

PENNICHUCK CORPORATION

COMPENSATION AND BENEFITS COMMITTEE
MINUTES OF FEBRUARY 12, 2018 MEETING

A meeting of the Compensation and Benefits Committee (“Committee”) of the Board of Directors of Pennichuck Corporation (“Company”) was held on Monday, February 12, 2018 at 4:30 p.m., at the Company’s offices at 25 Manchester Street, Merrimack, New Hampshire.

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

The following persons were in attendance for the meeting:

Committee Members: Stephen D. Genest, Chairman
 David P. Bernier
 C. George Bower
 Elizabeth A. Dunn
 Thomas J. Leonard
 Jay N. Lustig

Pennichuck Corporation: John M. Murphy, Director
 Preston J. Stanley, Jr., Director
 Larry D. Goodhue, Chief Executive Officer
 Mary V. DeRoche, HR Director
 Suzanne L. Ansara, Corporate Secretary

S. Ansara recorded the minutes of the meeting.

Approval of Minutes

The Chairman inquired whether there were any comments with respect to the draft minutes of the Committee’s October 23, 2017 meeting. There being none, on motion duly made by E. Dunn and seconded by T. Leonard, all of the Committee members then voting, it was unanimously

Resolved: that the minutes of the October 23, 2017 meeting of the Compensation and Benefits Committee are hereby approved.

Committee Charter - Amendments

The Committee reviewed the amendments to the Committee’s Charter, as presented in the written materials. It was agreed to delete the phrase “with the full Board’s approval” in the last sentence of Section 2 of Appendix A-CEO Succession Plan Process.

On motion duly made by T. Leonard and seconded by D. Bernier, all of the Committee members then voting, it was unanimously

Resolved: to recommend to the Board of Directors that the amended Compensation and Benefits Committee Charter, as presented and further amended at this meeting, be approved.

401(k) Plan – Amendment to Administrative Services Agreement – Rollover Contributions

L. Goodhue referred the Board to the amendment to the Administrative Services Agreement for the 401(k) Plan, as requested by MassMutual. The amendment will require separate investment directions from participants in the Plan for rollover contributions.

After discussion, on motion duly made by E. Dunn and seconded by D. Bernier, all of the Committee members then voting, it was unanimously

Resolved: that the amendment to the Administrative Services Agreement relating to the Company's Savings Plan for Employees of Pennichuck Corporation, as presented at this meeting, requiring separate investment directions from participants in the Plan for rollover contributions, is hereby approved.

VEBA Trusts – Change in Trustee / Appointment of Investment Advisor

L. Goodhue reported that TD Bank, N.A., the current trustee and investment advisor for the Company's VEBA plans (which support the post-65 retirement health plan), are no longer offering such services as part of their business. Wilmington Trust, N.A. has agreed to act as trustee for the VEBA plans and Summit Financial Strategies, Inc. has agreed to act as Investment Advisor. He indicated that the change in trustee and investment advisor must be made by April 1, 2018. A discussion ensued.

VEBA Union Trust

On motion duly made by E. Dunn and seconded by G. Bower, all of the Committee members then voting, it was unanimously

Resolved: that the Compensation and Benefits Committee hereby recommends to the Board of Directors of Pennichuck Water Works, Inc. (the "Company") to (i) remove TD Bank, N.A. as Trustee of the Pennichuck Water Works, Inc. Employee Benefit Trust for Members of Local 2936 of The United Steelworkers of America dated December 22, 1999 (the "Union Trust"), and (ii) appoint Wilmington Trust, N.A. as successor Trustee of the Union Trust.

Further

Resolved: that the Compensation and Benefits Committee hereby recommends to the Company's Board of Directors to appoint Summit Financial Strategies, Inc. as Investment Advisor for the Pennichuck Water Works, Inc. Employee Benefit Trust for Members of Local 2936 of The United Steelworkers of America dated December 22, 1999.

VEBA Non-Union Trust

On motion duly made by E. Dunn and seconded by G. Bower, all of the Committee members then voting, it was unanimously

Resolved: that the Compensation and Benefits Committee hereby recommends to the Board of Directors of Pennichuck Water Works, Inc. (the "Company") to (i) remove TD Bank, N.A. as Trustee of the Pennichuck Water Works, Inc. Employee Benefit Trust for Non-Union Employees dated December 22, 1999 (the "Non-Union Trust"), and (ii) appoint Wilmington Trust, N.A. as successor Trustee of the Non-Union Trust.

Further

Resolved: that the Compensation and Benefits Committee hereby recommends to the Company's Board of Directors to appoint Summit Financial Strategies, Inc. as Investment Advisor for the Pennichuck Water Works, Inc. Employee Benefit Trust for Non-Union Employees dated December 22, 1999.

Management Presentations

The Committee reviewed the list of management presentations and requested that a safety review be added to the Agenda for a Committee meeting in the fall.

Move to Non-Public Session

J. Lustig moved that the Committee enter into non-public session to discuss (i) the promotion or compensation of employees, pursuant to RSA 91-A:3, II(a), and (ii) to discuss matters, which if discussed in public, would likely affect adversely the reputation of a person, pursuant to RSA 91-A:3, II(c). E. Dunn seconded the motion.

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

Yea: D. Bernier, G. Bower, E. Dunn, S. Genest, T. Leonard, J. Lustig

Nay:

Motion was carried to enter into non-public session at 4:49 p.m.

Reconvene in Public Session

The non-public session ended at 5:51 p.m. and the Committee reconvened in public session.

E. Dunn moved that the Committee seal the minutes of the non-public session under RSA 91-A:3, II(a) and RSA 91-A:3, II(c). J. Lustig seconded the motion. A roll call of the Committee members was taken, which resulted as follows:

Yea: D. Bernier, G. Bower, E. Dunn, S. Genest, T. Leonard, J. Lustig

Nay:

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

There being no further business to come before the Committee, the Chairman adjourned the meeting at 5:52 p.m.

/s/ Suzanne L. Ansara

Suzanne L. Ansara
Corporate Secretary