

PENNICHUCK CORPORATION
COMPENSATION AND BENEFITS COMMITTEE
MINUTES OF SEPTEMBER 13, 2018 MEETING

A meeting of the Compensation and Benefits Committee (“Committee”) of the Board of Directors of Pennichuck Corporation (“Company”) was held on Thursday, September 13, 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 at the start of the meeting:

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

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

S. Ansara recorded the minutes of the meeting.

Election of Chairman

On a motion duly made by T. Leonard and seconded by E. Dunn, all of the Committee members present then voting, it was unanimously

Resolved: that Stephen D. Genest is hereby elected Chairman of the Compensation and Benefits Committee.

Approval of Minutes

There being no comments to the draft minutes of the April 12, 2018 Committee meeting, on motion duly made by E. Dunn and seconded by J. Lustig, all of the Committee members present then voting, it was unanimously

Resolved: that the minutes of the April 12, 2018 meeting of the Compensation and Benefits Committee are hereby approved.

There being no comments to the draft minutes of the Committee's April 12, 2018 non-public session, on motion duly made by E. Dunn and seconded by J. Lustig, all of the Committee members present then voting, it was unanimously

Resolved: that the sealed minutes of the April 12, 2018 non-public session of the Compensation and Benefits Committee are hereby approved.

Annual Review of Committee Charter

There was a review of the Committee's Charter. After a brief discussion, the Committee agreed that the Charter was adequate for its purposes and no changes were necessary.

Benefits

E. Dunn requested that a review of all benefits provided to employees be presented to the Committee at a future meeting.

401(k) Plan Amendment – Automatic Enrollment

M. DeRoche referred the Committee to the draft Amendment to the Company's 401(k) Plan, which amends the Plan to add an automatic enrollment provision. M. DeRoche indicated that automatic enrollment has become a common practice in the marketplace. The amendment will permit the Company to automatically enroll new employees into the 401(k) plan. The employee will have a reasonable opportunity of time to opt out before the automatic enrollment goes into effect. A discussion ensued.

Committee Member David Bernier joined the meeting at 4:36 p.m. during the discussion on the 401(k) Plan Amendment.

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

Resolved: that the Compensation and Benefits Committee hereby recommends to the Pennichuck Corporation Board of Directors that (1) the draft Amendment to Savings Plan for Employees of Pennichuck Corporation (a copy of which was presented at this meeting), which amends the Adoption Agreement to the Plan to add a 3% Automatic Enrollment provision, be approved; and (2) that the Amendment to the Administrative Services Agreement between Pennichuck Corporation and MassMutual (a copy of which was presented at this meeting) relating to the Company's Savings Plan for Employees of Pennichuck Corporation, adding automatic enrollment to the services provided by MassMutual, be approved.

Medical, Dental and Vision Insurance – 2019 Premiums

M. DeRoche reported that after negotiations with Harvard Pilgrim, there will be a 0% increase in medical insurance premiums for 2019. In addition, plan design changes which were scheduled for 2019 have been delayed until 2020. Insurance premiums for the MetLife Dental Plan will increase 3% in 2019, capped for two years. Insurance premiums for the MetLife Vision Plan will increase 4% in 2019, capped for two years. The Committee members commended management for their efforts in keeping premium increases at a minimum.

Workers' Compensation and Safety

M. DeRoche reviewed the Company's workers' compensation experience modification rate over the past several years. She reported that the Company's preliminary 1/1/19 modification rate is coming in at 0.62, which is excellent. An average rate is 1.00 and a rate greater than 1.00 indicates that an employer has experienced worse than expected losses during the rating period. She also reviewed the number of claims reported, the causes of such claims, the number of lost time days, and the expenses incurred. M. DeRoche reviewed the Company's new protocol with respect to tick bites.

D. Ware commented on the Company's safety program. An actively engaged Safety Committee meets once a month and includes union and non-union representatives from the corporate office, water treatment plant and distribution. New employee training and refresher training is conducted on a regular basis, including training focused on hearing protection, protective clothing, confined space entry and trenching. D. Ware indicated that traffic zone safety is currently being reviewed. A discussion ensued.

There being no further business to come before the Committee, the Chairman adjourned the meeting at 5:25 p.m.

/s/ Suzanne L. Ansara

Suzanne L. Ansara
Corporate Secretary