

PENNICHUCK CORPORATION

AUDIT, FINANCE AND RISK COMMITTEE
MINUTES OF AUGUST 25, 2016 MEETING

A meeting of the Audit, Finance and Risk Committee (“Committee”) of the Board of Directors of Pennichuck Corporation (“Company”) was held on Thursday, August 25, 2016 at 4:30 p.m. at the Company’s offices at 25 Manchester Street, Merrimack, New Hampshire.

The following persons were in attendance for all or a portion of the meeting:

Committee Members:	James P. Dore, Chairman Paul A. Indeglia John D. McGrath Thomas J. Leonard
Pennichuck Corporation:	Larry D. Goodhue, Chief Executive Officer Donald L. Ware, Chief Operating Officer Mary V. DeRoche, HR Director Suzanne L. Ansara, Corporate Secretary George Torres, Corporate Controller Carol Ann Howe, Assistant Treasurer Bernard Rousseau, Vice President, Sales and Service Christopher Countie, Water Supply Manager James Lavacchia, Distribution Manager Tara King, Revenue and Customer Operations Manager John Boisvert, Chief Engineer

Written materials relating to items listed in the Agenda were provided to the Committee members for their review prior to the meeting.

Approval of Minutes

The Chairman inquired whether there were any comments with respect to the draft minutes of the May 17, 2016 Committee meeting. There being none, on motion duly made by J. McGrath and seconded by P. Indeglia, all of the Committee members then voting, it was unanimously

Resolved: that the minutes of the May 17, 2016 meeting of the Audit, Finance and Risk Committee are hereby approved.

Audit - Savings Plan for Employees of Pennichuck Corporation (401(k) Plan)

L. Goodhue referred the Committee to the proposal submitted by Melanson Heath to provide auditing services for the Company's 401(k) Plan, a copy of which was provided in the written materials. He indicated that, under ERISA rules, 401(k) plans that have between 80 and 120 eligible employees at the beginning of the plan year are exempt from audit, if they were not required to have an audit in the prior year. However, as of January 1, 2016, there were 125 eligible employees participating in the Company's 401(k) Plan and an audit will be required going forward. The proposal is for 2 years, and includes an additional initial audit procedures fee. L. Goodhue indicated that he feels the fees set forth in the proposal are reasonable.

After discussion, on motion duly made by J. McGrath and seconded by P. Indeglia, all of the Committee members then voting, it was unanimously

Resolved: that the Proposal for Independent Auditing Services for the Years Ending December 31, 2016 and 2017 for the Savings Plan for Employees of Pennichuck Corporation, as submitted by Melanson Heath & Company, and as presented at this meeting, is hereby approved; and that the Chairman of the Audit, Finance and Risk Committee is hereby authorized to enter into engagement letters with Melanson Heath & Company for such audit services.

Management Presentations

The Committee reviewed the list of management presentations and had no comments or changes.

Move to Non-Public Session

J. McGrath moved that the Committee enter into non-public session to (i) discuss confidential information pursuant to RSA 91-A:3, II(j) and (ii) discuss matters relating to the preparation for and the carrying out of emergency functions pursuant to RSA 91-A:3, II(i). P. Indeglia seconded the motion.

A roll call of the Committee Members was taken, which resulted as follows:

Yea: J. Dore, P. Indeglia, J. McGrath, T. Leonard

Nay:

Motion was carried to enter into non-public session at 4:44 p.m.

Reconvene in Public Session

The non-public session ended at 6:18 p.m. and the Committee reconvened in public session.

P. Indeglia, who left during the non-public session, was not present.

J. McGrath moved that the Committee seal the minutes of the non-public session under RSA 91-A:3, II(j) and RSA 91-A:3, II(i). T. Leonard seconded the motion. A roll call of the Committee members present was taken, which resulted as follows:

Yea: J. Dore, J. McGrath, T. Leonard

Nay:

Motion was carried to seal the minutes of the non-public session.

During the non-public session, the Committee voted to unseal the minutes of the December 8, 2014, March 24, 2015 (with redaction), and June 22, 2015 non-public sessions.

There being no further business to come before the Committee, the Chairman adjourned the meeting at 6:20 p.m.

/s/ Suzanne L. Ansara

Suzanne L. Ansara
Corporate Secretary