

PENNICHUCK CORPORATION

AUDIT, FINANCE AND RISK COMMITTEE
MINUTES OF NOVEMBER 15, 2018 MEETING

A meeting of the Audit, Finance and Risk Committee (“Committee”) of the Board of Directors of Pennichuck Corporation (“Company”) was held on Friday, November 15, 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:	James P. Dore, Chairman Thomas J. Leonard John D. McGrath John M. Murphy
Pennichuck Corporation:	Larry D. Goodhue, Chief Executive Officer Suzanne L. Ansara, Corporate Secretary George Torres, Corporate Controller Carol Ann Howe, Assistant Treasurer Steven Greenwood, IT Director Lori Douglas, Senior Accounting Manager
Melanson Heath:	Deborah Tarbox, Principal Sheryl Burke, Vice President

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 August 24, 2018 Committee meeting. There being none, on motion duly made by J. McGrath and seconded by J. Murphy, all of the Committee members present then voting, it was unanimously

Resolved: that the minutes of the August 24, 2018 meeting of the Audit, Finance and Risk Committee are hereby approved.

ISO 27001 Update

S. Greenwood presented an update on the ISO 27001 testing of the Company’s information security management systems. A discussion ensued. S. Greenwood left the meeting at 4:51 p.m.

2018 Audit Plan

Ms. Tarbox led a discussion relating to the 2018 year-end Audit Plan, a copy of which was included in the written materials to the Committee. She reviewed Melanson’s responsibilities

with regard to their audit of the financial statements. She indicated that there will be no significant changes in staffing for the audit from last year. She then reviewed the timing and scope of the audit work to be performed. Draft financial statements are expected to be available by March 20, 2018 and final audited financial statements released no later than March 29, 2018.

Ms. Tarbox and Ms. Burke left the meeting at 5:22 p.m.

Review of 2017 Audited Defined Benefit Plan Financials (Pension Plan)

G. Torres led a review of the 2017 audited defined benefit plan financial statements, supplemental schedules and accompanying notes. The form and content of the information included in the financial statements and supplemental schedules were audited by Melanson Heath in accordance with auditing standards generally accepted in the United States and, in their opinion, presented in compliance with the Department of Labor's rules and regulations for Reporting and Disclosure under ERISA. At December 31, 2017, the pension plan had approximately \$18.2 million in assets invested.

Review of 2017 Audited Defined Contribution Plan Financials (401k Plan)

G. Torres led a review of the 2017 audited defined contribution plan financial statements, supplemental schedule and accompanying notes. The form and content of the information included in the financial statements and supplemental schedule were audited by Melanson Heath in accordance with auditing standards generally accepted in the United States and, in their opinion, presented in compliance with the Department of Labor's rules and regulations for Reporting and Disclosure under ERISA. As of December 31, 2017, the plan had approximately \$16.2 million invested.

SRF Loans – Audited Schedule of Expenditures of Federal Awards

G. Torres led a review of the audited Schedule of Expenditures of Federal Awards and accompanying notes for the year ended December 31, 2017. An audit is required if the Company expends more than \$750,000 of SRF related loans in a fiscal year.

2018 Internal Controls Review and Testing Update

C. Howe provided a status update on the financial internal controls and IT controls review and testing project for 2018. A discussion ensued. Testing will be completed by December 31, 2018.

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.

There being no further business to come before the Committee, the Chairman adjourned the meeting at 6:00 p.m.

/s/ Suzanne L. Ansara
Suzanne L. Ansara
Corporate Secretary