

PENNICHUCK CORPORATION

COMPENSATION AND BENEFITS COMMITTEE
MINUTES OF NOVEMBER 4, 2019 MEETING

A meeting of the Compensation and Benefits Committee (“Committee”) of the Board of Directors of Pennichuck Corporation (“Company”) was held on Monday, November 4, 2019, 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 all or a portion of the meeting:

Committee Members:	Stephen D. Genest, Chairman C. George Bower, telephonically Elizabeth A. Dunn Thomas J. Leonard John D. McGrath
Pennichuck Corporation:	Larry D. Goodhue, Chief Executive Officer Mary V. DeRoche, HR Director Suzanne L. Ansara, Corporate Secretary Carol Ann Howe, Assistant Treasurer Sarah Rossetti, HR Generalist

S. Ansara recorded the minutes of the meeting.

Approval of Minutes

There being no comments on the draft minutes of the June 27, 2019 Committee meeting, on motion duly made by T. Leonard and seconded by E. Dunn, all of the Committee members present then voting, it was unanimously

Resolved: that the minutes of the June 27, 2019 meeting of the Compensation and Benefits Committee are hereby approved.

Health, Dental and Vision Insurance – 2020 Premiums

M. DeRoche reported that the Company will continue to offer 3 health insurance plan options in 2020: an HMO plan with an HRA, a PPO plan with an HSA, and an ElevateHealth plan, all through Harvard Pilgrim. She said that after negotiations with Harvard Pilgrim, a 7.5% increase in premiums for health insurance was agreed to for 2020. In addition, the employees’ contribution to health coverage will increase 0.5% in 2020 to 19%, which increase was negotiated in the last union contract. L. Goodhue indicated that 2021 premiums for health insurance through Harvard Pilgrim have been capped at 12.5% if the Company decides to continue with Harvard Pilgrim as its health insurance provider.

There will be no increase in premiums for the MetLife Dental Plan or the MetLife Vision Plan in 2020.

Workers' Compensation / Safety Review

M. DeRoche gave a presentation on workers' compensation claims. She reviewed the Company's workers' compensation experience modification rate over the past several years. She reported that the Company's preliminary 1/1/20 modification rate is coming in at 0.67 compared to a 0.62 rating in 2019. She indicated that 14 claims have been filed in 2019 to date, including 3 for falls, 3 for strains, and 4 for tick bites. Tick resistant clothing and tick kits have been made available to employees in the field and the Company continues to raise awareness of the danger of tick bites with employees. The number of lost time days and expenses incurred were discussed.

Committee Member G. Bower joined the meeting at 4:50 p.m. during the discussion on Workers' Compensation and Safety. He stated the reason he was unable to attend the meeting in person, that he was alone and could hear the proceedings.

D. Ware commented on the Company's safety program. The Company's Safety Committee meets regularly. Evacuation drills are held yearly at each facility. Safety audit walkthroughs are conducted at each facility on a quarterly or semi-annual basis. D. Ware reported that the Company has hired a dependable contractor to handle traffic control at job sites so that employees no longer need to perform that function. Intruder awareness training was held in September.

D. Ware indicated that for safety reasons, the Company is looking for alternate ways to collect payments of unpaid bills from customers. Currently, there is one employee who does collections in person, and also performs water shut-offs at a customer's curb stop. He said that management has decided to change the hours of three employees in the Customer Service department to 8:30 a.m. to 7:00 p.m., Monday through Thursday, to be available for customer questions that may come up during visits by the collection employee and for customers calling in after hours. A discussion ensued relative to the safety of employees who collect payments in the field.

The Committee requested that the Manager of Revenue and Customer Operations present to the Board statistics on the number of shut-off notices sent out each year, the number of shut-offs that actually occur each year, and to review the procedures to collect overdue payments in the field.

M. DeRoche reported that a notice has been sent to all employees indicating that for safety reasons all family members and friends of employees visiting any of the Company's facilities must sign in with the receptionist first and be accompanied at all times by an employee while at the facility.

HR Dashboard Update

S. Rossetti reviewed the HR Dashboard which included data for the years 2017 thru October 2019. Headcount, overtime, hires and terminations, and OSHA reported accidents were discussed. The data will be updated on a yearly basis by the HR department.

Performance Management Platform

M. DeRoche reported that the Company has purchased a new performance management platform for use in completing performance reviews. She indicated that currently the process is paper driven and becoming more tedious. The platform can also be used for confidential journaling by supervisor and employee, as a feedback mechanism, and as a compensation module. Many platforms were vetted and two finalists were reviewed by the senior management team. The CRG emPerform platform was chosen. The platform will be rolled out for the upcoming performance review period. Passwords will be provided for privacy and security. HR will have overall administration rights over the system.

Management Presentations

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

There being no further business to come before the Committee, the Chairman adjourned the meeting at 6:15 p.m.

/s/ Suzanne L. Ansara

Suzanne L. Ansara
Corporate Secretary