



**PENNICHUCK CORPORATION**  
**25 Walnut Street**  
**Nashua, New Hampshire 03060**

**NOTICE OF ANNUAL MEETING OF SOLE SHAREHOLDER**  
**To be Held on Saturday, May 8, 2021, at 9:00 a.m.**

**To Attend the Meeting: Dial 1-425-436-6322, then Enter Access Code 871028#**

To the City of Nashua, New Hampshire, in its capacity as the Sole Shareholder of Pennichuck Corporation:

In accordance with the By-Laws of Pennichuck Corporation and applicable laws, Pennichuck Corporation hereby provides notice that you are cordially invited to attend the Annual Meeting of Sole Shareholder of Pennichuck Corporation. The City of Nashua, New Hampshire, is the Sole Shareholder of Pennichuck Corporation.

The Annual Meeting will be held on Saturday, May 8, 2021, at 9:00 a.m. for the following purpose:

1. To elect three directors, each for a three-year term, and until their successors are elected and qualified.

Due to the state of emergency declared by Governor Sununu relating to the COVID-19 Virus, the Annual Meeting of Sole Shareholder will be conducted via electronic and telephonic means. To attend the meeting, please use the following dial-in instructions:

Dial-in Number: 1-425-436-6322, Access Code: 871028#

To facilitate the City's review of the matters to be addressed at the Annual Meeting, the Pennichuck Corporation Board of Directors have approved the delivery of the Proxy Statement attached to this Notice.

By Order of the Board of Directors,

A handwritten signature in blue ink, appearing to read 'L. Goodhue', written over the printed name.

**LARRY D. GOODHUE**  
*Chief Executive Officer and*  
*Chief Financial Officer*

Nashua, New Hampshire  
March 31, 2021



## **PENNICHUCK CORPORATION**

**25 Walnut Street  
Nashua, New Hampshire 03060**

### **PROXY STATEMENT**

#### **2021 Annual Meeting of Sole Shareholder**

**To be Held on Saturday, May 8, 2021, at 9:00 a.m.**

**To Attend the Meeting: Dial 1-425-436-6322, then Enter Access Code 871028#**

This Proxy Statement is furnished to the City of Nashua, New Hampshire (the “City”), in its capacity as the Sole Shareholder of Pennichuck Corporation (“Pennichuck Corporation” or the “Company”), by the Board of Directors of Pennichuck Corporation, in connection with the solicitation of a proxy to be voted at the Annual Meeting of Sole Shareholder for the purpose set forth in the accompanying Notice of Annual Meeting of Sole Shareholder.

The Annual Meeting will be held on Saturday, May 8, 2021, at 9:00 a.m. Due to the state of emergency declared by Governor Sununu relating to the COVID-19 Virus, the Annual Meeting of Sole Shareholder will be conducted via electronic and telephonic means. To attend the meeting, please use the following dial-in instructions: Dial-in Number: 1-425-436-6322, Access Code: 871028#.

#### **Matter to be Voted Upon at the Annual Meeting**

At the Annual Meeting, the City, in its capacity as the Sole Shareholder of Pennichuck Corporation, is being asked to consider and vote upon the following:

- (1) To elect David P. Bernier, Stephen D. Genest and Thomas J. Leonard to the Pennichuck Corporation Board of Directors, as Class C directors, each for a three-year term, and until their successors are elected and qualified.

#### **Voting at the Annual Meeting**

**Background.** Pennichuck Corporation was acquired by the City on January 25, 2012. This acquisition was accomplished pursuant to an Agreement and Plan of Merger reached between the City and Pennichuck Corporation dated November 11, 2010 (the “Merger Agreement”). The transaction, in which the City issued \$150.6 million of general obligation bonds to acquire the outstanding stock of Pennichuck Corporation and pay all transaction costs, was authorized by special legislation enacted by the State Legislature in 2007 and 2010. The Mayor and the Board of Aldermen unanimously approved the acquisition pursuant to this special legislation on

January 11, 2011. The New Hampshire Public Utilities Commission approved the Merger Agreement on November 23, 2011, concluding that “the transaction is in the public interest and will not have an adverse effect on rates, terms, service, or operation of the utilities.”

***Corporate Structure.*** As part of the acquisition, the corporate structure of Pennichuck Corporation and its utility subsidiaries was retained. Under this structure, the City is the sole shareholder of Pennichuck Corporation. Pennichuck Corporation continues to own five corporate subsidiaries, including three regulated public utilities (Pennichuck Water Works, Inc., Pennichuck East Utility, Inc., and Pittsfield Aqueduct Company, Inc.), an unregulated service company (Pennichuck Water Service Corporation), and a former real estate holding company (The Southwood Corporation).

***Election of the Board of Directors.*** Under this corporate governance system, the City exercises its control over Pennichuck Corporation in its capacity as the Company’s Sole Shareholder in accordance with the Articles of Incorporation, the By-Laws and the New Hampshire laws governing business corporations. In accordance with these rules, Pennichuck Corporation’s business affairs are managed and overseen by a Board of Directors. One of the most important responsibilities of the City, in its capacity as Sole Shareholder, is to elect members of the Board of Directors from individuals nominated by the Pennichuck Corporation Board of Directors at the Company’s Annual Meeting.

***Voting at the Annual Meeting.*** It is important to remember that the City itself is the Sole Shareholder, not any individual person who may hold an office with the City. The City must exercise its responsibilities as Sole Shareholder through public meetings of the City’s Board of Aldermen and Mayor, acting in accordance with applicable New Hampshire laws and the provisions of the City Charter. As a municipal entity, the City is not typically in a position to “attend” an annual meeting, or any other meeting of the Sole Shareholder, “in person.”

Traditional corporate law principles provide a ready solution for this type of “institutional” voting of shares. As the Sole Shareholder, the City may review the proposed vote and take action at appropriate City meetings determined by the City. The City may then either designate an individual person to attend the Annual Meeting in person with the authority to vote the City’s shares in accordance with the City’s determination, or the City may vote its shares by proxy.

To facilitate these options, the Pennichuck Corporation Board of Directors has prepared this Proxy Statement which contains details of the business to be conducted at the Annual Meeting. If the City determines to vote its shares by proxy, it should cause the enclosed proxy card to be completed and returned to Pennichuck Corporation prior to the Annual Meeting. By executing the enclosed proxy card, the City will be designating the actions it has determined to take with respect to the matters to be heard at the Annual Meeting and will be authorizing the officers of the Company named on the proxy card to act as the City’s proxy to vote on the City’s behalf at the Annual Meeting in accordance with the instructions set forth on the proxy card.

## Corporate Governance Matters

**Current Board of Directors.** The Pennichuck Corporation Board of Directors is divided into three classes, each class serving for three years following their election and until their successors have been elected and qualified.

The number of Directors is currently fixed at eleven. Of the eleven directors, three have terms ending in 2021 (Class C), four have terms ending in 2022 (Class A), and four have terms ending in 2023 (Class B).

The current members of the Company's Board of Directors are as follows:

<u>Term Expiring 2021</u> Class C	<u>Term Expiring 2022</u> Class A	<u>Term Expiring 2023</u> Class B
David P. Bernier Stephen D. Genest Thomas J. Leonard	C. George Bower Jay N. Lustig John D. McGrath Preston J. Stanley, Jr.	James P. Dore Elizabeth A. Dunn H. Scott Flegal Deborah Novotny

**Board Meetings, Committee Meetings and Attendance.** In 2020, the Company's Board of Directors held 14 Board meetings and 12 Committee meetings. Each current member of the Board attended a majority of the total number of meetings of the Board of Directors and the number of meetings of all committees of the Board on which they served. All members of the Board of Directors attended the 2020 Annual Meeting of Sole Shareholder.

**Board Compensation.** In 2020, each director, with the exception of Scott Flegal, received an annual retainer of \$12,000. Mr. Flegal, who joined the Board on May 2, 2020, received \$8,000 in compensation for his services as a director.

**Annual Performance Evaluation.** The Board of Directors conducts an annual self-evaluation of the Board and its Committees to determine whether they are functioning effectively. Each Committee is also required to evaluate their performance.

**Corporate Code of Conduct.** The Company has adopted a written Corporate Code of Conduct that applies to its directors, officers and employees. A current copy of the Corporate Code of Conduct can be found on the Company's website at [www.pennichuck.com](http://www.pennichuck.com), under the "Board of Directors – Meetings, Minutes and Corporate Governance" caption.

**Board Committees.** The Board of Directors has established four standing committees: the Audit, Finance and Risk Committee, the Communications Committee, the Compensation and Benefits Committee, and the Nominating and Governance Committee.

Each Committee has adopted a written Charter which sets forth its purpose, membership, duties and responsibilities. A copy of each Charter can be found on the Company's website at [www.pennichuck.com](http://www.pennichuck.com), under the "Board of Directors – Meetings, Minutes and Corporate Governance" caption.

The current members of the Board Committees are as follows:

Audit, Finance and Risk Committee

James P. Dore, Chairman  
C. George Bower  
H. Scott Flegal  
Thomas J. Leonard  
Deborah Novotny

Communications Committee

Jay N. Lustig, Chairman  
James P. Dore  
Thomas J. Leonard  
Deborah Novotny  
Preston J. Stanley, Jr.

Compensation and Benefits Committee

Stephen D. Genest, Chairman  
David P. Bernier  
C. George Bower  
Elizabeth A. Dunn  
Thomas J. Leonard  
John D. McGrath

Nominating and Governance Committee

Elizabeth A. Dunn, Chairman  
Stephen D. Genest  
Thomas J. Leonard  
Jay N. Lustig  
Preston J. Stanley, Jr.

***Audit, Finance and Risk Committee.*** The Audit, Finance and Risk Committee is responsible for the appointment, compensation and retention of the independent auditors; preapproval of all audit and non-audit services to be provided by the independent auditors; review and approval of all related party transactions; review and evaluation of the qualifications, performance and independence of the lead partner of the independent auditors; oversight of the integrity of the Company's financial statements and internal controls; oversight of Company financing activities; oversight of the policies and procedures established to assess, monitor and control operational and financial risk; and oversight of the Company's insurance programs. The Audit, Finance and Risk Committee held 3 meetings in 2020.

***Communications Committee.*** The Communications Committee develops and assists with the policies and strategies of external communications between the Board, the Company and the Sole Shareholder, other stakeholders, and the public, as needed. The Communications Committee did not meet in 2020.

***Compensation and Benefits Committee.*** The Compensation and Benefits Committee is responsible for annually reviewing and approving corporate goals and objectives relevant to Chief Executive Officer compensation; evaluating the Chief Executive Officer's performance in light of those goals and objectives, and determining and recommending to the Board of Directors the Chief Executive Officer's compensation based on evaluation of performance; reviewing and approving executive salaries; reviewing and approving any employment agreements, special compensation and benefits, or severance arrangements as they pertain to executive officers other than the Chief Executive Officer; overseeing the Company's compensation and benefit policies; and recommending to the Board of Directors the establishment, termination or amendment of existing compensation and employee benefit plans. The Compensation and Benefits Committee held 6 meetings in 2020.

***Nominating and Governance Committee.*** The Nominating and Governance Committee is responsible for identifying individuals qualified to become Board members; recommending to the Board the persons to be nominated by the Board for election as directors at the Annual Meeting of Sole Shareholder; developing and recommending to the Board of Directors a set of corporate governance principles; overseeing an annual self-evaluation of the Board; and annually reviewing the Corporate Code of Conduct. The Nominating and Governance Committee is authorized to retain advisors and consultants and to compensate them for their services. The Nominating and Governance Committee did not retain such advisors or consultants during 2020. The Nominating and Governance Committee held 3 meetings in 2020.

As part of the nomination process, the Nominating and Governance Committee reviewed the current composition of the Board as a whole, and reviewed the qualifications and performance of the incumbent directors who are up for re-election to the Board in 2021.

The Nominating and Governance Committee considers whether to nominate any candidate for director in accordance with the criteria set forth in its Charter, subject to the restrictions set forth in the Company's By-Laws. These criteria include the candidate's integrity, business acumen, knowledge of the Company's business and industry, experience, diligence, conflicts of interest, and the ability to act in the interests of the Sole Shareholder. The Committee does not assign specific weights to particular criteria and no particular criterion is a prerequisite for each prospective nominee. The backgrounds and qualifications of the Company's directors, considered as a group, should provide a composite mix of experience, knowledge and abilities that will allow the Board of Directors to fulfill its responsibilities.

***Senior Management.*** The members of the Company's Senior Management team are as follows:

***Larry D. Goodhue, Chief Executive Officer and Chief Financial Officer***

Mr. Goodhue has been the Chief Executive Officer and Chief Financial Officer of Pennichuck Corporation and its subsidiaries since November 6, 2015. He was the Chief Financial Officer and Controller from March 2012 through November 2015, and Treasurer from March 2012 until May 2, 2020. He was Controller from December 2006 to March 2012. Mr. Goodhue served as a financial consultant to Metrobility Optical Systems, Inc. from July 2006 to October 2006 and to Pennichuck Corporation from October 2006 to November 2006. From October 2005 to June 2006, he was the Vice President of Finance and Administration for Metrobility Optical Systems, Inc. and the Corporate Controller from September 2000 to September 2005. From May 2000 to August 2000, he served as Acting Chief Operating Officer for Annalee Mobilitee Dolls, Inc. and was the Controller from January 1998 to April 2000. Mr. Goodhue holds a Bachelor of Science degree in Business Administration from Merrimack College, and is a Certified Public Accountant in the State of New Hampshire (for which his certification is currently in an inactive status). Mr. Goodhue's base annual salary beginning as of April 1, 2020 was \$218,171.

**Donald L. Ware, *Chief Operating Officer***

Mr. Ware has been the Chief Operating Officer of Pennichuck Corporation since January 27, 2012. He was the Senior Vice President of Operations and Engineering of Pennichuck Corporation from 2004 to January 2012, and Chief Engineer and Vice President from 1995 to 2004. Mr. Ware is also the Chief Operating Officer of Pennichuck Water Works, Inc. and the Company's other water utilities. From 1986 to 1995, Mr. Ware was General Manager for the Augusta Water District in Augusta, Maine. Mr. Ware holds a Bachelor of Science degree in Civil Engineering from Bucknell University and a Master of Business Administration degree from the Whittemore Business School at the University of New Hampshire. Mr. Ware's base annual salary beginning as of April 1, 2020 was \$212,197.

**Summary of Proposal to be Voted Upon at the Annual Meeting**

**PROPOSAL 1 – ELECTION OF DIRECTORS**

On February 26, 2021, the Company's Board of Directors took action to recommend that the Sole Shareholder elect David P. Bernier, Stephen D. Genest and Thomas J. Leonard as Class C directors, each for a three-year term and until their successors are elected and qualified.

***THE BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR" EACH OF THESE THREE NOMINEES.***

Information regarding the professional backgrounds for each nominee follows:

**Nominees for Director:**

**David P. Bernier**

(Director Since: January 2012)

Mr. Bernier was the Superintendent of the North Conway Water Precinct in North Conway, NH from October 2004 until his retirement on February 28, 2018. Beginning on May 1, 2018, Mr. Bernier joined the firm of Wright-Pierce as a Resident Engineer. He was the Superintendent of Public Works for the Town of Dartmouth, MA from November 2000 to October 2004, and Supervisor of the Water and Sewer Department from March 2000 to November 2000. He was the Superintendent of the Town of Gorham, NH Water and Sewer Department from October 1984 to March 2000. Mr. Bernier holds an AAS degree with emphasis in water treatment from New Hampshire Technical College.

**Stephen D. Genest**

(Director Since: January 2012)

Mr. Genest is a retired Human Resource professional currently doing consulting work as well as serving on the Board of Directors as Treasurer for NH Humanities and serving on the Board of Directors of Families Flourish Northeast. He was the Nashua Community Coordinator for Southern New Hampshire Services in Nashua, NH from October, 2017 through February, 2020. Mr. Genest was the Director of Human Resources of SMITHS Titeflex Aerospace in Laconia, NH from 2007 until his retirement on January 1, 2017. From 2006 to 2007, Mr. Genest was the Director of Human Resources for L3 Communications Security and Detection Systems in Woburn, MA. He was the Director of Human Resources for Ametek Aerospace and Defense in Wilmington, MA from 2000 to 2005, and Manager of Employee Relations from 1997 to 2000. From 1986 to 1996, Mr. Genest held various positions in Human Resources at Nashua Corporation in Nashua and Merrimack, NH. Mr. Genest holds a Bachelor of Arts degree in English from St. Anselm College, a Master's degree in English from Rivier College, and a Master of Business Administration from Rivier College.

**Thomas J. Leonard**

(Director Since: January 2012)

Mr. Leonard has served as the Chairman of Pennichuck Corporation's Board of Directors since January 27, 2012. He has been an Attorney with the law firm of Welts White and Fontaine, PC in Nashua, NH since 2011. From 1996 through 2010, Mr. Leonard was In-House Counsel, COO and Director of Friel Business Enterprises in Hudson, NH. Mr. Leonard holds a Bachelor of Arts degree in Economics from Dartmouth College, and a Juris Doctor degree from University of New Hampshire Law (formerly Franklin Pierce Law Center).