



PENNICHUCK®

PENNICHUCK CORPORATION

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

NOTICE OF ANNUAL MEETING OF SOLE SHAREHOLDER

**To be Held on Saturday, May 6, 2023, at 9:00 a.m. at
Pennichuck's Distribution Facility, 16 Daniel Webster Highway, Merrimack, NH**

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 at Pennichuck's Distribution Facility, 16 Daniel Webster Highway, Merrimack, New Hampshire, on Saturday, May 6, 2023, at 9:00 a.m. for the following purpose:

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

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,

LARRY D. GOODHUE
Chief Executive Officer

Nashua, New Hampshire
March 24, 2023



PENNICHUCK CORPORATION

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

PROXY STATEMENT

2023 Annual Meeting of Sole Shareholder

**To be Held on Saturday, May 6, 2023, at 9:00 a.m. at
Pennichuck's Distribution Facility, 16 Daniel Webster Highway, Merrimack, NH**

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 at Pennichuck's Distribution Facility, 16 Daniel Webster Highway, Merrimack, New Hampshire, on Saturday, May 6, 2023, at 9:00 a.m.

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 Elizabeth A. Dunn, H. Scott Flegal, Ralph Jenkins and Deborah Novotny to the Pennichuck Corporation Board of Directors, as Class B 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 thirteen. There is a vacancy on the Board in Class A due to the recent loss of a Board member in February 2023.

The Board currently has twelve “seated” directors. Of the twelve directors, four have terms ending in 2023 (Class B), four have terms ending in 2024 (Class C), and four have terms ending in 2025 (Class A).

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

<u>Term Expiring 2023</u> Class B	<u>Term Expiring 2024</u> Class C	<u>Term Expiring 2025</u> Class A
Elizabeth A. Dunn	David P. Bernier	C. George Bower
H. Scott Flegal	Stephen D. Genest	Amy Marie R. Corriveau
Ralph Jenkins	Thomas J. Leonard	Jay N. Lustig
Deborah Novotny	Sarah Pillsbury	John D. McGrath
		[VACANCY]

Board Meetings, Committee Meetings and Attendance. In 2022, the Company’s Board of Directors held 12 Board meetings and 21 Committee meetings, either virtually or in person. 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 but two members of the Board of Directors attended the 2022 Annual Meeting of Sole Shareholder.

Board Compensation. In 2022, each director received an annual retainer of \$12,000. James Dore, who resigned from the Board on September 30, 2022, received \$9,000 in compensation for his services as a director. Amy Marie Corriveau and Sarah Pillsbury, who joined the Board on May 7, 2022, each received \$8,000 in compensation for their services as directors.

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, under the “Board of Directors – Meetings, Minutes and Corporate Governance” caption.

Board Committees. The Board of Directors has established three standing committees: the Audit, Finance and Risk 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, 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

C. George Bower, Chairman
Aymarie R. Corriveau
H. Scott Flegal
Ralph Jenkins
Thomas J. Leonard
Deborah Novotny

Compensation and Benefits Committee

Stephen D. Genest, Chairman
David P. Bernier
Thomas J. Leonard
John D. McGrath
Sarah Pillsbury

Nominating and Governance Committee

Elizabeth A. Dunn, Chairman
Thomas J. Leonard
Jay N. Lustig
Deborah Novotny

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 4 meetings in 2022, either virtually or in person.

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, other than those overseen directly by the Board of Directors; recommending to the Board of Directors the establishment, termination or amendment of existing compensation and employee benefit plans, other than those under the purview of the Board of Directors or other designated committees; and developing a succession plan for the Chief Executive Officer and senior management and making recommendations for succession to the Board of Directors. The Compensation and Benefits Committee held 8 meetings in 2022, either virtually or in person.

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; annually reviewing the Corporate Code of Conduct; and developing and assisting with the policies and strategies of external communications between the Board, the Company and the Sole Shareholder, other stakeholders, and the public. 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 2022. The Nominating and Governance Committee held 9 meetings in 2022, either virtually or in person.

As part of the nomination process, the Nominating and Governance Committee reviewed the current composition of the Board as a whole, reviewed the qualifications and performance of the incumbent directors who are up for re-election to the Board in 2023, discussed recommendations from Board members to identify a potential director candidate, evaluated the biographical and background information of the potential director candidate, and held both non-public and public interviews of the selected candidate.

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

Mr. Goodhue has been the Chief Executive Officer of Pennichuck Corporation and its subsidiaries since November 6, 2015. He was the Chief Financial Officer from March 2012 through December 31, 2022; the Treasurer from March 2012 to May 2020; and the Controller from December 2006 to November 2015. 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, 2022 was \$233,370.

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, 2022 was \$222,965.

Summary of Proposal to be Voted Upon at the Annual Meeting

PROPOSAL 1 - ELECTION OF DIRECTORS

On March 24, 2023, the Company's Board of Directors took action to recommend that the Sole Shareholder elect Elizabeth A. Dunn, H. Scott Flegal, Ralph Jenkins and Deborah Novotny to the Pennichuck Corporation Board of Directors, as Class B 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 FOUR NOMINEES.

Information regarding the professional backgrounds for each nominee follows.

Nominees for Director:

Elizabeth A. Dunn

(Director Since: January 2012)

Ms. Dunn was an Assistant Attorney General with the State of New Hampshire, Department of Justice, from December 2001 to September 2007. She was a Commissioner of the New Hampshire Crime Victim's Assistance Commission from May 2002 to 2011. She was an Assistant County Attorney with the Office of the Rockingham County Attorney in Brentwood, NH, from May 1999 to December 2001, and an Associate Attorney with the law firm of Boutin & Associates from February 1998 to May 1999. Ms. Dunn previously served as a member of the Board of Selectmen and the Zoning Board of Adjustment for the Town of Windham, NH. She has been the Windham NH School District Moderator since 1993. Ms. Dunn holds a Juris Doctor degree from the University of New Hampshire Law School and a Bachelor of Science degree in Education from Framingham State College.

H. Scott Flegal

(Director Since: May 2020)

Attorney Flegal has practiced business law in Nashua since 1985. He began his career at the law firm of Sullivan & Gregg, P.A. He opened his own law firm in 1994. By appointment of the New Hampshire Supreme Court, Attorney Flegal served from 1991-2001 on the New Hampshire Board of Bar Examiners, and served in 2007 as a member of the New Hampshire Judicial Branch Dispute Resolution Committee. He is a past President of the Nashua Bar Association. In the Nashua community, Attorney Flegal served as President of the Board of Directors of the Greater Nashua Mental Health Center, Board Chair of the Greater Nashua Chamber of Commerce, and was a founding director and past president of Great American Downtown. He currently serves on the Board of Directors of the Nashua Education Foundation and is the Board Chair at Home Health & Hospice Care. Attorney Flegal earned a B.A. from Amherst College and a J.D. from DePaul University College of Law in Chicago.

Ralph Jenkins

(Director Since: January 2023)

Mr. Jenkins retired in 2016 after a 38-year career with Ernst & Young (EY), a public accounting firm. He was the former Managing Partner of EY's Manchester, NH office for 5 years before transferring to the Boston office to complete his career in the consumer products/technology practice. Mr. Jenkins' has extensive experience working with a diverse client base of public and private companies in connection with year-end audits, merger and acquisition transactions, implementation of internal controls to comply with the requirements of the Sarbanes Oxley Act, and the implementation of technical accounting pronouncements. Mr. Jenkins holds a Bachelor of Science degree in Accounting from Bentley University in Waltham, MA. Mr. Jenkins is currently the Vice-Chair of the Board of Directors and Finance Chair of Saint Joseph Hospital in Nashua; a Board, Investment and Audit Committee Member of Covenant Health Systems; and a member of the Finance Committee of Catholic Charities of NH. Mr. Jenkins was the former Board Chair of the Greater Nashua Chamber of Commerce, the Southern NH United Way, and Junior Achievement of NH.

Deborah Novotny

(Director Since: May 2019)

Ms. Novotny has been a Commercial Lender and Senior Vice President of Enterprise Bank in Nashua, NH, since June 2013. From April 2007 to June 2013, Ms. Novotny was a Business Banker and Vice President for Peoples United Bank in Nashua, NH, and from May 1995 to April 2007, Ms. Novotny was a Business Development and Sales Manager and Vice President for TD Bank in Nashua, NH. Ms. Novotny has held many positions with non-profit organizations over the years. She currently serves on the YMCA of Greater Nashua, St. Joseph Hospital, City of Nashua Business & Industrial Development, City of Nashua Revolving Loan Fund, Nashua Community Arts and a member of the Rotary Club of Nashua.