

PENNICHUCK CORPORATION

COMPENSATION AND BENEFITS COMMITTEE
MINUTES OF APRIL 22, 2019 MEETING

A meeting of the Compensation and Benefits Committee (“Committee”) of the Board of Directors of Pennichuck Corporation (“Company”) was held on Monday, April 22, 2019, at 4:00 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, telephonically C. George Bower Elizabeth A. Dunn
Pennichuck Corporation:	Larry D. Goodhue, Chief Executive Officer Mary V. DeRoche, HR Director Suzanne L. Ansara, Corporate Secretary George Torres, Corporate Controller Carol Ann Howe, Assistant Treasurer Sarah Rossetti, HR Generalist
Summit Financial Corp.:	Douglas Johnson, Vice President David Mulkern, Senior Account Manager Jason Denton, Senior Consulting Actuary (4:11 p.m.)

D. Bernier stated the reason he was unable to attend the meeting in person, that he was alone and could hear the proceedings

S. Ansara recorded the minutes of the meeting.

Approval of Minutes

There being no comments on the draft minutes of the March 19, 2019 Committee meeting and non-public session, on motion duly made by E. Dunn and seconded by G. Bower, all of the Committee members present then voting, it was unanimously

Resolved: that the minutes of the March 19, 2019 meeting of the Compensation and Benefits Committee are hereby approved.

Resolved: that the sealed minutes of the March 19, 2019 non-public session of the Compensation and Benefits Committee are hereby approved.

Summit Financial Corporation - Pension Plan and 401(k) Plan Investments Review

The representatives from Summit Financial presented a review of the Company's 401(k) plan and pension plan investments. A copy of Summit's presentation was provided to the Committee members in the written materials.

401(k) Plan Investments

Mr. Johnson reviewed participant activity in the 401(k) plan. As of December 31, 2018, there were 141 participants in the plan (90% participation rate) and there was approximately \$15.2 million invested in the plan. He reviewed the Monitoring Report which summarizes in detail the performance of each of the funds in the Plan, and indicated that three funds are currently on the watchlist: Loomis Sayles Strategic Income N, MassMutual Premier International Eq I and MassMutual Select Fundamental Value I. He reported that the target date retirement funds (American Funds) were performing very well.

There was a discussion relating to adding a "Super Roth" option to the 401(k) Plan. The matter will be considered at the Committee's fall meeting with Summit.

Pension Plan Investments

Mr. Denton conducted a slide presentation focused on the actuarial assumptions and projected funding obligations for the pension plan. He reviewed the Company's contribution schedule and PBGC premium rates. Mr. Johnson provided the Committee with an update on the investment performance of the pension plan assets. At December 31, 2018, the pension plan had approximately \$17.3 million in assets invested. He reviewed the pension fund Monitoring Report, and indicated that 3 funds are currently on the watch list: MassMutual Select Fundamental Value I, Loomis Sayles Strategic Income Y and Invesco Small Cap Value A. Summit will continue to monitor these funds. A discussion ensued.

There was a discussion regarding the Company's inability to change to an LDI investment strategy model due to issues associated with "gold certificates" held by 13 retirees. The certificates guarantee for life the payment of retirement benefits to the 13 retirees by MassMutual and are paid out of the pension plan's General Investment Account. J. Denton reviewed the information relating to the "gold certificates" on page 25 of Summit's presentation. Summit will provide a refreshed analysis for consideration at the Committee's fall meeting with Summit.

S. Genest left the meeting at 5:06 p.m.

Mr. Denton reviewed Summit's new selection and monitoring process, which utilizes 11 specific metrics to gauge fund performance.

Mr. Denton indicated that the pension plan will need to be restated by 2020 to include all legislative changes since the last restatement.

There being no further business to come before the Committee, the Chairman adjourned the meeting at 5:37 p.m.

/s/ Suzanne L. Ansara

Suzanne L. Ansara
Corporate Secretary