

PENNICHUCK EAST UTILITY, INC.

BOARD OF DIRECTORS
MINUTES OF FEBRUARY 28, 2020 MEETING

A meeting of the Board of Directors of Pennichuck East Utility, Inc. (the “Company”) was held on Friday, February 28, 2020 at 9:27 a.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 Board members for their review prior to the meeting.

The following Directors were present, constituting a quorum:

Thomas J. Leonard, Chairman
David P. Bernier
C. George Bower, telephonically
James P. Dore
Elizabeth A. Dunn
Stephen D. Genest
Jay N. Lustig
John D. McGrath
Preston J. Stanley, Jr.

Attending the meeting from the Company were:

Larry D. Goodhue, Chief Executive Officer
Mary V. DeRoche, Human Resources Director
Suzanne L. Ansara, Corporate Secretary
George Torres, Corporate Controller
Carol Ann Howe, Assistant Treasurer
Steven Greenwood, IT Director
Chris Countie, Director, Water Supply and Community Systems
Bernard Rousseau, Vice President, PWSC
John Boisvert, Chief Engineer
Alan Brown, Distribution Manager

G. Bower 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 October 25, 2019 meeting and non-public session of the Board of Directors, on motion duly made by J. Dore and seconded by P. Stanley, all of the Directors present then voting, it was unanimously

Resolved: that the minutes of the October 25, 2019 meeting of the Board of Directors are hereby approved.

Resolved: that the sealed minutes of the October 25, 2019 non-public session of the Board of Directors are hereby approved.

Distribution to Pennichuck Corporation

L. Goodhue stated that management is seeking approval of a distribution from the Company to Pennichuck Corporation in the amount of \$510,949.61 to fund Pennichuck Corporation's payment of the City's acquisition debt.

On motion duly made by J. McGrath and seconded by P. Stanley, all of the Directors present then voting, it was unanimously

Resolved: that a distribution in the amount of \$510,949.61 (from additional paid in capital) be recorded to Pennichuck Corporation on February 28, 2020.

PEU - CoBank Term Loan / Repay FALOC

The Chairman referred the Board to the resolutions in the Agenda relating to a new loan with CoBank to refinance 2019 used and useful capital expenditures paid for with the CoBank Fixed Asset Line of Credit. The loan was discussed and approved earlier today at the Pennichuck Corporation Board meeting.

On motion duly made by J. McGrath and seconded by P. Stanley, all of the Directors present then voting, the following resolutions were unanimously approved:

WHEREAS, reference is made to that certain Master Loan Agreement, dated as of February 9, 2010, between Pennichuck East Utility, Inc. (the "Corporation"), as borrower, and CoBank, ACB ("CoBank"), as lender (the "MLA");

WHEREAS, by resolutions taken on February 4, 2010, the directors of the Corporation approved the MLA and transactions related to loans dated February 9, 2010; and

WHEREAS, the Corporation finds it beneficial that the Corporation take out an additional loan under the terms and conditions of the MLA (such New Loan further described below), for the purposes of refinancing 2019 used and useful capital expenditures paid for with the CoBank Fixed Asset Line of Credit.

NOW, THEREFORE, be it hereby:

Resolved: to authorize and approve that the Corporation enter into a term loan (the "New Loan") to be advanced under and subject to the terms and conditions of the MLA and a new Promissory Note and Supplement thereto, as follows: up to Eight Hundred Five Thousand Dollars and No Cents (\$805,000.00) with a 20-25 year amortization schedule.

Further

Resolved: to approve the other resolutions set forth in Exhibit A relating to said MLA and the New Loan, as proposed by CoBank and recommended by management, including without limitation that the Chief Executive Officer, the Chief Operating Officer and the Assistant Treasurer of the Corporation are, and each is, authorized to act as the Corporation's representative for the purposes of executing and administering documents necessary to effecting the above-referenced loans subject to the MLA, and/or executing any other related documents, certificates and undertakings on behalf of the Corporation with respect to said New Loan.

CoBank FALOC

L. Goodhue indicated that he is seeking the Board's authority to begin the process to renew the Fixed Asset Line of Credit with CoBank. The matter was discussed earlier today at the Pennichuck Corporation Board of Directors meeting.

On motion duly made by E. Dunn and seconded by P. Stanley, all of the Directors present then voting, it was unanimously

Resolved: that the Board of Directors hereby authorize the Chief Executive Officer of the Company to take the necessary steps to renew the Fixed Asset Line of Credit with CoBank.

Intercompany Refinance

The Chairman asked for a motion to approve the resolutions in the Agenda relating to the refinancing of short term obligations between Pennichuck Corporation and Pennichuck East Utility, Inc. The refinancing was discussed and approved earlier today at the Pennichuck Corporation Board meeting.

On motion duly made by J. Dore and seconded by P. Stanley, all of the Directors present then voting, it was unanimously:

Resolved: that the Board of Directors of Pennichuck East Utility, Inc. (the "Company") hereby authorizes the Company to refinance the outstanding balance of short term advances of \$5.0 million between the Company and Pennichuck Corporation as existed on December 31, 2019, for a term of 30 years at an interest rate of approximately 3.5% on a fully amortizing basis, converting short term obligations from the Company to Pennichuck Corporation to long term notes payable.

There being no further business to come before the Board, the meeting was adjourned at 9:29 a.m.

/s/ Suzanne L. Ansara

Suzanne L. Ansara
Corporate Secretary

EXHIBIT A

RESOLUTIONS OF THE BOARD OF DIRECTORS
ADOPTED ON FEBRUARY 28, 2020
of
PENNICHUCK EAST UTILITY, INC.
Merrimack, New Hampshire

WHEREAS, Pennichuck East Utility, Inc. ("Borrower"), under its articles of incorporation, bylaws, or other organizational documents has full power and authority to borrow money and to secure the same with its own property and property delivered to it for marketing or otherwise; and

WHEREAS, all prerequisite acts and proceedings preliminary to the adoption of these Resolutions have been taken and done in due and proper form, time and manner;

NOW, THEREFORE, BE IT RESOLVED, that the Chief Executive Officer, the Chief Operating Officer, and the Assistant Treasurer ("Officers") of the Borrower are jointly and severally authorized and empowered to obtain for and on behalf of the Borrower from time to time, from CoBank, ACB ("CoBank"), a loan or loans or other financial accommodations (including, without limitation, letters of credit, note purchase agreements and bankers acceptances) (collectively, a "Loan") under these Resolutions; and for such purposes: (1) to execute such application or applications (including exhibits, amendments and/or supplements thereto) as may be required for all borrowings; (2) to obligate the Borrower to pay such rate or rates of interest as the Officers so acting shall deem proper, and in connection therewith to purchase such interest rate risk management products as may be offered from time to time by CoBank; (3) to obligate the Borrower to make such investments in CoBank as required by CoBank and to obligate the Borrower to such other terms and conditions as the Officers so acting shall deem proper; (4) to execute and deliver to CoBank or its nominee all such written loan agreements, documents and instruments as may be required by CoBank in regard to or as evidence of any Loan made pursuant to the terms of this Resolution; (5) to pledge, grant a security interest or lien in, or assign property of the Borrower or property of others on which it is entitled to borrow, of any kind and in any amount as security for any or all obligations (past, present and/or future) of the Borrower to CoBank; (6) to execute and deliver to CoBank an Electronic Commerce Master Service Agreement, a separate Service Agreement for each different service requested by the Borrower, and such other agreements, addenda, documents or instruments as may be required by CoBank in the event that the Borrower elects to use CoBank's electronic banking system (the "System"); (7) to execute and deliver to CoBank any agreements, addenda, authorization forms and other documents or instruments as may be required by CoBank in the event that the Borrower elects to use any services or products related to the Loan that are offered by CoBank now or in the future, including without limitation an automated clearing house (ACH) service; (8) from time to time amend any such Loan; (9) to direct and delegate to designated employees of the Borrower the authority to direct, by written or telephonic instructions or electronically, if the Borrower has agreed to use the System for such purpose, the disposition of the proceeds of any Loan authorized herein or any property of the Borrower at any time held by CoBank; and (10) to delegate to designated employees of the Borrower the authority to request by telephonic or written means or electronically, if the Borrower has agreed to use the System for such purpose, loan advances and/or other financial accommodations, and in connection therewith, to fix rates and agree to pay fees. In the absence of any direction or delegation authorized in (9) or (10) above, all existing directions and/or delegations shall remain in full force and effect and shall be applicable to any Loan authorized herein.

RESOLVED FURTHER, That each of the Officers are hereby jointly and severally authorized to: (1) establish a Cash Investment Services Account at CoBank; (2) make such investments therein as any Officer shall deem proper; (3) direct by written or telephonic instructions or electronically, if the Borrower has agreed to use the System for such purposes, the disposition of the proceeds therein; (4) delegate to designated employees of the Borrower the authority set forth in (2) and (3) above; and (5) execute and deliver all documents and agreements necessary to carry out this authority.

RESOLVED FURTHER, That each of the Officers are hereby jointly and severally authorized and directed to do and/or cause to be done, from time to time, all things which may be necessary and/or proper for the carrying out of the terms of these Resolutions.

RESOLVED FURTHER, That all prior acts by the Officers or other employees or agents of the Borrower to accomplish the purposes of these Resolutions are hereby approved and ratified.

RESOLVED FURTHER, That any Officer of the Borrower is hereby authorized and directed to cast the ballot of the Borrower in any and all proceedings in which the Borrower is entitled to vote for the selection of a member of CoBank's board of directors or for any other purpose.

RESOLVED FURTHER, That these Resolutions shall remain in full force and effect until a certified copy of a duly adopted resolution effecting a revocation or amendment, as the case may be, shall have been received by CoBank. The authority hereby granted shall apply with equal force and effect to the successors in office of the Officers herein named.

RESOLVED FURTHER, That effective on the date when the Loan under these Resolutions becomes available, the following listed Resolutions are hereby revoked: N/A .

RESOLVED FURTHER, That the Secretary or any Assistant Secretary of the Borrower is hereby authorized and directed to certify to CoBank a copy of these Resolutions, the names and specimen signatures of the present Officers above referred to, and if and when any change is made in the personnel of any said Officers, the fact of such change and the name and specimen signatures of the new Officers. CoBank shall be entitled to rely on any such certification until a new certification is actually received by CoBank.