

PENNICHUCK CORPORATION

AUDIT, FINANCE AND RISK COMMITTEE
MINUTES OF MARCH 25, 2024 MEETING

A meeting of the Audit, Finance and Risk Committee (“Committee”) of the Board of Directors of Pennichuck Corporation (the “Company”) was held on Monday, March 25, 2024, at 4:30 p.m. at the Company’s offices at 25 Walnut Street, Nashua, New Hampshire.

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:

C. George Bower, Chairman
Deborah B. Novotny
Ralph Jenkins
H. Scott Flegal
Brian H. Law (via Microsoft Teams)
Aymarie R. Corriveau

Attending the meeting from the Company were:

John J. Boisvert, Chief Executive Officer and Chief Engineer
George Torres, Chief Financial Officer and Treasurer
Lori Douglas, Corporate Controller
Carol Ann Howe, Assistant Treasurer and Corporate Secretary
Jay Kerrigan, Manager Regulatory Affairs, Internal Control and Business Services

Attending the meeting from Marcum LLP was Deborah Tarbox, Partner.

C. Howe recorded the minutes of the meeting.

Approval of Minutes

There being no comments on the draft minutes of the February 22, 2024 meeting of the Audit, Finance and Risk Committee meeting, on motion duly made by D. Novotny and seconded by A. Corriveau, all of the Committee Members then voting by roll call, it was unanimously

Resolved: that the minutes of the February 22, 2024 meeting of the Audit, Finance and Risk Committee are hereby approved.

Auditor's Governance Letter and Auditor's Report – Marcum

D. Tarbox, provided an overview of the Governance Letter and described the purpose of it. She noted the Governance letter is an Auditor's responsibility under U.S. Generally Accepted Auditing Standards. She also noted they are providing a reasonable level of assurance to communicate any issues of significance. She stated the audit was conducted timely and there were no significant difficulties with management and, as usual with each year, the timing of the required completion of the audit is a challenging one.

D. Tarbox provided an explanation of the information in "Item. 7. Of the Governance Letter. She defined what "known and likely" misstatements refer to and also stated that none were noted. She pointed to the schedule of uncorrected misstatements that were provided in the materials. There were no instances of fraud or violations of laws and regulations coming to the auditors' attention during the course of the audit.

R. Jenkins asked a few questions related to the process of Marcum's involvement in the preparation of the financial statements and G. Torres and D. Tarbox provided input. There was some discussion related to an adjustment recorded by the Company and it was determined it was handled appropriately. D. Tarbox highlighted some items noted on the audit report including that which is the responsibility of the management being the Consolidated Financial Statements. She also mentioned the letter provided by G. Torres related to Going Concern Disclosure and R. Jenkins asked D. Tarbox if it was reviewed by the independent auditor (i.e. the one the reviews Debbie's work outside of Marcum).

There being no further comments, on motion duly made by D. Novotny and seconded by R. Jenkins, all of the Committee Members then voting by roll call, it was unanimously

Resolved: that the Auditors Governance Letter and Audit Report in connection with the audit of the consolidated financial statements of Pennichuck Corporation and Subsidiaries for the year ended December 31, 2023, as presented at this meeting, is hereby accepted.

Review of Draft Audited Consolidated Financial Statements for the years ended December 31, 2023 and 2022

L. Douglas provided input on the Draft Audited Consolidated Financial Statements highlighting items of significance in the Consolidated Balance Sheet, Consolidated Statement of Income, Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Stockholder's Equity Current and Prior Year, and Statement and Cash Flow.

L. Douglas then went on to review the Footnotes, stating Note 2 is the Summary of Significant Accounting Policies of which there are many. She also noted she would not review each item within that note but if there were any questions, she can provide further input. She highlighted significant items within certain notes. On Note 7, Post-Retirement Benefit Plans, there were some questions posed by R. Jenkins and there was a brief discussion that ensued related to the plan, etc.

L. Douglas indicated the Lease described in Note 8 – the majority of it is related to the building we occupy. She went into some detail in Note 10 – Revenue and Contracts with Customers.

She reviewed Note 11 – Income Taxes and R. Jenkins posed some questions for which L. Douglas and G. Torres provided input. There was some significant discussion of the \$9,881,000 regulatory liability stated on the bottom of page 38 of the Financial Statements as well as other tax related items. L. Douglas briefly discussed items in Note 12 – Long Term Debt including loan agreements, debt covenants, dividends paid to the City, MARA, etc.

G. Bower stated we should add an agenda item in the next meeting to address scheduling a separate meeting to discuss the \$9,881,000 regulatory liability and other tax issues that may be of significance.

There being no further comments, on motion duly made by A. Corriveau and seconded by R. Jenkins, all of the Committee Members then voting by roll call, it was unanimously

Resolved: that the draft audited consolidated financial statements for the calendar year 2023, as presented at this meeting, are hereby approved and authorized for release.

Pennichuck employees left the meeting at 5:50 p.m. with the exception of C. Howe.

G. Bower indicated the Chair of the Committee is being asked to make a representation on behalf of the Committee to the Auditors. He had the received the Fraud Certification Letter from Marcum which must be signed off by the Audit, Finance and Risk Committee. In order to accomplish this, he read several questions to the Committee for which they provided affirmation.

B. Law left the meeting at 5:45 p.m.

S. Flegal left the meeting at 6:00 p.m.

D. Tarbox left the meeting at 6:20 p.m.

Pennichuck employees returned to the meeting at 6:20 p.m.

Draft Annual Report to Sole Shareholder

G. Bower asked if anyone had any questions and/or concerns on the Annual Report to the Sole Shareholder. There was one comment noting there was a typographical error on page 7 in the second to last paragraph which needed to be removed. The edit was noted by management.

There being no further comments, on motion duly made by D. Novotny and seconded by R. Jenkins, all of the Committee Members then voting by roll call, it was unanimously

Resolved: that the draft Annual report to the Shareholder, as presented at this meeting, is hereby accepted.

New Chair Discussion

G. Bower noted that the Committee needs to select a new Chair as it was determined that the Chair of the Board of Directors is not able to serve as the Chair on any Committees. Since not all members of the Committee were present, it was agreed to put that selection on hold.

There being no further business to come before the Committee, the Chairman adjourned the meeting at 6:40 p.m.

Carol Ann Howe

Carol Ann Howe, CPA
Assistant Treasurer and Corporate Secretary