

Source of Supply Abbreviations:														
Core	Served from Nashua Water Treatment Plant													
W	Served from Onsite Community Wells													
MWW	Purchased water from Manchester Water Works													
DWD	Purchased water from Town of Derry Water Dept (source of supply is MWW)													
MVD	Purchased water from Merrimack Village District													
HVWP	Purchased water from Hooksett Village Water Precinct													
RWD	Purchased water from Town of Raymond Water Dept													
HWD	Purchased water from Town of Hudson Water Dept													
MWD	Purchased water from Town of Milford Water Dept													
NCWP	Purchased water from the North Conway Water Precinct													
SWD	Purchased water from Town of Salem Water Dept (source of supply is MWW)													
SW	Surface Water Supply													
N	Non Detect levels of PFAS													
D	Detectable levels of PFAS below EPA Standards													
EX	Levels of PFAS in excess of EPA Standards													
PFAS	PFAS Detected													
TR	PFAS Treatment installed													

COST ALLOCATION AND SERVICES AGREEMENT

This AGREEMENT is entered into as of the 1st day of January, 2006 by and among Pennichuck Corporation ("PNNW"), Pennichuck Water Works, Inc. ("PWW"), Pennichuck East Utility, Inc. ("PEU"), Pittsfield Aqueduct Company, Inc. ("PAC"), Pennichuck Water Service Corporation ("PWSC") and The Southwood Corporation ("TSC").

WHEREAS, PNNW is a holding company and owns all of the issued and outstanding stock of PWW, PEU, PAC, PWSC and TSC (the "Subsidiaries"); and

WHEREAS, to the extent practicable PNNW operates the Subsidiaries as a single economic unit in order to take advantage of available economies of scale through common staffing and a common asset base; and

WHEREAS, PNNW exists and operates for the exclusive benefit of the Subsidiaries and does not conduct any separate operations for its own benefit; and

WHEREAS, in order to further the efficient and cost-effective operation of PNNW and all of its Subsidiaries, PEU, PAC, PWSC and TSC (the "Other Subsidiaries") and PNNW have no employees of their own, but rather rely upon and utilize personnel employed by PWW; and

WHEREAS, PWW leases a portion of an office building located at 25 Manchester Street, Merrimack, New Hampshire where its executive and administrative offices are located; and

WHEREAS, PWW owns certain equipment and other assets that it makes available to the Other Subsidiaries and PNNW for use by them; and

WHEREAS, PNNW and the Other Subsidiaries have no office facilities or office equipment of their own and rely exclusively on PWW to supply these items on an as-needed basis; and

WHEREAS, the services, facilities, and equipment of PWW that are provided to the Other Subsidiaries and PNNW are substantially the same as PWW would be required to provide for itself, individually, if the Other Subsidiaries and PNNW did not exist; and

WHEREAS, as a result of economies of scale there is an economic benefit to be derived by the parties hereto in using and sharing with each other the same officers, staff, office facilities and equipment, which would be more costly to each of them if they were obtained on an individual basis; and

WHEREAS, in particular, such economies of scale result in reduced operating and capital costs for each of the Subsidiaries and result in lower rates for customers of PEU, PAC and PWW (the "Regulated Subsidiaries") than could be achieved if the Regulated Subsidiaries operated on a stand-alone basis;

WHEREAS, based on the expectation and the representation by PWW that, because PWW and the Other Subsidiaries are under common control, the foregoing assets and services will continue to be available to them on an ongoing basis, the Other Subsidiaries and PNNW have not themselves acquired the assets or employed the individuals necessary to provide the services contemplated by this Agreement;

WHEREAS, the "Regulated Subsidiaries, in response to recommendations from the staff of the New Hampshire Public Utilities Commission, wish to amend the cost allocation methodology set forth in the Cost Allocation and Services Agreement among PNNW and the Subsidiaries that is currently on file with the Commission; and

WHEREAS, PNNW and the Subsidiaries wish to enter into this Agreement to reflect the unity of use of the employees of PWW and certain assets of PWW that are owned and operated by PWW for the benefit of all of the Subsidiaries and PNNW;

NOW THEREFORE, in consideration of the foregoing and the mutual agreements set forth below, the parties hereto agree as follows:

I. SERVICES

PWW shall furnish to PNNW and the Other Subsidiaries, and PNNW and the Other Subsidiaries shall utilize, all of the following services upon the terms and conditions hereinafter set forth:

- A. Administrative. PWW shall provide the corporate administrative services required by the Other Subsidiaries and PNNW, including the formulation of recommendations to their respective Boards of Directors, the implementation of the decisions of their respective Boards of Directors, the responsibility for executive decisions, as appropriate, the preparation of contracts, the maintenance of all corporate records and documents, the filing with governmental authorities of all documents required by law or otherwise necessary for the continuance of the corporate existence of the Other Subsidiaries and PNNW, public relations, corporate communications and community affairs, and, in the case of PNNW, responsibility for shareholder relations.
- B. Accounting and Financial. PWW shall provide such accounting and financial services to the Other Subsidiaries and PNNW as they may require. Such services shall include maintaining the general books of account of, and

preparing periodic financial statements and related reports for, the Other Subsidiaries and, on a consolidated basis, PNNW, advising and assisting in the preparation of budgets and planning for the Other Subsidiaries and PNNW, and preparing and filing, or assisting in the preparation and filing of, Federal, State and local tax returns and other reports required by regulatory agencies for the Other Subsidiaries and PNNW. Additionally, PWW shall be responsible for assisting the Other Subsidiaries and PNNW in their acquisition of capital and operating funds, through borrowing and, in the case of PNNW, through the issuance of equity securities. PWW shall prepare and monitor annual budgets for, and shall be responsible for data processing services to the Other Subsidiaries and PNNW, be responsible for securities compliance functions under both state and federal law, providing or procuring internal and external auditing and accounting services, rate and regulatory support, risk management (including procuring insurance coverage) financial planning and all treasury and finance functions.

- C. Information Technology. PWW shall provide the Other Subsidiaries and PNNW with such information technology resources as they may require, including all hardware and software and related support, telecommunications, and customer billing and information services.
- D. Customer Services. PWW shall provide the Other Subsidiaries such services and systems as they shall require for customer servicing, including meter reading and billing, payment remittance, credit, collections, customer relations, customer communications, customer offices and field operations.

- E. Operating Services. PWW shall provide the Other Subsidiaries and PNNW with operating services, including materials management and purchasing, engineering, and facilities and system operation and maintenance.

II. OFFICE SPACE AND FACILITIES

PWW will utilize its premises at 25 Manchester Street, Merrimack, New Hampshire in order to conduct the administrative functions and perform the accounting and financial services required by this Agreement, and will utilize its office equipment on an as-needed basis in connection therewith and as otherwise required by the Other Subsidiaries and PNNW in connection with their operations.

III. FEE

A. The parties hereto agree that the activities undertaken, and costs and expenses incurred, by PNNW are undertaken or incurred for the benefit of the Subsidiaries and shall be allocated to the Subsidiaries in accordance with Section I of Appendix A. The parties agree that PNNW may from time to time, in its sole and absolute discretion, choose not to allocate certain expenses to the Subsidiaries and to bear such expenses itself.

B. In consideration for the services to be rendered, and the office space and facilities to be utilized by PWW as provided in this Agreement, the Other Subsidiaries and PNNW each agree to pay PWW a fee based on actual costs and expenses incurred by PWW which are appropriately allocable to their respective operations, in accordance with the allocation formulas set forth in Section II of Appendix A. In applying the allocation formulas, the parties will utilize data from the then-current fiscal year, except as

otherwise provided on Appendix A. The fee payable for such services will be charged periodically by PWW to PNNW and/or the Other Subsidiaries, as appropriate.

C. Notwithstanding the allocation formulas set forth in Appendix A, PWW shall endeavor, in those instances where it is practical to do so, to direct charge the Other Subsidiaries for expenses that are clearly identifiable as being for a single entity and for which the costs can be clearly and readily separated from other more general costs incurred by PWW. In addition, notwithstanding the allocation formulas set forth in Appendix A, in those cases where PWW incurs an outside expense, such as professional or consulting fees, that are incurred for the benefit of less than all of the Subsidiaries, such expense shall be allocated equally among the Subsidiaries for whose benefit the expense was incurred.

IV. TERMINATION

The term of this agreement shall be seven (7) years (the "Initial Term") beginning on January 1, 2006 and shall continue for an indefinite number of additional one (1) year terms thereafter (each of which is referred to as a "Renewal Term"), except that any party may terminate its participation in this Agreement by giving written notice at least one (1) year prior to the expiration of the Initial Term or any Renewal Term or such lesser notice as may be agreed upon by all of the parties hereto.

V. MISCELLANEOUS

This Agreement supersedes all prior agreements concerning the subject matter hereof between or among the parties hereto, or any of them. This Agreement shall inure to the benefit of and shall be binding upon the parties hereto and their successors and assigns. This Agreement shall be governed by and construed under the laws of the State of New Hampshire.

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed as of the date written above.

PENNICHUCK CORPORATION

BY: William D. Patterson
William D. Patterson, Vice President

PENNICHUCK WATER WORKS, INC.

BY: William D. Patterson
William D. Patterson, Vice President

PENNICHUCK EAST UTILITY, INC.

BY: William D. Patterson
William D. Patterson, Vice President

PITTSFIELD AQUEDUCT COMPANY, INC.

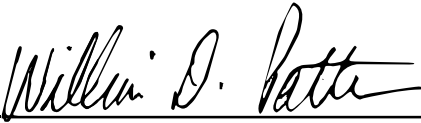
BY: William D. Patterson
William D. Patterson, Vice President

PENNICHUCK WATER SERVICE CORPORATION

BY: William D. Patterson

William D. Patterson, Vice President

THE SOUTHWOOD CORPORATION

BY: 
William D. Patterson, Vice President

I. PNNW Expenses

All overhead expenses incurred by PNNW that are allocated to the Subsidiaries shall be allocated in accordance with the following formula:

$$\text{PNNW Expense} \times \left[\frac{\frac{\text{Revenue of Subsidiary}}{\text{Combined Revenue of All Subsidiaries}} + \frac{\text{Assets of Subsidiary}}{\text{Combined Assets of All Subsidiaries}}}{2} \right]$$

Such expenses may be allocated monthly based on estimated or projected data, but shall be adjusted quarterly based on actual data to the extent reasonably available.

II. Allocable Expenses Not Incurred By PNNW Or Directly Charged To A Subsidiary Other Than PWW

Expenses that are neither incurred by PNNW nor directly charged to one of the Other Subsidiaries (i.e., a Subsidiary other than PWW) and which, if charged to PWW, are not incurred for the exclusive benefit of PWW and its customers shall be allocated among the Subsidiaries in accordance with the following two step process.

(a) First, such expenses will be allocated to PWSC, TSC and the Regulated Subsidiaries (taken as a whole) in accordance with the following formulas:

$$\begin{array}{l} \text{\% Allocated} \\ \text{to PWSC} \end{array} = \frac{\frac{\text{Revenue of PWSC}}{\text{Combined Revenue of All Subsidiaries}} + \frac{\text{PW\&W Employees Dedicated to PWSC}}{\text{Total PW\&W Employees}} + \frac{\text{Square Footage of Headquarters Office Used by PWSC}}{\text{Total Square Footage of Headquarters Office}} + \frac{\text{PWSC Assets}}{\text{Combined Assets of All Subsidiaries}}}{4}$$

APPENDIX A

$$\% \text{ Allocated to TSC} = \frac{\frac{\text{Revenue of TSC}}{\text{Combined Revenue of All Subsidiaries}} + \frac{\text{Square Footage of Headquarter Office Used by TSC}}{\text{Total Square Footage of Headquarters Office}} + \frac{\text{TSC Assets}}{\text{Combined Assets of All Subsidiaries}}}{4}$$

(Note: PSC employees are directly allocated and, therefore, are not included in the numerator of the above formula.)

$$\% \text{ Allocated to Regulated Subsidiaries} = \frac{\frac{\text{Combined Revenues of Regulated Subsidiaries}}{\text{Revenues of All Subsidiaries}} + \frac{\text{(PWW Employees - PWSC Dedicated Employees)}}{\text{Total PWW Employees}} + \frac{\text{Square Footage of Headquarters Office Used by Regulated Subsidiaries}}{\text{Total Square Footage of Headquarters Office}} + \frac{\text{Regulated Subsidiaries' Assets}}{\text{Combined Assets of All Subsidiaries}}}{4}$$

(b) Second, the portion of such expenses that is allocated to the Regulated Subsidiaries in accordance with the foregoing shall in turn be allocated to each of the Regulated Subsidiaries in accordance with the following formula:

$$\frac{\text{Revenue of Subsidiary}}{\text{Combined Revenue of All Regulated Subsidiaries}} + \frac{\text{Average Rate Base of Subsidiary}}{\text{Combined Average Rate Base of All Regulated Subsidiaries}} + \frac{\text{Subsidiary's Number of Customers}}{\text{Combined Number of Customers of All Regulated Subsidiaries}}$$

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State of New Hampshire

Department of State

OFFICE OF SECRETARY OF STATE

CERTIFIED COPY

I, David M. Scanlan, Deputy Secretary of State of the State of New Hampshire, do hereby certify that the attached is a true copy of AMENDMENT, as a New Hampshire Profit Corporation of PENNICHUCK CORPORATION previously PENNICHUCK WATER WORKS, INC., PENNICHUCK WATER WORKS, NASHVILLE AQUEDUCT, INC. as filed in this office and held in the custody of the Secretary of State.

Business ID: 30869

Certificate Number: 4083392



IN TESTIMONY WHEREOF,
I hereto set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 17th day of April A.D. 2018.

A handwritten signature in black ink, appearing to read "David M. Scanlan".

David M. Scanlan
Deputy Secretary of State

State of New Hampshire

Filing fee: \$35.00

Use black print or type.

Form must be single-sided, on 8½" x 11" paper;
double sided copies will not be accepted.

Form 16-A

RSA 293-A:10.07

RESTATED ARTICLES OF INCORPORATION INCLUDING DESIGNATED AMENDMENT(S)

PURSUANT TO THE PROVISIONS OF THE NEW HAMPSHIRE BUSINESS CORPORATION ACT, THE UNDERSIGNED CORPORATION, PURSUANT TO A RESOLUTION DULY ADOPTED BY ITS BOARD OF DIRECTORS, HEREBY ADOPTS THE FOLLOWING RESTATED ARTICLES OF INCORPORATION, INCLUDING DESIGNATED AMENDMENT(S):

FIRST: The name of the corporation as presently recorded is PENNICHUCK CORPORATION

SECOND: Attached are the restated articles of incorporation, as amended, including the designated amendments.

THIRD: If the amendment(s) provides for an exchange, reclassification, or cancellation of issued shares, provision for implementing the amendment if not contained in the amendment(s):

All shares of common stock issued prior to January 25, 2012 shall no longer be deemed outstanding and shall automatically be canceled and retired and shall cease to exist pursuant to Section 2.01(c) of that certain Agreement and Plan of Merger, dated November 11, 2010, between The City of Nashua, New Hampshire, Pennichuck Corporation and Nashua Water Acquisition Corporation.

FOURTH: Except for the designated amendment(s) to article(s) (Note 1) II, III, IV, V, VI, VII, VIII, IX, X, XI, the restated articles of incorporation correctly set forth without change the corresponding provisions of the articles of incorporation as previously amended and the restated articles of incorporation together with the amendment(s) designated herein supersede the original articles of incorporation and all amendments to the articles.

FIFTH: (Check one)

The restated articles contain amendment(s) adopted by the board of directors and did not require shareholder approval.

The restated articles contain amendment(s) which required shareholder approval.

SIXTH: The amendment(s) were adopted on June 15, 2011
(date)

State of New Hampshire
Form 16A - Restated Articles with Designated Amendments 5 Page(s)



T1202527007

RESTATED ARTICLES OF INCORPORATION
INCLUDING DESIGNATED AMENDMENT(S)

Form 16-A
(cont.)

SEVENTH: The amendment(s) were approved by the shareholders. (Note 2)

<u>Designation of voting group</u>	<u>Number of shares outstanding</u>	<u>Number of votes entitled to be cast</u>	<u>Number of votes indisputably represented at the meeting</u>
common	4,681,427	4,681,427	3,809,704

<u>Designation of voting group</u>	<u>Total number of votes cast:</u>		<u>OR</u>	<u>Total number of undisputed votes cast FOR</u>
	<u>FOR</u>	<u>AGAINST</u>		
common	3,307,005	495,818		

EIGHTH: The number cast for the amendment(s) by each voting group was sufficient for approval.

 (Note 3)
(Signature)

Duane C. Montopoli
(Print or type name)

President and Chief Executive Officer (Note 3)
(Title)

Date signed: January 25, 2012

- Notes: 1. Here insert Restated Article NUMBER(S) which are being amended at this time.
2. All sections under "THIRD" must be completed. If any voting group is entitled to vote separately, give respective information for each voting group. (See RSA 293-A:1.40 for definition of voting group.)
3. Signature and title of person signing for the corporation. Must be signed by the chairman of the board of directors, president or another officer; or see RSA 293-A:1.20(f) for alternative signatures.

DISCLAIMER: All documents filed with the Corporate Division become public records and will be available for public inspection in either tangible or electronic form.

Mail fee with DATED AND SIGNED ORIGINAL to: Corporate Division, Department of State, 107 North Main Street, Concord NH 03301-4989.

AMENDED AND RESTATED
ARTICLES OF INCORPORATION
OF
PENNICHUCK CORPORATION

ARTICLE I - NAME

The name of the corporation is PENNICHUCK CORPORATION.

ARTICLE II – CAPITAL STOCK

The aggregate number of shares of capital stock that the Corporation shall have authority to issue is 1000 shares of Common Stock with a par value of \$0.01 per share. The acquisition, ownership and exercise of all of the rights of the capital stock of the Corporation by the City of Nashua, New Hampshire (the “City of Nashua”) are authorized pursuant to Chapter 347, Section 5 of the 2007 Laws of New Hampshire, as amended by Chapter 1, Section 118 of the 2010 Special Session Laws of New Hampshire (the “Special Legislative Authorization”).

ARTICLE III – REGISTERED AGENT AND ADDRESS

The name of the Corporation’s initial registered agent, and the address of the initial registered office of the Corporation is Paul R. Bergeron, City Clerk, 229 Main Street, Nashua, New Hampshire 03060.

ARTICLE IV – SECURITIES LAW STATEMENT

The capital stock of the Corporation will be sold or offered for sale within the meaning of the New Hampshire Uniform Securities Act (RSA 421-B).

ARTICLE V – PURPOSES AND POWERS

The Corporation is organized for the purposes of transacting any and all lawful business for which a corporation may be incorporated under the New Hampshire Business Corporation Act, and such purposes and powers shall be subject to the provisions of the Special Legislative Authorization.

ARTICLE VI – SOLE SHAREHOLDER

The sole holder of all of the outstanding shares of the capital stock of the Corporation shall be the City of Nashua (the “Sole Shareholder”), and all powers and rights of such shares of capital stock shall be exercised by the Sole Shareholder pursuant to the authority and provisions of the Special Legislative Authorization. The Sole Shareholder shall exercise such powers and rights pursuant to vote of the Board of Aldermen of the City of Nashua, considered and adopted in accordance with applicable law and the provisions of the City Charter.

ARTICLE VII – BY-LAWS

The procedures and policies for the internal governance of the Corporation shall be as set forth in the By-Laws of the Corporation, as amended and restated, from time to time.

ARTICLE VIII – BOARD OF DIRECTORS

The Sole Shareholder determines pursuant to the Special Legislative Authority that, subject to the Reserved Powers as set forth in Article VIII hereof, the construction, management, control and direction of the Corporation shall be vested in a Board of Directors (hereinafter, the “Board”). The composition of the Board and the election and appointment of members of the Board shall be in accordance with the By-Laws. The compensation (if any) of any member of the Board shall be determined, fixed and approved by the Sole Shareholder.

ARTICLE IX – RESERVED POWERS

The actions of the Board designated in this Article VIII are subject to powers reserved to the Sole Shareholder (each such action is referred to individually as a “Reserved Power” and collectively referred to as the “Reserved Powers”). Notwithstanding any other provision of these Articles or the By-Laws, no act shall be taken, sum expended, decision made or obligation incurred by the Corporation with respect to a matter within the scope of any of the Reserved Powers unless and until the same has been approved by the Sole Shareholder.

The Reserved Powers referred to in this Article VIII shall be the following:

- (1) any action to change to the name of the Corporation or to the name of any corporation, partnership, or limited liability company directly or indirectly wholly-owned by the Corporation (such entities are referred to herein as the “Subsidiaries”);
- (2) any action to amend to the By-Laws of the Corporation or any of the Subsidiaries;
- (3) any action to (A) create, incur or assume any indebtedness for borrowed money or guarantee any such indebtedness of any person, (B) issue or sell any debt securities or warrants or other rights to acquire any debt securities of the Corporation or any of its Subsidiaries, or (C) guarantee any debt securities of any person;
- (4) any action to authorize the Corporation or any of the Subsidiaries to merge or consolidated with or into, or acquire all or substantially all of the assets of, any corporation, partnership, limited liability company, or any other business entity or person;
- (5) any action to sell, lease, transfer or otherwise dispose of all or any substantial part of the assets (whether in a single transaction or series of transactions during any consecutive 12-month period) of the Corporation or any of the Subsidiaries other than in the ordinary course of the business of the Corporation or any of the Subsidiaries; and

- (6) any action to make any loan or advance to any person or purchase or otherwise acquire any capital stock, obligations or other securities of, or make any capital contribution to, or otherwise invest in, any person other than the Subsidiaries.

ARTICLE X – LIMITATION OF LIABILITY

A director or an officer of the Corporation shall not be personally liable to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 8.33 of the New Hampshire Business Corporation Act, or (iv) for any transaction from which the director derived any improper personal benefit. If the New Hampshire Business Corporation Act is amended after approval of this Article to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the corporation shall be eliminated or limited to the fullest extent permitted by the New Hampshire Business Corporation Act, as so amended. Any repeal or modification of Article IX by the Sole Shareholder of the Corporation shall not adversely affect any right or protection of a director or an officer of the corporation existing at the time of such repeal or modification.

ARTICLE XI – AMENDMENT

These Articles of Incorporation may be amended only by action of the Sole Shareholder.