

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 OF 1934

Date of report: March 8, 2022



TECOGEN INC. (OTCQX: TGEN)
(Exact Name of Registrant as Specified in Charter)

Delaware
(State or Other Jurisdiction of Incorporation)

001-36103
(Commission File Number)

04-3536131
(IRS Employer Identification No.)

45 First Avenue
Waltham, Massachusetts
(Address of Principal Executive Offices)

02451
(Zip Code)

(781) 466-6400
(Registrant's telephone number, including area code)

Securities registered or to be registered pursuant to Section 12(b) of the Act.

Title of each class	Trading Symbol	Name of exchange on which registered

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))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter). Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

INFORMATION TO BE INCLUDED IN THE REPORT

Section 5 – Corporate Governance and Management

Item 5.02. - Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Adoption of 2022 Stock Incentive Plan

On March 8, 2022, the Board of Directors (“*Board*”) of Tecogen Inc. (“*Company*,” “*we*,” “*our*,” “*us*,” or “*our*”) adopted the Tecogen Inc. 2022 Stock Incentive Plan (“*2022 Plan*”). The following description of the 2022 Plan is qualified in its entirety by reference to the 2022 Plan and related forms of incentive stock option award agreements, non-qualified stock option award agreement, restricted stock award agreement, which are attached hereto as Exhibits 10.1, 10.2, 10.3 and 10.4, respectively, and incorporated herein by such reference.

Description of Plan

Overview. The 2022 Plan authorizes the grant or award and issuance of incentive stock options, non-qualified stock options, restricted stock awards, and common stock to our employees, officers, directors and consultants. The purpose of this 2022 Plan is to promote the interests of the Company and its stockholders by providing our employees, directors, officers and consultants with appropriate incentives and rewards to encourage them to enter into and continue in their employment or service with us, to acquire a proprietary interest in our long-term success and to reward the performance of individuals in fulfilling corporate objectives. The 2022 Plan complements our 2006 Stock Incentive Plan (“*2006 Plan*”). As of March 8, 2022, we have granted awards under the 2006 covering 3,800,632 of the 3,838,750 shares authorized for issuance under the 2006 Plan. The 2022 Plan will provide flexibility to us going forward by permitting us to compensate and award employees, officers, directors and consultants through the issuance of certain options, restricted stock, and stock awards.

Term of Plan. The 2022 Plan became effective on March 8, 2022, subject to approval of our stockholders within one year of such date. If stockholder approval is not obtained within this one-year period, awards under the plan automatically and immediately terminate. The 2022 Plan is for a term of ten years and will terminate March 8, 2032, and no award may be made after that date, however, awards made before that date may extend beyond that date.

Eligible Participants. Eligible participants include our employees, officers, directors and consultants of the Company and those of any of our subsidiaries or affiliates.

Shares Reserved for Issuance. We have reserved 3,800,000 shares of our common stock for issuance pursuant to awards under the 2022 Plan. If an award under the 2022 Plan is cancelled, expires, forfeited, settled in cash or otherwise terminates without being exercised in full, the shares of common stock not acquired pursuant to the award will again become available for issuance under the 2022 Plan.

Certain Award Limits. The 2022 Plan provides that the maximum aggregate amount of awards that may be granted to a non-employee director of the Company in a calendar year shall not exceed \$100,000. The maximum aggregate number of shares for which options may be granted in any calendar year to an individual participant is not to exceed 1.5% of our issued and outstanding shares on December 31 of the calendar year immediately preceding the grant of an award. Further, the maximum aggregate number of shares for which restricted stock awards and stock awards may be granted in any calendar year

to an individual participant is not to exceed 1.5% of our issued and outstanding shares on December 31 of the calendar year immediately preceding the grant of an award.

Adjustments for Stock Splits and Similar Events. The Committee (defined below) will make appropriate adjustments in outstanding awards and the number of shares available for issuance under the 2022 Plan, including the individual limitations on awards, to reflect stock splits, reorganization, recapitalization and other similar events.

Administration. Our Board has delegated its authority to administer the 2022 Plan to our Compensation Committee (“*Committee*”). Subject to the provisions of the 2022 Plan, the Committee has the power to take all actions that it determines to be necessary or appropriate in connection with the administration of this Plan, including, without limitation:

- prescribe, amend, and rescind rules and regulations relating to the 2022 Plan and to define terms not otherwise defined
- determine which persons are eligible to participate, to which of such participants, if any, awards shall be granted, and the timing of any such awards
- grant awards to participants and determine their terms and conditions, including the number of shares subject to awards and the exercise or purchase price of such shares and the circumstances under which awards become exercisable or vested or are forfeited or expire
- establish any performance goals or other conditions applicable to the grant, issuance, exercisability, vesting and/or ability to retain any award
- prescribe and amend the terms of the agreements or other communications evidencing awards made under the 2022 Plan (which need not be identical) and the terms or form of any document or notice required to be delivered to us by participants under the 2022 Plan
- determine the appropriate adjustment, if any, required as a result of any reorganization, reclassification, combination of shares, stock split, reverse stock split, spin-off or dividend, or other changes in the number or kind of outstanding shares or any stock or other securities into which such shares shall have been exchanged
- interpret and construe the 2022 Plan, any rules and regulations under the 2022 Plan and the terms and conditions of any award granted thereunder, and to make exceptions to any such provisions in good faith and for the benefit of the Company, and
- make all other determinations deemed necessary or advisable for the administration of the 2022 Plan.

Change of Control. Unless the Board expressly provides otherwise prior to a change of control or in an award agreement, in the event of a change of control of the Company, all outstanding options under the 2022 Plan vest and become exercisable on the date immediately before the change of control and all restrictions under restricted stock awards and restricted stock rights shall lapse or be deemed satisfied on the date immediately prior to the change of control.

A change of control is deemed to have occurred upon the occurrence of one of the following events:

- any person or group of persons becomes the beneficial owner of shares of the Company to which 50% or more of the total number of votes for the election of directors may be cast;
- as a result of a cash tender offer, exchange offer, merger or other business combination, sale of assets or contested election, persons who were directors immediately prior to the event cease to constitute a majority of the board;
- stockholders approve an agreement providing either that the Company will cease to be an independent publicly owned corporation or for sale or other disposition of all or substantially all the assets of the Company; or
- a tender offer or exchange offer is made for shares of our common stock (other than one made by us) and shares of common stock are acquired.

Non-Employee Director Awards. The Committee determines all awards to non-employee directors and such awards are not subject to management's discretion. From time to time, the Committee will set the amount and the type of award that will be granted to non-employee directors on a periodic, nondiscriminatory basis, including pursuant to any plan adopted by the Committee or Board for the compensation of non-employee directors. The Committee may set additional awards to be granted to non-employee directors also on a periodic, nondiscriminatory basis based on one or more of the following criteria: (i) service as the chair of a Board committee; (ii) service as chairman of the Board; (iii) the number or type of Board committees on which a director serves; or (iv) the first selection or appointment of an individual to the Board.

Award Types. The 2022 Plan authorizes the grant or award and issuance of incentive stock options, non-qualified stock options, restricted stock, and stock awards.

Stock Option Awards. Incentive stock options and non-qualified stock options may be granted pursuant the 2022 Plan. The Committee determines whether a stock option award is an incentive stock option or a non-qualified stock option and the terms of each stock option granted under the 2022 Plan, including the number of shares covered by an option, exercise price and means of payment, the vesting and exercisability of the option, and restrictions on transfer and the term. The stock options expire on the earliest of ten years after the date of grant, 60 days after the death or disability of the recipient, immediately upon termination of employment or service other than by death or disability, or on such date as the Committee determines. The Committee, in its sole discretion, may change by agreement the post-termination rights of a recipient, including accelerating the date or dates on which the option becomes vested and is exercisable following termination of employment or service, or extend the period. Options granted under the plan may be exercised by delivering cash, a cashless exercise, or by delivering to us the proceeds of shares of our common stock issuable under an option.

Incentive Stock Options. An incentive stock option is an award in the form of a stock option to purchase shares that is intended to comply with the requirements of Section 422 of the Internal Revenue Code of 1986, as amended and the rules and regulations thereunder ("*Code*"). The exercise price of each incentive stock option will not be less than the fair market value of our shares on the date on which the stock option is granted. Notwithstanding the foregoing, if a participant owns stock possessing more than ten percent of the combined voting power of all classes of stock of the Company, the exercise price of such option must be at least 110% of the fair market value of a share of our common stock on the date of grant and the option must expire within a period of not more than five years from the date of grant

Non-Qualified Stock Option. A non-qualified stock option is an award in the form of a stock option to purchase shares. Non-qualified stock options do not qualify for the special tax treatment accorded to incentive stock options under Section 422 of the Code. The exercise price of each non-qualified stock option will not be less than the fair market value of a share of our common stock on the date on which the stock option is granted.

Restricted Stock and Stock Awards. An award of restricted stock consists of a specified number of shares of our common stock that are subject to restrictions on transfer, conditions of forfeiture, and any other terms and conditions for periods determined by the Committee. Prior to the termination of the restrictions, a participant may be able to vote and receive dividends on the restricted stock unless the Committee determines otherwise but may not sell or otherwise transfer the shares.

The Committee may also make stock awards of common stock without restrictions, except that if the award is in lieu of salary, service fee, cash bonus or other cash compensation, the number of shares covered by an award shall be based on the fair market value of such shares on the date of grant.

The Committee has discretion to determine the terms of any award of restricted stock, including the number of shares subject to the award, and the minimum period over which the award may vest, and the acceleration of any vesting in the event of death, disability or change of control, as discussed above with regard to options.

Award Agreements. Each award under the 2022 Plan that is share based will be evidenced by an award agreement setting forth the number of shares subject to the award, the purchase or exercise price, if any, the term of the award, the vesting period, and any performance criteria. The award agreement will also set forth such other material terms and conditions as the Committee may deem appropriate to the award consistent with the terms of the 2022 Plan.

Transferability. Awards are not transferable or assignable unless provided otherwise by the Committee with respect to certain specified family-related transfers.

Amendment and Termination. Our Board may amend, terminate, or modify the 2022 Plan at any time, without stockholder approval, unless required by the Code, pursuant to Section 16 under the Securities Exchange Act of 1934, as amended, or by any national securities exchange or system on which our common stock is then listed or reported, or by any regulatory body.

Benefits under the Plan. As of the date of this report, no awards have been made under the 2022 Plan. All future awards under the 2022 Plan are to be based on future performance and will be made in the discretion of the Committee.

Adoption of Non-Employee Director Compensation Plan

On March 8, 2022, upon the recommendation of the Compensation Committee of the Board, our Board approved and adopted a policy (“*Policy*”) regarding the compensation of directors who are not also employees or officers of the Company (“*Non-Employee Directors*”). The Policy will become effective March 8, 2022. The purpose of the Policy is to attract and retain qualified independent members of the Board.

The following summary of the Policy is not complete and is qualified in its entirety by reference to the “*Policy Regarding Compensation of Non-Employee Directors*” attached hereto as Exhibit 10.5 and incorporated herein by reference thereto.

Description of Policy

Each Non-Employee Director shall be entitled to receive automatically and without further action by the Compensation Committee or the Board the following equity awards pursuant to our 2022 Plan:

Initial Award. Under the Policy, each person who is initially elected or appointed to the Board and who is a Non-Employee Director following the effective date of the Policy will be eligible to receive a non-qualified stock option to purchase 100,000 shares of the Company's common stock, \$.001 par value per share ("*Common Stock*"), on the date of such initial election or appointment ("*Initial Award*"). No Non-Employee Director shall be granted more than one Initial Award.

Annual Award. Under the Policy, each Non-Employee Director who is a Non-Employee Director immediately following each annual meeting of our stockholders and who will continue in such capacity immediately following such annual meeting is entitled to receive an annual award ("*Annual Award*") of 25,000 non-qualified stock options to purchase shares of common stock

The options issued pursuant to the Initial and Annual Awards shall be exercisable at a price equal to the fair market value of a share of our common stock on the date of grant, shall be exercisable for a term of ten years from the date of grant, and shall vest in equal amounts on the first, second, third and fourth anniversaries of the date of each grant.

Reimbursement of Expenses. Under the Policy, each Non-Employee Director is entitled to be reimbursed reasonable expenses incurred in connection with travel to and attending Board and Board committee meetings.

Other Provisions of Policy. The options granted pursuant to the Policy are subject to the terms of the 2022 Plan. The Policy may be amended, altered or terminated at the election of the Board, provided that no such amendment, alteration or termination shall have a retroactive effect or impair the rights of an independent director under any option grant.

Form of Initial Award and Annual Award Agreements. The form of Non-Employee Director Non-Qualified Stock Option Award Agreement covering Initial and Annual Awards to Non-Employee Director is attached hereto as Exhibit 10.6 and is incorporated herein by reference thereto.

Section 8 – Other Events

Item 8.01. Other Events.

2022 Annual Meeting of Stockholders

Our Board has determined to hold our annual meeting of stockholders for 2022 on June 9, 2022.

Section 9 – Financial Statements and Exhibits

Item 9.01. Financial Statements and Exhibits.

The following exhibits are filed herewith.

<u>Exhibit No.</u>	<u>Description</u>
10.1	<u>Tecogen Inc. 2022 Stock Incentive Plan, filed herewith.</u>
10.2	<u>Form of Incentive Stock Option Award Agreement (Employee Form), filed herewith.</u>
10.3	<u>Form of Non-Qualified Stock Option Award Agreement (Employee Form), filed herewith.</u>
10.4	<u>Form of Restricted Stock Award Agreement, filed herewith.</u>
10.5	<u>Tecogen Inc. Policy Regarding Compensation of Non-Employee Directors, filed herewith.</u>
10.6	<u>Form of Non-Qualified Stock Option Award Agreement (Non-Employee Director Form), filed herewith.</u>

SIGNATURES

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

TECOGEN INC.

By: /s/ Benjamin M. Locke
Its: Chief Executive Officer (Principal Executive Officer)
Dated: March 9, 2022

TECOGEN INC.

2022 STOCK INCENTIVE PLAN

ARTICLE I

Establishment, Purpose, and Duration

1.1 **Establishment of the Plan.** Tecogen Inc., a Delaware corporation ("*Company*"), hereby establishes a stock incentive plan to be known as the "Tecogen Inc. 2022 Stock Incentive Plan," as set forth below. Unless otherwise defined herein, all capitalized terms shall have the meanings set forth in Section 2.1 herein.

This Plan was adopted by the Board of Directors of the Company on March 1, 2022 ("*Effective Date*").

1.2 **Purpose of the Plan.** The purpose of this Plan is to promote the interests of the Company and its stockholders by providing directors, officers, employees and consultants of the Company with appropriate incentives and rewards to encourage them to enter into and continue in the employ or service of the Company, to acquire a proprietary interest in the long-term success of the Company and to reward the performance of individuals in fulfilling corporate objectives.

1.3 **Effectiveness of Plan; Duration of the Plan.** The Plan shall commence on the Effective Date, subject to stockholder approval within one (1) year of the Effective Date, and shall remain in effect, subject to the right of the Board of Directors to terminate the Plan at any time pursuant to Article X herein, until the tenth anniversary of the Effective Date, at which time it shall terminate except with respect to Awards made prior to, and outstanding on, that date, which shall remain valid in accordance with their terms. No Option granted under the Plan may be exercised, no Shares shall be issued under the Plan, and no Award shall be settled, until the Plan is approved by the Company's stockholders. If such stockholder approval is not obtained within twelve (12) months after the date of the Board's adoption of the Plan, then all Awards previously granted under the Plan shall immediately and automatically terminate and cease to be outstanding, and no further Awards shall be granted under the Plan.

ARTICLE II

Definitions

2.1 **Definitions.** Except as otherwise defined in the Plan, the following terms shall have the meanings set forth below:

(a) "**Affiliate**" shall have the meaning ascribed to such term in Rule 12b-2 under the Securities Exchange Act.

(b) "**Agreement**" or "**Award Agreement**" means a written agreement or other communication evidencing the terms and conditions of an Award in the form of an agreement signed by an authorized officer (or other authorized representative) of the Company and by the Participant or a certificate, notice, term sheet or similar communication.

(c) "**Award**" means, individually or collectively, a grant under this Plan of Options, Restricted Stock Awards, or Stock Awards.

- (d) "**Board**" or "**Board of Directors**" means the Board of Directors of the Company.
- (e) "**Change of Control**" shall have the meaning set forth in Article XI.
- (f) "**Code**" means the Internal Revenue Code of 1986, as amended from time to time, and the rulings and regulations thereunder.
- (g) "**Committee**" shall have the meaning set forth in Section 3.1 or the Board of Directors if no such committee has been appointed.
- (h) "**Common Stock**" means the common stock, \$.001 par value per share, of the Company.
- (i) "**Company**" means Tecogen Inc., a Delaware corporation, including all Subsidiaries and Affiliates (including any entity that becomes a Subsidiary or Affiliate after the adoption of the Plan), or any successor thereto as provided in Section 12.2 hereof.
- (j) "**Director**" means an individual who both is a director of the Company and is not an employee of the Company.
- (k) "**Disability**" means the Participant's becoming disabled within the meaning of Section 22(e)(3) of the Code, or as otherwise determined by the Committee in its discretion.
- (l) "**Employee**" means any officer or other employee (including a director who is also an officer or employee) of the Company as defined in General Instruction A to the Form S-8 Registration Statement promulgated under the Securities Act of 1933, as amended, or any successor form or statute as determined by the Committee.
- (m) "**Fair Market Value**" means on any given date (i) the closing sale price of the shares of the Company's Common Stock (or any security of the Company issued in substitution, exchange or in lieu thereof), on any established national securities exchange or exchanges on such date, (ii) if the Common Stock is not listed and traded upon a national securities exchange and there are reports of stock prices by a recognized quotation service, upon the basis of the mean between the closing bid and asked quotations for such stock on such date as reported by such recognized stock quotation service, (iii) if in (i) or (ii) above, as applicable, there were no sales or bids or quotes, as the case may be, upon such date reported as provided above, the respective prices on the most recent prior day on which sales or bids or quotes, as the case may be, were so reported, or (iv) if fair market value of the Common Stock cannot be established under subparagraphs (i), (ii), or (iii) above, then it shall be the fair market value as determined in good faith by the Committee.
- (n) "**Incentive Stock Option**" means any Option designated as such and which is intended to meet the requirements of Section 422 of the Code.
- (o) "**Non-Qualified Stock Option**" means an Option other than an Incentive Stock Option.
- (p) "**Option**" means a right to purchase Common Stock and includes an Incentive Stock Option and Non-Qualified Stock Option.

(q) "**Participant**" means an Employee, Director or consultant who has been granted an Award under the Plan.

(r) "**Person**" shall have the meaning ascribed to such term in Section 3(a)(9) of the Securities Exchange Act and used in Sections 13(d) and 14(d) thereof, including a "group" as defined in Section 13(d).

(s) "**Plan**" means the "Tecogen Inc. 2022 Stock Incentive Plan" as described herein as hereafter from time to time amended.

(t) "**Restricted Stock**" means Stock issued or granted pursuant to a Restricted Stock Award under Article VII.

(u) "**Restricted Stock Award**" means an award of Stock under Article VII that is subject to restrictions imposed pursuant to such Article.

(v) "**Secretary**" means the officer designated as the Secretary of the Company.

(w) "**Securities Exchange Act**" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

(x) "**Stock**" or "**Share**" means the Common Stock of the Company.

(y) "**Stock Award**" means an award of Stock pursuant to Article VIII of the Plan.

(z) "**Subsidiary**" means, with respect to any corporation, a subsidiary of that corporation within the meaning of Code Section 424(f).

(aa) "**Substitute Award**" means an Award granted in connection with a transaction in substitution, exchange, conversion, adjustment, assumption or replacement of awards previously granted by an entity acquired by the Company or a Subsidiary or Affiliate or with which the Company or a Subsidiary or an Affiliate merges or otherwise combines.

ARTICLE III *Administration*

3.1 **General.** The Plan shall be administered by the Board or a Committee designated by the Board consisting of two (2) or more directors appointed from time to time by the Board each of whom shall be a "Non-Employee Director," as defined in Rule 16b-3 under the Securities Exchange Act (as amended or any successor rule thereto) ("**Rule 16b-3**"). Notwithstanding the foregoing, the Board may, in its discretion, delegate to another committee of the Board any or all of the authority and responsibility of the Committee with respect to Awards to employees who are not subject to Section 16 of the Securities Exchange Act at the time any such delegated authority or responsibility is exercised. Such other committee may consist of two (2) or more directors who may, but need not, be officers or employees of the Company or of any of its Subsidiaries or Affiliates. To the extent that the Board has delegated to such other committee the authority and responsibility of the Committee pursuant to the foregoing, all references to the Committee in the Plan shall be to such other committee. The Committee may delegate any or all aspects of the day-to-

day administration of the Plan to one or more officers or employees of the Company or any Affiliate, and/or to one or more agents.

3.2 Committee Powers. Subject to the express provisions of this Plan, including, without limitation, Section 12.15, the Committee shall be authorized and empowered to take all actions that it determines to be necessary or appropriate in connection with the administration of this Plan, including, without limitation: (i) to prescribe, amend and rescind rules and regulations relating to this Plan and to define terms not otherwise defined herein; (ii) to determine which persons are eligible to be granted Awards under the Plan, to which of such persons, if any, Awards shall be granted hereunder and the timing of any such Awards; (iii) to grant Awards to Participants and determine the terms and conditions of Awards, including the number of Shares subject to Awards, the exercise or purchase price of such Shares, and the circumstances under which Awards become exercisable or vested or are forfeited or expire, which terms may but need not be conditioned upon the passage of time, continued employment, the satisfaction of performance criteria, the occurrence of certain events, or other factors; (iv) to establish any performance goals or other conditions applicable to the grant, issuance, exercisability, vesting and/or ability to retain any Award; (v) to prescribe and amend the terms of Award Agreements or other communications evidencing Awards made under this Plan (which need not be identical) and the terms of or form of any document or notice required to be delivered to the Company by Participants under this Plan; (vi) to determine whether, and the extent to which, adjustments are required pursuant to Section 4.4; (vii) to interpret and construe this Plan and the Award Agreements, any rules and regulations under this Plan, and the terms and conditions of any Award granted hereunder, and to make exceptions to any such provisions in good faith and for the benefit of the Company; (viii) to accelerate the vesting or exercisability of any Award; and (ix) to make all other determinations and to take all other actions deemed necessary or advisable for the administration of this Plan in its sole judgment and discretion. A majority of the members of the Committee shall constitute a quorum for the transaction of business. Action approved in writing by a majority of the members of the Committee then serving shall be as effective as if the action had been taken by unanimous vote at a meeting duly called and held.

3.3 Selection of Participants. The Committee shall have the authority to grant Awards under the Plan, from time to time, to such Employees, Directors or consultants as may be selected by it. To the extent determined by the Committee, each Award shall be evidenced by an Agreement.

3.4 Decisions Binding. All determinations, decisions and interpretations made by the Committee regarding the provisions of the Plan, the Award Agreement, any rules or regulations under the Plan, and the terms and conditions of any Award granted under the Plan, shall be final, conclusive and binding on all Participants, beneficiaries, heirs, assignees, or other person holding or claiming rights under the Plan or any Award.

3.5 Rule 16b-3 Requirements. Notwithstanding any other provision of the Plan, the Committee may impose such conditions on any Award, and the Board may amend the Plan in any such respects, as it may determine are necessary or desirable to satisfy the provisions of Rule 16b-3. Every provision of the Plan shall be administered, interpreted and construed to carry out such intention and any provision that cannot be so administered, interpreted and construed shall to that extent be disregarded.

ARTICLE IV ***Stock Subject to the Plan***

4.1 Number of Shares. Subject to adjustment as provided in Section 4.3 herein, the maximum aggregate number of Shares that may be issued pursuant to Awards made under the Plan shall

not exceed 3,800,000 Shares. The Company shall reserve and set aside for issuance pursuant hereto the maximum aggregate number of Shares provided for in the immediately preceding sentence. Except as provided in Section 4.3 herein, the issuance of Shares in connection with Awards under the Plan shall reduce the number of Shares available for future Awards under the Plan.

4.2 Certain Award Limits.

(a) **Directors.** The maximum aggregate value of all Awards granted to a Director under the Plan in a calendar year shall not exceed \$100,000.

(b) **Options.** Subject to Section 4.1, the maximum aggregate number of Shares for which Options may be granted in any calendar year to an individual Participant shall not exceed 1.5% of the Company's issued and outstanding Shares on December 31 of the calendar year immediately preceding the date of grant of an Award, calculated in a manner consistent with the method for calculating outstanding Shares as reported in the Company's annual report on Form 10-K.

(c) **Restricted Stock Awards and Stock Awards.** Subject to Section 4.1, the maximum aggregate number of Shares for which Restricted Stock Awards or Stock Awards may be granted in any calendar year to an individual Participant shall not exceed 1.5% of the Company's issued and outstanding Shares on December 31 of the calendar year immediately preceding the date of grant of an Award, calculated in a manner consistent with the method for calculating outstanding Shares as reported in the Company's annual report on Form 10-K.

4.3 Issuance of Shares. For purposes of this Article IV, the aggregate number of Shares available for Awards under this Plan at any time shall not be reduced with respect to Shares attributable to Awards that have been canceled, expired, forfeited, or settled in cash. Substitute Awards may be granted under this Plan and such Substitute Awards shall not reduce the aggregate number of Shares available for Awards under this Plan.

4.4 Capital Adjustments.

(a) The existence of this Plan and the Awards granted hereunder shall not affect or restrict in any way the right or power of the Board or the stockholders of the Company to make or authorize any adjustment, recapitalization, reorganization or other change in the Company's capital structure or its business, any merger or consolidation of the Company, any issue of bonds, debentures, Common Stock, preferred stock or prior preference stock ahead of or affecting the Company's Common Stock or the rights thereof, the dissolution or liquidation of the Company, or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding.

(b) In the event of any change in the capitalization affecting the Common Stock of the Company, such as a stock dividend, stock split, recapitalization, merger, consolidation, split-up, combination, exchange of shares, other form of reorganization, or any other change affecting the outstanding Common Stock as a class, the Committee, in its discretion, may make proportionate adjustments it deems appropriate to reflect such change with respect to: (i) the maximum number of shares of Common Stock or class of shares reserved for issuance under the Plan, (ii) the maximum number of shares of Common Stock or class of shares which may be sold or awarded to any Participant, (iii) the number of shares of Common Stock or class of shares covered by each outstanding Award, and (iv) the price per share in respect of the outstanding Awards. Notwithstanding the foregoing, the Board may only increase the aggregate number of shares of Common Stock for which Awards may be granted under the Plan solely to reflect the changes, if any, of the capitalization of the Company or any Subsidiary.

or Affiliate. The Company may also make such adjustments in the number of shares covered by, and the price or other value of, any outstanding Awards in the event of a spin-off or other distribution (other than normal cash dividends) of Company assets to shareholders.

(c) No right to purchase fractional Shares shall result from any adjustment in Awards pursuant to this Section 4.4. In case of any such adjustment, the Shares subject to the Award shall be rounded down to the nearest whole Share. Notice of any adjustment shall be given by the Company to each Participant, which shall have been so adjusted and such adjustment (whether or not notice is given) shall be effective and binding for all purposes of the Plan.

(d) Any adjustment to Options made pursuant to this Section 4.4 shall satisfy all requirements necessary to prevent the adjusted Award from being treated as the grant of a new stock right or change in the form of payment within the meaning of Code Section 409A and the regulations thereunder.

(e) Subject to Section 12.15, the Committee may make adjustments in the terms and conditions of, and the criteria included in, Awards in recognition of unusual or nonrecurring events affecting the Company, any Subsidiary or Affiliate, or the financial statements of the Company or any Subsidiary or Affiliate, or of changes in applicable laws, regulations, or accounting principles, whenever the Committee determines that such adjustments are appropriate in order to prevent dilution or enlargement of the benefits or potential benefits to be made available under the Plan.

ARTICLE V *Eligibility*

All Employees, Directors and consultants of the Company may participate in the Plan. Options intending to qualify as Incentive Stock Options may only be granted to employees of the Company or any Subsidiary within the meaning of the Code.

ARTICLE VI *Options*

6.1 **Options.** The Committee may grant an Option or provide for the grant of an Option, either from time-to-time in the discretion of the Committee or automatically upon the occurrence of specified events, including, without limitation, the achievement of performance goals. Except to the extent provided herein, no Participant (or his or her legal representative, heir, assignee or beneficiary of a deceased Participant) shall have any rights as a stockholder with respect to any Shares subject to an Option granted hereunder until said Shares have been issued. Options granted pursuant to the Plan need not be identical, but each Option must contain and be subject to the terms and conditions set forth below. Options granted under the Plan may qualify as Incentive Stock Options under Section 422 of the Code or Non-Qualified Options that do not qualify as incentive stock options under Section 422 of the Code.

(a) **Award Agreement.** Each Option shall be evidenced by an Award Agreement identifying the Option represented thereby as an Incentive Stock Option or Non-Qualified Stock Option, as the case may be. Each Award Agreement shall contain provisions regarding (i) the number of Shares subject to the Award or a formula for determining such number, (ii) the exercise price under the Option, and the means of payment, (iii) such terms and conditions on the grant, issuance, vesting and exercisability of the Options as may be determined from time to time by the Committee, (iv) restrictions on the transferability of the Award, and (v) such further terms and conditions, in each case not inconsistent with this Plan, as may be determined from time to time by the Committee.

(b) **Exercise Price.** The Committee shall determine the exercise price of all Options which price (except for Substitute Awards) shall be no less than the Fair Market Value of a Share on the date of grant; provided, however, that the exercise price per Share with respect to an Option that is granted in connection with a merger or other acquisition as a Substitute Award for options held by optionees of the acquired entity may be less than 100% of the Fair Market Value on the date such Option is granted. The terms and conditions of any Substitute Award shall meet all requirements necessary to prevent such Substitute Awards from being treated as the grant of a new stock right or a change in the form of payment within the meaning of the final regulations under Code Section 409A. Each Award may be exercised in whole or in part on the terms provided in the Award Agreement.

(c) **Vesting and Exercisability.** The Committee shall have the right to make the timing of the ability to exercise any Option subject to continued employment, the passage of time and/or such performance requirements as deemed appropriate by the Committee, provided that no Option awarded to a Participant shall provide for full vesting in a period of less than one year, other than as a result of or upon the death or disability or retirement of the Participant or a Change of Control of the Company.

(d) **Duration of Options.** Each Option shall expire on the earliest of (i) ten (10) years from the date it is granted, (ii) sixty (60) days following the date of the termination of Participant's employment or service by reason of death or Disability, (iii) subject to subsection (e)(ii) below, immediately upon the termination of a Participant's employment or service other than by reason of death or Disability, or (iv) such date as the Committee shall determine, as set forth in the relevant Award Agreement; provided that the Committee, in its sole discretion, may change, by any agreement approved by the Committee, the post-termination rights of a Participant, including accelerating the dates upon which all or a portion of any outstanding Options held by a Participant may become vested or be exercised following such termination of employment or service and extend the period during which such Options may be exercised by the Participant.

(e) **Termination of Employment or Service.** Unless the Committee (or the terms of a Participant's employment or service agreement) provides otherwise:

(i) **Due to Death or Disability.** If a Participant ceases to be an Employee by reason of his or her death or Disability prior to the vesting of an Option, or if a Participant's death occurs within sixty (60) days of the termination of his employment, any Options not vested as of the date of such death or Disability shall vest and become exercisable in accordance with the terms of the Award Agreement as determined by the Committee.

(ii) **Due to Reasons Other Than Death or Disability.** If Participant ceases to be an Employee for any reason other than death or Disability, all Options shall terminate immediately without notice of any kind.

(f) **Method of Exercise.** Options may be exercised by the delivery of a written notice to the Company in the form prescribed by the Committee setting forth the number of Shares with respect to which the Option is to be exercised. The exercise price shall be payable to the Company in full by the Participant who, if so provided in the Award Agreement, may: (i) deliver cash in satisfaction of all or any part of the exercise price; (ii) deliver, or cause to be withheld from the Option, shares of Stock, valued at Fair Market Value on the date of exercise, in satisfaction of all or any part of the exercise price; or (iii) deliver a properly executed exercise notice together with irrevocable instructions to a broker to sell immediately some or all of the Shares acquired by exercise of the Option and to promptly deliver to the Company an amount of the sale proceeds (and in lieu of or pending a sale, loan proceeds) sufficient to pay

the exercise price. For purposes of payment described in (iii) above, the exercise shall be deemed to have occurred on the date the Company receives the exercise notice, accompanied by the broker instructions.

(g) **Incentive Stock Options.** In the case of an Incentive Stock Option, each Option shall be subject to any terms, conditions and provisions as the Committee determines necessary or desirable in order to qualify the Option as an Incentive Stock Option. Notwithstanding anything to the contrary in this Article VI, in the case of an Incentive Stock Option (a) if the Participant owns stock possessing more than 10 percent of the combined voting power of all classes of stock of the Company ("**10% Stockholder**"), the exercise price of such Option must be at least 110% of the Fair Market Value of the Common Stock on the date of grant and the Option must expire within a period of not more than five years from the date of grant, (b) termination of employment will be deemed to occur when the person to whom an Award was granted ceases to be an employee (as determined in accordance with Section 3401(c) of the Code and the regulations promulgated thereunder) of the Company and its Subsidiaries, and (c) the number of Shares that may be issued upon exercise of Incentive Stock Options shall not exceed the aggregate number of Shares stated in Section 4.1. Notwithstanding anything in this Section 6 to the contrary, Options designated as Incentive Stock Options shall not be eligible for treatment under the Code as Incentive Stock Options (and shall be deemed Non-Qualified Stock Options) to the extent that either (i) the aggregate Fair Market Value of Shares (determined as of the time of grant) with respect to which such Options are exercisable for the first time by the Participant during any calendar year (under all plans of the Company) exceeds \$100,000, taking Options into account in the order in which they were granted, and (ii) such Options otherwise remain exercisable but are not exercised within sixty (60) days of the date of termination of employment (or such other period of time provided in Section 422 of the Code).

(h) **No Rights as Shareholder.** No Participant shall have any rights as a stockholder with respect to Shares subject to an Option until the date of effective exercise of such Option.

(i) **No Repricing; No Reload Grants.** Except for adjustments pursuant to Section 4.4, the Company shall not, without stockholder approval, reduce the exercise price of such Option or exchange such Option for a new Award with a lower (or no) exercise price or for cash. Options shall not be granted under the Plan in consideration for and shall not be conditioned upon delivery of Shares to the Company in payment of the exercise price and/or tax withholding obligation under any other stock option.

ARTICLE VII

Restricted Stock Awards

7.1 **Restricted Stock Awards.** Except as set forth in this Plan, a grant of a Restricted Stock Award under the Plan shall consist of Shares, the grant, issuance, retention, vesting and/or transferability of which are subject, during specified periods of time, to such conditions and terms as the Committee deems appropriate. Restricted Stock Awards granted pursuant to the Plan need not be identical, but each grant of Restricted Stock Awards must contain and be subject to the terms and conditions set forth below:

(a) **Award Agreement.** Each Restricted Stock Award shall be evidenced by an Award Agreement. Each Award Agreement shall contain provisions regarding (i) the number of Shares subject to the Award or a formula for determining such number, (ii) the purchase price of the Shares, if any, and the means of payment, if any, (iii) such terms and conditions on the grant, issuance, vesting and/or forfeiture of the Restricted Stock Award as may be determined from time to time by the Committee, (iv) restrictions on the transferability of the Award, and (v) such further terms and conditions, in each case not inconsistent with this Plan, as may be determined from time to time by the Committee. Shares issued under a Restricted Stock Award may be issued in the name of the Participant and held by the Participant or held by the Company, in each case as the Committee or this Plan may provide.

(b) **Vesting and Lapse of Restrictions.** Subject to the terms and conditions of this Plan, the grant, issuance, retention, vesting and/or settlement of Shares pursuant to a Restricted Stock Award shall occur at such time and in such installments as determined by the Committee or under criteria established by the Committee. The Committee shall have the right to make the timing of the grant and/or the issuance, ability to retain, vesting and/or settlement of Shares pursuant to a Restricted Stock Award subject to continued employment or service, passage of time and/or such performance criteria as deemed appropriate by the Committee.

(c) **Rights as a Stockholder.** Unless the Committee provides otherwise, a Participant shall have all voting, dividend, liquidation and other rights with respect to Shares issued pursuant to a Restricted Stock Award held by (or on behalf of) such Participant as if the Participant held unrestricted Stock; provided that the unvested portion of any Restricted Stock Award shall be subject to any restrictions on transferability or risks of forfeiture imposed pursuant to Sections 7.1(a), (b) and (d). Unless the Committee otherwise determines or unless the terms of the applicable Award Agreement or grant provides otherwise, any non-cash dividends or distributions paid with respect to Shares underlying an unvested Restricted Stock Award shall be subject to the same restrictions and vesting schedule as the Shares to which such dividends or distributions relate.

(d) **Termination of Employment or Service.** Unless the Committee (or the terms of a Participant's employment or service agreement) provides otherwise:

(i) **Due to Death or Disability.** If a Participant ceases to be an Employee or Director by reason of his or her death or Disability prior to the lapse of restrictions on Shares issued pursuant to a Restricted Stock Award, or if an Employee's death occurs within sixty (60) days of the termination of his or her employment, any and all restrictions on Shares issued pursuant to a Restricted Stock Award that remain subject to such restrictions immediately prior to the date of his or her death shall lapse in accordance with the terms of the Award Agreement as determined by the Committee.

(ii) **Due to Reasons Other Than Death or Disability.** If a Participant ceases to be an Employee or Director for any reason other than death or Disability, all Shares issued pursuant to an unvested Restricted Stock Award then held for the benefit of a Participant, all rights to receive dividends thereon and other stockholder rights therewith shall immediately terminate without notice of any kind and the Shares underlying the unvested Restricted Stock Awards shall be forfeited by the Participant; provided that the Committee, in its sole discretion, may change, by any agreement approved by the Committee, the post-termination rights of a Participant, including accelerating the dates upon which all or a portion of any outstanding Restricted Stock Awards held by a Participant may become vested, be exercised and/or the Shares settled following such termination of employment or service and extend the term of such Restricted Stock Awards.

(e) **Certificates.** The Committee may require that certificates representing Shares issued pursuant to a Restricted Stock Award be retained and held in escrow by the Secretary or such other employee or agent of the Company or any Subsidiary or Affiliate as the Committee may designate until any restrictions applicable to shares issued pursuant to a Restricted Stock Award so retained have been satisfied or lapsed. Each certificate issued in respect to a Restricted Stock Award may, at the election of the Committee, bear the following legend:

"This certificate and the shares of stock represented hereby are subject to the terms and conditions (including forfeiture provisions and restrictions against transfer) contained in the Tecogen Inc. 2022 Stock Incentive Plan and a Restricted Stock Award Agreement. Release from such terms and conditions shall be obtained only in accordance with the provisions of the Plan and the Award, a copy of each of which is on file in the office of the Secretary of Tecogen Inc."

ARTICLE VIII
Stock Awards

8.1 **Stock Awards.** A Participant may be granted one or more Stock Awards under the Plan, including, in the sole discretion of the Committee, in lieu of salary, service fee, cash bonus (including a performance bonus award), or other cash compensation. Stock Awards shall be subject to such terms and conditions, consistent with the other provisions of the Plan, as may be determined by the Committee. If a Stock Award is in the form of a performance bonus which is a combination of cash and Stock Awards, the portion of the performance bonus comprised of cash and Stock Awards will be determined by the Committee based upon the Committee's judgment as to the best interests of the Company as a whole, taking into account both long-term and short-term strategic goals. If a Stock Award is granted in lieu of salary, service fee, cash bonus or other cash compensation, the number of Shares covered by an Award shall be based upon the Fair Market Value of such Shares on the date of grant, and such Shares shall be awarded in lieu of receipt of some or all of the Award in cash.

8.2 **Rights as a Stockholder.** A Participant shall have all voting, dividend, liquidation and other rights with respect to Shares issued to the Participant as a Stock Award under this Article VIII upon the Participant becoming the holder of record of the Shares granted pursuant to such Stock Award; provided that the Committee may impose such restrictions on the assignment or transfer of Shares awarded pursuant to a Stock Award as it considers appropriate.

ARTICLE IX
Director Awards

9.1 **Director Awards.** The Committee shall determine all Awards to Directors. The terms and conditions of any grant to any such Director may be set forth in an Award Agreement. Directors may only be granted Awards under the Plan in accordance with this Section 9.1 and such Awards shall not be subject to management's discretion. From time to time, the Committee shall set the amount(s) and type(s) of Awards that shall be granted to all Directors on a periodic, nondiscriminatory basis, as well as any additional Award(s) to be granted, also on a periodic, nondiscriminatory basis, based on one or more of the following: service of a Director as the chair of a committee of the Board, service of a Director as Chairman of the Board or Lead Director, the number or type of committees of the Board on which a Director serves or the first selection or appointment of an individual to the Board as a Director. Subject to the limits set forth in Section 4.1 and the foregoing, the Committee shall pursuant to the Plan grant such Awards to Directors, as it shall from time to time determine. If a Director subsequently becomes an Employee, the service requirement of the Award can be satisfied by such subsequent employment and the Award shall not terminate solely because of the change in status.

ARTICLE X
Amendment, Modification, and Termination of the Plan

10.1 **Amendment, Modification, and Termination.** At any time and from time to time, the Board may terminate, amend or modify the Plan. Such amendment or modification may be without shareholder approval, except to the extent shareholder approval is required by the Code, pursuant to the rules under Section 16 of the Securities Exchange Act, by any national securities exchange or system on which the Stock is then listed or reported, by any regulatory body having jurisdiction with respect thereto or under any other applicable laws, rules or regulations.

10.2 **Awards Previously Granted.** No termination, amendment, or modification of the Plan, other than pursuant to Section 4.4 herein, shall in any manner adversely affect any Award theretofore granted under the Plan, without the written consent of the Participant.

ARTICLE XI
Change of Control

11.1 Change of Control.

(a) In the event of a Change of Control (as defined in paragraph (b), below) of the Company, and except as the Board may expressly provide otherwise in resolutions adopted prior to the Change of Control or in an Award Agreement:

(i) All outstanding Options shall vest and become exercisable immediately prior to the date of the Change of Control and shall be exercisable at any time within twelve (12) months after the Participant ceases to be an Employee or Director or for such longer period provided for exercise after the Participant ceases to be an Employee or Director as set forth in the Award.

(ii) All restrictions and conditions of all Restricted Stock Awards outstanding shall lapse or be deemed satisfied as of the date immediately prior to the date of the Change of Control and Shares free of restriction shall be delivered to Participants.

(b) "Change of Control" shall be deemed to have occurred upon the occurrence of any one or more of the following events, other than a transaction with another person controlled by the Company or its officers and directors, or a benefit plan or trust established by the Company for its employees:

(i) Any person, including a group as defined in Section 13(d)(3) of the Securities Exchange Act, becomes the beneficial owner of shares of the Company to which fifty percent (50%) or more of the total number of votes for the election of the Board may be cast;

(ii) As a result of, or in connection with, any cash tender offer, exchange offer, merger or other business combination, sale of assets or contested election, or combination of the above, persons who were directors of the Company immediately prior to such event shall cease to constitute a majority of the Board;

(iii) The stockholders of the Company shall approve an agreement providing either for a transaction in which the Company will cease to be an independent publicly owned corporation or for sale or other disposition of all or substantially all the assets of the Company; or

(iv) A tender offer or exchange offer is made for shares of the Company's Common Stock (other than one made by the Company), and shares of Common Stock are acquired thereunder.

Notwithstanding anything in this Section 11.1 to the contrary, payment of the portion of any Award that is subject to Code §409A shall not be accelerated pursuant to this Section 11.1 unless the event also qualifies as a change in the ownership or effective control of the Company, or in the ownership of a substantial portion of the assets of the Company, within the meaning of Treas. Reg. §1.409A-3(i)(5).

ARTICLE XII

General

12.1 Tax Withholding. The Company, a Subsidiary or Affiliate shall be entitled to: (a) withhold and deduct from future wages of a Participant (or from other amounts that may be due and owing to a Participant from the Company, Subsidiary or an Affiliate), including all payments under this Plan, or make other arrangements for the collection of (including through the sale of Shares otherwise issuable pursuant to the applicable Award), all legally required amounts necessary to satisfy any and all Federal, state, local and foreign withholding and employment-related tax requirements attributable to an Award, including, without limitation, the grant, exercise or vesting of, or payment of dividends with respect to, an Award; or (b) require a Participant promptly to remit the amount of such withholding to the Company before taking any action with respect to an Award. To the extent specified by the Committee, withholding may be satisfied by withholding Stock to be received upon vesting of an Award or by delivery to the Company of previously owned Stock. In addition, the Company may reasonably delay the issuance or delivery of Shares pursuant to an Award as it determines appropriate to address tax withholding and other administrative matters. Notwithstanding the foregoing, no "executive officer" or director shall be permitted to satisfy the purchase price or withholding obligation with respect to an Award by using a method of payment otherwise authorized under the Plan or an Award Agreement if such method of payment would constitute a personal loan under Section 13(k) of the Securities Exchange Act. If an Award Agreement to a Participant who is not an "executive officer" or director authorizes a method of payment that would constitute a personal loan under Section 13(k) of the Securities Exchange Act and the Participant subsequently becomes an "executive officer" or director then the payment method shall no longer be available to the Participant and the Committee shall take whatever steps are necessary to make such payment method void as to such Participant, including but not limited to requiring the immediate payment of any note or loan previously obtained in connection with an Award.

12.2 Successors. All obligations of the Company under the Plan with respect to Awards granted hereunder shall be binding on any successor to the Company, whether the existence of such successor is the result of a direct or indirect merger, consolidation, reorganization or other transaction entered into by the Company.

12.3 Termination of Employment.

(a) Transfers of employment between or among the Company, a Subsidiary and an Affiliate will not constitute termination of employment for purposes of any Award.

(b) The Committee may specify whether any authorized leave of absence or absence for military or government service or for any other reasons will constitute a termination of employment for purposes of the Award and the Plan.

(c) Notwithstanding anything in this Section 12.3 to the contrary, if any portion of an Award that is subject to Code Section 409A may be distributed upon the event of a Participant's termination of employment, the Participant will be deemed to have a termination of employment with respect to such portion of the Award if and only if the Participant has a "separation from service" within the meaning of Treas. Reg. §1.409A-1(h).

12.4 Performance-Based Compensation. Notwithstanding satisfaction of any performance goals, the number of Shares issued under an Award may be reduced by the Committee on the basis of such further considerations as the Committee shall determine.

12.5 Requirements of Law. The granting of Awards and the issuance of shares of Stock under this Plan shall be subject to all applicable laws, rules and regulations, and to such approvals by any governmental agencies as may be required. No shares of Stock shall be issued or transferred pursuant to this Plan unless and until all legal requirements applicable to such issuance or transfer have, in the opinion of counsel to the Company, been complied with and to the requirement that if at any time the Committee shall determine that the listing, registration or qualification of the Shares covered thereby upon any securities exchange or under any state or federal law, or the consent or approval of any governmental regulatory body, is necessary or desirable as a condition of, or in connection with, the grant of such Award or the issue or purchase of Shares thereunder, the restrictions on such Award shall not lapse, unless and until such listing, registration, qualification, consent or approval shall have been effected or obtained free of any conditions not acceptable to the Committee. In connection with any such issuance or transfer, the person acquiring the Shares shall, if requested by the Company, give assurances satisfactory to counsel to the Company in respect to such matters as the Company may deem desirable to assure compliance with all applicable legal requirements. Without amending the Plan, the Committee may grant Awards to Employees and Directors who are foreign nationals on such terms and conditions different from those specified in this Plan as may, in the judgment of the Committee, be necessary or desirable to foster and promote achievement of the purposes of this Plan and shall have the authority to adopt such modifications, procedures, subplans and the like as may be necessary or desirable to comply with provisions of the laws or regulations of other countries or jurisdictions in which the Company or any Subsidiary or Affiliate may operate or have Employees to ensure the viability of the benefits from Awards granted to Participants employed in such countries or jurisdictions, meet the requirements that permit this Plan to operate in a qualified or tax-efficient manner, comply with applicable foreign laws or regulations and meet the objectives of this Plan.

12.6 Conditions and Restrictions Upon Securities Subject to Awards. The Committee may provide that the Shares subject to or issued under an Award shall be subject to such further agreements, restrictions, conditions or limitations as the Committee in its discretion may specify prior to the grant, vesting or settlement of such Award, including without limitation, conditions on vesting or transferability, forfeiture or repurchase provisions and method of payment for the Shares issued upon vesting or settlement of such Award (including the actual or constructive surrender of Shares already owned by the Participant) or payment of taxes arising in connection with an Award. Without limiting the foregoing, such restrictions may address the timing and manner of any resales by the Participant or other subsequent transfers by the Participant of any Shares issued under an Award, including without limitation (a) restrictions under an insider trading policy or pursuant to applicable law, (b) restrictions designed to delay and/or coordinate the timing and manner of sales by Participant and holders of other Company equity compensation arrangements, and (c) restrictions as to the use of a specified brokerage firm for such resales or other transfers.

12.7 Effect of Plan. The establishment of the Plan shall not confer upon any Participant any legal or equitable right against the Company, a Subsidiary or Affiliate, or the Committee, except as expressly provided in the Plan. The Plan does not constitute an inducement or consideration for the

employment or service of any Participant, nor is it a contract between the Company or any of its Subsidiaries or Affiliates and any Participant. Participation in the Plan shall not give any Participant any right to be retained in the service of the Company or any of its Subsidiaries or Affiliates. No Award and no right under the Plan, contingent or otherwise, shall be assignable or subject to any encumbrance, pledge or charge of any nature.

12.8 No Liability of the Company. The Company and any Subsidiary or Affiliate which is in existence or hereafter comes into existence shall not be liable to a Participant, assignee, transferee, heir or legatee of the Participant, or any other person as to: (a) the non-issuance or sale of Stock as to which the Company has been unable to obtain, from any regulatory body having jurisdiction over the matter, the authority deemed by the Company's counsel to be necessary to the lawful issuance and sale of any Shares hereunder; (b) any tax consequence to any Participant, assignee, transferee, heir or legatee of the Participant, or other person due to the receipt, exercise or settlement of any Award granted hereunder; or (c) any provision of law or legal restriction that prohibits or restricts the transfer of Shares issued pursuant to any Award.

12.9 Creditors. The interests of any Participant under the Plan or any Award Agreement are not subject to the claims of creditors and may not, in any way, be assigned, alienated or encumbered. The Plan shall be unfunded. The Company shall not be required to establish any special or separate fund or to make any other segregation of assets to assure the payment of any Award under the Plan, nor shall the Company be deemed to be a trustee of any rights granted under the Plan and rights to payment of Awards shall be no greater than the rights of the Company's general creditors.

12.10 Non-Transferability of Rights.

(a) Except as specifically provided in an Agreement pursuant to subsection (b) of this Section, no Awards granted under the Plan may be sold, transferred, pledged, assigned or otherwise alienated or hypothecated, except by will or by the laws of descent and distribution. During the lifetime of a Participant to whom an Award is granted, the Award may be exercised only by the Participant or his legal representative.

(b) Any Award granted hereunder will be nontransferable and, accordingly, shall not be assignable, alienable, salable or otherwise transferable by any Participant, unless the Award Agreement, as determined in the discretion of the Committee, expressly authorizes all or a portion of the Awards to be granted to the Participant on terms which permit transfer by such Participant to (i) the spouse, children or grandchildren of the Participant ("**Immediate Family Members**"), (ii) a trust or trusts for the exclusive benefit of such Immediate Family Members, or (iii) a partnership in which such Immediate Family Members are the only partners, provided that (x) there may be no consideration for any such transfer, (y) the Agreement pursuant to which Awards are granted must be approved by the Committee and must expressly provide for transferability in a manner consistent with this Section 12.10, and (z) subsequent transfers of transferred Awards shall be prohibited except those transferred by will or the laws of descent and distribution. Following transfer, any such Awards shall continue to be subject to the same terms and conditions as were applicable immediately prior to transfer. The events of termination of employment or service or cessation of Board service under an Award Agreement or Articles VI and VII shall continue to be applied with respect to the original Participant to whom the Award was granted, following which the Award shall be exercisable by the transferee only to the extent, and for the period specified in the Award Agreement or Articles VI and VII.

12.11 **Governing Law.** To the extent Federal laws do not control, the Plan and all Agreements hereunder shall be governed by, and construed and administered in accordance with, the laws of the State of Delaware, without regard to the conflict of law provisions of such state. The venue for any litigation related to the Plan or Awards will be in Middlesex County, Massachusetts.

12.12 **Severability.** In the event any provision of the Plan or any Agreement shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining parts of the Plan or Agreement, and the Plan shall be construed and enforced as if the illegal or invalid provision had not been included. Furthermore, if the Committee cannot reasonably interpret any provision so as to avoid violation of Section 409A of the Code or constructive receipt of compensation under this Plan before the actual receipt of such compensation, this Plan shall be construed and enforced as if the provision had not been included.

12.13 **Notices.** All notices under the Plan shall be in writing, and if to the Company, shall be mailed to:

Tecogen, Inc.
45 First Avenue
Waltham, Massachusetts 02451
Attention: The Board of Directors

Notices to the Participant shall be delivered personally or mailed to the Participant at his address as it appears in the records of the Company. The address of any party may be changed at any time by written notice to the other party given in accordance with this provision.

12.14 **Indemnification.** No member of the Committee or the Board shall be personally liable by reason of any contract or other instrument executed by such member or on such member's behalf in his or her capacity as a member of the Committee for any mistake of judgment made in good faith, and the Company shall indemnify and hold harmless each employee, officer, director, agent and attorney of the Company to whom any duty or power relating to the administration or interpretation of the Plan may be allocated or delegated, against any cost or expense (including reasonable counsel fees) or liability (including any sum paid in settlement of a claim) arising out of any act or omission to act in connection with the Plan unless arising out of such person's own fraud or bad faith.

12.15 **Interpretation.** This Plan is intended to satisfy the requirements of Code Section 409A and applicable guidance thereunder. This Plan shall be construed and administered accordingly. Therefore, to the extent an Award is subject to Code Section 409A, discretion otherwise permitted under the Plan is not intended to be exercised with respect to such Award in a manner which will violate the requirements of Code Section 409A. In addition:

(a) **Separation from Service.** If any amount shall be payable with respect to any Award hereunder as a result of a Participant's termination of employment or other service and such amount is subject to the provisions of Code Section 409A, then notwithstanding any other provision of this Plan, termination of employment or other service will be deemed to have occurred only at such time as the Participant has experienced a "separation from service" as such term is defined for purpose of Code Section 409A.

(b) **Timing of Payment to a Specified Employee.** If any amount shall be payable with respect to any Award hereunder as a result of Participant's "separation from service" at such time as the Participant is a "specified employee" and such amount is subject to the provisions of Code Section 409A, then notwithstanding any other provision of this Plan or the Award Agreement, no payment shall be made, except as permitted under Code Section 409A, prior to the first day of the seventh (7th) calendar month beginning after the Participant's separation from service (or the date of his or her earlier death). The Company may adopt a specified employee policy that will apply to identify specified employees for all deferred compensation plans subject to Code Section 409A; otherwise, specified employees will be identified using the default standards contained in the regulations under Section 409A.

12.16 No Representation Made Regarding Code Section 409A Compliance. Notwithstanding any other provision in the Plan, the Company makes no representations that the Awards granted under the Plan shall be exempt from or comply with Code §409A and makes no undertaking to preclude Code Section 409A from applying to Awards granted under the Plan.

12.17 Conditions Upon Issuance of Shares. Shares will not be issued pursuant to an Award unless the issuance and delivery of such Shares pursuant thereto will comply with all relevant provisions of law, including, without limitation, the Securities Act of 1933, as amended, the Securities Exchange Act, the rules and regulations promulgated thereunder, and the requirements of any stock exchange upon which the Shares may then be listed.

TECOGEN INC.

INCENTIVE STOCK OPTION AWARD AGREEMENT
2022 STOCK INCENTIVE PLAN
(Employee Form)

Name of Participant:

("Participant")

Number of Shares Covered by Option
Grant:

Option Exercise Price Per Share:

\$ ____

Grant Date:

_____, 20__
("Grant Date")

THIS INCENTIVE STOCK OPTION AWARD AGREEMENT ("*Award Agreement*") is dated as of this ____ day of _____, _____, by and between Tecogen Inc., a Delaware corporation ("*Company*"), and Participant set forth above. Unless otherwise defined herein, defined terms used in this Award Agreement shall have the meanings set forth in the Company's 2022 Stock Incentive Plan ("*Plan*").

1. **Grant of Award.** Company hereby grants to Participant on the Grant Date indicated above an incentive stock option ("*Option*;" collectively, "*Options*") to purchase up to the number of shares of Company's common stock, \$.001 par value per share ("*Common Stock*"), set forth above ("*Option Shares*") pursuant to the Plan.

The specific terms and conditions of the Option granted pursuant to this Award Agreement are set forth in the Plan, a copy of which is attached to this Award Agreement, the receipt of all of which Participant hereby acknowledges. This Option is intended to be an Incentive Stock Option within the meaning of Section 422 of the Code. To the extent that the Option does not qualify as an "incentive stock option," it shall not affect the validity of the Option and shall constitute a separate non-qualified stock option.

2. **Option Price Per Share.** The Option exercise price per Share is as set forth above.

3. **Vesting; Term of the Option.** Participant shall vest in and have the right to exercise the Option with respect to the Option Shares in accordance with the vesting schedule attached hereto as Exhibit A and incorporated herein by reference thereto. The Option (to the extent not earlier exercised) will expire in its entirety at 11:59 p.m. on the tenth annual anniversary of the Grant Date unless sooner terminated pursuant to the provisions of the Plan or this Award Agreement ("*Expiration Date*").

4. **Termination of Option.**

(a) In the event Participant ceases to be an Employee of the Company or any Subsidiary for any reason other than Disability (as determined by the Board of Directors) or death, this Option, including any unexercised portion thereof, which was otherwise exercisable on the date of termination, shall expire unless exercised within a period of three (3) months from the date on which Participant ceased to be an Employee, but in no event after the Expiration Date. Except as may be otherwise provided elsewhere herein, any portion of the Option that is not vested at the time Participant ceases to be an Employee shall immediately terminate. In the event of the death of Participant during this three (3) month period, this Option shall be exercisable by his or her personal representatives, heirs or legatees to the same extent that Participant could have exercised this Option if he or she had not died, for the three (3) months from the date of death, but in no event after the Expiration Date.

(b) In the event of the Disability of Participant while an Employee of the Company or any Subsidiary, that portion of the Option which had become exercisable on the date of such Disability shall be exercisable for twelve (12) months after the date of Disability, but in no event after the Expiration Date. The Committee may require such proof of Disability as the Committee in its sole and absolute discretion deems appropriate and the Committee's determination as to whether Participant has incurred a Disability shall be final and binding on all parties concerned.

(c) In the event of the death of Participant while an Employee of the Company or any Subsidiary, or during the twelve (12) month period after the date of Disability of Participant, that portion of the Option which had become exercisable on the date of death shall be exercisable by his or her personal representatives, heir or legatees at any time prior to the expiration of twelve (12) months from the date of the death of Participant, but in no event after the Expiration Date.

5. **Exercise of Option.** Upon the grant of an Option and subject to vesting and other terms and conditions hereof, Participant may exercise the Options on one or more occasions by delivering to the Treasurer of Company (i) a written notice (as attached hereto as Exhibit B) that sets forth the number of Option Shares that Participant desires to purchase, and (ii) an amount equal to the full payment of the exercise price for those shares in cash (including check, bank draft, money order or authorization to disburse funds from Participant's Payroll Account). The exercise of the Option in whole or in part is conditioned upon the acceptance by Participant of the terms of this Award Agreement.

6. **Restrictions Upon Resale.** The Option may not be exercised if the issuance of Option Shares upon such exercise would constitute a violation of applicable Federal or state securities laws or other law or valid regulation. If the Option Shares to be issued upon exercise of the Option are not registered under the Securities Act of 1933, as amended ("*Securities Act*"), Participant, as a condition to his or her exercise of the Option, shall represent to Company, among other things, that the Option Shares or other securities which he or she acquires upon exercise of the Option are being acquired by him for his or her own account as an investment and not with a present view to distribution or resale (unless counsel for Company is then of the opinion that such representation is not required under the Securities Act or applicable law, regulation or rule of any governmental agency) and the certificates representing such Option Shares shall bear a restricted legend. Company reserves the right to place stop transfer restrictions against such Option Shares. Participant agrees as a condition precedent to exercise of any portion of the Option, that he shall furnish whatever documentation may be reasonably requested by Company to ensure compliance with applicable law and the terms and conditions of this Award Agreement and the Plan. Participant understands and acknowledges that Company shall have no obligation to register the Option Shares issuable hereunder under the Securities Act and applicable state securities laws.

7. **Lock-up.** Participant agrees that, in connection with any underwritten public offering by Company of equity securities pursuant to a registration statement filed under the Securities Act, not to sell, make any short sale of, loan, hypothecate, pledge, grant any option for the purchase of or otherwise dispose of any shares of Common Stock or other securities purchased hereunder without the prior written consent of Company or its underwriters, for such period of time from the effective date of such registration statement as may be requested by Company or its underwriters.

8. **No Rights as Stockholders Until Option Exercised.** Neither Participant, nor his or her heirs, legal representative or guardians shall be, or shall have any of the rights and privileges of, a stockholder of Company with respect to any Option Shares, in whole or in part, before the date that Participant exercises the Option and the certificates for the shares are mailed to Participant.

9. **Transferability of Option.** Pursuant to Section 12.10 of the Plan, the Option shall not be assignable or transferable by Participant except by will or by the laws of descent and distribution. During the life of Participant, the Option shall be exercisable only by Participant or by Participant's guardian or legal representative.

10. **Employment Not Affected.** Nothing in the Plan or this Award Agreement shall confer upon Participant the right to continue as an Employee of Company or Subsidiary or affect any right which Company may have to terminate Participant's employment. Notwithstanding any provision to the contrary in this Award Agreement, upon the termination of Participant's position with Company, Section 6.1 of the Plan and the terms of this Award Agreement shall govern Participant's rights in the Option Shares.

11. **Tax Matters.** The Option granted hereby is intended to qualify as an "incentive stock option" under Section 422 of the Code. Notwithstanding the foregoing, the Option will not qualify as an "incentive stock option," among other events: (a) if Participant disposes of the Common Stock acquired pursuant to the Option at any time during the two-year period following the date of this Award Agreement or the one-year period following the date of any exercise of the Option; (b) except in the event of Participant's death or Disability, if Participant is not employed by the Company or any Subsidiary at all times during the period beginning on the date of this Award Agreement and ending on the day that is three (3) months before the date of any exercise of the Option; or (c) to the extent that the aggregate fair market value of the Common Stock subject to "incentive stock options" held by Participant which become exercisable for the first time in any calendar year (under all plans of the Company) exceeds \$100,000. For purposes of (c) above, "fair market value" of the Common Stock shall be determined as of the Grant Date. To the extent that the Option does not qualify as an "incentive stock option," it shall not affect the validity of the Option and shall constitute a separate non-qualified stock option. Participant is urged to consult with his or her individual tax advisor prior to exercising this Option since the exercise of this Option may result in adverse tax consequences including the payment of additional Federal and/or state income taxes.

12. **Notice.** Any notice that must be given to Company pursuant to this Award Agreement shall be addressed to Company's Board of Directors, at Company's principal place of business. Any notice to Participant shall be addressed to Participant at the current address shown on the records of Company. Any notice shall be deemed to be duly given if and when properly addressed and posted by registered or certified mail, postage prepaid.

13. **Incorporation of Plan by Reference.** The Option is granted pursuant to the terms of the Plan, the terms of which are incorporated herein by reference, and the Option shall in all respects be interpreted in accordance with the Plan. The Board or Committee shall interpret and construe the Plan and this document, and its interpretations and determinations shall be conclusive and binding on

Participant and Company and any other person claiming an interest in the Option, with respect to any issue concerning the Option. Participant hereby acknowledges receipt of the enclosed copy of the Plan and agrees to be bound by all the terms and conditions thereof as the same may from time to time be amended, and by all determinations of the Committee thereunder.

14. **Changes in Capital Structure.** In the event of changes in capital stock structure of Company, appropriate adjustments in the number of shares for which the Option shall be exercisable, or the exercise price, or both, shall be made, and appropriate adjustments in the required values of Company Stock shall be made, as provided in Section 4.4 of the Plan. The grant of this Option pursuant to the Plan shall not affect in any way the right or power of Company to make adjustments, reclassifications, reorganizations or changes of its capital or business structure or to merge or to consolidate or to dissolve, liquidate or sell, or transfer all or any part of its business or assets.

15. **Governing Law.** To the extent Federal laws do not control, this Award Agreement shall be governed by, and construed and administered in accordance with, the laws of the State of Delaware, without regard to the conflict of law provisions of such state. The venue for any litigation related to the Plan or this Award Agreement will be in Middlesex County, Massachusetts.

[THE REMAINDER OF THIS PAGE IS LEFT BLANK INTENTIONALLY.]

IN WITNESS WHEREOF, this Award Agreement has been executed in duplicate on behalf of Company by its duly authorized officer, and by Participant in acceptance of the above-mentioned Option, subject to the terms and conditions of the Plan and of this Award Agreement.

TECOGEN INC.

Date: _____ By: _____
Name: _____
Title: _____

PARTICIPANT:

Date: _____ Signed: _____
Print Name: _____
Residential Address: _____

EXHIBIT A

VESTING SCHEDULE

The Option shall vest and become exercisable in accordance with the following schedule:

<u>Number of Years From Grant Date</u>	<u>Per Time Period</u>	<u>Percentage Exercisable</u>	<u>Cumulative</u>
1	25%		25%
2	25%		50%
3	25%		75%
4	25%		100%

EXHIBIT B

TECOGEN INC.

**SUBSCRIPTION FORM
TO BE EXECUTED BY PARTICIPANT
TO EXERCISE THIS OPTION**

The undersigned hereby exercises the right to purchase _____ Option Shares covered by this Option according to the conditions thereof and herewith makes payment of \$_____, the aggregate Option Exercise Price of such Option Shares, in full.

Date: _____,
Signature _____

Name: _____

TECOGEN INC.

NON-QUALIFIED STOCK OPTION AWARD AGREEMENT
2022 STOCK INCENTIVE PLAN
(Employee Form)

Name of Participant:

(*"Participant"*)

Number of Shares Covered by Option
Grant:

Option Exercise Price Per Share:

\$ ____

Grant Date:

_____, 20____
(*"Grant Date"*)

THIS NON-QUALIFIED STOCK OPTION AWARD AGREEMENT (*"Award Agreement"*) is dated as of this ____ day of _____, _____, by and between Tecogen Inc., a Delaware corporation (*"Company"*), and Participant set forth above. Unless otherwise defined herein, defined terms used in this Award Agreement shall have the meanings set forth in the Company's 2022 Stock Incentive Plan (*"Plan"*).

1. **Grant of Award.** Company hereby grants to Participant on the Grant Date indicated above a non-qualified stock option (*"Option;" collectively, "Options"*) to purchase up to the number of shares of Company's common stock, \$.001 par value per share (*"Common Stock"*), set forth above (*"Option Shares"*) pursuant to the Plan.

The specific terms and conditions of the Option granted pursuant to this Award Agreement are set forth in the Plan, a copy of which is attached to this Award Agreement, the receipt of all of which Participant hereby acknowledges. This Option is not intended to qualify as an Incentive Stock Option within the meaning of Section 422 of the Code.

2. **Option Price Per Share.** The Option exercise price per Share is as set forth above.

3. **Vesting.** Participant shall vest in and have the right to exercise the Option with respect to the Option Shares in accordance with the vesting schedule attached hereto as Exhibit A and incorporated herein by reference thereto. The Option (to the extent not earlier exercised) will expire in its entirety at 11:59 p.m. on the tenth annual anniversary of the Grant Date unless sooner terminated pursuant to the provisions of the Plan or this Award Agreement (*"Expiration Date"*).

4. **Termination of Option.**

(a) In the event Participant ceases to be an Employee of the Company or any Subsidiary for any reason other than Disability (as determined by the Board of Directors) or death, this Option, including any unexercised portion thereof, which was otherwise exercisable on the date of termination, shall expire

unless exercised within a period of three (3) months from the date on which Participant ceased to be an Employee, but in no event after the Expiration Date. Except as may be otherwise provided elsewhere herein, any portion of the Option that is not vested at the time Participant ceases to be an Employee (or in the case of a consultant, ceases to provide services to the Company) shall immediately terminate. In the event of the death of Participant during this three (3) month period, this Option shall be exercisable by his or her personal representatives, heirs or legatees to the same extent that Participant could have exercised this Option if he or she had not died, for the three (3) months from the date of death, but in no event after the Expiration Date.

(b) In the event of the Disability of Participant while an Employee of the Company or any Subsidiary, that portion of the Option which had become exercisable on the date of such Disability shall be exercisable for twelve (12) months after the date of Disability, but in no event after the Expiration Date. The Committee may require such proof of Disability as the Committee in its sole and absolute discretion deems appropriate and the Committee's determination as to whether Participant has incurred a Disability shall be final and binding on all parties concerned.

(c) In the event of the death of Participant while an Employee of the Company or any Subsidiary, or during the twelve (12) month period after the date of Disability of Participant, that portion of the Option which had become exercisable on the date of death shall be exercisable by his or her personal representatives, heir or legatees at any time prior to the expiration of twelve (12) months from the date of the death of Participant, but in no event after the Expiration Date.

5. **Exercise of Option.** Upon the grant of an Option and subject to vesting and other terms and conditions hereof, Participant may exercise the Options on one or more occasions by delivering to the Treasurer of Company (i) a written notice (as attached hereto as Exhibit B) that sets forth the number of Option Shares that Participant desires to purchase, and (ii) an amount equal to the full payment of the exercise price for those shares in cash (including check, bank draft, money order or authorization to disburse funds from Participant's Payroll Account). The exercise of the Option in whole or in part is conditioned upon the acceptance by Participant of the terms of this Award Agreement.

6. **Restrictions Upon Resale.** The Option may not be exercised if the issuance of Option Shares upon such exercise would constitute a violation of applicable Federal or state securities laws or other law or valid regulation. If the Option Shares to be issued upon exercise of the Option are not registered under the Securities Act of 1933, as amended ("**Securities Act**"), Participant, as a condition to his or her exercise of the Option, shall represent to Company, among other things, that the Option Shares or other securities which he or she acquires upon exercise of the Option are being acquired by him for his or her own account as an investment and not with a present view to distribution or resale (unless counsel for Company is then of the opinion that such representation is not required under the Securities Act or applicable law, regulation or rule of any governmental agency) and the certificates representing such Option Shares shall bear a restricted legend. Company reserves the right to place stop transfer restrictions against such Option Shares. Participant agrees as a condition precedent to exercise of any portion of the Option, that he or she shall furnish whatever documentation may be reasonably requested by Company to ensure compliance with applicable law and the terms and conditions of this Award Agreement and the Plan. Participant understands and acknowledges that Company shall have no obligation to register the Option Shares issuable hereunder under the Securities Act and applicable state securities laws.

7. **Lock-up.** Participant agrees that, in connection with any underwritten public offering by Company of equity securities pursuant to a registration statement filed under the Securities Act, not to sell, make any short sale of, loan, hypothecate, pledge, grant any option for the purchase of or otherwise dispose of any shares of Common Stock or other securities purchased hereunder without the prior written

consent of Company or its underwriters, for such period of time from the effective date of such registration statement as may be requested by Company or its underwriters.

8. **No Rights as Stockholders Until Option Exercised.** Neither Participant, nor his or her heirs, legal representative or guardians shall be, or shall have any of the rights and privileges of, a stockholder of Company with respect to any Option Shares, in whole or in part, before the date that Participant exercises the Option and the certificates for the shares are mailed to Participant.

9. **Transferability of Option.** Pursuant to Section 12.10 of the Plan, the Option shall not be assignable or transferable by Participant except by will or by the laws of descent and distribution. During the life of Participant, the Option shall be exercisable only by Participant or by Participant's guardian or legal representative.

10. **Employment or Service Not Affected.** Nothing in the Plan or this Award Agreement shall confer upon Participant the right to continue as an Employee or consultant of Company or affect any right which Company may have to terminate Participant's employment or service. Notwithstanding any provision to the contrary in this Award Agreement, upon the termination of Participant's position with Company, Section 6.1 of the Plan and the terms of this Award Agreement shall govern Participant's rights in the Option Shares.

11. **Notice.** Any notice that must be given to Company pursuant to this Award Agreement shall be addressed to Company's Board of Directors, at Company's principal place of business. Any notice to Participant shall be addressed to Participant at the current address shown on the records of Company. Any notice shall be deemed to be duly given if and when properly addressed and posted by registered or certified mail, postage prepaid.

12. **Incorporation of Plan by Reference.** The Option is granted pursuant to the terms of the Plan, the terms of which are incorporated herein by reference, and the Option shall in all respects be interpreted in accordance with the Plan. The Board or Committee shall interpret and construe the Plan and this document, and its interpretations and determinations shall be conclusive and binding on Participant and Company and any other person claiming an interest in the Option, with respect to any issue concerning the Option. Participant hereby acknowledges receipt of the enclosed copy of the Plan and agrees to be bound by all the terms and conditions thereof as the same may from time to time be amended, and by all determinations of the Committee thereunder.

13. **Changes in Capital Structure.** In the event of changes in capital stock structure of Company, appropriate adjustments in the number of shares for which the Option shall be exercisable, or the exercise price, or both, shall be made, and appropriate adjustments in the required values of Company Stock shall be made, as provided in Section 4.4 of the Plan. The grant of this Option pursuant to the Plan shall not affect in any way the right or power of Company to make adjustments, reclassifications, reorganizations or changes of its capital or business structure or to merge or to consolidate or to dissolve, liquidate or sell, or transfer all or any part of its business or assets.

14. **Governing Law.** To the extent Federal laws do not control, this Agreement shall be governed by, and construed and administered in accordance with, the laws of the State of Delaware, without regard to the conflict of law provisions of such state. The venue for any litigation related to the Plan or this Award Agreement will be in Middlesex County, Massachusetts.

[THE REMAINDER OF THIS PAGE IS LEFT BLANK INTENTIONALLY.]

IN WITNESS WHEREOF, this Award Agreement has been executed in duplicate on behalf of Company by its duly authorized officer, and by Participant in acceptance of the above-mentioned Option, subject to the terms and conditions of the Plan and of this Award Agreement.

TECOGEN INC.

Date: _____ By: _____
Name: _____
Title: _____

PARTICIPANT:

Date: _____ Signed: _____
Print Name: _____
Residential Address: _____

EXHIBIT A
VESTING SCHEDULE

The Option shall vest and become exercisable in accordance with the following schedule:

<u>Number of Years From Grant Date</u>	<u>Per Time Period</u>	<u>Percentage Exercisable</u>	<u>Cumulative</u>
1	25%		25%
2	25%		50%
3	25%		75%
4	25%		100%

EXHIBIT B

TECOGEN INC.

**SUBSCRIPTION FORM
TO BE EXECUTED BY PARTICIPANT
TO EXERCISE THIS OPTION**

The undersigned hereby exercises the right to purchase _____ Option Shares covered by this Option according to the conditions thereof and herewith makes payment of \$_____, the aggregate Option Exercise Price of such Option Shares, in full.

Date: _____,
Signature _____

Name: _____

**TECOGEN INC.
RESTRICTED STOCK AWARD AGREEMENT**

2022 STOCK INCENTIVE PLAN

Name of Participant:

("Participant")

Number of Restricted Shares Covered by
Restricted Stock Award:

Grant Date:

_____, 20__
("Grant Date")

THIS RESTRICTED STOCK AWARD AGREEMENT (*"Award Agreement"*) is dated as of this __ day of _____, ____, by and between Tecogen Inc., a Delaware corporation (*"Company"*), and Participant set forth above. Unless otherwise defined herein, defined terms used in this Award Agreement shall have the meanings set forth in the Company's 2022 Stock Incentive Plan (*"Plan"*).

1. **Grant of Restricted Stock Award.** Company hereby grants to the Participant on the Grant Date a restricted stock award (*"Restricted Stock Award"*) covering the number of shares of common stock, \$.001 par value per share (*"Common Stock"*), of Company set forth above (*"Restricted Shares"*).

The specific terms and conditions of the Restricted Stock Award granted pursuant to this Award Agreement are set forth in the Plan, a copy of which is attached to this Award Agreement, the receipt of all of which Participant hereby acknowledges.

2. **No Monetary Payment.** Participant is not required to make any monetary payment (other than to satisfy the applicable tax withholding, if any, with respect to the issuance or vesting of the Restricted Shares) as a condition to receiving the Restricted Shares, the consideration for which shall be past services actually rendered or future services to be rendered to Company or for its benefit. Notwithstanding the foregoing, if required by applicable law, Participant shall furnish consideration in the form of cash or past services rendered to Company or for its benefit having a value not less than the par value of Restricted Shares issued pursuant to the Restricted Stock Award.

3. **Settlement of Restricted Stock Award.** Upon each vesting of all or a specified portion of the Restricted Stock Award, Participant (or such other person entitled to receive payment pursuant to this Award Agreement) shall be entitled to receive from Company, Restricted Shares in an amount equal to the number of Restricted Stock Awards vesting on each vesting date.

4. **Vesting.**

(a) Except as otherwise provided in the Plan or this Award Agreement, the Restricted Stock Award shall vest and become exercisable as follows: _____ of the Restricted Shares covered by the Restricted Stock Award shall vest on _____; and _____ of the Restricted Shares covered by the Restricted Stock Award shall vest on _____; provided that, if Participant ceases to be an Employee or Director of Company by reason of his or her death or Disability, or if Participant dies within sixty (60) days of the termination of his or her employment or service, the

Restricted Shares covered by any unvested Restricted Stock Award shall vest on the date immediately preceding the date of such death or Disability. Vesting shall be subject to lapse or forfeiture as provided in the Plan and this Award Agreement.

(b) Prior to vesting, the Restricted Shares relating to the Restricted Stock Award will be represented by a certificate held by the Secretary of Company, which certificate shall bear a restricted legend in accordance with Section 7.1(e) of the Plan, and when requested by Company, Participant shall execute and deliver to the Secretary the Assignment Separate from Certificate attached hereto as Exhibit A. Upon vesting of Restricted Shares covered by a Restricted Stock Award in accordance herewith, Company shall deliver certificates representing such vested Restricted Shares to Participant, his or her legal representative, heir, legatee or other beneficiary free of any such restricted legend.

5. **Term of Restricted Stock Award.** The term of the Restricted Stock Award commences on the Grant Date and, subject to Section 4 above, expires on the earliest to occur of the following: (a) immediately upon the termination of Participant's employment or service for any reason (other than death or Disability) whereupon any Restricted Shares the subject of an unvested Restricted Stock Award shall be forfeited, or (b) the vesting and the related settlement of Restricted Shares.

6. **Exercise of Restricted Stock Award.** This Restricted Stock Award shall be deemed to be exercised upon each vesting and related Share settlement. This Restricted Stock Award may not be exercised for a fraction of a Share.

7. **Non-Transferability of Restricted Stock Award.** Participant may not assign, alienate, sell, transfer, pledge, hypothecate, mortgage or otherwise dispose of, by gift or otherwise, or in any way encumber any of the Restricted Shares prior to vesting otherwise than by will or by the laws of descent and distribution.

8. **Employment or Service Not Affected.** Nothing in the Plan or this Award Agreement shall confer upon Participant the right to continue as an Employee or Director of Company or Subsidiary or affect any right which Company may have to terminate Participant's employment.

9. **Withholding Tax.** Participant shall pay to Company or make arrangements satisfactory to the Committee, when directed by Company, regarding payment of any Federal, state or local taxes of any kind required to be withheld in connection with Restricted Stock Award (including upon vesting of a Restricted Stock Award). Company shall, to the extent permitted or required by law, have the right to deduct from any payment of any kind whatsoever otherwise due to Participant Federal, state and local taxes of any kind required by law to be withheld in connection with an Award.

10. **Election Under Section 83(b) of the Code.**

(a) Participant understands that Section 83 of the Code taxes as ordinary income the difference between the amount paid for the Restricted Shares and the fair market value of the Restricted Shares as of the date on which the Restricted Shares are "substantially vested," within the meaning of Section 83. "Substantially vested," in this context, means that the restrictions imposed on the Restricted Shares under this Award Agreement and the Plan have lapsed. Participant understands that if such restrictions are applicable to him or her he or she may elect to be taxed at the time the Restricted Shares are granted to him or her rather than when the restrictions expire by filing an election under Section 83(b) of the Code with the IRS within thirty (30) days from the date of grant and with his income tax return for the year in which the Section 83(b) election pertains. **PARTICIPANT UNDERSTANDS THAT IT**

IS THE SOLE RESPONSIBILITY OF PARTICIPANT (NOT THE RESPONSIBILITY OF COMPANY) TO FILE TIMELY THE ELECTION UNDER SECTION 83(b).

(b) Participant will notify Company in writing if Participant files an election pursuant to Section 83(b) of the Code.

11. **Registration of Restricted Shares.** Company intends to have an effective registration statement under the Securities Act of 1933, as amended ("**Securities Act**"), on file with the Securities and Exchange Commission with respect to the Restricted Shares subject of this Award. Company intends to maintain this registration but has no obligation to do so. If the registration statement ceases to be effective for any reason, Participant will not be able to transfer or sell Restricted Shares issued pursuant to this Award unless exemptions from registration under applicable securities laws are available. Participant agrees that any resale by him or her of the Restricted Shares issued pursuant to this Award Agreement will comply in all respects with the requirements of all applicable securities laws, rules and regulations (including, without limitation, the provisions of the Securities Act and the Securities Exchange Act and any other law, rule or regulation applicable thereto, as such laws, rules and regulations may be amended from time to time). Company will not be obligated to issue the Restricted Shares or permit the resale thereof if such issuance or resale would violate any such requirements.

12. **Lock-up.** Participant agrees that, in connection with any underwritten public offering by Company of equity securities pursuant to a registration statement filed under the Securities Act, not to sell, make any short sale of, loan, hypothecate, pledge, grant any option for the purchase of or otherwise dispose of any shares of Common Stock or other securities acquired hereunder without the prior written consent of Company or its underwriters, for such period of time from the effective date of such registration statement as may be requested by Company or its underwriters.

13. **No Rights as Stockholders Until Restricted Shares Vested.** Neither Participant, nor his or her heirs, legal representative or guardians shall be, or shall have any of the rights and privileges of, a stockholder of Company with respect to any Restricted Shares, in whole or in part, including with regard to voting, dividend, liquidation and other rights, before the date that the Restricted Shares are vested and the certificates for the shares are mailed to Participant.

14. **Severability.** In case any one or more of the provisions or part of a provision contained in this Award Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect in any jurisdiction, such invalidity, illegality or unenforceability shall be deemed not to affect any jurisdiction or any other provision or part of a provision of this Award Agreement, but this Award Agreement shall be reformed and construed in such jurisdiction as if such provision or part of a provision held to be invalid or illegal or unenforceable had never been contained herein and such provision or part reformed so that it would be valid, legal and enforceable in such jurisdiction to the maximum extent possible.

15. **Entire Agreement; Amendment.** This Award Agreement and the Plan contain the entire agreement between Company and Participant with respect to the subject matter hereof. Except to the extent set forth in the Plan, this Award Agreement may not be amended, waived, changed, modified or discharged except by an instrument in writing executed by or on behalf of the party against whom any amendment, waiver, change, modification or discharge is sought.

16. **Assignability.** This Award Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their successors, heirs, executors, administrators, legal representatives and permitted assigns.

17. **Governing Law.** To the extent Federal laws do not control, this Award Agreement shall be governed by, and construed and administered in accordance with, the laws of the State of Delaware, without regard to the conflict of law provisions of such state. The venue for any litigation related to the Plan or this Award Agreement will be in Middlesex County, Massachusetts.

18. **Waiver and Further Agreement.** A waiver of any breach of any term or condition of this Award Agreement shall not operate as a waiver of any other breach of such term or condition or any other term or condition, nor shall any failure to enforce any provision hereof operate as a waiver of such provision or of any other provision hereof. Each of the parties hereto agrees to execute all such further instruments and documents and to take such further action as the other party may reasonably require in order to effectuate the terms and purposes of this Award Agreement.

19. **Headings of No Effect.** The paragraph headings contained in this Award Agreement are for reference purposes only and shall not in any way affect the meaning or interpretation of this Award Agreement.

20. **Counterparts.** This Award Agreement may be executed in several counterparts, all of which together shall constitute one agreement binding on the parties hereto, notwithstanding that all of the parties have not signed the same counterpart.

[THE REMAINDER OF THIS PAGE IS LEFT BLANK INTENTIONALLY.]

IN WITNESS WHEREOF, this Award Agreement has been executed in duplicate on behalf of Company by its duly authorized officer, and by Participant in acceptance of the above-mentioned Restricted Stock Award, subject to the terms and conditions of the Plan and of this Award Agreement.

Dated: _____ **TEOGEN INC.**

By: _____

Its: _____

Dated: _____ **PARTICIPANT**

Name: _____

ASSIGNMENT SEPARATE FROM CERTIFICATE

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers to _____ or his, her or its designee(s) _____ shares of common stock, \$.001 par value per share, of Tecogen Inc., a Delaware corporation ("**Corporation**"), represented by Certificate No(s): _____ (or any successor certificates), standing in the name of the undersigned on the books of the Corporation. The undersigned hereby irrevocably appoint(s) the Secretary of the Corporation or the assistant secretary thereof to transfer the stock on the books of the Corporation with full power of substitution in the premises.

Dated: _____ **Signature:** _____
(Signature of registered holder or person completing stock power.)

Name: _____
Social Security No. _____

Signature: _____
(Signature of joint holder.)

Name: _____

TECOGEN INC.

Policy Regarding Compensation of Non-Employee Directors

Effective Commencing March 8, 2022

The board of directors ("**Board**") of Tecogen Inc., a Delaware corporation ("**Company**"), has adopted the following Policy Regarding Compensation of Non-Employee Directors ("**Policy**") pursuant to the recommendations of the Compensation Committee of the Company. The purpose of the Policy is to attract and retain qualified independent members of the Board. The equity compensation described in this Policy shall be paid or made automatically and without further action of the Board, to each member of the Board who is not an employee of the Company or any subsidiary of the Company (a "**Non-Employee Director**") who may be eligible to receive such compensation, unless such Non-Employee Director declines to receive such compensation by written notice to the Company. The terms and conditions of this Policy shall supersede any prior compensation arrangements between the Company and its Non-Employee Directors.

1 . **No Remuneration of Officers and Employees.** Directors who are also officers or employees of the Company or any subsidiary of the Company shall not be entitled to any compensation for serving as a director on the Board.

2 . **Reimbursement of Expenses.** Each Non-Employee Director shall be reimbursed for reasonable, documented out-of-pocket expenses incurred in connection with travel to and attending Board meetings and the meetings of any committee of the Board of which he or she is a member.

3 . **Equity Compensation.** Non-Employee Directors shall be granted the equity awards described below. The awards described below shall be granted under and shall be subject to the execution and delivery of award agreements setting forth the vesting schedule applicable to each such award and such other terms as may be required by the Company's 2022 Stock Incentive Plan as it may be amended or superseded ("**Plan**").

(a) **Initial Awards.** Any person who is initially elected or appointed to the Board and who is a Non-Employee Director following the effective date of this Policy, shall be eligible to receive a non-qualified stock option to purchase 100,000 shares of the Company's common stock, \$.001 par value per share ("**Common Stock**"), on the date of such initial election or appointment ("**Initial Award**"). No Non-Employee Director shall be granted more than one Initial Award. Notwithstanding the foregoing, a member of the Board who is also an employee of the Company or any subsidiary and who, following his or her termination of employment, remains a Board member following such termination of employment will not receive an Initial Award.

(b) **Annual Awards.** As compensation for his or her service as a Non-Employee Director, a person who is a Non-Employee Director immediately following each annual meeting of the Company's stockholders and who will continue in such capacity immediately following such annual meeting shall be automatically granted a non-qualified stock option to purchase 25,000 shares of Common Stock ("**Annual Award**") pursuant to the Plan.

4 . **Non-Qualified Stock Option Awards.** Options granted as an Initial or Annual Award pursuant to the Plan shall, subject to a Non-Employee Director's continuing service on the Board on each vesting date, vest and become exercisable as to 25% of the shares underlying the option grant one (1) year after the date of grant; as to 25% of the shares underlying the option grant two (2) years after the date of

grant; as to 25% of the shares underlying the option grant three (3) years after the date of grant; and as to 25% of the shares underlying the option grant four (4) years after the date of grant, and shall be exercisable at a price equal to the fair market value of the Company's Common Stock on the date of grant as determined in accordance with the terms of the Plan, and shall be exercisable for a term of ten (10) years from the date of grant (unless terminated earlier in accordance with the terms of the Plan).

5 . **Terms of Plan Shall Govern.** In the event of any inconsistency between the terms of this Policy and the terms of the Plan or any award agreement covering any options which are granted pursuant to this Policy, the terms of the Plan or such award agreement shall govern.

6 . **Amendment or Termination.** This Policy may be amended, altered or terminated at the election of the Board in its absolute discretion, provided that no amendment, alteration or termination of this Policy shall have a retroactive effect or impair the rights of any Non-Employee Director under any stock option grant theretofore granted to any such Non-Employee Director.

7 . **Effective Date.** This Policy was adopted by the Board, pursuant to the recommendations of the Compensation Committee, on March 8, 2022, and shall become effective on that date.

TECOGEN INC.

NON-QUALIFIED STOCK OPTION AWARD AGREEMENT
2022 STOCK INCENTIVE PLAN
(Non-Employee Director Form)

Name of Participant:

("Participant")

Number of Shares Covered by Option
Grant:

Option Exercise Price Per Share:

\$ ____

Grant Date:

_____, 20____
("Grant Date")

THIS NON-QUALIFIED STOCK OPTION AWARD AGREEMENT ("*Award Agreement*") is dated as of this ____ day of _____, _____, by and between Tecogen Inc., a Delaware corporation ("*Company*"), and Participant set forth above. Unless otherwise defined herein, defined terms used in this Award Agreement shall have the meanings set forth in the Company's 2022 Stock Incentive Plan ("*Plan*").

1. **Grant of Award.** Company hereby grants to Participant on the Grant Date indicated above a non-qualified stock option ("*Option;*" collectively, "*Options*") to purchase up to the number of shares of Company's common stock, \$.001 par value per share ("*Common Stock*"), set forth above ("*Option Shares*") pursuant to the Plan.

The specific terms and conditions of the Option granted pursuant to this Award Agreement are set forth in the Plan, a copy of which is attached to this Award Agreement, the receipt of all of which Participant hereby acknowledges. This Option is not intended to qualify as an Incentive Stock Option within the meaning of Section 422 of the Code.

2. **Option Price Per Share.** The Option exercise price per Share is as set forth above.

3. **Vesting.** Participant shall vest in and have the right to exercise the Option with respect to the Option Shares in accordance with the vesting schedule attached hereto as Exhibit A and incorporated herein by reference thereto. The Option (to the extent not earlier exercised) will expire in its entirety at 11:59 p.m. on the tenth annual anniversary of the Grant Date unless sooner terminated pursuant to the provisions of the Plan or this Award Agreement ("*Expiration Date*").

4. **Termination of Option.**

(a) In the event Participant ceases to be a Director of the Company or any Subsidiary for any reason other than Disability (as determined by the Board of Directors) or death, this Option, including any unexercised portion thereof, which was otherwise exercisable on the date of termination, shall expire

unless exercised within a period of three (3) months from the date on which Participant ceased to be a Director, but in no event after the Expiration Date. Except as may be otherwise provided elsewhere herein, any portion of the Option that is not vested at the time Participant ceases to be a Director) shall immediately terminate. In the event of the death of Participant during this three (3) month period, this Option shall be exercisable by his or her personal representatives, heirs or legatees to the same extent that Participant could have exercised this Option if he or she had not died, for the three (3) months from the date of death, but in no event after the Expiration Date.

(b) In the event of the Disability of Participant while a Director of the Company or any Subsidiary, that portion of the Option which had become exercisable on the date of such Disability shall be exercisable for twelve (12) months after the date of Disability, but in no event after the Expiration Date. The Committee may require such proof of Disability as the Committee in its sole and absolute discretion deems appropriate and the Committee's determination as to whether Participant has incurred a Disability shall be final and binding on all parties concerned.

(c) In the event of the death of Participant while a Director of the Company or any Subsidiary, or during the twelve (12) month period after the date of Disability of Participant, that portion of the Option which had become exercisable on the date of death shall be exercisable by his or her personal representatives, heir or legatees at any time prior to the expiration of twelve (12) months from the date of the death of Participant, but in no event after the Expiration Date.

5. **Exercise of Option.** Upon the grant of an Option and subject to vesting and other terms and conditions hereof, Participant may exercise the Options on one or more occasions by delivering to the Treasurer of Company (i) a written notice (as attached hereto as Exhibit B) that sets forth the number of Option Shares that Participant desires to purchase, and (ii) an amount equal to the full payment of the exercise price for those shares in cash. The exercise of the Option in whole or in part is conditioned upon the acceptance by Participant of the terms of this Award Agreement.

6. **Restrictions Upon Resale.** The Option may not be exercised if the issuance of Option Shares upon such exercise would constitute a violation of applicable Federal or state securities laws or other law or valid regulation. If the Option Shares to be issued upon exercise of the Option are not registered under the Securities Act of 1933, as amended ("*Securities Act*"), Participant, as a condition to his or her exercise of the Option, shall represent to Company, among other things, that the Option Shares or other securities which he or she acquires upon exercise of the Option are being acquired by him for his or her own account as an investment and not with a present view to distribution or resale (unless counsel for Company is then of the opinion that such representation is not required under the Securities Act or applicable law, regulation or rule of any governmental agency) and the certificates representing such Option Shares shall bear a restricted legend. Company reserves the right to place stop transfer restrictions against such Option Shares. Participant agrees as a condition precedent to exercise of any portion of the Option, that he or she shall furnish whatever documentation may be reasonably requested by Company to ensure compliance with applicable law and the terms and conditions of this Award Agreement and the Plan. Participant understands and acknowledges that Company shall have no obligation to register the Option Shares issuable hereunder under the Securities Act and applicable state securities laws.

7. **Lock-up.** Participant agrees that, in connection with any underwritten public offering by Company of equity securities pursuant to a registration statement filed under the Securities Act, not to sell, make any short sale of, loan, hypothecate, pledge, grant any option for the purchase of or otherwise dispose of any shares of Common Stock or other securities purchased hereunder without the prior written consent of Company or its underwriters, for such period of time from the effective date of such registration statement as may be requested by Company or its underwriters.

8. **No Rights as Stockholders Until Option Exercised.** Neither Participant, nor his or her heirs, legal representative or guardians shall be, or shall have any of the rights and privileges of, a stockholder of Company with respect to any Option Shares, in whole or in part, before the date that Participant exercises the Option and the certificates for the shares are mailed to Participant.

9. **Transferability of Option.** Pursuant to Section 12.10 of the Plan, the Option shall not be assignable or transferable by Participant except by will or by the laws of descent and distribution. During the life of Participant, the Option shall be exercisable only by Participant or by Participant's guardian or legal representative.

10. **Service Not Affected.** Nothing in the Plan or this Award Agreement shall confer upon Participant the right to continue as a Director of Company or affect any right which Company may have to terminate Participant's service. Notwithstanding any provision to the contrary in this Award Agreement, upon the termination of Participant's position with Company, Section 6.1 of the Plan and the terms of this Award Agreement shall govern Participant's rights in the Option Shares.

11. **Notice.** Any notice that must be given to Company pursuant to this Award Agreement shall be addressed to Company's Board of Directors, at Company's principal place of business. Any notice to Participant shall be addressed to Participant at the current address shown on the records of Company. Any notice shall be deemed to be duly given if and when properly addressed and posted by registered or certified mail, postage prepaid.

12. **Incorporation of Plan by Reference.** The Option is granted pursuant to the terms of the Plan, the terms of which are incorporated herein by reference, and the Option shall in all respects be interpreted in accordance with the Plan. The Board or Committee shall interpret and construe the Plan and this document, and its interpretations and determinations shall be conclusive and binding on Participant and Company and any other person claiming an interest in the Option, with respect to any issue concerning the Option. Participant hereby acknowledges receipt of the enclosed copy of the Plan and agrees to be bound by all the terms and conditions thereof as the same may from time to time be amended, and by all determinations of the Committee thereunder.

13. **Changes in Capital Structure.** In the event of changes in capital stock structure of Company, appropriate adjustments in the number of shares for which the Option shall be exercisable, or the exercise price, or both, shall be made, and appropriate adjustments in the required values of Company Stock shall be made, as provided in Section 4.4 of the Plan. The grant of this Option pursuant to the Plan shall not affect in any way the right or power of Company to make adjustments, reclassifications, reorganizations or changes of its capital or business structure or to merge or to consolidate or to dissolve, liquidate or sell, or transfer all or any part of its business or assets.

14. **Governing Law.** To the extent Federal laws do not control, this Agreement shall be governed by, and construed and administered in accordance with, the laws of the State of Delaware, without regard to the conflict of law provisions of such state. The venue for any litigation related to the Plan or this Award Agreement will be in Middlesex County, Massachusetts.

[THE REMAINDER OF THIS PAGE IS LEFT BLANK INTENTIONALLY.]

IN WITNESS WHEREOF, this Award Agreement has been executed in duplicate on behalf of Company by its duly authorized officer, and by Participant in acceptance of the above-mentioned Option, subject to the terms and conditions of the Plan and of this Award Agreement.

TECOGEN INC.

Date: _____ By: _____
Name: _____
Title: _____

PARTICIPANT:

Date: _____ Signed: _____
Print Name: _____
Residential Address: _____

EXHIBIT A

VESTING SCHEDULE

The Option shall vest and become exercisable in accordance with the following schedule:

<u>Number of Years From Grant Date</u>	<u>Per Time Period</u>	<u>Percentage Exercisable</u>	<u>Cumulative</u>
1	25%		25%
2	25%		50%
3	25%		75%
4	25%		100%

EXHIBIT B

TECOGEN INC.

**SUBSCRIPTION FORM
TO BE EXECUTED BY PARTICIPANT
TO EXERCISE THIS OPTION**

The undersigned hereby exercises the right to purchase _____ Option Shares covered by this Option according to the conditions thereof and herewith makes payment of \$_____, the aggregate Option Exercise Price of such Option Shares, in full.

Date: _____,
Signature _____

Name: _____