

PENNICHUCK CORPORATION

COMPENSATION AND BENEFITS COMMITTEE  
MINUTES OF DECEMBER 15, 2020 MEETING

A meeting of the Compensation and Benefits Committee (“Committee”) of the Board of Directors of Pennichuck Corporation (“Company”) was held on Tuesday, December 15, 2020 at 4:30 p.m.

Due to the COVID-19 virus and in accordance with the state of emergency declared by Governor Sununu, the meeting was held electronically using the Microsoft Teams platform, for the safety of the Committee Members and Pennichuck employees. Telephone access to the meeting was provided for members of the public.

Pursuant to Governor Sununu’s Emergency Order #12 dated March 23, 2020, the requirement under RSA 91-A:2, III(b) that a quorum be physically present at a meeting has been waived.

Written materials relating to items listed in the Agenda were provided to the Committee members for their review prior to the meeting.

By roll call, the following Committee Members were present at the start of the meeting, constituting a quorum. Each Committee Member stated that they were alone.

Committee Members:            Stephen D. Genest, Chairman  
   David P. Bernier  
   C. George Bower  
   Elizabeth A. Dunn  
   Thomas J. Leonard

The following persons were also in attendance for the meeting:

Pennichuck Corporation:        Larry D. Goodhue, Chief Executive Officer  
   Donald L. Ware, Chief Operating Officer  
   Mary V. DeRoche, HR Director  
   Suzanne L. Ansara, Corporate Secretary  
   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 November 9, 2020 Committee meeting, on motion duly made by E. Dunn and seconded by T. Leonard, all of the Committee members present then voting by roll call, it was unanimously

Resolved:    that the minutes of the November 9, 2020 meeting of the Compensation and Benefits Committee are hereby approved.

## Workers' Compensation / Safety Review

S. Rossetti 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 1/1/21 workers' compensation experience modification rate is coming in at 0.90 compared to a 0.67 rating in 2020. The modification rate fluctuates depending not only on the number of claims filed in a year, but also on the cost and severity of the claims. She reviewed the claims filed in 2020 to date, which included 2 for knee injuries, 2 for wrist strains, 1 for poison ivy, 1 for a foreign object in the eye, and one for a fall that occurred in 2019 but is still open in 2020 and has involved legal activity. There was a discussion relative to the number of lost time days and expenses incurred.

M. DeRoche said that there were no tick bites reported in 2020 to date. The Company continues to raise awareness of the danger of tick bites with employees, and provides tick resistant clothing and tick kits to employees in the field.

M. DeRoche updated the Committee on COVID-19 protocols. Those employees who are able to work remotely are continuing to do so. Those employees who are working in the field or in the office continue to complete a daily on-line health questionnaire as required by the State of New Hampshire. The Company has continued its focus on hygiene and cleanliness and on social distancing. She indicated that late November/early December was a very active period for COVID-19. There have been three cases of employees having COVID-19 and several cases of employees exposed to COVID-19, who have been in self-quarantine. M. DeRoche said that on the whole, employees have been very focused on following the protocols. She reported that a partnership has been set up with Convenient MD for employees to go to for testing, with results returned to Human Resources. The greatest impact that has occurred due to COVID-19 has been on training which has been either postponed or redefined.

In answer to a number of questions from the Committee, M. DeRoche indicated that the Company has not adopted new guidance from the CDC which lowers the number of days in self-quarantine to seven. The Company continues with its guidance of 14 days in self-quarantine. The Company also continues with its guidance that employees wait 7 days before getting tested after exposure.

She said that the Company's quarantine guidelines are very protective, but the Company has not had an incident of contamination or cross-contamination at any of its worksites and wants to continue that trend. Any exposure has been from the outside and the Company has been able to limit the impact of that on the overall staff. The Company's focus is on consistency in its guidance.

The Committee expressed their appreciation of cooperation from employees in following Company protocols and in doing what they need to do to be protective of themselves and protective of others.

## Safety

D. Ware commented on the Company's safety program. Due to COVID-19, the Company's Safety Committee has been meeting quarterly instead of monthly. Safety audits were held as scheduled in 2020 at the Distribution and Water Supply facilities. A safety audit was not held at the Manchester Street corporate office this year since most employees were not working at the facility. A safety audit will be held at the new facility in Nashua in 2021. Evacuation drills at each facility were not held in 2020, since they are typically done in the summer and most employees were working remotely. Any safety training held in 2020 was completed on-line. D. Ware said that safety training related to traffic safety, trenching and confined space entry will hopefully be held in 2021 in the field, which is more effective.

D. Ware updated the Committee on field collection protocols. The issue was discussed at a previous Committee meeting. Due to COVID-19, field collections were postponed for most of 2020 by order of the Governor and the subject of protocols was put on hold. D. Ware said that due to an incident that occurred between an employee and a customer during a collection at the customer's home, the Company is investigating all options to provide sufficient protection for employees. The Company is looking at providing certain employees with a bodycam. Discussions have taken place with the Company's attorney to find out what the requirements are relative to customer notification if an employee is going to be wearing a bodycam. Advice received is that it varies depending on whether the employee would be recording audio or just video. It is anticipated that field collections will resume in early 2021. There was a discussion relative to the possibility of using a third party collection agency to do the collections. D. Ware said that all options will be looked at and a cost analysis will be done. Meetings with the union will be held to discuss what needs to be done. S. Genest asked that the Committee or the Board be kept informed on how this issue is progressing.

D. Ware said that the City of Nashua has had a very aggressive ongoing plan for paving streets which involves Company employees working out on the streets on a regular basis, raising and lowering gate boxes, etc. He said that in the past the Company has provided its own traffic safety which has not worked out well and stretched the staff. Distribution has hired a contractor that provides traffic control, and it has been working out very well.

GEI, the Company's safety consultant, has been providing Post-Accident Evaluation training which will help the Company in determining whether there was anything the Company could have done differently to avoid an accident.

## Training

M. DeRoche reported that the Company is looking strongly at a new learning management system (LMS), which is part of the Proliant platform. Proliant is the Company's payroll provider, and Proliant's platform is where all HR information and the employee self-service portal is housed. LMS offers compliance training in micro-sessions of 5-7 minutes which are much more modern and up-to-date. The system would house all training, including Company-wide safety training, in one centralized place, which would make it easier to track who has completed their training. The system also offers the ability for the Company to prepare its own training, whether it be a link from American Water Works on confined spaces, or whether it be something that Revenue and Customer Operations would be able to offer employees on billing procedures.

## HR Dashboard Update

S. Rossetti reviewed the HR Dashboard which included data for the years 2018 thru November 2020. Headcount for 2020 is at 127 employees, 54 of which are union employees and 73 of which are non-union employees. S. Rossetti then reviewed the data on overtime, hires and terminations, and workers' compensation related information. S. Genest said that the data presented is excellent and helpful in managing the business to make informed decisions.

There being no further business to come before the Committee, the Chairman adjourned the meeting at 5:56 p.m.

/s/ Suzanne L. Ansara

Suzanne L. Ansara  
Corporate Secretary