

PENNICHUCK CORPORATION
COMPENSATION AND BENEFITS COMMITTEE
MINUTES OF DECEMBER 6, 2023 MEETING

A meeting of the Compensation and Benefits (“Committee”) of the Board of Directors of Pennichuck Corporation (“Company”) was held on Wednesday, December 6, 2023 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:

Stephen D. Genest, Chairman
Thomas J. Leonard III
John D. McGrath
Ralph Jenkins
Jay N. Lustig
David P. Bernier (via Microsoft Teams)
Sarah Pillsbury (via Microsoft Teams)
H. Scott Flegal (via Microsoft Teams)

Attending from the Company were:

Larry D. Goodhue, Chief Executive Officer
John J. Boisvert, Chief Engineer
Carol Ann Howe, Assistant Treasurer and Corporate Secretary
Mary V. DeRoche, Human Resources Director
Tara Gosselin, HR Generalist

C. Howe recorded the minutes of the meeting.

Approval of Minutes

There being no comments on the draft minutes of the June 23, 2023 meeting and non-public session, on motion duly made by S. Genest and seconded by R. Jenkins, all of the Committee members then voting by roll call, it was unanimously

Resolved: that the minutes of the June 23, 2023 meeting of the Compensation and Benefits Committee are hereby approved.

Resolved: that the sealed minutes of the June 23, 2023 non-public session of the Compensation and Benefits Committee are hereby approved.

Health/Dental/Life/Disability - Insurance Premiums for Coming Year

M. DeRoche introduced T. Gosselin and her role as it related to benefit administration to the Committee. She presented information on the separate health care plans offered to employees (i.e. Health, Dental and Life/Disability) and discussed the cost of each. M. DeRoche noted there were three health care plans being offered – two HMOs, one a traditional and one a narrow network which only provides coverage for New Hampshire providers and another – a PPO Plan. She indicated the company pays 20% of the premium versus the employee who pays 80%. She went on to discuss the Union plans and noted that they had voted to keep a blended rate which she suggested is a subject that should be addressed in the future. She stated the lowest cost premium for employees is the PPO Plan and the most expensive is the HMO and the one in the middle is the narrow network HMO. She indicated the number of employees opting out of coverage and S. Genest asked who that population was - in which M. DeRoche provided response that we are seeing several new hires still on their parents' plans. She then went on to discuss the Dental Plan and noted that they had obtained quotes on more than one plan but decided to stay with the current one - Metlife. There was some general discussions of potential plan changes in 2025. In conclusion, she discussed the Short Term Disability and Life Insurance plans which are made available to employees at no cost.

Human Resource (HR) Dashboard Update

T. Gosselin reviewed the HR Dashboard which included data for the years 2019 thru 2023. She highlighted activities in several categories including – Headcount, Recruitment Activity, OSHA and Workers Compensation, Medical Activities, etc. Headcount at the end of 2023 was noted and there was a brief discussion on turnover and other hiring related activity.

Workers' Compensation / Safety 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 (2015 through 2024). She indicated the Mod Rate of 1 is "average". She reported that the Company's preliminary 1/1/24 workers' compensation experience modification rate is coming in at 1.6 compared to a 1.37 rating in 2023. 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 2023 to date and noted the trend continues, as in the past years, to be made up of primarily slips and falls.

D. Ware joined the meeting at 5:00 p.m.

M. DeRoche highlighted the various training and safety programs conducted by the Company including safety training developed by the Company's Corporate Trainer. She noted that much of the training is provided to new hires as part of the onboarding process. There are also various annual trainings conducted as well as annual evacuation drills. M. DeRoche described the required drug testing that employees must take part in when they are in an accident. D. Ware also provided input on some of the training programs including the training we provide to new employees. He described some of the items we use our safety consultant for.

S. Genest indicated the HR Dashboard presentation review was put in place about five years ago and noted it has shown to be a valuable tool and strongly encouraged the continuation of this review process in future years.

Annual Review of Committee Charter

S. Genest asked if there were any changes to the Committee's Charter and noted there had not been any in the past several years. There was some brief discussion related to the process of selecting Committee members and a review of the Committee performance each year. It was agreed the processes were being conducted in accordance with the Committee Charter as Committee members were selected by the Chairman of the Board and then voted on per Resolution at the Annual Meeting each year and the review of the Committee's performance is completed each year in the annual Board Surveys. It was agreed to add a review of the Committee's performance to the recurring agenda items completed each year and include it with timing of the annual review of the Committee Charter.

There being no further business to come before the Committee, the Chairman adjourned the meeting at 5:50 p.m.

Carol Ann Howe

Carol Ann Howe
Assistant Treasurer and Corporate Secretary