
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act 1934

Date of Report (Date of earliest event reported): June 19, 2008

UNITIL CORPORATION

(Exact name of registrant as specified in its charter)

New Hampshire
(State or other jurisdiction
of incorporation)

1-8858
(Commission File Number)

02-0381573
(IRS Employer
Identification No.)

6 Liberty Lane West, Hampton, New Hampshire
(Address of principal executive offices)

03842-1720
(Zip Code)

Registrant's telephone number, including area code: (603) 772-0775

N/A
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers

On June 19, 2008, upon the recommendation of its Compensation Committee, the Board of Directors of Unital Corporation (“Registrant” or the “Company”) approved an amended and restated Employment Agreement between the Company and its Chairman, President and Chief Executive Officer, Robert G. Schoenberger. A copy of the Employment Agreement is attached to this Form 8-K as Exhibit 10.1.

Also, on June 19, 2008, upon the recommendation of its Compensation Committee, the Board of Directors of the Company approved amended and restated Forms of Severance Agreement between the Company and employees with whom the Company has an existing Severance Agreement, including named executive officers Robert G. Schoenberger, Mark H. Collin (Senior Vice President, Chief Financial Officer & Treasurer), Thomas P. Meissner, Jr. (Senior Vice President & Chief Operating Officer), George R. Gantz (Senior Vice President, Unital Service Corp.), and Todd R. Black (President, Usource). A copy of the amended and restated Forms of Severance Agreement are attached to this Form 8-K as Exhibits 10.2 and 10.3.

Also, on June 19, 2008, upon the recommendation of its Compensation Committee, the Board of Directors of the Company approved an amended and restated Supplemental Executive Retirement Plan (“SERP”). A copy of the amended and restated SERP is attached to this Form 8-K as Exhibit 10.4. Robert G. Schoenberger, Mark H. Collin and Thomas P. Meissner, Jr. are current participants in the SERP.

The amended and restated Employment Agreement, Forms of Severance Agreement and SERP, referred to above, reflect changes required to be in compliance with IRS Code Section 409A. IRS Code Section 409A standardizes, clarifies and codifies the tax treatment of all deferred compensation and requires compliance by December 31, 2008.

The Employment Agreement amendments include (i) modification of provisions reflecting the SERP to conform to the terms of the amended SERP, (ii) change in form of severance payments to lump sum payments and (iii) revision to the definition of “Good Reason” to conform to the requirements of the safe harbor in Section 409A. The amendments to the Forms of Severance Agreement include (i) revision to the definition of “Good Reason” to conform to the requirements of the safe harbor in Section 409A and (ii) providing that the post change-in-control severance period is limited to two years. The SERP amendments include (i) revisions to payment provisions to comply with Section 409A, (ii) revisions to change in control provisions to comply with section 409A and (iii) providing for a 6 month delay for payments following a separation from service for specified employees. This summary of the material amendments to these agreements is qualified in its entirety by reference to the agreements filed herewith as exhibits and incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

<u>Number</u>	<u>Exhibit</u>
10.1	Amended and restated Employment Agreement between Unital Corporation and Robert G. Schoenberger
10.2	Amended and restated Form of Severance Agreement (Three-Year Term)
10.3	Amended and restated Form of Severance Agreement (Two-Year Term)
10.4	Amended and restated SERP

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, hereunto duly authorized.

UNITIL CORPORATION

By: /s/ Mark H. Collin
Mark H. Collin
Senior Vice President, Chief Financial Officer and
Treasurer

Date: June 20, 2008

AMENDED AND RESTATED EMPLOYMENT AGREEMENT

AMENDED AND RESTATED EMPLOYMENT AGREEMENT (the "Agreement"), effective as of June 30, 2008 (the "Commencement Date"), by and between UNITIL CORPORATION, a New Hampshire corporation (the "Company") and ROBERT G. SCHOENBERGER (the "Executive").

The Company and the Executive previously entered into an employment agreement effective as of November 1, 2006 (the "Prior Agreement"). The Company and the Executive desire to amend and restate the Prior Agreement to address certain issues under Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"). The Company and the Executive agree that this Agreement shall amend and supersede the terms and conditions of the Prior Agreement effective as of the Commencement Date.

The Company desires to employ the Executive and the Executive is willing to be employed by the Company, on the terms and conditions of this Agreement.

Accordingly, in consideration of the premises and the respective covenants and agreements of the parties herein contained, and intending to be legally bound hereby, the parties hereto agree as follows:

1. Employment. The Company hereby agrees to employ the Executive, and the Executive hereby agrees to be employed by the Company, on the terms and conditions set forth herein.

2. Term. The employment of the Executive under this Agreement shall commence on the Commencement Date and shall end at the close of business on October 31, 2009 (the "Term").

3. Title, Duties and Authority. The Executive shall serve as Chairman of the Board of Directors (the "Board") and as a member of the Board, and as Chief Executive Officer and President of the Company, and shall have such responsibilities and duties for the Company and its subsidiaries consistent with the Executive's positions as Chairman, Board member, Chief Executive Officer and President. The Executive shall have all of the powers and duties usually incident to the offices of Chairman, Chief Executive Officer and President. The Executive shall devote substantially all of his working time and efforts to the business and affairs of the Company. The Executive agrees that he shall resign as a Board member effective on the date of his termination of employment with the Company; which agreement shall survive the termination of this Agreement.

4. Compensation and Benefits.

(a) Base Salary. During the Term, the Company shall pay the Executive a base salary ("Base Salary"), payable in accordance with the Company's normal practice for paying base salaries to its executive employees. The Base Salary shall initially be payable at the rate of \$443,302 per annum, and shall be subject to annual review by the Board for discretionary periodic increases in accordance with the Company's compensation policies.

(b) Bonus. The Executive shall participate in the Company's Management Incentive Plan at the target rate of 50%.

(c) Employee Benefits. The Executive shall be entitled to participate in the Company's Supplemental Executive Retirement Program (the "SERP"), and all other employee benefit plans made available by the Company (or any affiliate thereof) to all of its executives during the Term as may be in effect from time to time.

(d) Stock Plans. The Executive shall be entitled to participate in any stock option, restricted stock, phantom stock or similar plan of the Company or any subsidiary as and to the extent provided by the Board from time to time.

(e) Expenses. During the Term, the Executive shall be entitled to receive prompt reimbursement upon submission of expense claims to the Company for all reasonable and customary expenses incurred by the Executive in performing services hereunder, in accordance with the terms and conditions of the Company's expense reimbursement policy. The Executive shall be entitled to a monthly allowance of \$1,000 for the leasing or financing by the Executive of a vehicle in accordance with the Company's automobile policies. The Company shall pay for the membership in a local club.

(f) Vacations. The Executive shall be entitled to paid vacation in accordance with the Company's vacation policy, subject to a minimum of four (4) weeks of paid vacation per year. The Executive shall also be entitled to all paid holidays and sick days given by the Company to its executives.

(g) Taxes. The Company may withhold from any amounts payable under this Agreement such federal, state, local and/or other taxes as shall be required to be withheld pursuant to any applicable law or regulation.

(h) Board Fees. The Executive shall promptly remit to the Company any compensation received by the Executive (including, without limitation, any fees, equity securities or retirement benefits) for service on the board of directors or similar governing body of any entity in which the Company owns at least five percent of the voting equity securities, unless the Board authorizes the Executive to retain some or all of any such compensation. Notwithstanding the foregoing, the Executive shall be entitled to retain any reimbursements paid to him by any such entity of the actual out-of-pocket expenses incurred by the Executive in attending any meeting of any such board or other governing body. Nothing in this Section 4(h) shall be deemed to authorize the Executive to serve on the board of directors or similar governing body of any other entity if doing so would cause the Executive to be in breach of his obligations under any other provision of this Agreement.

(i) Change in Control. The Company and the Executive have entered into a Severance Agreement ("Severance Agreement") dated June 30, 2008, providing for certain compensation and benefits during and after employment (including severance benefits) if a change in control of the Company occurs. This Agreement shall not affect the Executive's rights or obligation under the Severance Agreement and, as long as the Severance Agreement is not in effect, the Severance Agreement shall not affect this Agreement or the Executive's rights or obligations under this Agreement. As provided in the Severance Agreement, if the Severance Agreement becomes effective due to a change in control, the Severance Agreement shall supersede this Agreement.

5. Termination. The Company, by action of the Board, may terminate the Executive's employment hereunder for any reason.

(a) If the Executive's employment is terminated by the Company during the Term for any reason other than for Cause (as defined below), death, or Disability (as defined below), or if the Executive terminates his employment hereunder for Good Reason (as defined below), except as otherwise provided in Section 10 hereof, the Company shall pay to the Executive, as soon as practicable (but in no event more than fifteen (15) days) after the date of termination of employment,

(i) all accrued and unpaid salary, bonus and expense reimbursements,

(ii) a lump sum cash payment equal to the present value of twenty-four (24) monthly salary payments, assuming for this purpose that (A) each monthly salary payment would have been equal to 1/12th of the Executive's Base Salary in effect at the time of his employment termination (disregarding any reductions in Base Salary that were not approved by the Executive) and (B) such monthly salary payments would have been made on each of the 24 monthly anniversaries of the date the Executive's employment terminated,

(iii) a lump sum cash payment equal to the present value of two (2) annual bonus payments, assuming for this purpose that (A) each such annual bonus payment would have been equal to the average of the annual bonus amounts received by the Executive in the two calendar years preceding the year in which the employment termination occurs and (B) the first annual bonus would have been paid on the last business day of the first February following the date of employment termination and the second annual bonus would have been paid on the last business day of the second February following the date of employment termination, and

(iv) a lump sum cash amount equal to the sum of (A) the present value of the monthly cost that would have been incurred by the Company (exclusive of the Executive's portion thereof and determined in good faith by the Company) if it provided group medical, dental and life insurance coverage to the Executive and the Executive's eligible dependents (at the same level and Executive cost as in effect at the time of employment termination) for a period of two (2) consecutive years following employment termination, determined based on the cost of such coverage at the time of employment termination and assuming such cost remained constant through the coverage period, and (B) an additional payment (the "Additional Payment") in an amount such that, after payment by the Executive of all Federal, State, city and local income taxes and the Executive's portion of all payroll taxes imposed upon the Additional Payment, the Executive retains an amount of the Additional Payment equal to the Federal, State, city and local income taxes and the Executive's portion of all payroll taxes imposed upon the payment provided pursuant to subpart (A) of this Section 5(a)(iv). For a period of two (2) consecutive years following employment termination, the Executive and the Executive's eligible dependents shall remain eligible to participate in the Company's group medical, dental and life insurance plan, in each case, that is generally available to other senior executives of the Company; provided, that the Executive shall pay one-hundred (100%) percent of the cost of such coverage. The continued coverage provided under this Section 5(a)(iv) shall not count against the Executive's and the Executive's dependent's continuation of coverage period required under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended (or any similar state or local law).

For purposes of calculating the lump sum cash payments provided by this Section 5, present value shall be determined by using a discount factor equal to one percentage point below the Prime Rate, compounded annually. The "Prime Rate" shall be the base rate on corporate loans at large U.S. money center commercial banks as reported in The Wall Street Journal (or, if such rate is no longer published, such other base rate on corporate loans by large money center commercial banks in the United States to their most creditworthy customers as published by any newspaper or periodical of general circulation) as of the date on which termination shall have occurred.

(b) If the Executive terminates his employment hereunder for any reason other than for Good Reason, if the Executive's employment hereunder is terminated due to the Executive's death, or if the Company terminates the Executive's employment as a result of Disability or Cause, the Company shall have no further obligation hereunder and no further payments (except for accrued and unpaid salary, bonus and expense reimbursement) shall be made to the Executive.

(c) Disability. For purposes of this Agreement, "Disability" shall mean the Executive's incapacity due to physical or mental illness which, if he were to apply, would in the sole determination of the Board entitle him to the receipt of benefits under the Company's long-term disability plan and if the Executive shall not have returned to the performance of his duties hereunder on a full-time basis within thirty (30) days after a written Notice of Termination (as defined in Section 6(a)) is given to the Executive by the Company.

(d) Cause. For the purposes of this Agreement, "Cause" shall mean:

(i) the failure by the Executive to substantially perform the Executive's duties hereunder (other than any such failure resulting from the Executive's incapacity due to physical or mental illness which shall be subject to the provisions of Section 5(c));

(ii) the willful violation by the Executive of any of the Executive's material obligations hereunder;

(iii) the willful engaging by the Executive in misconduct which is materially injurious to the business or reputation of the Company or any of its affiliates; or

(iv) the Executive's conviction of a felony.

Notwithstanding the foregoing, the Executive shall not be terminated for Cause without:

(A) reasonable notice to the Executive setting forth the reasons for the Company's intention to terminate the Executive's employment hereunder for Cause;

(B) the failure of the Executive to cure the nonperformance, violation or misconduct described in the notice referred to in clause (A) of this paragraph, if the cure thereof is possible, to the reasonable satisfaction of the Board, within fifteen (15) days of such notice;

(C) an opportunity for the Executive, together with the Executive's counsel, to be heard before the Board; and

(D) delivery to the Executive of a written Notice of Termination (as defined in Section 6(a)) from the Company notifying him that in the good faith opinion of a majority of the Board the Company is entitled to terminate the Executive for Cause as set forth above, and specifying the particulars thereof in detail.

(e) Good Reason. For the purposes of this Agreement, "Good Reason" shall mean the occurrence of any of the following events or conditions unless the Executive specifically agrees in writing that such event or condition shall not constitute Good Reason:

(i) a material diminution in the Executive's authority, duties or responsibilities or the Company requiring the Executive to report to a corporate officer or employee rather than reporting directly to the Board;

(ii) a material change in the geographic location at which the Executive must perform services, which the Company has determined to include a change in the Executive's principal place of employment by the Company from the location of the Company's principal place of business on the date of this Agreement to a location more than fifty (50) miles from such principal place of business;

(iii) a material diminution in the Executive's base compensation; or

(iv) any other action or inaction that constitutes a material breach by the Company of the Agreement.

6. Termination Procedure.

(a) Notice of Termination. Any termination of the Executive's employment by the Company or by the Executive shall be communicated by a written Notice of Termination to the other party hereto in accordance with Section 8. For purposes of this Agreement, a "Notice of Termination" shall mean a notice which shall indicate the specific termination provision in this Agreement relied upon and the Date of Termination, and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment hereunder pursuant to the provision so indicated.

(b) Date of Termination. "Date of Termination" shall mean:

(i) if the Executive's employment is terminated on account of the Executive's Disability, thirty (30) days after a Notice of Termination has been provided pursuant thereto (provided that the Executive shall not have returned to the performance of the Executive's duties on a full-time basis during such thirty (30) day period);

(ii) if the Executive's employment is terminated for Cause, the date specified in the Notice of Termination provided pursuant thereto; and

(iii) if the Executive's employment is terminated for any other reason, the date on which a Notice of Termination is provided or any later date (within thirty (30) days) set forth in such Notice of Termination.

(c) Termination for Good Reason. Notwithstanding anything herein to the contrary, no event or condition described in Section 5(e) shall constitute "Good Reason" unless (i) the Executive gives the Company notice of the termination for Good Reason within ninety (90) days of the initial existence of the event or condition constituting Good Reason and (ii) the Executive gives the Company thirty (30) days' prior written notice of such termination due to Good Reason and the Company fails to cure such event or condition within the thirty (30) day period.

7. Restrictions.

(a) Reasonable Covenants. It is expressly understood by and between the Company and the Executive that the covenants contained in this Section 7 are an essential element of this Agreement and that but for the agreement by the Executive to comply with these covenants and thereby not to diminish the value of the organization and goodwill of the Company or any affiliate of the Company, if any, including, without limitation relations with their employees, suppliers, customers and accounts, the Company would not enter into this Agreement. The Executive acknowledges that he has been given the opportunity to independently consult with his legal counsel and agrees that such covenants are reasonable and proper.

(b) Noncompetition; No Diversion of Customers, Etc. During the Term and for twelve (12) months after the later of (i) the Executive's Date of Termination, or (ii) the last day a payment is made to the Executive pursuant to Section 5, the Executive shall not:

(i) engage directly, alone or in association with or as a shareholder, principal, agent, partner, officer, director, employee or consultant of any other organization or entity, in competition with the Company and/or any of its affiliates;

(ii) divert to any competitor of the Company or any of its affiliates, any customer of the Company or any of its affiliates; or

(iii) solicit or encourage any officer, employee or consultant of the Company or any of its affiliates to leave the employ of the Company or any of its affiliates for employment by or with any competitor of the Company or any of its affiliates;

provided, however, that the Executive may invest in stocks, bonds or other securities of any competitor of the Company or any of its affiliates if:

(A) such stocks, bonds or other securities are listed on any national or regional securities exchange or have been registered under Section 11(g) of the Securities Exchange Act of 1934;

(B) the Executive's investment does not exceed, in the case of any class of the capital stock of any one issuer, one percent (1%) of the issued and outstanding shares, or, in the case of other securities, one percent (1%) of the aggregate principal amount thereof issued and outstanding; and

(C) such investment would not prevent, directly or indirectly, the transaction of business by the Company and/or any of its affiliates with any state, district, territory or possession of the United States or any governmental subdivision, agency or instrumentality thereof by virtue of any statute, law, regulation or administrative practice.

If, at any time, the provision of this Section 7(b) shall be determined to be invalid or unenforceable by reason of being vague or unreasonable as to the area, duration or scope of activity, this Section 7(b) shall be considered severable and shall become and shall be immediately amended solely with respect to such area, duration and scope of activity as shall be determined to be reasonable and enforceable by the court or other body having jurisdiction over the matter and the Executive agrees that this Section 7(b) as so amended shall be valid and binding as though any invalid or unenforceable provision had not been included herein. Except as provided in this Section 7 and in Section 3, nothing in this Agreement shall prevent or restrict the Executive from engaging in any business or industry in any capacity.

(c) **Public Support and Assistance.** The Executive agrees that following any termination of his employment hereunder by the Company, the Executive shall not disclose or cause to be disclosed any negative, adverse or derogatory comments or information of a substantial nature about the Company or its management, or about any product or service provided by the Company, or about the Company's prospects for the future (including any such comments or information with respect to affiliates of the Company). The Company and/or any of its affiliates may seek the assistance, cooperation or testimony of the Executive following any such termination in connection with any investigation, litigation or proceeding arising out of matters within the knowledge of the Executive and related to the Executive's position as an officer or employee of the Company, and in any such instance, the Executive shall provide such assistance, cooperation or testimony and the Company shall pay the Executive's reasonable costs and expenses in connection therewith; in addition, if such assistance, cooperation or testimony requires more than a nominal commitment of the Executive's time, the Company shall compensate the Executive for such time at a per diem rate derived from the Executive's Base Salary at the time of the Executive's Date of Termination.

(d) **Nondisclosure of Confidential Information.** During the Term, the Executive shall hold in a fiduciary capacity for the benefit of the Company and its affiliates all Confidential Information (as defined below). After termination of the Executive's employment with the Company, the Executive shall keep secret and confidential all Confidential Information and shall not use or disclose to any third party in any fashion or for any purpose whatsoever, any Confidential Information. As used herein, "Confidential Information" shall mean any information regarding this Agreement, or any other information regarding the Company or its affiliates which is not available to the general public, and/or not generally known outside the Company or any such affiliate, to which the Executive has or shall have had access at any time during the course of the Executive's employment with the Company, including, without limitation, any information relating to the Company's (and its affiliates'):

- (i) business, operations, plans, strategies, prospects or objectives;
- (ii) products, technologies, processes, specifications, research and development operations or plans;
- (iii) customers and customer lists;

- (iv) sales, service, support and marketing practices and operations;
- (v) financial condition and results of operations;
- (vi) operational strengths and weaknesses; and
- (vii) personnel and compensation policies and procedures.

Notwithstanding the foregoing provisions of this Section 8, the Executive may discuss this Agreement with the members of the Executive's immediate family and with the Executive's personal legal advisors.

(e) Specific Performance. Without intending to limit the remedies available to the Company, the Executive agrees that damages at law would be an insufficient remedy to the Company in the event that the Executive violates any of the provisions of this Section 7, and that the Company may apply for and, upon the requisite showing, have injunctive relief in any court of competent jurisdiction to restrain the breach or threatened breach of or otherwise to specifically enforce any of the covenants contained in this Section 7.

(f) Survival of Provisions. This Section 7 shall survive after the termination of this Agreement.

8. Notice. For the purpose of this Agreement, notices, demands and all other communications provided for herein shall be in writing and shall be deemed to have been duly given when delivered or (unless otherwise specified) mailed by United States certified or registered mail, return receipt requested, postage prepaid, addressed as follows:

If to the Executive:

Robert G. Schoenberger
3 Sea Road
North Hampton, NH 03862

If to the Company:

Unitil Corporation
6 Liberty Lane West
Hampton, NH 03842

or to such other address as any party may have furnished to the other in writing in accordance herewith, except that notices of change of address shall be effective only upon receipt.

9. Successors. Without the prior written consent of the Executive, this Agreement cannot be assigned by the Company except that it shall be binding automatically on any successors and assigns of all or substantially all of the business and/or assets of the Company (whether direct or indirect, by purchase, merger, consolidation or otherwise). In addition, without the prior written consent of the Company, this Agreement cannot be assigned by the Executive, except that the right to receive payments or benefits hereunder may be transferred by will or the laws of descent and distribution. This Agreement and all rights of the Executive hereunder shall inure to the benefit of and be enforceable by the Executive's personal or legal representatives.

10. Code Section 409A. The provisions of this Agreement and all payments made pursuant to this Agreement are intended to comply with, and should be interpreted so that they are consistent with, the requirements of Section 409A of the Code, and any related regulations or other applicable guidance promulgated thereunder (collectively, "Section 409A"). It is the intent of the parties hereto that all severance payments and benefits provided pursuant to this Agreement qualify as short-term deferrals, as defined in Treasury Regulation §1.409A-1(b)(4), separation pay due to an involuntary separation from service under Treasury Regulation §1.409A-1(b)(9)(iii), and/or limited payments, as defined in Treasury Regulation §1.409A-1(b)(9)(v)(D)). Notwithstanding the foregoing, if (i) it is determined that any payments or benefits provided pursuant to this Agreement upon a separation from service (as that term is used in Section 409A) constitute deferred compensation for purposes of Section 409A (after taking into account the exception for short-term deferrals set forth in Treasury Regulation §1.409A-1(b)(4), the exception for separation pay due to an involuntary separation set forth in Treasury Regulation §1.409A-1(b)(9)(iii), the exception for limited payments as set forth in Treasury Regulation §1.409A-1(b)(9)(v)(D) and/or any other applicable exception from Section 409A) and (ii) the Executive is a "specified employee," as determined under the Company's policy for determining specified employees, on the date on which the termination of employment occurs, no such payments or benefits shall be provided prior to the first business day after the date that is six months following the Executive's termination of employment or, if the Executive dies during such six month period, on the first business day after the date of the Executive's death. The first payment that can be made shall include the cumulative amount of any amounts that could not be paid during such six-month period. In addition, interest will accrue at the Federal short-term rate determined under Section 1274(d) of the Code (as in effect on the date of the separation from service or, if such date is not a business day, the first business day prior to such date) on all payments not paid to the Executive prior to the first business day after the sixth month anniversary of termination of employment that otherwise would have been paid during such six-month period had this delay provision not applied to the Executive and shall be paid with the first payment after such six-month period. For all purposes under this Agreement, references to termination of employment, employment termination or words of similar import shall be interpreted to mean "separation from service," as that term is used in Section 409A, and the Executive's employment shall in no event be deemed to have terminated unless and until a separation from service shall have occurred for purposes of Section 409A.

11. Arbitration. Except as provided in Section 7(e), all controversies, claims or disputes arising out of or relating to this Agreement shall be settled by binding arbitration to be conducted in Hampton, New Hampshire under the rules of the American Arbitration Association, as the sole and exclusive remedy of either party, and judgment upon any such award rendered by the arbitrator(s) may be entered in any court of competent jurisdiction. The costs of arbitration shall be borne by the unsuccessful party or otherwise as determined by the arbitrators in their discretion.

12. Governing Law: The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the State of New Hampshire without regard to conflicts of law principles.

13. Amendments. No provision of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing signed by the

Executive and such officer of the Company as may be specifically designated for such purpose by the Board. No waiver by either party hereto at any time of any breach by the other party hereto of, or compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time.

14. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument.

15. Entire Agreement. Except as otherwise provided in Section 4(i) hereof, this Agreement sets forth the entire agreement of the parties hereto in respect of the subject matter contained herein and supersedes all prior agreements, promises, covenants, arrangements, communications, representations or warranties, whether oral or written, by any officer, employee or representative of any party hereto. No agreements or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made by either party which are not set forth expressly in this Agreement. For avoidance of doubt, while this Agreement is in effect, the Executive shall not be eligible to receive severance payments under the Unitil Corporation Severance Pay Plan, as may be amended from time to time, or any successor or similar plan maintained by the Company or an affiliate.

16. Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision hereof.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date and year first above written.

UNITIL CORPORATION

By: /s/ Eben S. Moulton

Name: Eben S. Moulton

Title: Chairman of the Compensation Committee

ROBERT G. SCHOENBERGER

/s/ Robert G. Schoenberger

UNITIL CORPORATION**SEVERANCE AGREEMENT**

THIS AGREEMENT, dated this xx day of xxxxx, xxxx, made effective as of the date on which a Change in Control (as defined in paragraph 2) occurs, by and among Unitil Corporation (“Unitil”), a New Hampshire corporation, Unitil Service Corp., a New Hampshire corporation and a wholly-owned subsidiary of Unitil (“Subsidiary”) (Unitil and Subsidiary are herein referred to collectively as the “Company”) and xxxxxxxxx (the “Employee”).

WITNESSETH THAT:

WHEREAS, the Employee is an employee of the Company and an integral part of its management who participates in the decision making process relative to short and long-term planning and policy for the Company; and

WHEREAS, the Board of Directors of Unitil, determined that it would be in the best interests of Unitil, its shareholders and the Employee to assure continuity in the management of the Company’s administration and operations in the event of a Change in Control by entering into an employment agreement to retain the services of the Employee, and the Board of Directors of the Subsidiary made the same determination; and

WHEREAS, the Company and the Employee previously entered into a severance agreement dated the xx day of xxxxxx, xxxx (the “Prior Agreement”) and the Company and the Employee desire to amend and restate the Prior Agreement; and

WHEREAS, the Company and the Employee agree that this Agreement shall amend and supersede the terms and conditions of the Prior Agreement.

NOW, THEREFORE, it is hereby agreed by and between the parties hereto as follows:

1. Employment. The Company agrees to continue the Employee in its employ and the Employee agrees to remain in the employ of the Company for the period stated in paragraph 4 hereof and upon the terms and conditions herein provided.

2. Change in Control. The term “Change in Control” shall mean the occurrence of any of the following:

(a) Unitil receives a report on Schedule 13D filed with the Securities and Exchange Commission pursuant to Section 13(d) of the Securities Exchange Act of 1934, as amended (hereinafter referred to as the “Exchange Act”), disclosing that any person, group, corporation or other entity is the beneficial owner, directly or indirectly, of twenty-five (25%) percent or more of the outstanding common stock of Unitil;

(b) any person (as such term is defined in Section 13(d) of the Exchange Act), group, corporation or other entity other than Unitil or a wholly-owned subsidiary of Unitil, purchases shares pursuant to a tender offer or exchange offer to acquire any common stock of Unitil (or securities convertible into common stock) for cash, securities or any other consideration, provided that after consummation of the offer, the person, group, corporation or other entity in question is the beneficial owner (as such term is defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of twenty-five (25%) percent or more of the outstanding common stock of Unitil (calculated as provided in paragraph (d) of Rule 13d-3 under the Exchange Act in the case of rights to acquire common stock);

(c) the stockholders of Unitil approve (i) any consolidation or merger of Unitil in which Unitil is not the continuing or surviving corporation or pursuant to which shares of common stock of Unitil would be converted into cash, securities or other property (except where Unitil shareholders before such transaction will be the owners of more than seventy-five (75%) percent of all classes of voting stock of the surviving entity), or (ii) any sale, lease, exchange or other transfer (in one transaction or a series of related transactions) of all or substantially all the assets of Unitil; or

(d) there shall have been a change in a majority of the members of the Board of Directors of Unitil within a twenty-five (25) month period unless the election or nomination for election by the Unitil stockholders of each new director was approved by the vote of two-thirds of the directors then still in office who were in office at the beginning of the twenty-five (25) month period.

Should the Change in Control be stockholder approval under paragraph 2(c) and if the Board of Directors of Unitil determines the approved transaction will not be completed and is abandoned prior to any termination of the Employee's employment, a Change in Control shall no longer be in effect and the provisions of this Agreement shall continue in the effect as if a Change in Control had not occurred.

3. Position and Responsibilities. During the period of employment hereunder, the Employee agrees to serve the Company in an executive capacity. Such service shall involve duties and responsibilities at least equal in importance and scope to those of the Employee's position immediately prior to the effective date of this Agreement, as the Board of Directors, the Chairman of the Board of Directors or chief executive officer or any other executive officer of the Company to whom the Employee reports may from time to time determine. During said period, the Employee also agrees to serve, if elected, as an officer and/or director of any subsidiary or affiliate of the Company.

4. Term and Duties.

(a) The period of the Employee's employment under this Agreement shall be deemed to have commenced as of the effective date of this Agreement and shall continue for a period of thirty-six (36) full calendar months thereafter.

(b) During the period of employment hereunder and except for illness or incapacity and reasonable vacation periods, the Employee's business time, attention, skill and efforts shall be exclusively devoted to the business and affairs of the Company; provided, however, that nothing in this Agreement shall preclude the Employee from devoting time during reasonable periods required for

(i) serving as a director or member of a committee of any company or organization involving no conflict of interest with the Company or any of its subsidiaries or affiliates,

(ii) delivering lectures and fulfilling speaking engagements, and

(iii) engaging in charitable and community activities, provided that such activities do not materially affect or interfere with the performance of the Employee's obligations to the Company.

5. Compensation.

(a) For all services rendered by the Employee in any capacity during employment under this Agreement, including services as an executive, officer, director, or member of any committee of the Company or of any subsidiary or affiliate of the Company, the Company shall pay the Employee a fixed salary at an annual rate not less than the annual rate of salary being paid to Employee immediately prior to the effective date of this Agreement. Such salary shall be subject to such periodic percentage increases after the effective date of this Agreement as the Company pays generally to the Company's senior management employees from time to time, and shall be payable in accordance with the customary payroll practices of the Company. Such periodic increases in salary, once granted, shall not be subject to revocation.

(b) In addition to the salary payable under subsection (a), above, the Company shall provide to the Employee a bonus opportunity not less than the bonus opportunity in effect for the year in which the effective date of this Agreement occurs and in any event shall pay to the Employee annual bonuses in an amount at least equal to the amount of the last payment to the Employee under any short-term incentive performance program of the Company or any subsidiary of the Company in effect during the twelve (12) month period prior to the effective date of this Agreement. Nothing in this subsection (b) shall be deemed to require the Company to (i) have or continue an incentive performance program in effect prior to the effective date of this Agreement or (ii) award to the Employee any bonuses under such program prior to the effective date of this Agreement.

(c) Nothing in this Agreement shall preclude or affect any rights or benefits that may now or hereafter be provided for the Employee or of which the Employee may be or become eligible under any bonus or other form of compensation or employee benefit plan now existing or that may hereafter be adopted or awarded by the Company. Specifically, the Employee shall:

(i) participate in the Unital Corporation Retirement Plan and any related excess benefit or supplemental retirement program (hereinafter referred to collectively as the "Retirement Program");

(ii) participate in any savings or thrift plan maintained by the Company;

(iii) participate in any stock option, stock appreciation right, equity incentive or deferred compensation plan maintained by the Company;

(iv) participate in the Company's death benefit plans;

(v) participate in the Company's disability benefit plans;

(vi) participate in the Company's medical, dental and health and welfare plans; and

(vii) participate in equivalent successor plans of the Company for which senior management employees are eligible;

provided, however, that nothing in this Agreement shall preclude the Company from amending or terminating any such plan or program, on the condition that such amendment or termination is applicable to all of the Company's senior management employees generally. For purposes of the foregoing, any plan or program maintained by any subsidiary of the Company which is made available to the senior management of the Company and its subsidiaries taken as a whole, shall be deemed to be a plan or program maintained by the Company.

6. Business Expenses. The Company shall pay or reimburse the Employee for all reasonable travel or other expenses incurred in connection with the performance of the Employee's duties under this Agreement in accordance with such procedures as the Company may from time to time establish.

7. Additional Benefits. Nothing in this Agreement shall affect the Employee's eligibility to participate in all group health, dental, hospitalization, life, travel or accident or other insurance plans or programs and all other perquisites, fringe benefit or retirement plans or additional compensation, including termination pay programs, which the Company or any subsidiary of the Company may hereafter, in their sole and absolute discretion, elect to make available to the senior management employees of the Company generally, and the Employee shall be eligible to receive, during the period of employment under this Agreement, all benefits and emoluments for which key employees are eligible under every such plan, program, perquisite or arrangement to the extent permissible under the general terms and provisions thereof.

8. Termination of Employment. Notwithstanding any other provision of this Agreement, the Employee's employment under this Agreement may be terminated for any of the following reasons:

(a) By the Company for Cause. For purposes of this Agreement, the term "Cause" shall mean the occurrence of any of the following events: (i) the Employee's conviction for the commission of a felony or (ii) the Employee's fraud or dishonesty which has resulted or is likely to result in material economic damage to the Company or any of its subsidiaries, as determined in good faith by the Directors of the Company at a meeting of the Board of Directors at which the Employee is provided an opportunity to be heard;

(b) By the Employee for Good Reason. For purposes of this Agreement, the term "Good Reason" shall mean the occurrence of any of the following events unless the Employee specifically agrees in writing that such event or condition shall not constitute Good Reason: (i) a material diminution in the Employee's base compensation; (ii) a material diminution in the Employee's authority, duties or responsibilities; (iii) material diminution in the authority, duties, or responsibilities of the supervisor to whom the Employee is required to report, including, if the Employee reports directly to the Board of Directors of Unitil, a requirement that the Employee report to a corporate officer or employee instead of reporting directly to the Board of Directors of Unitil; (iv) a material diminution in the budget over which the Employee retains authority; (v) a material change in the geographic location at which the Employee must perform services, which the Company has determined to include a change in the Employee's principal place of employment by the Company from the location of the Company's principal place of business immediately prior to the date this Agreement becomes effective to a location more than fifty (50) miles from such principal place of business; or (vi) any other action or inaction that constitutes a material breach by the Company of the Agreement;

provided, however, no event specified in this paragraph 8(b) shall constitute Good Reason unless the Employee has given written notice to the Company, specifying the event relied upon for such termination within ninety (90) days after the occurrence of such event and the Company has not remedied such within thirty (30) days of receipt of such notice;

(c) By the Company upon the Disability of the Employee. For purposes of this Agreement, the term "Disability" is defined as the inability of the Employee to engage in his regular occupation for twelve (12) consecutive months and the inability thereafter to engage in any occupation in which the Employee could reasonable expect to engage giving due consideration to Employee's education, training and experience. The Employee must be under the regular medical care of a physician in connection with treatment for Disability;

(d) By the Employee without Good Reason; or

(e) By the Company for any reason other than Cause or the Employee's Disability.

For purposes of this Agreement, the Employee's employment shall be deemed to have terminated automatically as of the date of the Employee's death.

9. Payments Upon Termination of Employment.

(a) In the event of any termination of the Employee's employment hereunder (i) by the Employee for Good Reason or (ii) by the Company for any reason other than Cause or the Employee's Disability, then, as soon as practicable (but not more than sixty (60) days) after any such termination the Company shall pay to the Employee the following amounts, and shall provide the Employee and the dependents, beneficiaries and estate of the Employee with the following, as liquidated damages or severance pay, or both:

(i) a lump sum cash payment equal to the present value of thirty-six (36) monthly salary payments, assuming for this purpose that (1) each monthly salary payment

would have been equal to one-twelfth (1/12th) of the Employee's annual salary in effect at the time of employment termination (disregarding any reductions in annual salary that were not approved by the Employee) and (2) such monthly salary payments would have been made on each of the twenty-four (24) monthly anniversaries of the date the Employee's employment terminated;

(ii) a lump sum cash payment equal to the present value of three (3) annual bonus payments, assuming for this purpose that (1) each such annual bonus payment would have been equal to the Employee's target annual bonus for the year in which employment termination occurs (disregarding any reductions in such target annual bonus that were made in the year of employment termination and that were not approved by the Employee) and (2) the first annual bonus would have been paid on the last business day of the first February following the date of employment termination and the second annual bonus would have been paid on the last business day of the second February following the date of employment termination;

(iii) A lump sum cash amount equal to the present value of the excess of (1) the aggregate benefit that would have been paid under the Retirement Program described in paragraph 5(c)(i), above, as in effect on the date of this Agreement, if the Employee had continued to be employed and to be entitled to service credit for eligibility and benefit purposes during the thirty-six (36) month period immediately following such termination, over (2) the aggregate benefit actually payable under the Retirement Program and any successor retirement program of the Company. For purposes of such calculation, the following assumptions shall apply: (1) that the Employee would continue to be compensated during the thirty-six (36) month period following termination at an annual rate of compensation equal to that used to calculate the payments provided by paragraph 9(a)(i) and (ii) above, calculated on the basis of the

compensation amount used in the benefit formula under the Retirement Program; (2) that the Employee is fully vested in the benefit payable under the Retirement Program; and (3) that the aggregate benefit that would have been paid under the Retirement Program is as of either the normal or early retirement date for which the Employee would have qualified, if the Employee were still employed on that date, whichever would produce the highest present value amount payable under this paragraph; and (4) that for purposes of the calculation of the lump sum cash amount as described herein it will be assumed that the Employee would receive aggregate retirement benefits for a period to be determined by an actuarial analysis in accordance with the standard assumptions used in providing annual funding for the Company's normal Retirement Program;

(iv) A lump sum cash amount equal to the present value of the contributions which would have been made by the Company or any subsidiary of the Company to the Employee's account pursuant to any savings or thrift plan maintained by the Company or any subsidiary of the Company in which the Employee was participating immediately prior to such termination, calculated as if the Employee had continued to be employed and to be entitled to such contributions during the thirty-six (36) month period immediately following such termination, at a rate of contribution equal to that made by the Company or any subsidiary of the Company during the most recent contribution period preceding such termination; and

(v) A lump sum cash amount equal to the sum of (1) the present value of the monthly cost that would have been incurred by the Company (exclusive of the Employee's portion thereof and determined in good faith by the Company) if it provided group medical, dental and life insurance coverage to the Employee and the Employee's eligible dependents (at the same level and Employee cost as in effect at the time of employment termination) for a period of three (3) consecutive years following employment termination, determined based on

the cost of such coverage at the time of employment termination and assuming such cost remained constant through the coverage period, and (2) an additional payment (the "Additional Payment") in an amount such that, after payment by the Employee of all Federal, State, city and local income taxes and the Employee's portion of all payroll taxes imposed upon the Additional Payment, the Employee retains an amount of the Additional Payment equal to the Federal, State, city and local income taxes and the Employee's portion of all payroll taxes imposed upon the payment provided pursuant to subpart (1) of this paragraph 9(a)(v). For a period of three (3) consecutive years following employment termination, the Employee and the Employee's eligible dependents shall remain eligible to participate in the Company's group medical, dental and life insurance plan, in each case, that is generally available to other senior executives of the Company; provided, that the Employee shall pay one-hundred (100%) percent of the cost of such coverage. The continued coverage provided under this paragraph 9(a)(v) shall not count against the Employee's and the Employee's dependent's continuation of coverage period required under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended (or any similar state or local law).

(b) For purposes of calculating the lump sum cash payments provided by paragraphs 9(a)(i) through (v), above, present value shall be determined by using a discount factor equal to one percentage point below the Prime Rate, compounded annually. The "Prime Rate" shall be the base rate on corporate loans at large U.S. money center commercial banks as reported in The Wall Street Journal (or, if such rate is no longer published, such other base rate on corporate loans by large money center commercial banks in the United States to their most creditworthy customers as published by any newspaper or periodical of general circulation) as of the date on which termination shall have occurred.

(c) If the Employee terminates employment hereunder for any reason other than for Good Reason, if the Company terminates the Employee's employment as a result of Disability or Cause or if the Employee's employment hereunder is terminated due to the Employee's death, the Company shall have no further obligation hereunder and no further payments (except for accrued and unpaid salary, bonus and expense reimbursement) shall be made to the Employee.

(d) (i) In the event it shall be determined that any payment or distribution by the Company to or for the benefit of the Employee, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise (a "Payment"), would be subject to the excise tax imposed by Section 4999 of the Internal Revenue Code of 1986, as amended (the "Code") (or any successor thereto) or comparable state or local tax or any interest or penalties with respect to such excise tax or comparable state or local tax (such excise tax, together with any such interest and penalties, are hereinafter collectively referred to as the "Excise Tax"), then the Employee shall be entitled to receive an additional payment (a "Gross-Up Payment"). The Gross-Up Payment shall be equal to the sum of the Excise Tax and all taxes (including any interest or penalties imposed with respect to such taxes) imposed upon the Gross-Up Payment.

(ii) If the Employee determines that a Gross-Up Payment is required, the Employee shall so notify the Company in writing, specifying the amount of Gross-Up Payment required and details as to the calculation thereof, the Company shall within thirty (30) days either pay such Gross-Up Payment (net of applicable wage withholding) to the Employee or furnish an unqualified opinion from Independent Tax Counsel (as defined below), addressed to the Employee and the Company, that there is substantial authority (with the meaning of section 6661 of the Code) for the position that no Gross- Up Payment is required.

"Independent Tax

Counsel” means a lawyer with expertise in the area of executive compensation tax law, who shall be selected by the Employee and shall be reasonably acceptable to the Company, and whose fees and disbursements shall be paid by the Company.

(iii) If the Internal Revenue Service or other tax authority proposes in writing an adjustment to the income tax of the Employee which would result in a Gross-Up Payment, the Employee shall promptly notify the company in writing and shall refrain for at least thirty (30) days after giving such notice, if so permitted by law, from paying any tax (including interest, penalties and additions to tax) asserted to be payable as a result of such proposed adjustment. Before the expiration of such period, the Company shall either pay the Gross-Up Payment or provide an opinion from Independent Tax Counsel to the Employee and the Company as to whether it is more likely than not that the proposed adjustment would be successfully challenged if the matter were to be litigated. If the opinion provides that a challenge would be more likely than not to be successful if the issue were litigated, and the Company requests in writing that the Employee contest such proposed adjustment, then the Employee shall contest the proposed adjustment and shall consult in good faith with the Company with respect to the nature of all action to be taken in furtherance of the contest of such proposed adjustment; provided that the Employee, after such consultation with the Company, shall determine in his sole discretion the nature of all action to be taken to contest such proposed adjustment, including (A) whether any such action shall initially be by way of judicial or administrative proceedings, or both, (B) whether any such proposed adjustment shall be contested by resisting payment thereof or by paying the same and seeking a refund thereof, and (C) if the Employee shall undertake judicial action with respect to such proposed adjustment, the court or other judicial body before which such action shall be commenced and the court or other judicial body to which any appeals should be taken. The Employee agrees to take

appropriate appeals of any judicial decision that would require the Company to pay a Gross-Up Payment, provided the Company requests in writing that the Employee do so and provides an opinion from Independent Tax Counsel to the Employee and the Company that it more likely than not that the appeal would be successful. The Employee further agrees to settle, compromise or otherwise terminate a contest with the Internal Revenue Service or other tax authority with respect to all or a portion of the proposed adjustment giving rise to the Gross-Up Payment, if requested by the Company in writing to do so at any time, in which case the Employee shall be entitled to receive from the Company the Gross-Up Payment. In no event shall the Employee compromise or settle all or any portion of a proposed adjustment which would result in a Gross-Up Payment without the written consent of the Company.

The Employee shall not be required to take or continue any action pursuant to this paragraph 9(d) unless the Company acknowledges its liability under this Agreement in the event that the Internal Revenue Service or other tax authority prevails in the contest. The Company hereby agrees to indemnify the Employee in a manner reasonably satisfactory to the Employee for any expenses (including any fees, penalties, interest or additions to tax) which the Employee may incur as a result of contesting the validity of any Excise Tax and to pay the Employee promptly upon receipt of a written demand therefor all costs and expenses which the Employee may incur in connection with contesting such proposed adjustment (including reasonable fees and disbursements of Independent Tax Counsel); provided, however, that the Company shall not be required to pay any amount necessary to permit the Employee's institution of a claim for refund under this paragraph 9(d)(iii).

If the Employee shall have contested any proposed adjustment as above provided, and for so long as the Employee shall be required under the terms of this paragraph 9(d)(iii) to continue such contest, the Company shall not be required to pay a Gross-Up Payment until there occurs

a Final Determination (as defined below) of the liability of the Employee for the tax and any interest, penalties and additions to tax asserted to be payable as a result of such proposed adjustment. A "Final Determination" shall mean (A) a decision, judgment, decree or other order by any court of competent jurisdiction, which decision, judgment, decree or other order has become final after all allowable appeals by either party to the action have been exhausted, the time for filing such appeal has expired or the Company has no right under the terms hereof to request an appeal, (ii) a closing agreement entered into under Section 7121 of the Code or any other settlement agreement entered into in connection with an administrative or judicial proceeding and with the consent of the Company, or (iii) the expiration of the time for instituting a claim for refund, or if such a claim was filed, the expiration of the time for instituting suit with respect thereto.

(iv) In the event the Employee receives any refund from the Internal Revenue Service or other tax authority on account of an overpayment of Excise Tax, such amount and interest attributable thereto shall be promptly paid by the Employee to the Company.

(v) Notwithstanding anything contained herein to the contrary, any Gross-Up Payment or reimbursement by the Company of expenses incurred by the Employee in connection with a tax audit or litigation relating to the Excise Tax, as provided herein, shall be paid no later than the last day of the calendar year following the calendar year in which the Employee remitted the Excise Tax or if, following any such tax audit or litigation no Excise Tax is paid, the end of the calendar year following the calendar year in which the audit is completed or there is a final and nonappealable settlement or other resolution of the litigation.

10. Source of Payments. All payments provided for in paragraphs 5, 6, 7 and 9 shall be paid in cash from the general funds of the Company and its subsidiaries. The Company shall not be required to establish a special or separate fund or other segregation of assets to assure such payments.

11. Litigation Expenses. The Company agrees to pay, upon written demand therefor by the Employee, all legal fees and expenses the Employee reasonably incurs as a result of any dispute or contest (regardless of the outcome thereof) by or with the Company or others regarding the validity or enforceability of, or liability under, any provision of this Agreement. The Employee agrees to repay to the Company any such fees and expenses paid or advanced by the Company if and to the extent that the Company or such others obtains a judgment or determination that the Employee's claim was frivolous or was without merit from a court of competent jurisdiction from which no appeal may be taken, whether because the time to do so has expired or otherwise. Notwithstanding any provision hereof or any other agreement, (a) the Company may offset any other obligation it has to the Employee by the amount of such repayment, (b) the amount of expenses eligible for reimbursement during any calendar year may not affect the expenses eligible for reimbursement in any other calendar year, (c) no reimbursement of an expense pursuant to the first sentence of this paragraph 11 shall be provided to the Employee later than the calendar year following the calendar year in which the expense was incurred and (d) the right to reimbursement under this Section 11 is not subject to liquidation or exchange for another benefit.

Notwithstanding any provision of New Hampshire law to the contrary, in no event shall the Employee be required to reimburse the Company for any of the costs and expenses relating to such litigation or other proceeding. The obligation of the Company under this paragraph 11 shall survive the termination for any reason of this Agreement (whether such termination is by the Company, by the Employee, upon the expiration of this Agreement or otherwise) and shall remain in effect until the applicable statute of limitation has expired with respect to any possible dispute or contest by or with the Company or others regarding the validity or enforceability of, or liability under, any provision of this Agreement.

12. Income Tax Withholding. The Company may withhold from any payments made under this Agreement all federal, state, city or other taxes as shall be required pursuant to any law or governmental regulation or ruling.

13. Entire Understanding. This Agreement contains the entire understanding between the Company and the Employee with respect to the subject matter hereof and supersedes any prior employment agreement between the Company and the Employee, except that this Agreement shall not affect or operate to reduce any benefit or compensation inuring to the Employee of a kind elsewhere provided and not expressly provided for in this Agreement.

14. Mitigation. In no event shall the Employee be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to the Employee under any of the provisions of this Agreement.

15. Release. Prior to receipt of any payments pursuant to paragraph 9 of this Agreement, the Employee shall execute a general employment claims release of the Company in a form reasonably acceptable to the Company. Notwithstanding anything contained herein to the contrary, the Company shall have no obligation to make any payments pursuant to paragraph 9 of this Agreement unless the Employee executes such release and the release becomes non-revocable by the sixtieth (60th) day following the date of termination of the Employee's employment.

16. Severability. If, for any reason, any one or more of the provisions or part of a provision contained in this Agreement shall be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision or part of a provision of this Agreement not held so invalid, illegal or unenforceable, and each other

provision or part of a provision shall to the full extent with law continue in full force and effect. If this Agreement is held invalid or cannot be enforced, then to the full extent permitted by law any prior agreement between the Company and the Employee shall be deemed reinstated as if this Agreement had not been executed.

17. Consolidation, Merger, or Sale of Assets. Nothing in this Agreement shall preclude the Company from consolidating or merging into or with, or transferring all or substantially all of its assets to, another corporation with a net worth at least equal to that of the Company hereunder. Upon such a consolidation, merger or transfer of assets and assumption, the term “the Company”, as used herein shall mean such other corporation and this Agreement shall continue in full force and effect. If, in connection with a Change in Control, the Employee accepts employment with an entity that is or will be considered the Company pursuant to the prior sentence (or any parent or subsidiary thereof), the Employee shall not be considered to have terminated employment for purposes of this Agreement solely as a result of the termination of employment with the Company and commencement of employment with such successor “Company” entity. For avoidance of doubt, (a) the prior sentence shall not preclude the Employee from terminating employment due to Good Reason if an event or condition that constitutes Good Reason arises before, as a result of, or after such termination of employment with the Company and commencement of employment with such successor “Company” entity and (b) the Employee’s acceptance of employment with a successor entity shall not be deemed to constitute the Employee’s agreement in writing that an event or condition shall not constitute Good Reason.

18. Notices. All notices, requests, demands and other communications required or permitted hereunder shall be given in writing and shall be deemed to have been duly given if delivered or mailed, postage prepaid, first class as follows:

- (a) to the Company:
Unitil Corporation
6 Liberty Lane West
Hampton, New Hampshire 03833
Attention: Corporate Secretary
- (b) to the Employee:
at the address then shown in the Employee's employment records.

19. No Attachment. Except as required by law, no right to receive payments under this Agreement shall be subject to anticipation, commutation, alienation, sale assignment, encumbrance, charge, pledge, or hypothecation or to execution, attachment, levy, or similar process or assignment by operation of law, and any attempt, voluntary or involuntary, to effect any such action shall be null, void and of no effect.

20. Binding Agreement. This Agreement shall be binding upon, and shall inure to the benefit of, the Employee and the Company and their respective permitted successors and assigns.

21. Modification and Waiver. This Agreement may not be modified or amended except by an instrument in writing signed by the parties hereto. No term or condition of this Agreement shall be deemed to have been waived, nor shall there be any estoppel against the enforcement of any provision of this Agreement except by written instrument signed by the party charged with such waiver or estoppel. No such written waiver shall be deemed a continuing waiver unless specifically stated therein, and each such waiver shall operate only as to the specific term or condition waived and shall not constitute a waiver of such term or condition for the future or as to any act other than specifically waived.

22. Headings of No Effect. The paragraph headings contained in this Agreement are included solely for convenience of reference and shall not in any way affect the meaning or interpretation of any of the provisions of this Agreement.

23. Governing Law. This Agreement and its validity, interpretation, performance, and enforcement shall be governed by the laws of the State of New Hampshire, without giving effect to the choice of law provisions in effect in such State.

24. Code Section 409A. The provisions of this Agreement and all payments made pursuant to this Agreement are intended to comply with, and should be interpreted so that they are consistent with, the requirements of Section 409A of the Code, and any related regulations or other applicable guidance promulgated thereunder (collectively, "Section 409A"). It is the intent of the parties hereto that all severance payments and benefits provided pursuant to this Agreement qualify as short-term deferrals, as defined in Treasury Regulation §1.409A-1(a)(4), separation pay due to an involuntary separation from service under Treasury Regulation §1.409A-1(b)(9)(iii), and/or limited payments, as defined in Treasury Regulation §1.409A-1(b)(9)(v)(D)). Notwithstanding the foregoing, if (i) it is determined that any payments or benefits provided pursuant to this Agreement that are paid upon separation from service (as that term is used in Section 409A) constitute deferred compensation for purposes of Section 409A (after taking into account the exception for short-term deferrals set forth in Treasury Regulation §1.409A-1(a)(4), the exception for separation pay due to an involuntary separation set forth in Treasury Regulation §1.409A-1(b)(9)(iii), the exception for limited payments as set forth in Treasury Regulation §1.409A-1(b)(9)(v)(D) and/or any other applicable exception from Section 409A) and (ii) the Employee is a "specified employee," as determined under the Company's policy for determining specified employees, on the date on which the separation from service occurs, no such payments or benefits shall be provided prior to the first business day after the date that is six (6) months following the Employee's termination of employment or, if the Employee dies during such six (6) month period, on the first business day after the date of the Employee's death. The first payment that can be made shall include the cumulative amount of

any amounts that could not be paid during such six (6) month period. In addition, interest will accrue at the 10-year T-bill rate (as in effect as of the first business day of the calendar year in which the termination of employment occurs) on all payments not paid to the Employee prior to the first business day after the six (6) month anniversary of termination of employment that otherwise would have been paid during such six (6) month period had this delay provision not applied to the Employee and shall be paid with the first payment after such six (6) month period. For all purposes under this Agreement, references to termination of employment, employment termination or words of similar import shall be interpreted to mean "separation from service," as that term is used in Section 409A, and the Employee's employment shall in no event be deemed to have terminated unless and until a separation from service shall have occurred for purposes of Section 409A.

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed by its officers thereunto duly authorized, and the Employee has signed this Agreement, all as of the date first above written.

Unitil CORPORATION

By: _____

Unitil SERVICE CORP.

By: _____

Employee: _____

Officers Who Have Executed Above Severance Agreement:

Officers

Robert G. Schoenberger

Mark H. Collin

George R. Gantz

Raymond J. Morrissey

Todd R. Black

Laurence M. Brock

UNITIL CORPORATION**SEVERANCE AGREEMENT**

THIS AGREEMENT, dated this xx day of xxxxx, xxxxx, made effective as of the date on which a Change in Control (as defined in paragraph 2) occurs, by and among Unitil Corporation (“Unitil”), a New Hampshire corporation, Unitil Service Corp., a New Hampshire corporation and a wholly-owned subsidiary of Unitil (“Subsidiary”) (Unitil and Subsidiary are herein referred to collectively as the “Company”) and xxxxxxxxx (the “Employee”).

WITNESSETH THAT:

WHEREAS, the Employee is an employee of the Company and an integral part of its management who participates in the decision making process relative to short and long-term planning and policy for the Company; and

WHEREAS, the Board of Directors of Unitil, determined that it would be in the best interests of Unitil, its shareholders and the Employee to assure continuity in the management of the Company’s administration and operations in the event of a Change in Control by entering into an employment agreement to retain the services of the Employee, and the Board of Directors of the Subsidiary made the same determination; and

WHEREAS, the Company and the Employee previously entered into a severance agreement dated the xx day of xxxxxx, 200x (the “Prior Agreement”) and the Company and the Employee desire to amend and restate the Prior Agreement; and

WHEREAS, the Company and the Employee agree that this Agreement shall amend and supersede the terms and conditions of the Prior Agreement.

NOW, THEREFORE, it is hereby agreed by and between the parties hereto as follows:

1. Employment. The Company agrees to continue the Employee in its employ and the Employee agrees to remain in the employ of the Company for the period stated in paragraph 4 hereof and upon the terms and conditions herein provided.

2. Change in Control. The term “Change in Control” shall mean the occurrence of any of the following:

(a) Unitil receives a report on Schedule 13D filed with the Securities and Exchange Commission pursuant to Section 13(d) of the Securities Exchange Act of 1934, as amended (hereinafter referred to as the “Exchange Act”), disclosing that any person, group, corporation or other entity is the beneficial owner, directly or indirectly, of twenty-five (25%) percent or more of the outstanding common stock of Unitil;

(b) any person (as such term is defined in Section 13(d) of the Exchange Act), group, corporation or other entity other than Unitil or a wholly-owned subsidiary of Unitil, purchases shares pursuant to a tender offer or exchange offer to acquire any common stock of Unitil (or securities convertible into common stock) for cash, securities or any other consideration, provided that after consummation of the offer, the person, group, corporation or other entity in question is the beneficial owner (as such term is defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of twenty-five (25%) percent or more of the outstanding common stock of Unitil (calculated as provided in paragraph (d) of Rule 13d-3 under the Exchange Act in the case of rights to acquire common stock);

(c) the stockholders of Unitil approve (i) any consolidation or merger of Unitil in which Unitil is not the continuing or surviving corporation or pursuant to which shares of common stock of Unitil would be converted into cash, securities or other property (except where Unitil shareholders before such transaction will be the owners of more than seventy-five (75%) percent of all classes of voting stock of the surviving entity), or (ii) any sale, lease, exchange or other transfer (in one transaction or a series of related transactions) of all or substantially all the assets of Unitil; or

(d) there shall have been a change in a majority of the members of the Board of Directors of Unitil within a twenty-five (25) month period unless the election or nomination for election by the Unitil stockholders of each new director was approved by the vote of two-thirds of the directors then still in office who were in office at the beginning of the twenty-five (25) month period.

Should the Change in Control be stockholder approval under paragraph 2(c) and if the Board of Directors of Unitil determines the approved transaction will not be completed and is abandoned prior to any termination of the Employee's employment, a Change in Control shall no longer be in effect and the provisions of this Agreement shall continue in the effect as if a Change in Control had not occurred.

3. Position and Responsibilities. During the period of employment hereunder, the Employee agrees to serve the Company in an executive capacity. Such service shall involve duties and responsibilities at least equal in importance and scope to those of the Employee's position immediately prior to the effective date of this Agreement, as the Board of Directors, the Chairman of the Board of Directors or chief executive officer or any other executive officer of the Company to whom the Employee reports may from time to time determine. During said period, the Employee also agrees to serve, if elected, as an officer and/or director of any subsidiary or affiliate of the Company.

4. Term and Duties.

(a) The period of the Employee's employment under this Agreement shall be deemed to have commenced as of the effective date of this Agreement and shall continue for a period of twenty-four (24) full calendar months thereafter.

(b) During the period of employment hereunder and except for illness or incapacity and reasonable vacation periods, the Employee's business time, attention, skill and efforts shall be exclusively devoted to the business and affairs of the Company; provided, however, that nothing in this Agreement shall preclude the Employee from devoting time during reasonable periods required for

(i) serving as a director or member of a committee of any company or organization involving no conflict of interest with the Company or any of its subsidiaries or affiliates,

(ii) delivering lectures and fulfilling speaking engagements, and

(iii) engaging in charitable and community activities, provided that such activities do not materially affect or interfere with the performance of the Employee's obligations to the Company.

5. Compensation.

(a) For all services rendered by the Employee in any capacity during employment under this Agreement, including services as an executive, officer, director, or member of any committee of the Company or of any subsidiary or affiliate of the Company, the Company shall pay the Employee a fixed salary at an annual rate not less than the annual rate of salary being paid to Employee immediately prior to the effective date of this Agreement. Such salary shall be subject to such periodic percentage increases after the effective date of this Agreement as the Company pays generally to the Company's senior management employees from time to time, and shall be payable in accordance with the customary payroll practices of the Company. Such periodic increases in salary, once granted, shall not be subject to revocation.

(b) In addition to the salary payable under subsection (a), above, the Company shall provide to the Employee a bonus opportunity not less than the bonus opportunity in effect for the year in which the effective date of this Agreement occurs and in any event shall pay to the Employee annual bonuses in an amount at least equal to the amount of the last payment to the Employee under any short-term incentive performance program of the Company or any subsidiary of the Company in effect during the twelve (12) month period prior to the effective date of this Agreement. Nothing in this subsection (b) shall be deemed to require the Company to (i) have or continue an incentive performance program in effect prior to the effective date of this Agreement or (ii) award to the Employee any bonuses under such program prior to the effective date of this Agreement.

(c) Nothing in this Agreement shall preclude or affect any rights or benefits that may now or hereafter be provided for the Employee or of which the Employee may be or become eligible under any bonus or other form of compensation or employee benefit plan now existing or that may hereafter be adopted or awarded by the Company. Specifically, the Employee shall:

(i) participate in the Unital Corporation Retirement Plan and any related excess benefit or supplemental retirement program (hereinafter referred to collectively as the "Retirement Program");

(ii) participate in any savings or thrift plan maintained by the Company;

(iii) participate in any stock option, stock appreciation right, equity incentive or deferred compensation plan maintained by the Company;

(iv) participate in the Company's death benefit plans;

(v) participate in the Company's disability benefit plans;

(vi) participate in the Company's medical, dental and health and welfare plans; and

(vii) participate in equivalent successor plans of the Company for which senior management employees are eligible;

provided, however, that nothing in this Agreement shall preclude the Company from amending or terminating any such plan or program, on the condition that such amendment or termination is applicable to all of the Company's senior management employees generally. For purposes of the foregoing, any plan or program maintained by any subsidiary of the Company which is made available to the senior management of the Company and its subsidiaries taken as a whole, shall be deemed to be a plan or program maintained by the Company.

6. Business Expenses. The Company shall pay or reimburse the Employee for all reasonable travel or other expenses incurred in connection with the performance of the Employee's duties under this Agreement in accordance with such procedures as the Company may from time to time establish.

7. Additional Benefits. Nothing in this Agreement shall affect the Employee's eligibility to participate in all group health, dental, hospitalization, life, travel or accident or other insurance plans or programs and all other perquisites, fringe benefit or retirement plans or additional compensation, including termination pay programs, which the Company or any subsidiary of the Company may hereafter, in their sole and absolute discretion, elect to make available to the senior management employees of the Company generally, and the Employee shall be eligible to receive, during the period of employment under this Agreement, all benefits and emoluments for which key employees are eligible under every such plan, program, perquisite or arrangement to the extent permissible under the general terms and provisions thereof.

8. Termination of Employment. Notwithstanding any other provision of this Agreement, the Employee's employment under this Agreement may be terminated for any of the following reasons:

(a) By the Company for Cause. For purposes of this Agreement, the term "Cause" shall mean the occurrence of any of the following events: (i) the Employee's conviction for the commission of a felony or (ii) the Employee's fraud or dishonesty which has resulted or is likely to result in material economic damage to the Company or any of its subsidiaries, as determined in good faith by the Directors of the Company at a meeting of the Board of Directors at which the Employee is provided an opportunity to be heard;

(b) By the Employee for Good Reason. For purposes of this Agreement, the term "Good Reason" shall mean the occurrence of any of the following events unless the Employee specifically agrees in writing that such event or condition shall not constitute Good Reason: (i) a material diminution in the Employee's base compensation; (ii) a material diminution in the Employee's authority, duties or responsibilities; (iii) material diminution in the authority, duties, or responsibilities of the supervisor to whom the Employee is required to report, including, if the Employee reports directly to the Board of Directors of Unitil, a requirement that the Employee report to a corporate officer or employee instead of reporting directly to the Board of Directors of Unitil; (iv) a material diminution in the budget over which the Employee retains authority; (v) a material change in the geographic location at which the Employee must perform services, which the Company has determined to include a change in the Employee's principal place of employment by the Company from the location of the Company's principal place of business immediately prior to the date this Agreement becomes effective to a location more than fifty (50) miles from such principal place of business; or (vi) any other action or inaction that constitutes a material breach by the Company of the Agreement;

provided, however, no event specified in this paragraph 8(b) shall constitute Good Reason unless the Employee has given written notice to the Company, specifying the event relied upon for such termination within ninety (90) days after the occurrence of such event and the Company has not remedied such within thirty (30) days of receipt of such notice;

(c) By the Company upon the Disability of the Employee. For purposes of this Agreement, the term "Disability" is defined as the inability of the Employee to engage in his regular occupation for twelve (12) consecutive months and the inability thereafter to engage in any occupation in which the Employee could reasonable expect to engage giving due consideration to Employee's education, training and experience. The Employee must be under the regular medical care of a physician in connection with treatment for Disability;

(d) By the Employee without Good Reason; or

(e) By the Company for any reason other than Cause or the Employee's Disability.

For purposes of this Agreement, the Employee's employment shall be deemed to have terminated automatically as of the date of the Employee's death.

9. Payments Upon Termination of Employment.

(a) In the event of any termination of the Employee's employment hereunder (i) by the Employee for Good Reason or (ii) by the Company for any reason other than Cause or the Employee's Disability, then, as soon as practicable (but not more than sixty (60) days) after any such termination the Company shall pay to the Employee the following amounts, and shall provide the Employee and the dependents, beneficiaries and estate of the Employee with the following, as liquidated damages or severance pay, or both:

(i) a lump sum cash payment equal to the present value of twenty-four (24) monthly salary payments, assuming for this purpose that (1) each monthly salary payment

would have been equal to one-twelfth (1/12th) of the Employee's annual salary in effect at the time of employment termination (disregarding any reductions in annual salary that were not approved by the Employee) and (2) such monthly salary payments would have been made on each of the twenty-four (24) monthly anniversaries of the date the Employee's employment terminated;

(ii) a lump sum cash payment equal to the present value of two (2) annual bonus payments, assuming for this purpose that (1) each such annual bonus payment would have been equal to the Employee's target annual bonus for the year in which employment termination occurs (disregarding any reductions in such target annual bonus that were made in the year of employment termination and that were not approved by the Employee) and (2) the first annual bonus would have been paid on the last business day of the first February following the date of employment termination and the second annual bonus would have been paid on the last business day of the second February following the date of employment termination;

(iii) A lump sum cash amount equal to the present value of the excess of (1) the aggregate benefit that would have been paid under the Retirement Program described in paragraph 5(c)(i), above, as in effect on the date of this Agreement, if the Employee had continued to be employed and to be entitled to service credit for eligibility and benefit purposes during the twenty-four (24) month period immediately following such termination, over (2) the aggregate benefit actually payable under the Retirement Program and any successor retirement program of the Company. For purposes of such calculation, the following assumptions shall apply: (1) that the Employee would continue to be compensated during the twenty-four (24) month period following termination at an annual rate of compensation equal to that used to calculate the payments provided by paragraph 9(a)(i) and (ii) above, calculated on the basis of

the compensation amount used in the benefit formula under the Retirement Program; (2) that the Employee is fully vested in the benefit payable under the Retirement Program; and (3) that the aggregate benefit that would have been paid under the Retirement Program is as of either the normal or early retirement date for which the Employee would have qualified, if the Employee were still employed on that date, whichever would produce the highest present value amount payable under this paragraph; and (4) that for purposes of the calculation of the lump sum cash amount as described herein it will be assumed that the Employee would receive aggregate retirement benefits for a period to be determined by an actuarial analysis in accordance with the standard assumptions used in providing annual funding for the Company's normal Retirement Program;

(iv) A lump sum cash amount equal to the present value of the contributions which would have been made by the Company or any subsidiary of the Company to the Employee's account pursuant to any savings or thrift plan maintained by the Company or any subsidiary of the Company in which the Employee was participating immediately prior to such termination, calculated as if the Employee had continued to be employed and to be entitled to such contributions during the twenty-four (24) month period immediately following such termination, at a rate of contribution equal to that made by the Company or any subsidiary of the Company during the most recent contribution period preceding such termination; and

(v) A lump sum cash amount equal to the sum of (1) the present value of the monthly cost that would have been incurred by the Company (exclusive of the Employee's portion thereof and determined in good faith by the Company) if it provided group medical, dental and life insurance coverage to the Employee and the Employee's eligible dependents (at the same level and Employee cost as in effect at the time of employment termination) for a period of two (2) consecutive years following employment termination, determined based on the

cost of such coverage at the time of employment termination and assuming such cost remained constant through the coverage period, and (2) an additional payment (the "Additional Payment") in an amount such that, after payment by the Employee of all Federal, State, city and local income taxes and the Employee's portion of all payroll taxes imposed upon the Additional Payment, the Employee retains an amount of the Additional Payment equal to the Federal, State, city and local income taxes and the Employee's portion of all payroll taxes imposed upon the payment provided pursuant to subpart (1) of this paragraph 9(a)(v). For a period of two (2) consecutive years following employment termination, the Employee and the Employee's eligible dependents shall remain eligible to participate in the Company's group medical, dental and life insurance plan, in each case, that is generally available to other senior executives of the Company; provided, that the Employee shall pay one-hundred (100%) percent of the cost of such coverage. The continued coverage provided under this paragraph 9(a)(v) shall not count against the Employee's and the Employee's dependent's continuation of coverage period required under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended (or any similar state or local law).

(b) For purposes of calculating the lump sum cash payments provided by paragraphs 9(a)(i) through (v), above, present value shall be determined by using a discount factor equal to one percentage point below the Prime Rate, compounded annually. The "Prime Rate" shall be the base rate on corporate loans at large U.S. money center commercial banks as reported in The Wall Street Journal (or, if such rate is no longer published, such other base rate on corporate loans by large money center commercial banks in the United States to their most creditworthy customers as published by any newspaper or periodical of general circulation) as of the date on which termination shall have occurred.

(c) If the Employee terminates employment hereunder for any reason other than for Good Reason, if the Company terminates the Employee's employment as a result of Disability or Cause or if the Employee's employment hereunder is terminated due to the Employee's death, the Company shall have no further obligation hereunder and no further payments (except for accrued and unpaid salary, bonus and expense reimbursement) shall be made to the Employee.

(d) (i) In the event it shall be determined that any payment or distribution by the Company to or for the benefit of the Employee, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise (a "Payment"), would be subject to the excise tax imposed by Section 4999 of the Internal Revenue Code of 1986, as amended (the "Code") (or any successor thereto) or comparable state or local tax or any interest or penalties with respect to such excise tax or comparable state or local tax (such excise tax, together with any such interest and penalties, are hereinafter collectively referred to as the "Excise Tax"), then the Employee shall be entitled to receive an additional payment (a "Gross-Up Payment"). The Gross-Up Payment shall be equal to the sum of the Excise Tax and all taxes (including any interest or penalties imposed with respect to such taxes) imposed upon the Gross-Up Payment.

(ii) If the Employee determines that a Gross-Up Payment is required, the Employee shall so notify the Company in writing, specifying the amount of Gross-Up Payment required and details as to the calculation thereof, the Company shall within thirty (30) days either pay such Gross-Up Payment (net of applicable wage withholding) to the Employee or furnish an unqualified opinion from Independent Tax Counsel (as defined below), addressed to the Employee and the Company, that there is substantial authority (with the meaning of section 6661 of the Code) for the position that no Gross- Up Payment is required.

"Independent Tax

Counsel” means a lawyer with expertise in the area of executive compensation tax law, who shall be selected by the Employee and shall be reasonably acceptable to the Company, and whose fees and disbursements shall be paid by the Company.

(iii) If the Internal Revenue Service or other tax authority proposes in writing an adjustment to the income tax of the Employee which would result in a Gross-Up Payment, the Employee shall promptly notify the company in writing and shall refrain for at least thirty (30) days after giving such notice, if so permitted by law, from paying any tax (including interest, penalties and additions to tax) asserted to be payable as a result of such proposed adjustment. Before the expiration of such period, the Company shall either pay the Gross-Up Payment or provide an opinion from Independent Tax Counsel to the Employee and the Company as to whether it is more likely than not that the proposed adjustment would be successfully challenged if the matter were to be litigated. If the opinion provides that a challenge would be more likely than not to be successful if the issue were litigated, and the Company requests in writing that the Employee contest such proposed adjustment, then the Employee shall contest the proposed adjustment and shall consult in good faith with the Company with respect to the nature of all action to be taken in furtherance of the contest of such proposed adjustment; provided that the Employee, after such consultation with the Company, shall determine in his sole discretion the nature of all action to be taken to contest such proposed adjustment, including (A) whether any such action shall initially be by way of judicial or administrative proceedings, or both, (B) whether any such proposed adjustment shall be contested by resisting payment thereof or by paying the same and seeking a refund thereof, and (C) if the Employee shall undertake judicial action with respect to such proposed adjustment, the court or other judicial body before which such action shall be commenced and the court or other judicial body to which any appeals should be taken. The Employee agrees to take

appropriate appeals of any judicial decision that would require the Company to pay a Gross-Up Payment, provided the Company requests in writing that the Employee do so and provides an opinion from Independent Tax Counsel to the Employee and the Company that it more likely than not that the appeal would be successful. The Employee further agrees to settle, compromise or otherwise terminate a contest with the Internal Revenue Service or other tax authority with respect to all or a portion of the proposed adjustment giving rise to the Gross-Up Payment, if requested by the Company in writing to do so at any time, in which case the Employee shall be entitled to receive from the Company the Gross- Up Payment. In no event shall the Employee compromise or settle all or any portion of a proposed adjustment which would result in a Gross-Up Payment without the written consent of the Company.

The Employee shall not be required to take or continue any action pursuant to this paragraph 9(d) unless the Company acknowledges its liability under this Agreement in the event that the Internal Revenue Service or other tax authority prevails in the contest. The Company hereby agrees to indemnify the Employee in a manner reasonably satisfactory to the Employee for any expenses (including any fees, penalties, interest or additions to tax) which the Employee may incur as a result of contesting the validity of any Excise Tax and to pay the Employee promptly upon receipt of a written demand therefor all costs and expenses which the Employee may incur in connection with contesting such proposed adjustment (including reasonable fees and disbursements of Independent Tax Counsel); provided, however, that the Company shall not be required to pay any amount necessary to permit the Employee's institution of a claim for refund under this paragraph 9(d)(iii).

If the Employee shall have contested any proposed adjustment as above provided, and for so long as the Employee shall be required under the terms of this paragraph 9(d)(iii) to continue such contest, the Company shall not be required to pay a Gross-Up Payment until there occurs

a Final Determination (as defined below) of the liability of the Employee for the tax and any interest, penalties and additions to tax asserted to be payable as a result of such proposed adjustment. A "Final Determination" shall mean (A) a decision, judgment, decree or other order by any court of competent jurisdiction, which decision, judgment, decree or other order has become final after all allowable appeals by either party to the action have been exhausted, the time for filing such appeal has expired or the Company has no right under the terms hereof to request an appeal, (ii) a closing agreement entered into under Section 7121 of the Code or any other settlement agreement entered into in connection with an administrative or judicial proceeding and with the consent of the Company, or (iii) the expiration of the time for instituting a claim for refund, or if such a claim was filed, the expiration of the time for instituting suit with respect thereto.

(iv) In the event the Employee receives any refund from the Internal Revenue Service or other tax authority on account of an overpayment of Excise Tax, such amount and interest attributable thereto shall be promptly paid by the Employee to the Company.

(v) Notwithstanding anything contained herein to the contrary, any Gross-Up Payment or reimbursement by the Company of expenses incurred by the Employee in connection with a tax audit or litigation relating to the Excise Tax, as provided herein, shall be paid no later than the last day of the calendar year following the calendar year in which the Employee remitted the Excise Tax or if, following any such tax audit or litigation no Excise Tax is paid, the end of the calendar year following the calendar year in which the audit is completed or there is a final and nonappealable settlement or other resolution of the litigation.

10. Source of Payments. All payments provided for in paragraphs 5, 6, 7 and 9 shall be paid in cash from the general funds of the Company and its subsidiaries. The Company shall not be required to establish a special or separate fund or other segregation of assets to assure such payments.

11. Litigation Expenses. The Company agrees to pay, upon written demand therefor by the Employee, all legal fees and expenses the Employee reasonably incurs as a result of any dispute or contest (regardless of the outcome thereof) by or with the Company or others regarding the validity or enforceability of, or liability under, any provision of this Agreement. The Employee agrees to repay to the Company any such fees and expenses paid or advanced by the Company if and to the extent that the Company or such others obtains a judgment or determination that the Employee's claim was frivolous or was without merit from a court of competent jurisdiction from which no appeal may be taken, whether because the time to do so has expired or otherwise. Notwithstanding any provision hereof or any other agreement, (a) the Company may offset any other obligation it has to the Employee by the amount of such repayment, (b) the amount of expenses eligible for reimbursement during any calendar year may not affect the expenses eligible for reimbursement in any other calendar year, (c) no reimbursement of an expense pursuant to the first sentence of this paragraph 11 shall be provided to the Employee later than the calendar year following the calendar year in which the expense was incurred and (d) the right to reimbursement under this Section 11 is not subject to liquidation or exchange for another benefit.

Notwithstanding any provision of New Hampshire law to the contrary, in no event shall the Employee be required to reimburse the Company for any of the costs and expenses relating to such litigation or other proceeding. The obligation of the Company under this paragraph 11 shall survive the termination for any reason of this Agreement (whether such termination is by the Company, by the Employee, upon the expiration of this Agreement or otherwise) and shall remain in effect until the applicable statute of limitation has expired with respect to any possible dispute or contest by or with the Company or others regarding the validity or enforceability of, or liability under, any provision of this Agreement.

12. Income Tax Withholding. The Company may withhold from any payments made under this Agreement all federal, state, city or other taxes as shall be required pursuant to any law or governmental regulation or ruling.

13. Entire Understanding. This Agreement contains the entire understanding between the Company and the Employee with respect to the subject matter hereof and supersedes any prior employment agreement between the Company and the Employee, except that this Agreement shall not affect or operate to reduce any benefit or compensation inuring to the Employee of a kind elsewhere provided and not expressly provided for in this Agreement.

14. Mitigation. In no event shall the Employee be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to the Employee under any of the provisions of this Agreement.

15. Release. Prior to receipt of any payments pursuant to paragraph 9 of this Agreement, the Employee shall execute a general employment claims release of the Company in a form reasonably acceptable to the Company. Notwithstanding anything contained herein to the contrary, the Company shall have no obligation to make any payments pursuant to paragraph 9 of this Agreement unless the Employee executes such release and the release becomes non-revocable by the sixtieth (60th) day following the date of termination of the Employee's employment.

16. Severability. If, for any reason, any one or more of the provisions or part of a provision contained in this Agreement shall be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision or part of a provision of this Agreement not held so invalid, illegal or unenforceable, and each other

provision or part of a provision shall to the full extent with law continue in full force and effect. If this Agreement is held invalid or cannot be enforced, then to the full extent permitted by law any prior agreement between the Company and the Employee shall be deemed reinstated as if this Agreement had not been executed.

17. Consolidation, Merger, or Sale of Assets. Nothing in this Agreement shall preclude the Company from consolidating or merging into or with, or transferring all or substantially all of its assets to, another corporation with a net worth at least equal to that of the Company hereunder. Upon such a consolidation, merger or transfer of assets and assumption, the term “the Company”, as used herein shall mean such other corporation and this Agreement shall continue in full force and effect. If, in connection with a Change in Control, the Employee accepts employment with an entity that is or will be considered the Company pursuant to the prior sentence (or any parent or subsidiary thereof), the Employee shall not be considered to have terminated employment for purposes of this Agreement solely as a result of the termination of employment with the Company and commencement of employment with such successor “Company” entity. For avoidance of doubt, (a) the prior sentence shall not preclude the Employee from terminating employment due to Good Reason if an event or condition that constitutes Good Reason arises before, as a result of, or after such termination of employment with the Company and commencement of employment with such successor “Company” entity and (b) the Employee’s acceptance of employment with a successor entity shall not be deemed to constitute the Employee’s agreement in writing that an event or condition shall not constitute Good Reason.

18. Notices. All notices, requests, demands and other communications required or permitted hereunder shall be given in writing and shall be deemed to have been duly given if delivered or mailed, postage prepaid, first class as follows:

- (a) to the Company:
Unitil Corporation
6 Liberty Lane West
Hampton, New Hampshire 03833
Attention: Corporate Secretary
- (b) to the Employee:
at the address then shown in the Employee's employment records.

19. No Attachment. Except as required by law, no right to receive payments under this Agreement shall be subject to anticipation, commutation, alienation, sale assignment, encumbrance, charge, pledge, or hypothecation or to execution, attachment, levy, or similar process or assignment by operation of law, and any attempt, voluntary or involuntary, to effect any such action shall be null, void and of no effect.

20. Binding Agreement. This Agreement shall be binding upon, and shall inure to the benefit of, the Employee and the Company and their respective permitted successors and assigns.

21. Modification and Waiver. This Agreement may not be modified or amended except by an instrument in writing signed by the parties hereto. No term or condition of this Agreement shall be deemed to have been waived, nor shall there be any estoppel against the enforcement of any provision of this Agreement except by written instrument signed by the party charged with such waiver or estoppel. No such written waiver shall be deemed a continuing waiver unless specifically stated therein, and each such waiver shall operate only as to the specific term or condition waived and shall not constitute a waiver of such term or condition for the future or as to any act other than specifically waived.

22. Headings of No Effect. The paragraph headings contained in this Agreement are included solely for convenience of reference and shall not in any way affect the meaning or interpretation of any of the provisions of this Agreement.

23. Governing Law. This Agreement and its validity, interpretation, performance, and enforcement shall be governed by the laws of the State of New Hampshire, without giving effect to the choice of law provisions in effect in such State.

24. Code Section 409A. The provisions of this Agreement and all payments made pursuant to this Agreement are intended to comply with, and should be interpreted so that they are consistent with, the requirements of Section 409A of the Code, and any related regulations or other applicable guidance promulgated thereunder (collectively, "Section 409A"). It is the intent of the parties hereto that all severance payments and benefits provided pursuant to this Agreement qualify as short-term deferrals, as defined in Treasury Regulation §1.409A-1(a)(4), separation pay due to an involuntary separation from service under Treasury Regulation §1.409A-1(b)(9)(iii), and/or limited payments, as defined in Treasury Regulation §1.409A-1(b)(9)(v)(D)). Notwithstanding the foregoing, if (i) it is determined that any payments or benefits provided pursuant to this Agreement that are paid upon separation from service (as that term is used in Section 409A) constitute deferred compensation for purposes of Section 409A (after taking into account the exception for short-term deferrals set forth in Treasury Regulation §1.409A-1(a)(4), the exception for separation pay due to an involuntary separation set forth in Treasury Regulation §1.409A-1(b)(9)(iii), the exception for limited payments as set forth in Treasury Regulation §1.409A-1(b)(9)(v)(D) and/or any other applicable exception from Section 409A) and (ii) the Employee is a "specified employee," as determined under the Company's policy for determining specified employees, on the date on which the separation from service occurs, no such payments or benefits shall be provided prior to the first business day after the date that is six (6) months following the Employee's termination of employment or, if the Employee dies during such six (6) month period, on the first business day after the date of the Employee's death. The first payment that can be made shall include the cumulative amount of

any amounts that could not be paid during such six (6) month period. In addition, interest will accrue at the 10-year T-bill rate (as in effect as of the first business day of the calendar year in which the termination of employment occurs) on all payments not paid to the Employee prior to the first business day after the six (6) month anniversary of termination of employment that otherwise would have been paid during such six (6) month period had this delay provision not applied to the Employee and shall be paid with the first payment after such six (6) month period. For all purposes under this Agreement, references to termination of employment, employment termination or words of similar import shall be interpreted to mean "separation from service," as that term is used in Section 409A, and the Employee's employment shall in no event be deemed to have terminated unless and until a separation from service shall have occurred for purposes of Section 409A.

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed by its officers thereunto duly authorized, and the Employee has signed this Agreement, all as of the date first above written.

Unitil CORPORATION

By: _____

Unitil SERVICE CORP.

By: _____

Employee: _____

Officers Who Have Executed Above Severance Agreement:

Officer

Thomas P. Meissner

George E. Long

**UNITIL CORPORATION
SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN
AS ADOPTED BY UNITIL SERVICE CORP.**

(as amended and restated effective December 31, 2007)

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Article 1

PURPOSE AND INTENT

The principal objective of the Unitil Corporation Supplemental Executive Retirement Plan As Adopted By Unitil Service Corp. (the "Plan") is to ensure the payment of a competitive level of retirement income in order to attract, retain and motivate selected executives. The Plan was designed to provide supplements to designated employees which, when combined with other employment related and government sponsored retirement benefits, will provide for the aggregate level of retirement benefits specified herein. The Plan is intended to be "a plan which is unfunded and is maintained by an employer primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees" within the meaning of sections 201(2), 301(a)(3) and 401(a)(1) of ERISA, and shall be interpreted and administered in a manner consistent therewith.

The Plan was originally established and adopted effective January 1, 1987, and was amended and restated effective January 1, 1998. The Plan is hereby amended and restated in its entirety, effective December 31, 2007.

Article 2

DEFINITIONS

Whenever used herein, unless the context clearly indicates otherwise, the following words and phrases shall have the meanings herein specified, and the following definitions shall be equally applicable to both the singular and plural forms of any of the terms herein defined. The masculine pronoun whenever used herein shall include the feminine and neuter genders and the singular number as used herein shall include the plural, and the plural the singular, unless the context clearly indicates a different meaning.

2.1 "Basic Plan" shall mean the Unitil Corporation Retirement Plan as adopted by the Employer.

2.2 "Basic Plan Benefit" shall mean the annual amount of benefit payable from the Basic Plan to a Participant in the form of a straight life annuity.

2.3 "Beneficiary" shall mean the individual designated by the Participant to receive payments upon the death of a Participant in accordance with Article 8.

2.4 "Board of Directors" shall mean the Board of Directors of Unitil Corporation or any successor thereof.

2.5 "Change in Control" shall mean the occurrence of any of the following:

- (a) Unitil Corporation receives a report on Schedule 13D filed with the Securities and Exchange Commission pursuant to Section 13(d) of the Securities Exchange Act of 1934, as amended (hereinafter referred to as the "Exchange Act"), disclosing that any person, group, corporation or other entity is the beneficial owner, directly or indirectly, of twenty-five (25%) percent or more of the outstanding common stock of Unitil Corporation;

- (b) any person (as such term is defined in Section 13(d) of the Exchange Act), group, corporation or other entity other than Unitil Corporation or a wholly-owned subsidiary of Unitil Corporation, purchases shares pursuant to a tender offer or exchange offer to acquire any common stock of Unitil Corporation (or securities convertible into common stock) for cash, securities or any other consideration, provided that after consummation of the offer, the person, group, corporation or other entity in question is the beneficial owner (as such term is defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of twenty-five (25%) percent or more of the outstanding common stock of Unitil Corporation (calculated as provided in paragraph (d) of Rule 13d-3 under the Exchange Act in the case of rights to acquire common stock);
- (c) the stockholders of Unitil Corporation approve (i) any consolidation or merger of Unitil Corporation in which Unitil Corporation is not the continuing or surviving corporation or pursuant to which shares of common stock of Unitil Corporation would be converted into cash, securities or other property (except where Unitil Corporation shareholders before such transaction will be the owners of more than seventy-five (75%) percent of all classes of voting stock of the surviving entity), or (ii) any sale, lease, exchange or other transfer (in one transaction or a series of related transactions) of all or substantially all the assets of Unitil Corporation; or
- (d) there shall have been a change in a majority of the members of the Board of Directors within a twenty-five (25) month period unless the election or nomination for election by the Unitil Corporation stockholders of each new director was approved by the vote of two-thirds of the directors then still in office who were in office at the beginning of the twenty-five (25) month period.

Should the Change in Control be stockholder approval under paragraph 2.5(c) and if the Board of Directors determines the approved transaction will not be completed and is abandoned prior to any termination of the Participant's employment, a Change in Control shall no longer be in effect and the provisions of this Plan shall continue in the effect as if a Change in Control had not occurred.

2.6 "Change in Control Participant" shall have the meaning given to that term in Section 9.1.

2.7 "Early Retirement Date" shall mean the first day of the month in which the Participant has both attained age 55 and completed 15 years of Service (excluding Service completed prior to age 18).

2.8 "Earnings" shall mean, for any calendar year, the Participant's annual salary and any annual cash incentive paid to the Participant in such year (including any amounts that would have been paid but that were deferred by the Participant).

2.9 "Employer" shall mean Unitil Service Corp. and any affiliated employer and any successor company which may continue the Plan.

2.10 "Final Average Earnings" shall mean the highest annual average of any consecutive three years' Earnings of a Participant during such Participant's tenure as an employee with the Employer.

2.11 "Normal Retirement Date" shall mean the first day of the month in which occurs the Participant's 65th birthday.

2.12 "Other Retirement Income" shall mean the retirement income payable to a Participant from the following sources as of the date the Participant's benefits commence under this Plan:

- (a) the straight life annuity equivalent of the value of the total contributions, but not including a Participant's salary deferral contributions, made by the Employer under the Unitil Corporation Tax Deferred Savings and Investment Plan on behalf of the Participant during such Participant's employment at the Employer; and

(b) retirement income in the form of a straight life annuity payable to a Participant from any previous employers.

In determining the straight life annuity equivalent under Section 2.12, the following actuarial assumptions shall be used: the interest rate or rates and table used by the Pension Benefit Guaranty Corporation to value immediate annuities (as of the beginning of the calendar year in which the determination is being made) under Section 4062 of the Employee Retirement Income Security Act of 1974.

2.13 "Participant" shall mean an employee of the Employer who is designated by the Board of Directors to participate in the Plan.

2.14 "Plan" shall mean the Unitil Corporation Supplemental Executive Retirement Plan As Adopted By Unitil Service Corp. and as set forth in this document and as may be amended from time to time.

2.15 "Primary Social Security Benefit" shall mean the annual primary insurance amount to which the Participant is entitled or would, upon application therefor, be entitled at the later of age 65 or actual retirement under the provisions of the Federal Social Security Act as in effect on the Participant's termination date assuming that the Participant will have no income after termination which would be treated as wages for purposes of the Social Security Act.

2.16 "Retirement Date" shall mean the first to occur of the Participant's Normal Retirement Date or Early Retirement Date.

2.17 "Service" shall mean a Participant's years of Credited Service as defined in the Basic Plan for benefit calculation purposes, provided that, except as provided in Section 7.2, no Service shall be credited to a Participant subsequent to his termination of Participation pursuant to Section 4.2.

Article 3

ADMINISTRATION

The Plan shall be administered by the Board of Directors. The Board of Directors shall have the authority to interpret the provisions of the Plan and decide all questions and settle all disputes which may arise in connection with the Plan, all in the sole exercise of its discretion. The Board of Directors may establish operative and administrative rules and procedures in connection therewith, provided that such procedures are consistent with the requirements of section 503 of ERISA. All interpretations, decisions and determinations made by the Board of Directors shall be final, conclusive and binding on all persons concerned. No member of the Board of Directors who is a Participant may vote or otherwise participate in any decision or act with respect to a matter relating to himself or his beneficiaries.

Article 4

PARTICIPATION

4.1 Participation. The Participants in the Plan shall be those “management” or “highly compensated” employees within the meaning of sections 201(2), 301(a)(3) and 401(a)(1) of ERISA who shall be employees of the Employer and who shall be selected from time to time by the Board of Directors. Unless selected by the Board of Directors in the sole exercise of its discretion, no employee of the Employer shall have a right to become a Participant in the Plan.

4.2 Termination of Participation. A Participant’s participation in the Plan shall end upon his termination of service with the Employer for any reason or his ceasing to be a management or highly compensated employee within the meaning of Sections 201(2), 301(a)(3) and 401(a)(1) of ERISA. In addition, the Board of Directors may terminate an employee’s participation in the Plan.

Article 5

ELIGIBILITY FOR BENEFITS

5.1 Eligibility for Retirement Benefits. A Participant shall be eligible to receive a benefit under the Plan if (a) the Participant's employment terminates on or after his Retirement Date or (ii) a Change in Control has occurred. Benefits shall be determined in accordance with Article 6 or Article 9, as the case may be, and shall commence in accordance with Article 7.

5.2 Eligibility for Pre-Retirement Death Benefits. The Beneficiary of each Participant who dies before commencement of benefits pursuant to Section 7.1 or Section 7.2, as the case may be, but after either (a) a Change in Control or (b) completing at least five years of Service shall be eligible to receive the benefit described in Article 8.

5.3 Termination Prior to Retirement. Except as otherwise provided in Section 5.2 and Article 9, no benefits are payable under the Plan if a Participant's employment terminates for any reason, including death, prior to the Participant's Retirement Date.

Article 6

AMOUNT AND FORM OF RETIREMENT BENEFITS

6.1 Amount of Benefit. The annual retirement benefit payable to a Participant under the Plan whose termination of employment occurs on or after his Normal Retirement Date shall equal 60% of such Participant's Final Average Earnings reduced, but not below zero, by the sum of (a), (b) and (c) where

- (a) equals the Basic Plan Benefit;
- (b) equals the Other Retirement Income; and
- (c) equals the Primary Social Security Benefit.

6.2 Early Retirement Benefit. The annual retirement benefit payable to a Participant under the Plan whose termination of employment occurs on or after his Early Retirement Date shall be determined in accordance with the provisions of Section 6.1 but shall be reduced by 5/12 of 1% for each full calendar month that the Participant's termination of employment precedes the month in which occurs the Participant's 60th birthday.

6.3 Form of Benefit. The retirement benefits determined under this Article 6 shall be payable as a monthly annuity for the life of a Participant unless the Participant has elected to receive reduced benefits in an optional form of payment.

The optional forms of payment available for election by a Participant under the Plan shall be the same as those provided under the Basic Plan, provided that any such election shall be made prior to the Participant's termination of employment. However, the Participant may not elect a form of payment under the Plan different from the form of payment made to him under the Basic Plan. If an optional form of payment is elected, the benefits payable shall be the actuarial equivalent of the

Participant's retirement benefits under the Plan. In determining actuarial equivalence, the actuarial reduction factors set forth in the Basic Plan used to convert a straight life annuity to an optional form of payment shall be used under the Plan.

PAYMENT OF RETIREMENT BENEFITS

7.1 Termination on or after Retirement Date. Except as otherwise provided in Section 7.2 and Articles 8 and 12, all benefits payable under the Plan shall commence on the date of the Participant's termination of employment. Benefits will continue to be paid on the first day of each succeeding month. The last payment will be on the first day of the month in which the retired Participant dies unless the Participant has elected an optional form of payment in accordance with Section 6.3.

7.2 Termination before Retirement Date after a Change in Control. Except as otherwise provided in Articles 8 and 12, benefits payable to a Change in Control Participant pursuant to Article 9 shall commence on the earlier to occur of the following: (i) the date the Change in Control Participant could have received benefits under Section 6.1 or (ii) the date the Change in Control Participant could have received benefits under Section 6.2, as the case may be, determined by assuming the Change in Control Participant had remained employed and continued to accrue additional years of Service after the date of employment termination. Benefits will continue to be paid on the first day of each succeeding month. The last payment will be on the first day of the month in which the retired Change in Control Participant dies unless the Change in Control Participant has elected an optional form of payment in accordance with Section 6.3. For avoidance of doubt, if a Participant's employment terminates on or after the Participant's Retirement Date, the Participant's benefits shall be determined pursuant to Article 6 and shall be paid pursuant to Section 7.1, whether or not a Change in Control has occurred.

Article 8

DEATH BENEFIT

8.1 Amount. A Beneficiary described in Section 5.2 shall receive an annuity for life determined in accordance with the surviving spouse benefit provision of the Basic Plan (other than the requirement that such benefit may only be paid to the surviving spouse) and the relevant provisions of Article 6 or, after a Change in Control, Article 9.

8.2 Commencement. The benefit described in Section 8.1 shall commence as of the first day of the month following the later of (1) the date the Participant dies or (2) the Participant's Retirement Date.

Article 9

CHANGE IN CONTROL

9.1 Eligibility for Change in Control Benefits. Notwithstanding anything contained herein to the contrary, if a Change in Control occurs, Participants in the Plan as of the date of the Change in Control shall be entitled to receive benefits determined in accordance with this Article 9 if the Participant's employment terminates prior to the Participant's Retirement Date (a "Change in Control Participant").

9.2 Amount of Change in Control Benefit. A Change in Control Participant's benefit payable pursuant to this Article 9 shall be determined in accordance with the provisions of (a) Section 6.1 if, pursuant to Section 7.2, the Change in Control Participant's benefits commence on the first date the Participant could have received benefits under Section 6.1 or (b) Section 6.2, if, pursuant to Section 7.2, the Change in Control Participant's benefits commence on the first date the Participant could have received benefits under Section 6.2.

9.3 Payment of Change in Control Benefit. A Change in Control Participant's benefits shall be paid in accordance with Section 7.2.

Article 10

FORFEITURE OF BENEFITS

Notwithstanding anything herein to the contrary, if a Participant or Beneficiary who is receiving, or may be entitled to receive, a benefit hereunder engages in competition with the Employer or any affiliated employer (without prior authorization of the Board of Directors) or is discharged for cause, or performs acts of willful malevolence or gross negligence in a matter of material importance to the Employer or any affiliated employer, payments thereafter payable hereunder to such Participant or Beneficiary shall, at the discretion of the Board of Directors, be forfeited and the Employer shall have no further obligation hereunder to such Participant or Beneficiary.

NATURE OF CLAIM FOR PAYMENTS

Benefits under the Plan shall be paid from the general assets of the Employer (which term, solely for the purposes of this Article 11, shall mean the Employer or any affiliated employer). The Plan shall be administered as an unfunded plan which is not intended to meet the qualification requirements of section 401 of the Internal Revenue Code of 1986, as amended (the "Code"). Neither a Participant nor his Beneficiary shall be entitled to receive any payment for benefits under the Plan from the qualified trust maintained for the Basic Plan. Should the Board of Directors elect to insure the Plan, in whole or in part, through the medium of life insurance or annuities, or both, the Employer shall be the owner and beneficiary of any insurance or annuity contracts. The Employer reserves the absolute right, in its sole discretion, to terminate such life insurance or annuities, as well as any other program, at any time, either in whole or in part. At no time shall the Participant be deemed to have any right, title, or interest in or in any specified asset or assets of the Employer, including, but not by way of restriction, any insurance or contract or contracts or the proceeds therefrom. Any such policy shall not in any way be considered to be security for the performance of the obligations of the Employer under the Plan. If the Employer decides to purchase a life insurance or annuity policy on the life of the Participant, he shall sign any papers that may be required for that purpose and undergo any medical examination or tests which may be necessary.

CODE SECTION 409A

The provisions of the Plan and all payments made pursuant to the Plan are intended to comply with, and should be interpreted so that they are consistent with, the requirements of Section 409A of the Code, and any related regulations or other applicable guidance promulgated thereunder (collectively, "Section 409A"). If the Participant is a "specified employee," as determined under the Employer's policy for determining specified employees, on the date on which the Participant's termination of employment occurs, the Participant's benefits shall not be paid or commence until the first business day after the date that is six months following the Participant's termination of employment or, if the Participant dies during such six month period, on the first business day after the date of the Participant's death. The first payment that can be made shall include the cumulative amount of any amounts that could not be paid during such six-month period. In addition, interest will accrue at the Federal short-term rate determined under Section 1274(d) of the Code (as in effect on the date of the separation from service or, if such date is not a business day, the first business day prior to such date) on all payments not paid to the Participant prior to the first business day after the sixth month anniversary of termination of employment that otherwise would have been paid during such six-month period had this delay provision not applied to the Participant and shall be paid with the first payment after such six-month period. For all purposes under the Plan, references to termination of employment or words of similar import shall be interpreted to mean "separation from service," as that term is used in Section 409A, and the Participant's employment shall in no event be deemed to have terminated unless and until a separation from service shall have occurred for purposes of Section 409A.

Article 13

NO ASSIGNMENT OR ALIENATION

The interest hereunder of any Participant or Beneficiary shall not be alienable by the Participant or Beneficiary by assignment or any other method and shall not be subject to be taken by his creditors by any process whatsoever, and any attempt to cause such interest to be so subjected shall not be recognized, except to such extent required by law.

NO CONTRACT OF EMPLOYMENT

The Plan shall not be deemed to constitute a contract of employment between the Employer and any Participant, or to be consideration for the employment of any Participant. Neither the action of establishing the Plan for the Employer nor any action taken by or on behalf of the Employer or by the Board of Directors under the provisions hereof, nor any provision of the Plan, shall be construed as giving to any Participant the right to be retained in its employ or any right to any payment whatsoever except to the extent of the benefits provided for by the Plan. The Employer expressly reserves its right at any time to dismiss any Participant without liability for any claim against the Employer or for any claim for any payment whatsoever, except to the extent provided for in the Plan.

Article 15

AMENDMENT

The Plan may be altered, amended or revoked in writing by the Board of Directors at any time; provided, however, that no such alteration, amendment or revocation that adversely affects a Participant's or Beneficiary's vested benefits under the Plan shall be made without the prior written consent of the Participant or Beneficiary so affected.

Article 16

GOVERNING LAW

The Plan shall be governed and construed in accordance with the laws of the State of New Hampshire except to the extent preempted by federal law.

Article 17

SUCCESSORS

The provisions of the Plan shall bind and inure to the benefit of the Employer and its successors and assigns. The term successors as used herein shall include any corporate or other business entity which shall, whether by merger, consolidation, purchase or otherwise acquire all or substantially all of the business and assets of the Employer, and successors of any such corporation or other business entity.