

PENNICHUCK CORPORATION

AUDIT, FINANCE AND RISK COMMITTEE
MINUTES OF MARCH 20, 2019 MEETING

A meeting of the Audit, Finance and Risk Committee (“Committee”) of the Board of Directors of Pennichuck Corporation (“Company”) was held on Wednesday, March 20, 2019 at 4:35 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 start of the meeting:

Committee Members:	James P. Dore, Chairman C. George Bower Thomas J. Leonard
Pennichuck Corporation:	Larry D. Goodhue, Chief Executive Officer Suzanne L. Ansara, Corporate Secretary George Torres, Corporate Controller Carol Ann Howe, Assistant Treasurer Lori Douglas, Accounting Manager Jay Kerrigan, Regulatory/Treasury Financial Analyst
Melanson Heath:	Deborah Tarbox

S. Ansara recorded the minutes of the meeting.

Approval of Minutes

There being no comments on the draft minutes of the February 19, 2019 Committee meeting, on motion duly made by T. Leonard and seconded by G. Bower, all of the Committee members present then voting, it was unanimously

Resolved: that the minutes of the February 19, 2019 meeting of the Audit, Finance and Risk Committee are hereby approved.

2018 Audited Consolidated Financial Statements / Independent Auditor’s Report

The draft 2018 Audited Consolidated Financial Statements and related Notes were reviewed in detail. A discussion ensued relative to Stockholder’s Equity.

Ms. Tarbox indicated that Melanson Heath has issued a clean, unmodified audit opinion that the financial statements present fairly the financial position of the Company. She thanked the members of the Company’s finance team for their responsiveness and cooperation during the audit. Ms. Tarbox reported that there were no disagreements with management during the audit,

and that no material weaknesses or deficiencies were detected, and no occurrences of fraud were identified.

The Chairman called for a motion to approve the 2018 audited consolidated financial statements.

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

Resolved: that the audited consolidated financial statements for the calendar year 2018, as presented at this meeting, are hereby approved and authorized for release.

L. Goodhue, S. Ansara, G. Torres, C. Howe, L. Douglas and J. Kerrigan left the meeting at 5:45 p.m. and the Committee met with Ms. Tarbox in executive session.

The executive session ended at 5:50 p.m. L. Goodhue, S. Ansara, G. Torres, C. Howe, L. Douglas and J. Kerrigan rejoined the meeting. D. Tarbox left the meeting.

Annual Report to Sole Shareholder

L. Goodhue referred the Committee to the draft Annual Report to Sole Shareholder included in the written materials. He indicated that the Annual Report will be provided to the City along with the proxy material sometime during the week of March 25. The Committee members had no comments or changes to the Annual Report.

Internal Controls

C. Howe gave a presentation on the 2018 Internal Controls review and testing project. She reported that 140 controls were tested. Six control deficiencies were identified in the business areas of Payroll, Fixed Assets and Purchasing/Payable. C. Howe indicated that none of the control deficiencies were significant and did not represent material weaknesses. She reviewed the recommendations identified for improvement. A discussion ensued.

Internal Control Testing Report – Emergency Plans

C. Howe gave a presentation on her testing of the Company's emergency plans. She tested compliance with the Standard Operating Procedures of the Pennichuck Corporation Emergency Response Plan and the Facility Emergency Action Plans. C. Howe reviewed the results of her testing. A discussion ensued.

Other Business

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

There being no further business to come before the Committee, the Chairman adjourned the meeting at 6:46 p.m.

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