normal risk of repayment or present other unfavorable features. Berkshire Bank is therefore prohibited from making any new loans or extensions of credit to executive officers and directors at different rates or terms than those offered to the general public, except for loans made pursuant to programs generally available to all employees, and has adopted a policy to this effect. In addition, loans made to a director or executive officer in an amount that, when aggregated with the amount of all loans to such person and his or her related interests, are in excess of the greater of \$25,000 or 5% of the Bank's capital and surplus (up to a maximum of \$500,000) must be approved in advance by a majority of the disinterested members of the Board of Directors.

### Corporate Governance/Nominating Committee Procedures

#### General

It is the policy of the Corporate Governance/Nominating Committee of the Board of Directors of the Company to consider director candidates recommended by stockholders who appear to be qualified to serve on the Company's Board of Directors. The Corporate Governance/Nominating Committee may choose not to consider an unsolicited recommendation if no vacancy exists on the Board of Directors and the Corporate Governance/Nominating Committee does not perceive a need to increase the size of the Board of Directors. To avoid the unnecessary use of the Corporate Governance/Nominating Committee's resources, the Corporate Governance/Nominating Committee will consider only those director candidates recommended in accordance with the procedures set forth below.

19

#### Procedures to be Followed by Stockholders

To submit a recommendation of a director candidate to the Corporate Governance/Nominating Committee, a stockholder should submit the following information in writing, addressed to the Chairman of the Corporate Governance/Nominating Committee, care of the Corporate Secretary, at the main office of the Company:

1. The name of the person recommended as a director candidate;
2. All information relating to such person that is required to be disclosed in solicitations of proxies for election of directors pursuant to Regulation 14A under the Securities Exchange Act of 1934;

3. The written consent of the person being recommended as a director candidate to being named in the proxy statement as a nominee and to serving as a director if elected;
4. As to the stockholder making the recommendation, the name and address of such stockholder as they appear on the Company's books; provided, however, that if the stockholder is not a registered holder of the Company's common stock, the stockholder should submit his or her name and address along with a current written statement from the record holder of the shares that reflects ownership of the Company's common stock; and
5. A statement disclosing whether such stockholder is acting with or on behalf of any other person and, if applicable, the identity of such person.

In order for a director candidate to be considered for nomination at the Company's annual meeting of stockholders, the recommendation must be received by the Corporate Governance/Nominating Committee at least 120 calendar days prior to the date the Company's proxy statement was released to stockholders in connection with the previous year's annual meeting, advanced by one year.

#### Process for Identifying and Evaluating Nominees

The process that the Corporate Governance/Nominating Committee follows to identify and evaluate individuals to be nominated for election to the Board of Directors is as follows:

Identification. For purposes of identifying nominees for the Board of Directors, the Corporate Governance/Nominating Committee relies on personal contacts of the committee members and other members of the Board of Directors, as well as its knowledge of members of the communities served by Berkshire Bank. The Corporate Governance/Nominating Committee will also consider director candidates recommended by stockholders in accordance with the policy and procedures set forth above. The Corporate Governance/Nominating Committee has not previously used an independent search firm to identify nominees.

Evaluation. In evaluating potential nominees, the Corporate Governance/Nominating Committee determines whether the candidate is eligible and qualified for service on the Board of Directors by evaluating the candidate under certain criteria, which are described below. If such individual fulfills these criteria, the Corporate Governance/Nominating Committee will conduct a check of the individual's background and interview the candidate to further assess the qualities of the prospective nominee and the contributions he or she would make to the Board.

#### Qualifications

The Corporate Governance/Nominating Committee has adopted a set of criteria that it considers when it selects individuals to be nominated for election to the Board of Directors. A candidate must meet the eligibility requirements set forth in the Company's bylaws, which include a residency requirement, an age limitation and a requirement that the candidate not have been subject to certain criminal or regulatory actions. A candidate also must meet any qualification requirements set forth in any Board or committee governing documents.

## Edgar Filing: BERKSHIRE HILLS BANCORP INC - Form DEF 14A

If the candidate is deemed eligible for election to the Board of Directors, the Corporate Governance/Nominating Committee will then evaluate the following criteria in selecting nominees:

- o financial, regulatory and business experience;
- o familiarity with and participation in the local community;
- o integrity, honesty and reputation in connection with upholding a position of trust with respect to customers;
- o dedication to the Company and its stockholders; and
- o independence.

The Committee will also consider any other factors the Corporate Governance/Nominating Committee deems relevant, including age, diversity, size of the Board of Directors and regulatory disclosure obligations.

With respect to nominating an existing director for re-election to the Board of Directors, the Corporate Governance/Nominating Committee will consider and review an existing director's board and committee attendance and performance; length of board service; experience, skills and contributions that the existing director brings to the board; and independence.

### Submission of Business Proposals and Stockholder Nominations

The Company must receive proposals that stockholders seek to include in the proxy statement for the Company's next annual meeting no later than December 1, 2005. If next year's annual meeting is held on a date more than 30 calendar days from May 5, 2006, a stockholder proposal must be received by a reasonable time before the Company begins to print and mail its proxy solicitation for such annual meeting. Any stockholder proposals will be subject to the requirements of the proxy rules adopted by the Securities and Exchange Commission.

The Company's bylaws provide that, in order for a stockholder to make nominations for the election of directors or proposals for business to be brought before the annual meeting, a stockholder must deliver notice of such nominations and/or proposals to the Secretary not less than 90 days before the date of the annual meeting. However, if less than 100 days' notice or prior public disclosure of the date of the annual meeting is given to stockholders, such notice must be received not later than the close of business of the tenth day following the day on which notice of the date of the annual meeting was mailed to stockholders or prior public disclosure of the meeting date was made. A copy of the bylaws may be obtained from the Company.

21

### Stockholder Communications

The Company encourages stockholder communications to the Board of Directors and/or individual directors. All communications from stockholders should be addressed to Berkshire Hills Bancorp, Inc., 24 North Street, Pittsfield, Massachusetts 01201. Communications to the Board of Directors should be in the care of Gerald A. Denmark, Corporate Secretary. Communications to individual directors should be sent to such director at the Company's address. Stockholders who wish to communicate with a Committee of the Board should send their communications to the care of the Chair of the particular committee, with a copy to Lawrence A. Bossidy, the Chair of the Corporate Governance/Nominating Committee. It is in the discretion of the Corporate Governance/Nominating

## Edgar Filing: BERKSHIRE HILLS BANCORP INC - Form DEF 14A

Committee whether any communication sent to the full Board should be brought before the full Board.

### Miscellaneous

The Company will pay the cost of this proxy solicitation. The Company will reimburse brokerage firms and other custodians, nominees and fiduciaries for reasonable expenses incurred by them in sending proxy materials to the beneficial owners of the Company. Additionally, directors, officers and other employees of the Company may solicit proxies personally or by telephone. None of these persons will receive additional compensation for these activities.

The Company's Annual Report to Stockholders has been included with this proxy statement. Any stockholder who has not received a copy of the Annual Report may obtain a copy by writing to the Corporate Secretary of the Company. The Annual Report is not to be treated as part of the proxy solicitation material or as having been incorporated by reference into this proxy statement.

If you and others who share your address own your shares in "street name," your broker or other holder of record may be sending only one annual report and proxy statement to your address. This practice, known as "householding," is designed to reduce our printing and postage costs. However, if a stockholder residing at such an address wishes to receive a separate annual report or proxy statement in the future, he or she should contact the broker or other holder of record. If you own your shares in "street name" and are receiving multiple copies of our annual report and proxy statement, you can request householding by contacting your broker or other holder of record.

Whether or not you plan to attend the annual meeting, please vote by marking, signing, dating and promptly returning the enclosed proxy card in the enclosed envelope.

BY ORDER OF THE BOARD OF DIRECTORS

/s/ Gerald A. Denmark  
Gerald A. Denmark  
Corporate Secretary

Pittsfield, Massachusetts  
April 1, 2005

22

REVOCABLE PROXY  
BERKSHIRE HILLS BANCORP, INC.  
ANNUAL MEETING OF STOCKHOLDERS

May 5, 2005  
10:00 a.m., Local Time  
-----

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS

The undersigned hereby appoints the official proxy committee of Berkshire Hills Bancorp, Inc. (the "Company"), consisting of Corydon L. Thurston, Edward G. McCormick, Peter J. Lafayette and Ann H. Trabulsi or any of them, with full power of substitution in each, to act as proxy for the undersigned, and to vote all shares of common stock of the Company which the undersigned is entitled to vote only at the Annual Meeting of Stockholders to be held on May 5, 2005 at



Edgar Filing: BERKSHIRE HILLS BANCORP INC - Form DEF 14A

10:00 a.m., local time, at the Crowne Plaza Hotel, One West Street, Pittsfield, Massachusetts and at any and all adjournments thereof, with all of the powers the undersigned would possess if personally present at such meeting as follows:

- 1. The election as directors of all nominees listed (unless the "For All Except" box is marked and the instructions below are complied with).

Michael P. Daly, David B. Farrell and Catherine B. Miller

FOR WITHHOLD FOR ALL
--- ----- EXCEPT
|\_| |\_| |\_|

INSTRUCTION: To withhold your vote for any individual nominee, mark "FOR ALL EXCEPT" and write that nominee's name on the line provided below.

- 2. The ratification of the appointment of Wolf & Company, P.C. as independent auditors of Berkshire Hills Bancorp, Inc. for the fiscal year ending December 31, 2005.

FOR AGAINST ABSTAIN
--- -----
|\_| |\_| |\_|

THE BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR" EACH OF THE LISTED PROPOSALS.

This proxy is revocable and will be voted as directed, but if no instructions are specified, this proxy, properly signed and dated, will be voted "FOR" each of the proposals listed. If any other business is presented at the Annual Meeting, including whether or not to adjourn the meeting, this proxy will be voted by the proxies in their judgment. At the present time, the Board of Directors knows of no other business to be presented at the Annual Meeting. This proxy also confers discretionary authority on the Proxy Committee of the Board of Directors to vote (1) with respect to the election of any person as director, where the nominees are unable to serve or for good cause will not serve and (2) matters incident to the conduct of the meeting.

Dated:

----- SIGNATURE OF STOCKHOLDER

----- SIGNATURE OF CO-HOLDER (IF ANY)

The above signed acknowledges receipt from the Company prior to the execution of this proxy of a Notice of Annual Meeting of Stockholders, a Proxy Statement dated April 1, 2005 and an Annual Report to Stockholders.

Please sign exactly as your name appears on this card. When signing as attorney, executor, administrator, trustee or guardian, please give your full title. If shares are held jointly, each holder may sign but only one signature is required.

-----

Edgar Filing: BERKSHIRE HILLS BANCORP INC - Form DEF 14A

PLEASE COMPLETE, DATE, SIGN AND PROMPTLY MAIL THIS PROXY  
IN THE ENCLOSED POSTAGE-PAID ENVELOPE.

[Berkshire Hills Bancorp, Inc. Letterhead]

Dear ESOP Participant:

On behalf of the Board of Directors of Berkshire Hills Bancorp, Inc. (the "Company"), I am forwarding you the attached BLUE vote authorization form for you to convey your voting instructions to First Bankers Trust Services, Inc. (the "Trustee") on the proposals to be presented at the Annual Meeting of Stockholders of Berkshire Hills Bancorp, Inc. to be held on May 5, 2005. Also enclosed is a Notice and Proxy Statement for the Annual Meeting of Stockholders and a copy of the Company's Annual Report to Stockholders.

As a participant in the Berkshire Bank Employee Stock Ownership Plan (the "ESOP"), you are entitled to vote all shares of Company common stock allocated to your account as of March 17, 2005. All allocated shares of Company common stock will be voted as directed by participants, so long as participant instructions are received by the Trustee by April 27, 2005. If you do not direct the Trustee how to vote the shares of Company common stock allocated to your account, the Trustee will vote your shares in a manner calculated most accurately to reflect the instructions it receives from other participants, subject to its fiduciary duties.

To direct the voting of the shares of Company common stock allocated to your account under the ESOP, please complete and sign the attached BLUE vote authorization form and return it in the enclosed postage-paid envelope no later than April 27, 2005. Your vote will not be revealed, directly or indirectly, to any officer, employee or director of the Company or Berkshire Bank.

Sincerely,

/s/ Michael P. Daly  
Michael P. Daly  
President and Chief Executive Officer

VOTE AUTHORIZATION FORM  
-----

I understand that First Bankers Trust Services, Inc., the Trustee, is the holder of record and custodian of all shares of Berkshire Hills Bancorp, Inc. (the "Company") common stock allocated to me under the Berkshire Bank Employee Stock Ownership Plan. Further, I understand that my voting instructions are solicited on behalf of the Company's Board of Directors for the Annual Meeting of Stockholders to be held on May 5, 2005.

Accordingly, please vote my shares as follows:

1. The election as directors of all nominees listed (unless the "For All Except" box is marked and the instructions below are complied with).

Michael P. Daly, David B. Farrell and Catherine B. Miller

FOR

WITHHOLD

FOR ALL  
EXCEPT



Edgar Filing: BERKSHIRE HILLS BANCORP INC - Form DEF 14A

/s/ Michael P. Daly  
Michael P. Daly  
President and Chief Executive Officer

BERKSHIRE HILLS BANCORP, INC.  
ANNUAL MEETING OF STOCKHOLDERS

May 5, 2005  
10:00 a.m., Local Time

-----  
The undersigned hereby appoints the 401(k) Plan Trustee to vote all shares of common stock of Berkshire Hills Bancorp, Inc. (the "Company") under the Berkshire Bank 401(k) Plan that the undersigned is entitled to vote at the Annual Meeting of Stockholders to be held on May 5, 2005 at 10:00 a.m., local time, at the Crowne Plaza Hotel, One West Street, Pittsfield, Massachusetts and at any and all adjournments thereof, as follows:

- 1. The election as directors of all nominees listed (unless the "For All Except" box is marked and the instructions below are complied with).

Michael P. Daly, David B. Farrell and Catherine B. Miller

FOR	WITHHOLD	FOR ALL EXCEPT
---	-----	-----
_	_	_

INSTRUCTION: To withhold your vote for any individual nominee, mark "FOR ALL EXCEPT" and write that nominee's name on the line provided below.

- 
- 2. The ratification of the appointment of Wolf & Company, P.C. as independent auditors of Berkshire Hills Bancorp, Inc. for the fiscal year ending December 31, 2005.

FOR	AGAINST	ABSTAIN
---	-----	-----
_	_	_

THE BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR" EACH OF THE LISTED PROPOSALS.

Date:

-----

-----  
Participant sign above

The above signed acknowledges receipt from the Company prior to the execution of this vote instruction card of a Notice of Annual Meeting of Stockholders, a Proxy Statement dated April 1, 2005 and an Annual Report to Stockholders.

PLEASE COMPLETE, DATE, SIGN AND PROMPTLY MAIL THIS VOTING INSTRUCTION CARD IN THE ENCLOSED POSTAGE-PAID ENVELOPE.

Edgar Filing: BERKSHIRE HILLS BANCORP INC - Form DEF 14A

[Berkshire Hills Bancorp, Inc. Letterhead]

Dear Stock Award Recipient:

On behalf of the Board of Directors of Berkshire Hills Bancorp, Inc. (the "Company"), I am forwarding you the attached YELLOW vote authorization form for you to convey your voting instructions to First Bankers Trust Services, Inc. (the "Trustee") on the proposals to be presented at the Annual Meeting of Stockholders of Berkshire Hills Bancorp, Inc. to be held on May 5, 2005. Also enclosed is a Notice and Proxy Statement for the Annual Meeting of Stockholders and a copy of the Company's Annual Report to Stockholders.

You are entitled to vote all unvested shares of restricted Company common stock awarded to you under the Berkshire Hills Bancorp, Inc. 2001 Stock-Based Incentive Plan and/or 2003 Equity Compensation Plan (collectively referred to as the "Incentive Plan") that are unvested as of March 17, 2005. The Incentive Plan Trustee will vote these shares of Company common stock held in the Incentive Plan Trust in accordance with instructions it receives from you and other Stock Award Recipients.

To direct the voting of the unvested shares of Company common stock awarded to you under the Incentive Plan, you must complete and sign the attached YELLOW vote authorization form and return it in the enclosed postage-paid envelope no later than April 27, 2005.

Sincerely,

/s/ Michael P. Daly  
Michael P. Daly  
President and Chief Executive Officer

VOTE AUTHORIZATION FORM

I understand that First Bankers Trust Services, Inc., the Trustee, is the holder of record and custodian of all unvested restricted shares of Berkshire Hills Bancorp, Inc. (the "Company") common stock awarded to me under the Berkshire Hills Bancorp, Inc. 2001 Stock-Based Incentive Plan and/or 2003 Equity Compensation Plan (collectively referred to as the "Incentive Plan"). Further, I understand that my voting instructions are solicited on behalf of the Company's Board of Directors for the Annual Meeting of Stockholders to be held on May 5, 2005.

Accordingly, please vote my shares as follows:

- 1. The election as directors of all nominees listed (unless the "For All Except" box is marked and the instructions below are complied with).

Michael P. Daly, David B. Farrell and Catherine B. Miller

FOR ---	VOTE WITHHELD -----	FOR ALL EXCEPT -----
_	_	_

Edgar Filing: BERKSHIRE HILLS BANCORP INC - Form DEF 14A

INSTRUCTION: To withhold your vote for any individual nominee, mark "FOR ALL EXCEPT" and write that nominee's name in the space provided below.

- 2. The ratification of the appointment of Wolf & Company, P.C. as independent auditors of Berkshire Hills Bancorp, Inc. for the fiscal year ending December 31, 2005.

FOR --- AGAINST ----- ABSTAIN -----
|\_| |\_| |\_|

THE BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR" EACH OF THE LISTED PROPOSALS.

The Incentive Plan Trustee is hereby authorized to vote any unvested shares awarded to me as indicated above.

Date

Signature

Please date, sign and return this form in the enclosed envelope no later than April 27, 2005.

VOTE AUTHORIZATION FORM

I understand that First Bankers Trust Services, Inc., the Trustee, is the holder of record and custodian of all shares of Berkshire Hills Bancorp, Inc. (the "Company") common stock allocated to me under the Berkshire Bank Supplemental Executive Retirement Plan. Further, I understand that my voting instructions are solicited on behalf of the Company's Board of Directors for the Annual Meeting of Stockholders to be held on May 5, 2005.

Accordingly, please vote my shares as follows:

- 1. The election as directors of all nominees listed (unless the "For All Except" box is marked and the instructions below are complied with).

Michael P. Daly, David B. Farrell and Catherine B. Miller

FOR --- WITHHOLD ----- FOR ALL EXCEPT -----
|\_| |\_| |\_|

INSTRUCTION: To withhold your vote for any individual nominee, mark "FOR ALL EXCEPT" and write that nominee's name in the space provided below.

- 2. The ratification of the appointment of Wolf & Company, P.C. as independent auditors of Berkshire Hills Bancorp, Inc. for the fiscal year ending December 31, 2005.

Edgar Filing: BERKSHIRE HILLS BANCORP INC - Form DEF 14A

FOR  
---

AGAINST  
-----

ABSTAIN  
-----

|\_ |

|\_ |

|\_ |

THE BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR" EACH OF THE LISTED PROPOSALS.

The Trustee is hereby authorized to vote any shares allocated to me as indicated above.

-----  
Date

-----  
Signature

Please date, sign and return this form in the enclosed envelope no later than April 27, 2005.