

PENNICHUCK CORPORATION

COMPENSATION AND BENEFITS COMMITTEE
MINUTES OF DECEMBER 16, 2022 MEETING

A meeting of the Compensation and Benefits Committee (“Committee”) of the Board of Directors of Pennichuck Corporation (“Company”) was held on Friday, December 16, 2022 at 11:26 a.m.

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

The following Committee Members were present for the meeting:

Stephen D. Genest, Chairman (via Microsoft Teams)
David P. Bernier (via Microsoft Teams)
Thomas J. Leonard
John D. McGrath
Sarah Pillsbury (via Microsoft Teams)

S. Genest, D. Bernier and S. Pillsbury stated the reasons they could not attend the meeting in person, that they were alone, and could hear the proceedings.

The following members of the Pennichuck Corporation Board of Directors were present:

C. George Bower
Amymarie R. Corriveau
Elizabeth A. Dunn (via Microsoft Teams)
H. Scott Flegal
Jay N. Lustig (via Microsoft Teams)
Deborah Novotny (via Microsoft Teams)
Preston J. Stanley, Jr.

Present from Pennichuck Corporation were:

Larry D. Goodhue, Chief Executive Officer
Mary V. DeRoche, HR Director
Suzanne L. Ansara, Corporate Secretary
Carol Ann Howe, Assistant Treasurer
Tara Gosselin, HR Generalist (via Microsoft Teams)

C. Howe recorded the minutes of the meeting.

Approval of Minutes

There being no comments on the draft minutes of the Committee’s October 31, 2022 meeting and non-public session, on motion duly made by J. McGrath and seconded by S. Pillsbury, all of the Committee members then voting by roll call, it was unanimously

Resolved: that the minutes of the October 31, 2022 meeting of the Compensation and Benefits Committee are hereby approved.

Resolved: that the sealed minutes of the October 31, 2022 non-public session of the Compensation and Benefits Committee are hereby approved.

Workers' Compensation / Safety / Training 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 1/1/23 workers' compensation experience modification rate is coming in at 1.37 compared to a 1.14 rating in 2022. 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 causes of claims filed in 2022 to date, mostly from slips and falls. There was a discussion relative to the number of lost time days and medical costs, and ways to reduce the Company's experience modification rate.

M. DeRoche commented on the Company's safety program. She said that the Company is continuing its partnership with its safety consultant, GEL. The Company's Safety Committee meets quarterly. Safety audits have been held at all facilities in 2022. An evacuation drill was held at the Main Office in December. The Company continues to use the same vendor for traffic zone safety. Supervisors have been utilizing the "5 Why" post-accident evaluation process.

With regards to training, M. DeRoche reported that in 2022 all employees completed their: (i) online annual safety training; (ii) refresh on Intruder Awareness with a consultant; and refresh on the drug/alcohol use and abuse policy. M. DeRoche reviewed the 2023 training schedule.

HR Dashboard Update

T. Gosselin reviewed the HR Dashboard which included data for the years 2019 thru 2022. Headcount at the end of 2022 was discussed. T. Gosselin then reviewed the 2022 data on recruitment activity, Workers' Compensation, medical absences, hires and terminations. There was a discussion regarding the struggles the Company is facing in filling open positions.

Annual Review of Committee Charter

After discussion, it was agreed that the Committee's Charter was adequate for its purposes and no changes were necessary.

There being no further business to come before the Committee, the Chairman adjourned the meeting at 12:15 p.m.

Carol Ann Howe

Carol Ann Howe
Assistant Treasurer