

PENNICHUCK CORPORATION

AUDIT, FINANCE AND RISK COMMITTEE
MINUTES OF NOVEMBER 28, 2022 MEETING

A meeting of the Audit, Finance and Risk Committee (“Committee”) of the Board of Directors of Pennichuck Corporation (“Company”) was held on Monday, November 28, 2022 at 4:30 p.m., at the Company’s offices at 25 Walnut Street, Nashua, NH.

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 at the start of the meeting constituting a quorum:

Committee Members: C. George Bower, Chairman
 Aymarie R. Corriveau
 H. Scott Flegal
 Thomas J. Leonard
 Deborah Novotny

The following individuals were present for all or a portion of the meeting:

Pennichuck Corporation: Larry D. Goodhue, Chief Executive Officer
 Suzanne L. Ansara, Corporate Secretary
 George Torres, Corporate Controller and Treasurer
 Carol Ann Howe, Assistant Treasurer
 Lori Douglas, Accounting Manager

Melanson, P.C.: Deborah Tarbox, Principal

S. Ansara recorded the minutes of the meeting.

Approval of Minutes

There being no comments on the draft minutes of the September 26, 2022 and October 28, 2022 Committee meetings, on motion duly made by S. Flegal and seconded by T. Leonard, all of the Committee members then voting, it was unanimously

Resolved: that the minutes of the September 26, 2022 and October 28, 2022 meetings of the Audit, Finance and Risk Committee are hereby approved.

2022 Audit Plan

D. Tarbox led a discussion relating to the 2022 year-end Audit Plan, a copy of which was included in the written materials to the Committee. She indicated that Melanson has already had discussions with management regarding changes in personnel and processes, any new debt, and ongoing rate cases, and worked on a detailed timeline in which to finish the audit. She reviewed Melanson's responsibilities with regard to their audit of the Company's financial statements. She reviewed the significant risks that will require special audit consideration. There was a discussion relative to regulatory assets and the new lease standard. She then reviewed the timing and scope of the audit work to be performed. Ms. Tarbox indicated that Melanson expects to complete their fieldwork by February 10. Draft financial statements are expected to be available by March 17, and final audited financial statements released no later than March 24. D. Tarbox then discussed changes in staffing for the audit from the previous year.

D. Tarbox answered a number of questions from G. Bower regarding the Engagement Letter for the 2022 audit, which was provided to him for his execution prior to the meeting.

One of the questions asked by G. Bower related to whether the Company's audited financial statements are posted to the website. He referred the Committee to the last sentence of the 1st paragraph on Page 6 of the Engagement Letter, which reads as follows: "However, you agree that you will notify Melanson and obtain our approval prior to including any of our reports on any electronic site." S. Ansara indicated that prior to 2022, the Annual Report to Shareholder included the audited financial statements as an attachment and were posted to the Company's website as one document. Beginning with the 2021 Annual Report to Shareholder, the audited financial statements were not attached to the Annual Report, but were provided separately to the Shareholder, and posted separately on the website. After discussion, it was agreed that Melanson will provide a consent to the Company indicating that the Company can post its audited financial statements on its electronic site and can distribute copies to the Board of Aldermen.

Another question posed by G. Bower related to the Company's right to terminate Melanson's services at any time, and Melanson's right to resign at any time (Page 10, 2nd paragraph of the Engagement Letter). G. Bower indicated that both scenarios should be allowed for "cause" only. After discussion, it was agreed to defer the matter for consideration in next year's audit.

There being no further discussion, the Committee found the Engagement Letter to be acceptable and the letter was executed by G. Bower on behalf of the Audit, Finance and Risk Committee.

On motion duly made by T. Leonard and seconded by A. Corriveau, all of the Committee Members then voting, it was unanimously

Resolved: to accept the audit plan as presented by Melanson at this meeting.

Pension Plan for Employees of Pennichuck Corporation
- Review of 2021 Audited Financial Statements

L. Douglas led a review and discussion of the 2021 audited financial statements and accompanying notes and supplemental schedules for the Pension Plan. It is Melanson's opinion, based on their audit, that the amounts and disclosures in the 2021 financial statements, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. At December 31, 2021, the Pension Plan had approximately \$27.4 million in net assets available for benefits.

Savings Plan for Employees of Pennichuck Corporation
- Review of 2021 Audited Financial Statements

L. Douglas led a review and discussion of the 2021 audited financial statements and accompanying notes and supplemental schedule for the Savings Plan. It is Melanson's opinion, based on their audit, that the amounts and disclosures in the 2021 financial statements, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. As of December 31, 2021, the Savings Plan had approximately \$24.1 million in net assets available for benefits.

SRF Loans – Single Audit Report

L. Douglas reported that a filing of a Single Audit Report is not necessary this year, since Pennichuck East Utility, Inc. did not expend more than \$750,000 of SRF related loans in 2021.

Committee Charter

There was a review of the Committee's Charter. The Committee agreed that the Charter was adequate for its purposes and no changes were necessary.

Move to Non-Public Session

T. Leonard moved that the Committee enter into non-public session to discuss financial or confidential information pursuant to RSA 91-A:3, II(j). S. Flegal seconded the motion.

A roll call of the Committee Members was taken, which resulted as follows:

Yea: G. Bower, A. Corriveau, S. Flegal, T. Leonard, D. Novotny
Nay:

Motion was carried to enter into non-public session at 6:35 p.m.

Reconvene in Public Session

The non-public session ended at 7:13 p.m. and the Committee reconvened in public session.

T. Leonard moved that the Committee seal the minutes of the non-public session under RSA 91-A:3, II(j). S. Flegal seconded the motion. A roll call of the Committee Members was taken, which resulted as follows:

Yea: G. Bower, A. Corriveau, S. Flegal, T. Leonard, D. Novotny

Nay:

Motion was carried to seal the minutes of the non-public session.

There being no further business to come before the Committee, the Chairman adjourned the meeting at 7:14 p.m.

/s/ Suzanne L. Ansara
Suzanne L. Ansara
Corporate Secretary