

TECOGEN INC.
Form DEF 14A
April 23, 2019

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE 14A

(RULE 14a-101)
SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934 (Amendment No.)

Filed by the Registrant ☒
Filed by a Party other than the Registrant ☐

Check the appropriate box:

- ☐ Preliminary Proxy Statement
- ☐ Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- ☒ Definitive Proxy Statement
- ☐ Definitive Additional Materials
- ☐ Soliciting Material Pursuant to §240.14a-12

TECOGEN INC.
(Name of Registrant as Specified in its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- ☒ No fee required.
- ☐ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

☐ Fee paid previously with preliminary materials.

☐ Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

Edgar Filing: TECOGEN INC. - Form DEF 14A

(2)Form, Schedule or Registration Statement No.:

(3)Filing Party:

(4)Date Filed:

TECOGEN INC.
45 First Avenue
Waltham, MA 02451

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To be held on Thursday, June 6, 2019

TO THE STOCKHOLDERS OF TECOGEN INC.:

NOTICE IS HEREBY GIVEN that the 2019 Annual Meeting of Stockholders of Tecogen Inc., a Delaware corporation, or the Company or Tecogen, will be held at the Company's offices located at 45 First Avenue, Waltham, Massachusetts, 02451, on Thursday, June 6, 2019, at 1:00 p.m., local time, (the Annual Meeting) for the following purposes, as described in our Proxy Statement:

1. To elect seven directors to the Board of Directors of the Company to hold office for one year until the 2020 annual meeting or until their successors are duly elected and qualified.
2. To ratify the appointment of Wolf & Company, P.C. as the Company's independent registered public accounting firm.
3. Advisory vote regarding approval of the compensation of the Company's named executive officers.
4. Advisory vote regarding the frequency of advisory votes on the approval of the compensation of the Company's named executive officers.
5. To transact any other business which may properly be brought before the Annual Meeting or any adjournment or postponement thereof.

All stockholders are cordially invited to attend the Annual Meeting of Stockholders, or the Annual Meeting. Attached to this notice is a Proxy Statement relating to the proposals to be considered at the Annual Meeting. The Board of Directors has fixed the close of business on April 15, 2019 (5:00 p.m., U.S. Eastern Time) as the record date, or the Record Date, for the determination of stockholders entitled to receive notice of and to vote at the Annual Meeting or at any adjournment or postponement thereof. A complete list of these stockholders will be open for the examination of any stockholder of record during ordinary business hours at the Company's principal executive offices located at 45 First Avenue, Waltham, Massachusetts, 02451 for a period of ten days prior to the Annual Meeting. The list will also be available for the examination of any stockholder present at the Annual Meeting.

If you are a holder of record on the Record Date and plan to attend the Annual Meeting in person, please bring photo identification. If your shares are held in the name of a broker, bank or other nominee, please bring with you photo identification and a letter from the broker or other nominee confirming your ownership as of the Record Date. If you wish to vote your shares at the Annual Meeting, the broker, bank or other nominee must provide you with a proxy or power of attorney.

Your vote is important. Your prompt response will also help reduce proxy costs and will help you avoid receiving follow-up telephone calls or mailings. Please vote as soon as possible. The Company will be mailing the proxy materials to stockholders beginning on or about April 26, 2019. The proxy materials will also be available to you and other stockholders on the Internet.

Whether or not you plan to attend the Annual Meeting, please sign and date the enclosed proxy and return it promptly in the envelope provided.

By Order of the Board of Directors,
/s/ Bonnie J. Brown
Bonnie Brown
Chief Accounting Officer
Waltham, Massachusetts
April 23, 2019

TABLE OF CONTENTS

	Page
<u>INFORMATION ABOUT THE ANNUAL MEETING AND VOTING</u>	<u>1</u>
<u>Why did you furnish me with this Proxy Statement?</u>	<u>1</u>
<u>Why are you making these materials available over the internet rather than mailing them?</u>	<u>1</u>
<u>How can I have printed copies of the printed materials mailed to me?</u>	<u>1</u>
<u>What proposals will be addressed at the Annual Meeting?</u>	<u>1</u>
<u>Who may vote on these proposals?</u>	<u>1</u>
<u>How many votes do I have?</u>	<u>1</u>
<u>What is the difference between holding shares as a stockholder of record and as a beneficial owner?</u>	<u>1</u>
<u>How does the Board recommend that I vote?</u>	<u>1</u>
<u>What is the quorum requirement?</u>	<u>2</u>
<u>Why would the Annual Meeting be adjourned?</u>	<u>2</u>
<u>How do I vote by proxy?</u>	<u>2</u>
<u>How do I vote in person?</u>	<u>2</u>
<u>May I change my vote?</u>	<u>3</u>
<u>What does it mean if I receive more than one proxy card or voting instruction?</u>	<u>3</u>
<u>What vote is required to approve each proposal?</u>	<u>3</u>
<u>How are the votes counted?</u>	<u>3</u>
<u>Are there any dissenters' rights of appraisal?</u>	<u>3</u>
<u>Who bears the cost of soliciting proxies?</u>	<u>4</u>
<u>Where are the Company's principal executive offices?</u>	<u>4</u>
<u>How can I obtain additional information about the Company?</u>	<u>4</u>
<u>Information about Directors and Executive Officers</u>	<u>5</u>
<u>Security Ownership of Certain Beneficial Owners and Management</u>	<u>8</u>
<u>Corporate Governance</u>	<u>11</u>
<u>Report of the Audit Committee</u>	<u>14</u>
<u>Compensation of Directors and Executive Officers</u>	<u>15</u>
<u>Certain Relationships and Related Transactions and Director Independence</u>	<u>19</u>
<u>Changes in Independent Registered Accounting Firm</u>	<u>21</u>
<u>Audit Fees Summary</u>	<u>21</u>
<u>Proposals Recommended for Consideration by Stockholders</u>	<u>22</u>
<u>PROPOSAL 1 - Election of Directors</u>	<u>22</u>
<u>PROPOSAL 2 - Ratification of Appointment of Independent Registered Public Accounting Firm</u>	<u>23</u>
<u>PROPOSAL 3 - Advisory Vote re approval of compensation of the Company's Named Executive officers</u>	<u>24</u>
<u>PROPOSAL 4 - Advisory vote regarding frequency of advisory votes regarding the compensation of the Company's named executive officers</u>	<u>25</u>
<u>Additional Information</u>	<u>26</u>
<u>APPENDIX I : Proxy Card</u>	<u>27</u>

**TECOGEN INC.
PROXY STATEMENT
FOR
ANNUAL MEETING OF STOCKHOLDERS**

To be held on June 6, 2019

**INFORMATION ABOUT THE ANNUAL MEETING AND VOTING
WHY DID YOU FURNISH ME WITH THIS PROXY STATEMENT?**

This Proxy Statement and accompanying Proxy Card are being furnished in connection with the solicitation of proxies by the Board of Directors of Tecogen Inc., a Delaware corporation (Tecogen or the Company), for the Annual Meeting of Stockholders, to be held on June 6, 2019 at 1:00 p.m., local time, and at any adjournments or postponements of the Annual Meeting. This Proxy Statement summarizes the information you need to make an informed vote on the proposals to be considered at the Annual Meeting. However, you do not need to attend the Annual Meeting to vote your shares. Instead, you may simply access your proxy card and vote via the Internet, at www.proxyvote.com or by telephone at 1-800-690-6903.

WHY ARE YOU MAKING THESE MATERIALS AVAILABLE OVER THE INTERNET RATHER THAN MAILING THEM?

Under the "Notice and Access Rule" that the Securities and Exchange Commission, or the SEC, has adopted, we are furnishing proxy materials to our stockholders on the Internet rather than mailing printed copies of those materials to each stockholder. This will help us conserve natural resources and it will save postage, printing and processing costs. If you received the Notice of Internet Availability of Proxy Materials, or the Notice of Internet Availability, by mail, you will not receive a printed copy of our proxy materials unless you specifically request one. Instead, the Notice of Internet Availability will instruct you about how you may (1) access and review the Company's proxy materials on the Internet and (2) access your proxy card to vote on the Internet. We anticipate that we will mail the Notice of Internet Availability to our stockholders on or about April 25, 2019.

The Proxy Materials are available at <https://materials.proxyvote.com/87876P>. Enter the 12-digit control number located on the Notice of Internet Availability, proxy card or voter instruction form.

HOW CAN I HAVE PRINTED COPIES OF THE PROXY MATERIALS MAILED TO ME?

Instructions for requesting a paper copy of the proxy materials are set forth on the Notice of Internet Availability.

WHAT PROPOSALS WILL BE ADDRESSED AT THE ANNUAL MEETING?

The following proposals will be addressed at the Annual Meeting:

1. The election of seven directors to the Board of Directors of the Company each to hold office for one year or until their successors are duly elected and qualified, each as identified below;
2. The ratification of the appointment of Wolf & Company, P.C. as the Company's independent registered public accounting firm;
3. Advisory vote regarding approval of compensation of the Company's named executive officers;
4. Advisory vote regarding the frequency of stockholder advisory votes on the compensation of the Company's named executive officers; and
5. Any other business that may come before the Annual Meeting or any adjournment or postponement of the Annual Meeting so long as such business is properly brought.

WHO MAY VOTE ON THESE PROPOSALS?

Stockholders who owned shares of the Company's voting stock at the close of business on April 15, 2019, or the Record Date, are entitled to notice of and to vote at the Annual Meeting on all matters properly brought before the Annual Meeting.

On the Record Date, there were 24,839,656 shares of the Company's common stock, par value \$0.01 per share, or the Common Stock, issued and outstanding and entitled to vote. Our Common Stock will vote as a single class on all matters scheduled to be voted on at the Annual Meeting. There is no cumulative voting.

HOW MANY VOTES DO I HAVE?

Each share of Common Stock is entitled to one vote on each matter presented at the Annual Meeting.

WHAT IS THE DIFFERENCE BETWEEN HOLDING SHARES AS A STOCKHOLDER OF RECORD AND AS A BENEFICIAL OWNER?

Stockholder of Record

If, on the Record Date, your shares were registered directly in your name with our transfer agent, VStock Transfer LLC, you are a “stockholder of record” who may vote at the Annual Meeting. As a stockholder of record you have the right to direct the voting of your shares via the Internet, telephone, to return a proxy card to us or to vote in person at the Annual Meeting. Whether or not you plan to attend the Annual Meeting, please vote via the Internet, telephone, or complete, sign, date, and return a proxy card to ensure that your vote is counted.

Beneficial Owner

If, on the Record Date, your shares were held in an account at a brokerage firm or at a bank or other nominee holder, you are considered the beneficial owner of shares held “in street name.” Your broker or nominee is considered the stockholder of record for purposes of voting at the Annual Meeting. As the beneficial owner, you have the right to instruct your broker, bank, or nominee how to vote your shares by using any voting instruction card supplied by them or by following their instructions for voting by telephone, online, or in person. However, since you are not the stockholder of record, you may not vote these shares in person at the Annual Meeting unless you receive a valid proxy from your brokerage firm, bank or other nominee holder. To obtain a valid proxy, you must make a special request of your brokerage firm, bank or other nominee holder.

HOW DOES THE BOARD RECOMMEND THAT I VOTE?

Our Board unanimously recommends that stockholders vote "FOR" all seven nominees for director, and "FOR" the ratification of the appointment of Wolf & Company, P.C. as our independent registered public accountants, "FOR" approval of the compensation of the Company's named executive officers disclosed in this Proxy Statement, and "THREE YEARS" in the vote regarding the frequency of non-binding stockholder advisory votes on the compensation of the Company's named executive officers.

WHAT IS THE QUORUM REQUIREMENT?

A quorum of stockholders is necessary to hold a valid meeting. A quorum will be present if at least a majority of the issued and outstanding shares are represented by stockholders present at the Annual Meeting or represented by proxy. On the Record Date, there were 24,839,656 shares outstanding and entitled to vote at the meeting.

Thus, 12,419,829 shares must be represented by stockholders present at the meeting or by proxy to have a quorum. Your shares will be counted towards the quorum only if you submit a valid proxy (or one is submitted on your behalf by your broker, bank or other nominee) or if you vote in person at the Annual Meeting. Abstentions and broker non-votes will be counted towards the quorum requirement. A broker non-vote occurs when a broker holding shares for a beneficial owner votes on one proposal but does not vote on another proposal because, in respect of such other proposal, the broker does not have discretionary voting power and has not received instructions from the beneficial owner. If there is no quorum, the chairman of the meeting or a majority of the votes present at the meeting may adjourn the meeting to another date.

WHY WOULD THE ANNUAL MEETING BE ADJOURNED?

The Annual Meeting may be adjourned if a quorum is not present or to allow time for further solicitation of proxies in the event there are insufficient votes present in person or represented by proxy to approve the proposals. For purposes of determining whether the stockholders have approved matters other than the election of directors, abstentions are treated as shares present or represented and voting, so abstaining has the same effect as a negative vote. Shares held by brokers who do not have discretionary authority to vote on a particular matter and who have not received voting instructions from their customers are not counted or deemed to be present or represented for the purpose of determining whether stockholders have approved that matter, but they are counted as present for the purpose of determining the existence of a quorum at the Annual Meeting.

HOW DO I VOTE BY PROXY?

If you hold shares directly as the stockholder of record, you may direct how your shares are voted without attending the Annual Meeting. Such stockholders may deliver their proxies either:

- (1) Electronically over the Internet at www.proxyvote.com;
- (2) By telephone at 1-800-690-6903; or
- (3) By completing and submitting a properly signed paper proxy card.

If you are a stockholder of record, returning the proxy card will not affect your right to attend the Annual Meeting and vote in person as described elsewhere herein. If you properly fill in your proxy card and send it to us in time to vote, your proxy (one of the individuals named on your proxy card) will vote your shares as you have directed.

If you sign the proxy card but do not make specific choices, your proxy will vote your shares as recommended by the Board of Directors as follows:

1. FOR the election of each of our Board's nominees for director;
2. FOR the ratification of the appointment of Wolf & Company, P.C. as the Company's independent registered public accounting firm.
3. FOR the approval of the compensation of the Company's named executive officers.
4. THREE YEARS for the frequency of non-binding stockholder advisory votes on the compensation of the Company's named executive officers.

If any other matters are presented, your proxy will vote in accordance with his or her best judgment. At the time this Proxy Statement was finalized, we knew of no matters that needed to be acted on at the Annual Meeting other than those discussed in this Proxy Statement.

If you are a beneficial owner, you must vote your shares in the manner prescribed by your broker, bank or other nominee. You will receive a voting instruction card (not a proxy card) to use in directing the broker, bank, or other nominee how to vote your shares. You may also have the option to vote your shares via the Internet.

HOW DO I VOTE IN PERSON?

- 2 -

If you are a stockholder of record (i.e., you own the shares directly in your name) and plan to attend the Annual Meeting, you may attend and vote in person on June 6, 2019, or at a later date if the Annual Meeting is adjourned or postponed to a later date, as long as you present valid proof of identification at the Annual Meeting. We will give you a ballot when you arrive. However, if your shares are held in the name of your broker, bank or other nominee, in addition to identification, you must bring proof of beneficial ownership in order to attend the Annual Meeting, which generally can be obtained from the record holder. In that event, you must also obtain a proxy or a power of attorney executed by the broker, bank or other nominee that owns the shares of record for your benefit and authorizing you to vote the shares at the Annual Meeting.

MAY I CHANGE MY VOTE?

Stockholders of record may change their vote at any time before the proxy is exercised by sending a written notice of revocation or a later-dated proxy to our Secretary, which must be received prior to commencement of the Annual Meeting; by submitting a later-dated proxy via Internet or phone before 11:59 p.m. Eastern Daylight Time on June 5, 2019; or by voting in person at the Annual Meeting. Your attendance at the Annual Meeting in person will not cause your previously granted proxy to be revoked unless you file the proper documentation for it to be so revoked. If you hold your shares through a broker, bank or other nominee in "street name", you should contact such person prior to the time such voting instructions are exercised.

WHAT DOES IT MEAN IF I RECEIVE MORE THAN ONE PROXY CARD OR VOTING INSTRUCTION CARD?

If you receive more than one proxy card or voting instruction card, it means that you have multiple accounts with brokers, banks or other nominees and/or our transfer agent. Please sign and deliver, or otherwise vote, each proxy card and voting instruction card that you receive. We recommend that you contact your nominee and/or our transfer agent, as appropriate, to consolidate as many accounts as possible under the same name and address. Our transfer agent is Vstock Transfer, LLC, 18 Lafayette Place, Woodmere, NY 11598; Telephone: 212-828-8436.

WHAT VOTE IS REQUIRED TO APPROVE EACH PROPOSAL?

Proposal 1: Election of Directors. The election of directors shall be determined by a plurality of the votes cast by the stockholders. Therefore, a nominee who receives a plurality, (the nominee who receives a higher number of votes "for" his or her election than any other nominee for the same director's seat) will be elected.

Proposal 2: Ratification of independent registered public accounting firm. The approval of the ratification of the appointment of our independent registered public accounting firm requires the affirmative vote of the holders of a majority in voting power of the votes cast by the holders of all of the shares of stock present or represented at the Annual Meeting entitled to vote on the matter.

Proposal 3: Advisory vote regarding named executive officer compensation included in this Proxy Statement.

Approval of the compensation of the Company's named executive officers requires the affirmative vote of the holders of a majority in voting power of the votes cast by the holders of all of the shares of stock present or represented at the Annual Meeting and entitled to vote on the matter. The vote is advisory only and the Board of Directors will determine the compensation of the executive officers of the Company taking into account the results of the advisory vote regarding compensation of the Company's named executive officers.

Proposal 4: Advisory vote regarding the frequency of the advisory vote on approval of the compensation of Company's named executive officers. This vote requires the affirmative vote of the holders of a majority in voting power of the votes cast by the holders of all of the shares of stock present or represented at the Annual Meeting and entitled to vote on the matter. The vote is advisory only and the Board of Directors will take the results of these advisory votes into account in determining the frequency of advisory votes regarding the compensation of the Company's named executive officers.

HOW ARE VOTES COUNTED?

Proposal 1: You may either vote "FOR" or "WITHHOLD" authority to vote for each of the nominees for the Board of Directors. Shares present at the meeting or represented by proxy where the stockholder does not vote for a nominee or properly withholds authority to vote for such nominee and broker non-votes will not be counted "For" or "Against" such nominee's achievement of a plurality.

Proposal 2: You may vote “FOR,” “AGAINST” or “ABSTAIN” on the ratification of Wolf & Company, P.C. If you abstain from voting on the proposal to ratify Wolf & Company, P.C., your vote will have no effect on the outcome of the vote on the proposal. Brokers, bankers and other nominees have discretionary voting power on this routine matter and, accordingly, broker non-votes will have no effect on the vote for this proposal.

Proposal 3: You may vote “FOR,” “AGAINST” or “ABSTAIN” on the advisory vote regarding the compensation of the Company's named executive officers.

Proposal 4: You may vote “THREE YEARS,” “TWO YEARS,” “ONE YEAR,” or “ABSTAIN” on the advisory vote regarding the frequency of stockholder advisory votes on the compensation of the Company's named executive officers.

ARE THERE ANY DISSENTERS' RIGHTS OF APPRAISAL?

Our Board is not proposing any action for which the laws of the State of Delaware, the Company's Certificate of Incorporation or the Company's by-laws provide a right of a stockholder to dissent and obtain appraisal of or payment for such stockholder's shares.

WHO BEARS THE COST OF SOLICITING PROXIES?

The Company will bear the cost of soliciting proxies in the accompanying form and will reimburse brokerage firms and others for expenses involved in forwarding proxy materials to beneficial owners or soliciting their execution.

WHERE ARE THE COMPANY'S PRINCIPAL EXECUTIVE OFFICES?

The Company's principal executive offices are located at 45 First Avenue, Waltham, Massachusetts, 02451, and the Company's telephone number is (781) 466-6400.

HOW CAN I OBTAIN ADDITIONAL INFORMATION ABOUT THE COMPANY?

The Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2018, or the Annual Report, is being sent to all stockholders along with this proxy statement. Exhibits to the Annual Report will be provided upon written request and payment of an appropriate fee. All written requests should be directed to the Secretary of the Company c/o Tecogen Inc., 45 First Avenue, Waltham, Massachusetts 02451. The Company is subject to the informational requirements of the Securities Exchange Act of 1934, as amended, or the Exchange Act.

Our website address is included several times in this Proxy Statement as a textual reference only and the information in the website is not incorporated by reference into this Proxy Statement.

INFORMATION ABOUT DIRECTORS AND EXECUTIVE OFFICERS

The following table lists the current members of our Board, and our executive officers. The address for our directors and officers is c/o Tecogen Inc., 45 First Avenue, Waltham, Massachusetts 02451. Mr. Maxwell and Mr. Davidson have decided not to continue to serve as directors following the 2019 Annual Meeting. Also listed below are Mr. Earl R. Lewis III and MS. Garcia Roosevelt who are being nominated for election as directors at the 2019 Annual Meeting.

Name	Age	Position(s)	(1)	(2)	(3)
Angelina M. Galiteva	52	Chairperson of the Board and Director	x	x	
John N. Hatsopoulos	85	Lead Director			
Benjamin M. Locke	51	Director & Chief Executive Officer			
Robert A. Panora	64	Chief Operating Officer and President			
Bonnie Brown	56	Chief Accounting Officer, Treasurer and Secretary			
Keith Davidson	68	Director			
Ahmed F. Ghoniem	67	Director			x
Charles T. Maxwell	87	Director	x		x
Deanna Petersen	57	Director	x	x	x
Earl R. Lewis III	75	Nominated for Election as a Director			
Laurence Garcia Roosevelt	41	Nominated for Election as a Director			

(1) Member of Audit Committee

(2) Member of Compensation Committee

(3) Member of the Nominating and Governance Committee

Angelina M. Galiteva, age 52, has been the Company's Chairperson of the board of directors since 2005. Ms. Galiteva is founder and Chair of the Board for the Renewables 100 Policy Institute, a non-profit entity dedicated to the global advancements of renewable energy solutions since 2008. She is also Chairperson at the World Council for Renewable Energy (WCRE), which focuses on the development of legislative and policy initiatives to facilitate the introduction and growth of renewable energy technologies since 2003. Since 2011, she has served on the Board of Governors of the California Independent System Operator (CA ISO), providing direction and oversight for the CA ISO which operates the California electricity grid. Also, she is a principal at New Energy Options, Inc., a company focusing on advancing the integration of sustainable energy solutions since 2006. She has also been a strategic consultant with Renewable Energy Policy and Strategy Consulting since 2004. Ms. Galiteva holds a M.S in Environmental and Energy Law, a J.D. from Pace University School of Law, and a B.S. from Sofia University in Bulgaria. Ms. Galiteva is currently serving a one-year term as the Company's Chairperson and as a director. Ms. Galiteva is also a member of Tecogen's Audit Committee and a member of Tecogen's Compensation Committee.

Tecogen's Board has determined that Ms. Galiteva's prior experience in the energy field qualifies her to be a member of the Board in light of the Company's business and structure.

John N. Hatsopoulos, age 85, has been a member of the Company's board of directors since its founding in 2000 (other than the period between June 6, 2018 and February 1, 2019) and was Tecogen's Co-Chief Executive Officer until March 29, 2018. He also was the Co-Chief Executive Officer of American DG Energy Inc., or ADGE, until ADGE merged with the Company in May of 2017, or the ADGE Merger, and was on the board of directors of ADGE until March 29, 2018. Mr. Hatsopoulos was the Chairman of EuroSite Power Inc., a former affiliate of the Company, from 2009 until 2016. Mr. Hatsopoulos is a co-founder of Thermo Electron Corporation, which is now Thermo Fisher Scientific. He was formerly the President and Vice Chairman of the Board of Directors of that company. He is a former Member of the Corporation of Northeastern University. He graduated from Athens College in Greece and holds a B.S. in history and mathematics from Northeastern University, as well as honorary doctorates in business administration from Boston College and Northeastern University. On February 1, 2019 Mr. Hatsopoulos was reappointed by the Board as a director and he is currently serving as Lead Director to identify and evaluate financing alternatives for the Company.

Benjamin M. Locke, age 51, has been a member of the Company's board of directors since June 2018. Mr. Locke has been the Company's Co-Chief Executive Officer since 2014 and as of March 29, 2018 he became the sole Chief Executive Officer of Tecogen. Mr. Locke was the Director of Corporate Strategy for Tecogen and was promoted to General Manager prior to his appointment as Co-Chief Executive Officer of Tecogen. In October of 2014, Mr. Locke began serving as Co-Chief Executive Officer of ADGE and continued to serve as Co-Chief Executive Officer until the completion of the ADGE Merger. Previously, Mr. Locke was the Director of Business Development and Government Affairs at Metabolix, a bioplastics technology development

- 5 -

and commercialization company. In that role, he was responsible for developing and executing plans for partnerships, joint ventures, acquisitions, and other strategic arrangements for commercializing profitable clean energy technologies. Prior to joining Metabolix in 2001, Mr. Locke was Vice President of Research at Innovative Imaging Systems, or IISI, a high-technology R&D company. At IISI, he drove the development and implementation of growth strategies for the funding of specialty electronic systems for the United States Government. Mr. Locke has a B.S. in Physics from the University of Massachusetts, a M.S. in Electrical Engineering from Tufts University, and an M.B.A. in Corporate Finance from Boston University.

Tecogen's Board has determined that Mr. Locke's prior experience and education qualify him to be a member of our Board in light of the Company's business and structure.

Robert A. Panora, age 64, has been the Company's Chief Operating Officer and President since the organization of the Company in 2000. In August of 2015, Mr. Panora began serving as Director of Operations of American DG Energy and continued to serve as Director of Operations until the completion of the ADGE Merger. On March 29, 2018, Mr. Panora was appointed as the sole director of ADGE. Before this role, since 1990, he had been General Manager of the Company's Product Group while a division of Thermo Electron Corporation and Manager of Product Development, Engineering Manager, and Operations Manager since 1984. Over his 31-year tenure with the Company and its predecessors, Mr. Panora has been responsible for sales and marketing, engineering, service, and manufacturing. Mr. Panora contributed to the development of Tecogen's first product, the CM-60 cogeneration system, and was Program Manager for the cogeneration and chiller projects that followed. Mr. Panora has had considerable influence on many aspects of the business, from building the employee team, to conceptualizing product designs and authoring many of the original business documents, sales tools, and product literature pieces. Mr. Panora has a B.S. and M.S. in Chemical Engineering from Tufts University.

Bonnie Brown, age 56, has been the Company's Chief Accounting Officer, Treasurer and Secretary since May of 2017, becoming a member of the management team after the ADGE Merger. Previously, Ms. Brown served as ADGE's Chief Financial Officer from September 2015 until completion of the ADGE Merger. She also served as EuroSite Power Inc's Chief Financial Officer from September of 2015 until January 20, 2017. Ms. Brown was a Financial Advisor at Barker Financial Group, a strategic wealth management advisory company, from July 2014 to September 2015. She joined Tecogen as its Controller in 2005 and became the Chief Financial Officer in 2007 and remained in that position until December 2014. She served from its inception in 2009 to December 2014 as the Chief Financial Officer of Ilios Inc. Prior to joining Tecogen, Ms. Brown was a partner at Sullivan Bille PC, a regional accounting firm, for 15 years where she provided financial, accounting, audit, tax, and business consulting services for mid-sized companies. Ms. Brown has also worked at Enterprise Bank and Trust as project manager for special assignments including branch acquisitions and information systems transitions in the trust department eventually serving as Internal Audit Director, establishing an in-house audit function. She has also provided independent contractor services for a wide variety of publicly traded and closely held companies, including consulting, internal control and Sarbanes-Oxley compliance services. Ms. Brown is a CPA and holds a B.S. in Accountancy from Bentley College and a M.S. in Computer Information Systems from Boston University.

Keith Davidson, age 68, has been a member of the Company's board of directors since 2016. Mr. Davidson is President of DE Solutions Inc., a consulting and engineering firm serving the distributed energy markets. With over 25 years of experience in the energy industry, Mr. Davidson has focused on environmental technology development, feasibility studies, product commercialization, application engineering, economic analysis and market development. Prior to joining DE Solutions, Mr. Davidson was President of Energy Nexus Group and Senior Vice President of Onsite Energy Corp. He served as a Director of the Gas Research Institute for over a decade, was past President of the American Cogeneration Association, served as Chair of the National Association of Energy Service Companies' Distribution Generation Committee, and is the recipient of several industry honors. Mr. Davidson is currently active in the California Clean DG Coalition and the US Combined Heat and Power Association. He holds a M.S in Mechanical Engineering from Stanford University and a B.S. from the University of Missouri, Rolla. Mr. Davidson has a long history with Tecogen, actively supporting new business initiatives as well as being instrumental in securing utility and government funding to support product development, including the Ultera technology. Mr. Davidson is currently serving a one year term as a Tecogen director, but has decided not to continue to serve as a Tecogen director following

the 2019 Annual Meeting of Stockholders.

Tecogen's Board has determined that Mr. Davidson's prior experience in the energy sector and prior associations in the energy industry qualify him to be a member of our Board in light of the Company's business and structure.

Ahmed F. Ghoniem, age 67, has been a member of the Company's board of directors since 2008. Dr. Ghoniem is the Ronald C. Crane Professor of Mechanical Engineering at MIT. He is also the Director of the Center for 21st Century Energy, and the head of Energy Science and Engineering at MIT, where he plays a leadership role in many energy-related activities, initiatives and programs. He joined MIT as an Assistant Professor in 1983. He is an associate fellow of the American Institute of Aeronautics and Astronautics, and Fellow of American Society of Mechanical Engineers. He was recently granted the KAUST Investigator Award. Dr. Ghoniem holds a Ph.D. in Mechanical Engineering from the University of California, Berkeley, and a M.S. and B.S. in Mechanical Engineering from Cairo University. Dr. Ghoniem is currently serving a one year term as a Tecogen director. Dr. Ghoniem is also a member of Tecogen's Nominating and Governance Committee.

- 6 -

Tecogen's Board has determined that Mr. Ghoniem's prior experience as a Professor of Mechanical Engineering at MIT and his prior experience in the energy sector qualify him to be a member of the Board of Directors in light of the Company's business and structure.

Charles T. Maxwell, age 87, has been a member of the Company's board of directors since 2001. Mr. Maxwell is a widely recognized expert in the energy sector, with over 40 years of experience with major oil companies and investment banking firms. From 1999 until his retirement in 2012, Mr. Maxwell was a Senior Energy Analyst with Weeden & Co. of Greenwich, Connecticut, where he developed strategic data and forecasts on oil, gas, and power markets. Mr. Maxwell was a member of the Board of Directors of ADGE until the completion of the ADGE Merger. Mr. Maxwell holds a B.S. in Political Science from Princeton University and holds a B.A. from Oxford University as a Marshall Scholar in Middle East literature and history. Mr. Maxwell is currently serving a one-year term as a Tecogen director, but has decided not to continue to serve as a Tecogen director following the 2019 Annual Meeting of Stockholders. Mr. Maxwell is also a member of Tecogen's Audit Committee and a member of its Nominating and Governance Committee.

Tecogen's Board has determined that Mr. Maxwell's prior experience in the energy sector and his extensive experience as a director of public companies qualifies him to be a member of our Board in light of the Company's business and structure.

Deanna Petersen, age 57, has been a member of the Company's board of directors since 2017. Ms. Petersen has been Chief Business Officer at AvroBio since January of 2016. She was Vice President of Business Development for Shire Human Genetic Therapies from 2009 until 2015, where she initiated and managed partnering, licensing and merger and acquisition activities worldwide. From 2002 to 2009, Ms. Petersen was Vice President of Business Development for Agenus Inc., and from 1998 to 2002 she was Vice President and Executive Director of Business Development at Coley Pharmaceutical Group, Inc. Ms. Petersen was on the board of ADGE until completion of the ADGE Merger. Ms. Petersen is on the board of directors for the Massachusetts Biotechnology Association and was previously the Treasurer of the board of directors for the Healthcare Business Women's Association, Boston Chapter. Ms. Petersen holds a B.S. in Biology from Iowa State University and a M.B.A. from the University of Iowa. Ms. Petersen is currently serving a one year term as a director of Tecogen. Ms. Petersen is also a member of Tecogen's Audit Committee and Compensation Committee.

Tecogen's Board has determined that Ms. Petersen's prior experience in senior operating positions at various companies, where she demonstrated leadership capability and garnered extensive expertise involving complex financial matters, qualify her to be a member of the Board in light of the Company's business and structure.

Earl R. Lewis III, age 75, has served as Chairman of the Board and as Chief Executive Officer and President of FLIR Systems from 2000 through May 2013, and since May 2013 as Chairman of the Board and as a senior consultant to FLIR Systems. Mr. Lewis also served as Chairman of the Board of Harvard Bio Science from 2013 through June 2018, as CEO and President of Thermo Instrument Systems from 1998 to 2000, as President in 1997, and as COO in 1996. Mr. Lewis also served as CEO and President of Thermo Optek Corporation from 1994 to 1996, as President of Thermo Jarrell Ash Corporation from 1988 to 1994, and in senior operations and manufacturing roles at Thermo Jarrell Ash since 1984 and at other companies in previous years. Mr. Lewis holds a B.S. from Clarkson College of Technology.

Tecogen's Board has determined that Mr. Lewis' extensive leadership experience in senior positions at FLIR Systems, Harvard Bio Science, Thermo Instrument Systems, Thermo Optek Corporation, Thermo Jarrell Ash, and elsewhere qualifies him to be a member of the Board.

Laurence E. de Armada Garcia Roosevelt, age 41, has two decades of experience in strategic marketing, communications and business development. Ms. Garcia Roosevelt currently serves as the Managing Director of the Centennial Office and member of the President's Cabinet at Babson College. She has significant experience in investor relations and working with companies on capital raising, including initial public offerings (IPOs), and mergers and acquisitions. She previously served as Vice President, Head of Marketing & Communications and a Relationship Manager at Deltec Bank & Trust Limited, at Deltec, where she was Vice President at Weber Shandwick, one of the world's leading public relations firms where she lead global programs that strengthened reputation and delivered new business for clients, and as the Director of Marketing & Communications for WHERE, Inc. (now PayPal Media

Network). Ms. Garcia Roosevelt holds a B.S. in political science from Davidson College, an M.S. in Education, magna cum laude from Hunter College, and an MBA with honors from Simmons College School of Management. Tecogen's Board has determined that Ms. Garcia Roosevelt's prior experience in senior positions where she demonstrated leadership capability and garnered extensive expertise involving strategic marketing, business development, fundraising, and investor relations matters qualify her to be a member of the Board in light of the Company's business and structure.

Each executive officer is elected or appointed by and serves at the discretion of our Board. The elected officers of the Company will hold office until their successors are duly elected and qualified, or until their earlier resignation or removal.

There are no arrangements or understandings between any of Tecogen's directors or officers and any other individuals regarding why that Tecogen director or officer was selected to serve as a director.

- 7 -

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth, as of April 15, 2019, certain information with respect to the beneficial ownership of Tecogen's shares of common stock by (1) any person (including any "group" as set forth in Section 13(d)(3) of the Exchange Act) known by us to be the beneficial owner of more than five percent (5%) of any class of Tecogen's voting securities, (2) each director, (3) each of the named executive officers and (4) all of our current directors and executive officers as a group. The percentages in the following table are based on 24,839,656 shares of common stock issued and outstanding as of April 15, 2019.

Name and address of beneficial owner ⁽¹⁾	Number of Shares Beneficially Owned ⁽²⁾	% of Shares Beneficially Owned	
5% Stockholders:			
George N. Hatsopoulos and Mrs. Daphne Hatsopoulos ⁽³⁾	2,744,385	11.04	%
John N. Hatsopoulos ⁽⁴⁾	2,322,596	9.35	%
The Hatsopoulos 2012 Family Trust ⁽⁵⁾	2,250,000	9.06	%
The John N. Hatsopoulos 1989 Family Trust ⁽⁶⁾	1,620,664	6.52	%
Tryfon Natsis and Despina Pantopoulou Natsis ⁽⁷⁾	1,616,673	6.51	%
Directors (& Nominees) & Officers:			
John N. Hatsopoulos ⁽⁴⁾	2,322,596	9.35	%
Benjamin Locke ⁽⁸⁾	290,218	1.2	%
Robert Panora ⁽⁹⁾	276,573	1.1	%
Charles T. Maxwell ⁽¹⁰⁾	249,590	1.1	%
Keith Davidson ⁽¹¹⁾	84,044	*%	
Angelina M. Galiteva ⁽¹²⁾	75,000	*%	
Ahmed Ghoniem ⁽¹³⁾	62,723	*%	
Bonnie Brown ⁽¹⁴⁾	25,962	*%	
Deanna Petersen ⁽¹⁵⁾	9,200	*%	
Earl R. Lewis III ⁽¹⁶⁾	—		
Laurence Garcia Roosevelt ⁽¹⁶⁾	—		
All executive officers and directors as a group (11 persons)	3,395,906	13.3	%

* represents less than 1%

- (1) The address of the executive officers and directors listed in the table above is: c/o Tecogen Inc., 45 First Avenue, Waltham, Massachusetts, 02451.

Unless otherwise noted in these footnotes, the Company believes that all shares referenced in this table are owned of record by each person named as beneficial owner and that each person has sole voting and dispositive power

- (2) with respect to the shares of Common Stock owned by each of them. In accordance with Rule 13d-3 under the Exchange Act, each person's percentage ownership is determined by assuming that the options and warrants to purchase common stock that are held by that person, and which are exercisable within 60 days, have been exercised.

Based solely upon the Schedule 13G/A filed by Dr. George Hatsopoulos and Mrs. Daphne Hatsopoulos on May 16, 2018. (Dr. Hatsopoulos died on or about September 20, 2018.) The Schedule 13G/A states the beneficial ownership of Dr. Hatsopoulos as the following: (1) 1,812,468 shares of common stock held directly by Dr.

- (3) Hatsopoulos; (2) 154,760 shares of common stock held by Dr. Hatsopoulos and his wife Daphne Hatsopoulos as joint tenants; (3) 320,179 shares of Common Stock held in The Hatsopoulos 1994 Family Trust for the Benefit of Nicholas Hatsopoulos, of which Mrs. Hatsopoulos and Mr. Joseph Comeau are trustees, and (4) 456,978 shares of Common Stock held in The Hatsopoulos 1994 Family Trust for the Benefit of Marina Hatsopoulos, of which Mrs. Hatsopoulos and Mr. Michael Bass are trustees. The address of the holder is 233 Tower Road, Lincoln, MA 01773.

(4)

Edgar Filing: TECOGEN INC. - Form DEF 14A

Based solely upon: (a) the Schedule 13G/A filed by Mr. John N. Hatsopoulos on March 26, 2019 and the Form 4/A filed by Mr. Hatsopoulos on April 11, 2018. Based on the Schedule 13G/A and Form 4/A the beneficial ownership of Mr. Hatsopoulos is the following: (1) 155,351 shares of common stock held directly by Mr. Hatsopoulos; (2) 1,039,480 shares of common stock held by the Nia M. Hatsopoulos Jephson 2011 Irrevocable Trust, for which Mr. Hatsopoulos is the

- 8 -

trustee; (3) 1,039,480 shares of common stock held by the Alexander J. Hatsopoulos 2011 Irrevocable Trust, for which Patricia Hatsopoulos, Mr. Hatsopoulos' wife, is the trustee; (4) 3,325 shares of common stock held in an individual retirement account for Mrs. Hatsopoulos; (5) 44,012 shares held in Pat Ltd., a joint account maintained by Mr. Hatsopoulos and Mrs. Hatsopoulos; (6) 28,225 shares of common stock held by Mrs. Hatsopoulos; and (7) options to purchase 12,723 shares of common stock held directly by Mr. Hatsopoulos. Does not include the following shares with respect to which Mr. Hatsopoulos disclaims beneficial ownership: (1) 808,339 shares of Common stock held in The John N. Hatsopoulos 1989 Family Trust for the benefit of Nia Maria Hatsopoulos, of which Ann Marie Pacheco is the sole trustee, (2) 812,325 shares of common stock held in The John N. Hatsopoulos 1989 Family Trust for the benefit of Alexander J. Hatsopoulos, or which Ms. Ann Marie Pacheco is the sole trustee, and (3) 579,749 shares of common stock held in The John N. Hatsopoulos Family Trust 2007, of which Mr. Yiannis Monovoukas is the sole trustee.

(5) Based solely upon the Schedule 13G filed by Mr. Joseph Comeau on behalf of The Hatsopoulos 2012 Family Trust on May 22, 2018. The Schedule 13G states the beneficial ownership consists of 2,250,000 shares of common stock held by The Hatsopoulos 2012 Family Trust, of which Mr. Comeau is the sole trustee. The address of the holder is Oliver St. Tower, 125 High St., Boston, MA 02110.

(6) Based solely upon Schedule 13G filed by Mr. John N. Hatsopoulos on March 26, 2019. The Schedule 13G states the beneficial ownership of The John N. Hatsopoulos 1989 Family Trust consists of 1,620,646 shares of common stock, including 808,339 shares held for the benefit of Nia Marie Hatsopoulos, and 812,325 shares held for the benefit of Alexander J. Hatsopoulos. Ms. Ann Marie Pacheco is the sole trustee of the John N. Hatsopoulos 1989 Family Trust. The address of the holder is 45 First Ave., Waltham, MA 02451. Mr. John Hatsopoulos disclaims beneficial ownership of all shares held by the trust.

(7) Based solely upon the Schedule 13G filed by Tryfon Natsis and Despina Pantopoulou Natsis on February 1, 2017. The Schedule 13G states the beneficial ownership as the following: 1,616,673 shares of common stock owned jointly by Tryfon Natsis and Despina Pantopoulou Natsis as spouses and joint tenants with the right of survivorship. The address for each holder is 36 Chemin Du Milieu, Collonge-Bellerive, Geneva, Switzerland 1245.

(8) Includes: (a) 3,418 shares of Common Stock, directly held by Mr. Benjamin Locke; and (b) 286,800 options to purchase Common Stock.

(9) Includes: (a) 138,850 shares of Common Stock, directly held by Mr. Robert Panora; and (b) options to purchase 137,723 shares of Common Stock.

(10) Includes: (a) 224,590 shares of Common Stock, directly held by Mr. Charles Maxwell, and (b) options to purchase 25,000 shares of Common Stock.

(11) Includes: (a) 9,044 shares of Common Stock, directly held by Mr. Keith Davidson; and (b) options to purchase 75,000 shares of Common Stock.

(12) Includes: (a) 50,000 shares of Common Stock, directly held by Ms. Angelina Galiteva and (b) options to purchase 25,000 shares of Common Stock.

(13) Includes: (a) 25,000 shares of Common Stock, directly held by Mr. Ahmed Ghoniem; and (b) options to purchase 37,723 shares of Common Stock.

(14) Includes: (a) 1,762 shares of Common Stock, held directly by Ms. Bonnie Brown; and (b) options to purchase 24,200 shares of Common Stock.

(15) Includes options to purchase 9,200 shares of Common Stock.

(16) Mr. Lewis and Ms. Garcia Roosevelt are nominees for election to the Tecogen Board of Directors. Based on Director and Officer Questionnaires signed by Mr. Lewis and Ms. Garcia Roosevelt, neither Mr. Lewis nor Ms. Garcia Roosevelt hold any Tecogen shares or options to acquire Tecogen shares.

Securities Authorized for Issuance Under Equity Compensation Plans

The following table provides information as of December 31, 2018, regarding Common Stock that may be issued under the Company's 2006 Stock Incentive Plan, as amended, or the Plan.

	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in first column)
Equity compensation plans approved by security holders	1,292,589	\$ 3.52	1,990,980
Equity compensation plans not approved by security holders	—	—	—
Total	1,292,589	\$ 3.52	1,990,980

The Plan is intended to provide incentives to Company officers, directors, employees, and consultants by providing such individuals with opportunities to purchase stock in the Company pursuant to options granted which do not qualify as "Incentive Stock Options," or "ISO" or "ISOs," under Section 422(b) of the Internal Revenue Code of 1986, as amended, or the "Code;" such options being an "NSO" or "NSOs".

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires the Company's executive officers and directors, and persons who own more than ten percent of a registered class of the Company's equity securities, to file reports of ownership and changes in ownership of equity securities of the Company with the SEC and the NASDAQ. Officers, directors, and greater-than-ten-percent stockholders are required by the SEC's regulations to furnish the Company with copies of all Section 16(a) forms that they file.

Based solely upon information provided to the Company from reporting persons, the Company is not aware of any failure on the part of any reporting person to timely file reports required pursuant to Section 16(a) of the Exchange Act with respect to the fiscal year ended December 31, 2018 other than one Form 4 filed by Ms. Brown on June 1, 2018 which included an option grant dated January 15, 2018 as well as an option grant dated May 31, 2018.

CORPORATE GOVERNANCE

The Board of Directors

The number of directors of the Company is established by the Board in accordance with the Company's By-laws. The directors are elected to serve for one year terms, with the term of directors expiring each year at the annual meeting of stockholders or until the election and qualification of a successor or such director's earlier death, resignation or removal.

The Company's Certificate of Incorporation and By-laws provide that the authorized number of directors may be established by resolution of the Board, and also provide that directors may be removed only for cause by the affirmative vote of the holders of at least two thirds of the votes that all stockholders would be entitled to cast in an annual election of directors, and that any vacancy on the Board, including a vacancy resulting from an increase in the number of Directors, may be filled only by vote of a majority of our directors then in office.

Members of the Board discussed various business matters informally on numerous occasions throughout the year. There were three formal board meetings during 2018. All current directors attended all Board meetings, except for Mr. Charlie Maxwell and Mr. Keith Davidson who missed one formal meeting, and Mr. Ahmed Ghoniem who missed two formal meetings. Independent directors endeavor to meet on a regular basis as often as necessary to fulfill their responsibilities, including at least twice annually in executive sessions without the presence of non-independent directors and management.

Board Leadership Structure and Role in Risk Oversight

The Company separates the roles of Chief Executive Officer and Chairperson in recognition of the differences between the two roles. Our Chief Executive Officer is responsible for setting the strategic direction for the Company and the overall leadership and performance of the Company. Our Chairperson provides guidance to the Chief Executive Officer, sets the agenda for Board meetings, presides over meetings of the full Board and leads all executive meetings of the independent directors. We are a small company with a small management team, and we feel the separation of these roles enhances high-level attention to our business. Our Board has no lead independent director. Our Board oversees our risk management processes directly and through its committees. Our management is responsible for risk management on a day-to-day basis. The Audit Committee assists the Board in fulfilling its oversight responsibilities with respect to risk management in the areas of financial reporting, internal controls and compliance with legal and regulatory requirements, and discusses policies with respect to risk assessment and risk management, including guidelines and policies to govern the process by which the Company's exposure to risk is handled. The Compensation Committee assists the Board in fulfilling its oversight responsibilities with respect to the management of risks arising from our compensation policies and programs. The Nominating and Governance Committee assists the Board in fulfilling its oversight responsibilities with respect to the management of risks associated with board organization, membership and structure, succession planning for our directors, and corporate governance.

Committees of the Board of Directors

Our Board directs the management of our business and affairs and conducts its business through meetings of the Board and the following standing committees: the Audit Committee, the Compensation Committee, and the Nominating and Governance Committee.

Audit Committee. The Audit Committee is presently composed of three members of the Board: Mr. Charles T. Maxwell (Chairman), Ms. Angelina M. Galiteva and Ms. Deanna Petersen. The Audit Committee assists the Board in the oversight of the audit of the Company's financial statements and the quality and integrity of its accounting, auditing and financial reporting processes. The Audit Committee also has the responsibility of reviewing the qualifications, independence and performance of the Company's independent registered public accounting firm and is responsible for the appointment, retention, oversight and, where appropriate, termination of the independent registered public accounting firm. During fiscal year 2018, the Audit Committee held four meetings. The Board has determined that each of the members of the Audit Committee meets the criteria for independence under the applicable listing standards of NASDAQ, Section 10A-3 of the Exchange Act, and that Mr. Maxwell also qualifies as an "audit committee financial expert," as defined by the rules adopted by the SEC. The Board has adopted a written charter for the Audit Committee,

which is reviewed annually by the Audit Committee. The current Audit Committee Charter is available on the Company's web site, <http://investors.tecogen.com/audit-committee-charter>.

Compensation Committee. The Compensation Committee is presently composed of two members of the Board: Ms. Angelina M. Galiteva (Chairwoman) and Ms. Deanna Petersen. The principal functions of the Compensation Committee are reviewing with management cash and other compensation policies for employees, making recommendations to the Board regarding compensation matters and determining compensation for the Executive Officers. Our Chief Executive Officers have been instrumental in the design and recommendation to the Compensation Committee of compensation plans and awards for our directors and executive officers including our President and Chief Operating Officer and Chief Accounting Officer. All compensation

- 11 -

decisions for the Chief Executive Officers and all other executive officers are reviewed and approved by the Compensation Committee and can be subject to ratification by the Board of Directors. The Compensation Committee has the authority under its charter to engage the services of outside advisors, experts and others to assist the Compensation Committee. In 2018, no compensation consultant was engaged for employee or executive compensation. During fiscal year 2018, the Compensation Committee held no formal meetings. The Board has determined that each of the members of the Compensation Committee meets the criteria for independence under the applicable NASDAQ listing standards. The current Compensation Committee Charter is available on the Company's web site at <http://investors.tecogen.com/compensation-committee-charter>.

Nominating and Governance Committee. The Nominating and Governance Committee is presently composed of three members of the Board: Mr. Ahmed F. Ghoniem (Chairman), Mr. Charles T. Maxwell and Ms. Deanna Petersen, each of whom is an independent director as independence is defined by the NASDAQ rules and regulations. The Nominating and Governance Committee functions are to identify persons qualified to serve as members of the Board, to recommend to the Board of Directors persons to be nominated by the Board for election as directors at the annual meeting of stockholders and persons to be elected by the Board to fill any vacancies and recommend to the Board persons to be appointed to each of its committees. Qualifications for consideration as a director nominee may vary according to the particular areas of expertise being sought as a complement to the existing composition of our Board. However, minimum qualifications include high level leadership experience in business activities, breadth of knowledge about issues affecting the Company, experience on other boards of directors, preferably public company boards, and time available for meetings and consultation on Company matters. In addition, the Nominating and Governance Committee is responsible for developing and recommending to the Board a set of corporate governance guidelines applicable to the Company (as well as reviewing and reassessing the adequacy of such guidelines as it deems appropriate from time to time) and overseeing the annual self-evaluation of the Board. The committee held no formal meetings in 2018. The charter of the Nominating and Governance Committee is available on the Company's website at <http://investors.tecogen.com/nominating-and-governance-committee-charter>.

Nominations and Proposals of Stockholders

The Company's Nominating and Governance Committee identifies new director candidates through recommendations from members of the Committee, other Board members and executive officers of the Company and will consider candidates who are recommended by security holders, as described below. Although the Board does not have a formal diversity policy, the Committee and the Board will consider such factors as it deems appropriate to assist in developing a Board and committees that are diverse in nature and comprised of experienced and seasoned advisors. These factors focus on skills, expertise or background and may include decision-making ability, judgment, personal integrity and reputation, experience with businesses and other organizations of comparable size, experience as an executive with a publicly traded company, and the extent to which the candidate would be a desirable addition to the Board and any committees of the Board.

A stockholder who, in accordance with Rule 14a-8, under the Securities Exchange Act of 1934, as amended, or the Exchange Act, wants to present a proposal for inclusion in the Company's 2019 Proxy Statement and proxy card relating to the 2019 Annual Meeting of Stockholders must submit the proposal by December 20, 2018. In order for the proposal to be included in the Proxy Statement, the stockholder submitting the proposal must meet certain eligibility standards and comply with certain regulations established by the SEC.

Stockholders who wish to present a business proposal or nominate persons for election as directors at the Company's 2020 Annual Meeting of Stockholders must provide a notice of the business proposal or nomination in accordance with Section 1.11 of our By-laws, in the case of business proposals, or Section 1.10 of our By-laws, in the case of director nominations. In order to be properly brought before the 2020 Annual Meeting of Stockholders, Sections 1.10 and 1.11 of our By-laws require that a notice of the business proposal the stockholder wishes to present (other than a matter brought pursuant to Rule 14a-8), or the person or persons the stockholder wishes to nominate as a director, must be received at our principal executive office not less than 90 days, and not more than 120 days, prior to the first anniversary of the Company's prior year's annual meeting. Therefore, any notice intended to be given by a stockholder

with respect to the Company's 2020 Annual Meeting of Stockholders pursuant to our By-laws must be received at our principal executive office no earlier than February 6, 2019 and no later than March 8, 2019. However, if the date of our 2019 Annual Meeting of Stockholders occurs more than 20 days before or 60 days after June 6, 2019, the anniversary of the 2018 Annual Meeting of Stockholders, a stockholder notice will be timely if it is received at our principal executive office by the later of (1) the 120th day prior to such annual meeting or (2) the close of business on the tenth day following the day on which public disclosure of the date of the meeting was made. To be in proper form, a stockholder's notice must include the specified information concerning the stockholder and the business proposal or nominee, as described in Sections 1.10 and 1.11 of our By-laws.

All proposals must be mailed to the Company's principal executive office, at the address stated herein, and should be directed to the attention of the Secretary of the Company.

- 12 -

The Nominating and Corporate Governance Committee will evaluate new director candidates in view of the criteria described above, as well as other factors the Committee deems to be relevant, through reviews of biographical and other information, input from others, including members of the Board and executive officers of the Company, and personal discussions with the candidate when warranted by the results of these other assessments. The Committee will evaluate any director candidates recommended by security holders under the same process. In determining whether to recommend to the Board the nomination of a director who is a member of the Board, the Committee will review the Board performance of such director and solicit feedback about the director from other Board members.

Code of Conduct and Ethics

The Company has adopted a code of business conduct and ethics that applies to the Company's directors, officers and employees. The Company's code of business conduct and ethics is intended to promote honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships; full, fair, accurate, timely and understandable disclosure in reports and documents that the Company files with, or submits to, the SEC and in other public communications made by the Company; compliance with applicable governmental laws, rules and regulations; prompt internal reporting of violations of the code of business conduct and ethics to an appropriate person or persons identified in the code of business conduct and ethics; and accountability for adherence to the code of business conduct and ethics. The Company's code of business conduct and ethics is available on the Company's website at <http://ir.tecogen.com/governance-docs>. A printed copy of the Company's code of business conduct and ethics is also available free of charge to any person who requests a copy by writing to our Secretary, Tecogen Inc., 45 First Avenue, Waltham, MA 02451.

REPORT OF THE AUDIT COMMITTEE

The information contained in this Proxy Statement with respect to the Audit Committee Report and charter and the independence of the members of the Audit Committee shall not be deemed to be “soliciting material” or to be “filed” with the SEC, nor shall such information be incorporated by reference into any future filing under the Securities Act of 1933, as amended, or the “Securities Act”, or the Exchange Act, except to the extent that the Company specifically incorporates it by reference in such filing.

The Company has an Audit Committee that is comprised of independent Directors. The Audit Committee is directly responsible for the appointment, compensation, retention and oversight of the Company’s independent registered public accounting firm. The Company’s management is responsible for the Company’s internal controls, disclosure controls and financial reporting process. The Company’s independent registered public accounting firm is responsible for performing an independent audit of the Company’s consolidated financial statements and expressing an opinion on the conformity of those financial statements with accounting principles generally accepted in the United States.

In the performance of the Audit Committee’s oversight function, we have reviewed and discussed with management the Company’s audited financial consolidated statements of the Company for the fiscal year ended December 31, 2018 and management’s assessment of the effectiveness of the Company’s internal control over financial reporting. We have also discussed with the Company’s independent registered public accounting firm the matters requiring discussion pursuant to Statement on Auditing Standards No. 61, as amended (Communications with Audit Committees) and as adopted by the Public Company Accounting Oversight Board in Rule 3200T and such other matters as we have deemed to be appropriate. We have also discussed with the Company’s independent registered public accounting firm matters relating to its independence and have received the written disclosures and letter from it required by the applicable requirements of the Public Company Accounting Oversight Board.

On the basis of the reviews and discussions referred to above, the Audit Committee recommended to the Board of Directors that the Company’s audited consolidated financial statements for the year ended December 31, 2018 be included in the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2018 for filing with the Securities and Exchange Commission.

By the Members of the Audit Committee,

Mr. Charles T. Maxwell, its Chair
Ms. Angelina M. Galiteva
Ms. Deanna Petersen

COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS

Summary Compensation Table

The following table sets forth information regarding annual and long-term compensation with respect to the fiscal years ended December 31, 2018 and 2017, paid or accrued by the Company to or on behalf of those persons who were, during the fiscal year ended December 31, 2018, the Company's Chief Executive Officer, Chief Accounting Officer and the Company's most highly compensated executive officers serving as such as of December 31, 2018 whose compensation was in excess of \$100,000 (the "Named Executive Officers").

Name and principal position	Year	Salary (\$)	Bonus (\$)	Stock awards (\$)	Option awards \$(1)	All other compensation (\$)	Total (\$)
John N. Hatsopoulos	2018	1	—	—	—	—	1
Co-Chief Executive Officer until March 29, 2018 (Principal Executive Officer)	2017	1	—	—	—	—	1
Benjamin M. Locke ⁽²⁾	2018	210,000	—	—	204,400	—	414,400
Chief Executive Officer (Principal Executive Officer)	2017	210,000	—	—	—	630	210,630
Robert A. Panora ⁽³⁾	2018	200,000	—	—	—	648	200,648
Chief Operating Officer and President	2017	200,000	50,000	—	—	2,772	252,772
Bonnie J. Brown ⁽⁴⁾	2018	180,000	—	—	53,840	—	233,840
Chief Accounting Officer, Treasurer and Secretary (Principal Financial Officer)	2017	110,769	—	—	—	—	110,769
David A. Garrison ⁽⁴⁾	2018	—	—	—	—	—	—
Former Chief Financial Officer, Treasurer and Secretary	2017	93,201	—	—	—	—	93,201

(1) The amounts in the "Stock Option Awards" column reflect the aggregate grant date fair value of the awards computed in accordance with FASB ASC Topic 718. The assumptions used by us with respect to the valuation of stock and option awards are set forth in "Note 12 – Stockholders' equity" to our 2018 Annual Report reported on Form 10-K filed with the Securities and Exchange Commission on March 29, 2019.

(2) Mr. Locke became the Company's Co-Chief Executive Officer on October 30, 2014 and became the sole Chief Executive Officer on March 29, 2018.

(3) The \$50,000 bonus was awarded by Ultra Emissions Ltd., but was paid by the Company which was then reimbursed by Ultra Emissions Ltd.

(4) Ms. Brown became the Company's Chief Accounting Officer upon completion of the Merger and the resignation of Mr. Garrison in May of 2017.

See "Employment Contracts and Termination of Employment and Change in Control Arrangements" below for the terms of certain agreements and change-in-control provisions.

Executive Officer Outstanding Equity Awards at Fiscal-Year End

The following table sets forth information with respect to outstanding equity awards held by Tecogen's executive officers as of December 31, 2018.

Option Awards					Stock awards	
Name	Number of securities underlying unexercised options (#) exercisable	Number of securities underlying unexercised options (#) unexercisable	Option exercise price (\$)	Option expiration date	Number of shares of stock that have not vested (#)	Market value of shares of stock that have not vested (\$)
John N. Hatsopoulos	12,723 ⁽¹⁾	—	3.93	5/12/2026	—	—
Benjamin Locke	37,500 ⁽²⁾	—	3.20	6/3/2023	—	—
	62,500 ⁽³⁾	—	4.96	12/17/2024	—	—
	100,000 ⁽⁴⁾	—	4.96	12/17/2024	—	—
	9,200 ⁽⁵⁾	—	10.33	11/19/2024	—	—
	18,400 ⁽⁶⁾	—	5.65	12/11/2024	—	—
	9,200 ⁽⁷⁾	—	5.65	6/10/2025	—	—
Robert A. Panora	200,000 ⁽⁸⁾	—	3.68	5/31/2028	—	—
	125,000 ⁽⁹⁾	—	2.60	2/14/2021	—	—
Bonnie Brown	12,723 ⁽¹⁰⁾	—	0.79	2/12/2026	—	—
	9,200 ⁽¹¹⁾	—	3.15	9/2/2025	—	—
	5,000 ⁽¹²⁾	15,000	2.39	1/15/2028	—	—
		40,000 ⁽¹³⁾	3.68	5/31/2028	—	—

⁽¹⁾ This grant includes stock option award granted May 12, 2016 in connection with the Ilios Merger. Upon completion of the Ilios Merger, all Ilios Inc. options were exchanged for fully vested options of the Company according to an exchange ratio, where every 7.86 options of Ilios Inc., were exchanged for 1 fully vested option of the Company.

⁽²⁾ Includes stock option award granted on June 3, 2013, with 25% of the options vesting on June 3, 2014 and then an additional 25% of the options vesting on each of the subsequent three anniversaries, subject to Mr. Locke's continued employment and subject to acceleration of vesting upon a change in control.

⁽³⁾ Includes stock option award granted on December 18, 2014, with 25% of the options vesting on December 18, 2015 and then an additional 25% of the options vesting on each of the subsequent three anniversaries, subject to Mr. Locke's continued employment and subject to acceleration of vesting upon a change in control.

⁽⁴⁾ Includes stock option award granted on December 18, 2014, with the options vesting if the Company achieves a positive adjusted EBITDA for the year ended 2015, modified in December 2015 to provide that 25% of the options vest on December 18, 2015 and an additional 25% of the options vest on each of the subsequent three anniversaries, subject to Mr. Locke's continued employment and subject to acceleration of vesting upon a change in control.

⁽⁵⁾ Includes stock option award granted November 19, 2014 in connection with Mr. Locke's service with ADGE. Upon completion of the ADGE Merger, all ADGE options were exchanged for fully vested options of the Company according to an exchange ratio. The exchange ratio affected the number of Company options received.

- (6) Includes stock option award granted December 11, 2014 in connection with Mr. Locke's service with ADGE. Upon completion of the ADGE Merger, all ADGE options were exchanged for fully vested options of the Company according to an exchange ratio. The exchange ratio affected the number of Company options received.
- (7) Includes stock option award granted June 6, 2015 in connection with Mr. Locke's service with ADGE. Upon completion of the ADGE Merger, all ADGE options were exchanged for fully vested options of the Company according to an exchange ratio. The exchange ratio affected the number of Company options received.
- (8) Includes stock option award granted May 31, 2018 in connection with Mr. Locke's service with the Company, with 25% of the options vesting on May 31, 2019 and then an additional 25% of the options vesting on each of the subsequent three anniversaries, subject to Mr. Locke's continued employment and subject to acceleration of vesting upon a change in control.

(9) Includes stock option award granted on February 15, 2011, with 25% of options vesting on February 15, 2012 and an additional 25% of the options vesting on each of the subsequent three anniversaries, subject to Mr. Panora's continued employment and subject to acceleration of vesting upon a change in control.

(10) Includes stock option award granted May 12, 2016 in connection with the Ilios Merger. Upon completion of the Ilios Merger all option holders of Ilios Inc. received fully vested options of the Company according to an exchange ratio, where every 7.86 options of Ilios Inc., were exchanged for 1 fully vested option of the Company.

(11) Includes stock option award granted September 2, 2015 in connection with Ms. Brown's service with ADGE. Upon completion of ADGE Merger, all ADGE options were exchanged for fully vested options of the Company according to an exchange ratio. The exchange ratio affected the number of Company options received.

(12) Includes stock option award granted January 15, 2018 in connection with Ms. Brown's service with the Company, with 25% of the options vesting on January 15, 2019 and then an additional 25% of the options vesting on each of the subsequent three anniversaries, subject to Ms. Brown's continued employment and subject to acceleration of vesting upon a change in control.

(13) Includes stock option award granted May 31, 2018 in connection with Ms. Brown's service with the Company, with 25% of the options vesting on May 31, 2019 and then an additional 25% of the options vesting on each of the subsequent three anniversaries, subject to Ms. Brown's continued employment and subject to acceleration of vesting upon a change in control.

Director Compensation

Each director who is not also one of our employees is entitled to receive a fee of \$500 per day for service on those days that our Board and/or a committee on which such director served meets. Non-employee directors also will be eligible to receive stock or option awards under our equity incentive plan. We reimburse all of our non-employee directors for reasonable travel and other expenses incurred in attending Board and committee meetings. Any director who is also one of our employees receives no additional compensation for serving as a director.

The following table sets forth information with respect to the fiscal year 2018 compensation of our directors who were not executive officers during the year ended December 31, 2018:

Name	Fees earned or paid in cash (\$)	Stock awards (\$)	Option awards (\$)	All other compensation (\$)	Total (\$)
Angelina M. Galiteva	1,500	—	—	—	1,500
Keith Davidson	1,000	—	—	—	1,000
Ahmed F. Ghoniem	500	—	—	—	500
Charles T. Maxwell	1,000	—	—	—	1,000
Deanna Petersen	1,500	—	—	—	1,500

Outstanding Equity Awards of Directors at Fiscal Year-End Table

The following table summarizes the outstanding equity awards held by each Tecogen director who was not an executive officer during the year ended December 31, 2018.

Name	Option Awards Number of securities underlying unexercised options exercisable	Option exercise price (\$)	Option expiration date	Stock awards Number of shares of stock that have not vested
	Number of securities underlying unexercised options exercisable			Market value of shares of stock that have not vested

Edgar Filing: TECOGEN INC. - Form DEF 14A

					(#)	vested (\$)
Angelina M. Galiteva ⁽¹⁾	25,000	—	2.60	2/14/2021	—	—
Ahmed F. Ghoniem ⁽²⁾	25,000	—	2.60	2/14/2021	—	—
Ahmed F. Ghoniem ⁽³⁾	12,723	—	0.79	5/12/2026	—	—
Charles T. Maxwell ⁽⁴⁾	25,000	—	2.60	2/14/2021	—	—
Keith Davidson ⁽⁵⁾	25,000	—	5.39	9/7/2024	—	—
Keith Davidson ⁽⁶⁾	50,000	50,000	4.27	9/2/2026	—	—
Deanna Peterson ⁽⁷⁾	9,200	—	3.48	4/5/2026	—	—

- 17 -

- (1) Includes stock option award granted on February 15, 2011, with 25% of the options vesting on February 14, 2012, and an additional 25% of the options vesting on each of the subsequent three anniversaries provided that Ms. Galiteva continues to serve as a director or consultant to the Company.
- (2) Includes stock option award granted on February 15, 2011, with 25% of the options vesting on February 14, 2012, and an additional 25% of the options vesting on each of the subsequent three anniversaries provided that Dr. Ghoniem continues to serve as a director or consultant to the Company.
- (3) Includes stock option award granted May 12, 2016 in connection with the Ilios Merger. Upon completion of the Ilios Merger all option holders of Ilios Inc. were given fully vested options of the Company according to an exchange ratio, where every 7.86 options of Ilios Inc., were exchanged for 1 fully vested option of the Company.
- (4) Includes stock option award granted on February 15, 2011, with 25% of the options vesting on February 14, 2012, and an additional 25% of the options vesting on each of the subsequent three anniversaries provided that Mr. Maxwell continues to serve as a director or consultant to the Company.
- (5) Includes stock option award granted on September 8, 2014, with 25% of the options vesting on September 7, 2015, and an additional 25% of the options vesting on each of the subsequent three anniversaries provided that Mr. Davidson continues to serve as a director or consultant to the Company.
- (6) Includes stock option award granted on September 2, 2016, with 25% of the options vesting on September 2, 2017, and an additional 25% of the options vesting on each of the subsequent three anniversaries provided that Mr. Davidson continues to serve as a director or consultant to the Company.
- (7) Includes stock option award granted April 5, 2016 in connection with Ms. Petersen's service on ADGE's board of directors. Upon completion of the ADGE Merger, all ADGE options were exchanged for fully vested options of the Company according to an exchange ratio. The exchange ratio affected the number of Company options received.

Compensation Committee Interlocks and Insider Participation

During fiscal year 2018, none of our executive officers served as a member of the board of directors or compensation committee, or other committee serving an equivalent function, of any other entity that has one or more of its executive officers serving as a member of our Board or Compensation Committee. None of the current members of the Compensation Committee of our Board has ever been an employee of the Company.

Employment Contracts and Termination of Employment and Change-in-Control Arrangements

None of Tecogen's executive officers, other than Mr. John Hatsopoulos, has an employment contract or change-in-control arrangement, other than stock and option awards that contain certain change-in-control provisions such as accelerated vesting due to acquisition. In the event that an acquisition that is not a private transaction occurs while the optionee maintains a business relationship with the Company and the option has not fully vested, the option will become exercisable for 100% of the shares as to which it has not vested with such vesting to occur immediately prior to the closing of the acquisition.

The stock and option awards that would vest for each named executive officer if a change-in-control were to occur are disclosed under our Outstanding Equity Awards at Fiscal Year-End Table. Our stock and option awards contain certain change-in-control provisions. Descriptions of those provisions are set forth below:

Stock Awards: Change-in-Control Definition

For the purposes of our stock awards, change-in-control shall mean (a) the acquisition in a transaction or series of transactions by a person (such term to include anyone deemed a person under Section 13(d)(3) of the Exchange Act), other than the Company or any of its subsidiaries, or any employee benefit plan or related trust of the Company or any of its subsidiaries, of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 50% or more of the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors or (b) the sale or other disposition of all or substantially all of the assets of the Company in one transaction or series of related transactions.

Option Awards Change-in-Control Definition

For the purposes of our option awards, change-in-control shall mean merger (or reverse merger), consolidation, or other similar event or the sale or lease of all or substantially all of the Company's assets. Upon a change-in-control, while the optionee maintains a business relationship with the Company and the option has not fully vested, the option shall become exercisable for 100% of the then number of shares as to which it has not vested, such vesting to occur

immediately prior to the closing of the acquisition.

- 18 -

Advisory Agreement

On January 3, 2018 the Company entered into an Advisory Agreement with John N. Hatsopoulos, a member of the Board of Directors. The Advisory Agreement provides that Mr. Hatsopoulos will resign as a member of the Board of Directors at the Company's 2018 Annual Meeting of Stockholders or June 30, 2018, whichever comes first. Pursuant to the Advisory Agreement, Mr. Hatsopoulos will remain an advisor to the Company's Board of Directors and an employee of the Company in the Company's Investors Relations Department. He will be paid a salary of \$1.00 annually and receive the same benefits as other similarly situated employees as well as administrative support for the duration of the agreement. Mr. Hatsopoulos was not nominated for election as a director at the June 6, 2018 Annual Meeting of Stockholders. On February 1, 2019 Mr. Hatsopoulos was reappointed by the Company's Board of Directors to serve as a director of the Company.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE.

Except as set forth below since the beginning of the last completed fiscal year we have not been a party to any transaction in which the amount involved exceeded or will exceed the lesser of \$120,000 or one percent of the average of our total assets as at the year-end for the last two completed fiscal years and in which any of our directors, executive officers or beneficial holders of more than 5% of our capital stock, or any immediate family member of, or person sharing the household with, any of these individuals, had or will have a direct or indirect material interest.

Director Loan

In connection with the ADGE Merger, the Company assumed a loan from John N. Hatsopoulos, the Company's former Co-Chief Executive Officer and a Company Director. The loan was in the amount of \$850,000, with interest at 6%, payable quarterly, and had a maturity date of May 25, 2018. The loan, together with interest thereon, was repaid in full on May 4, 2018.

Director Independence

The Company's common stock is listed on the NASDAQ stock exchange. The Board considers the status of its members pursuant to the independence requirements set forth in the applicable NASDAQ rules and applicable federal securities laws. Under these requirements, the Board undertakes a review at least annually of director independence. During this review, the Board considers transactions and relationships between each director or any member of his immediate family and the Company and its affiliates, if any. The purpose of this review is to determine whether any such relationship or transactions exist that are inconsistent with a determination that the director is independent. The following current directors, Ms. Galiteva, Dr. Ghoniem, Mr. Maxwell, Mr. Davidson, and Ms. Petersen are "independent" in each case as defined in the applicable NASDAQ rules. As of December 31, 2018, the members of the Compensation Committee, Audit Committee and Nominating and Governance Committee are also "independent" for purposes of Rule 10A-3 under the Exchange Act and NASDAQ listing requirements. The Board bases these determinations primarily on a review of the responses of the directors and executive officers to questions regarding employment and transaction history, affiliations and family and other relationships and on discussions with the directors.

In assessing the independence of Dr. Ahmed F. Ghoniem, the Board considered Dr. Ghoniem's position as a consultant for Ultra Emissions Technology Ltd., a joint venture that Company was part of ("Ultratek"). Pursuant to the Consulting Agreement dated December 8, 2015, as amended, between Dr. Ghoniem and the Company, Dr. Ghoniem was engaged to provide consulting services for Ultratek related to the development and manufacturing of automobile emissions control technology. As amended, the Consulting Agreement automatically renews for six month periods unless terminated according to its terms. It was agreed that aggregate fees of \$240,000 annually would be paid in monthly installments of \$20,000. Tecogen paid the monthly installments to Dr. Ghoniem, and then Tecogen was reimbursed from Ultratek. Dr. Ghoniem's Consulting Agreement terminated on October 28, 2017, when the Company and the Ultratek investors decided to dissolve Ultratek. The Board determined that, because Dr. Ghoniem did not work directly for the Company and the Company did not control Ultratek, his consulting relationship would not interfere with Dr. Ghoniem's independence.

In assessing the independence of Mr. Keith Davidson, the Board considered the position of Mr. Davidson's company, DE Solutions, Inc. ("DE Solutions"), as a consultant for Ultratek. Pursuant to the Consulting Agreement dated December 1, 2015, as amended, between DE Solutions and the Company, DE Solutions was engaged to provide

consulting services for Ultratek related to the development and policies of automobile emissions control technology. As amended the agreement provides for \$7,500 a month in exchange for services. The DE Solutions' Consulting Agreement was also terminated when Ultratek decided to dissolve on October 28, 2017. The Board determined that, because DE Solutions did not work directly for the Company and the Company did not control Ultratek, this consulting relationship would not interfere with Mr. Davidson's independence.

In assessing the independence of Mr. Davidson, the Board considered certain transactions involving Ilios, Inc., a Delaware corporation ("Ilios"). In 2009, the Company created Ilios to develop and distribute a line of high-efficiency heating products, starting with a water heater. Beginning on April 11, 2016 through its conclusion on May 12, 2016, the Company entered into numerous private placement share exchange agreements ("Share Exchange Agreements") with shareholders of Ilios ("Exchanging Shareholders"), including Mr. Davidson. Pursuant to the Share Exchange Agreements, the Exchanging Shareholders agreed to exchange every 7.86 of their restricted Ilios shares of common stock for one share of the Company's restricted common stock. In addition, the Company granted each Exchanging Shareholder registration rights with respect to the Company's common stock received in exchange for their Ilios shares. Pursuant to the Registration Rights Agreement, the Company filed a registration

statement covering the resale of the shares. Upon execution of the exchange agreements for 100% of the shares of Ilios, the Company no longer had a non-controlling interest in its subsidiary. The Board determined that, because Mr. Davidson only owned 10,000 shares of Ilios common stock, this immaterial investment would not interfere with Mr. Davidson's independence.

- 20 -

CHANGES IN INDEPENDENT REGISTERED ACCOUNTING FIRM

None.

AUDIT FEES SUMMARY

Fees billed by Wolf & Company P.C. ("Wolf") for services rendered in connection with the fiscal years ended 2018 and 2017 are set forth below. All fees earned by Wolf were pre-approved by the Audit Committee.

	2018	2017
Audit fees	\$244,800	\$258,900
Audit-related fees ⁽¹⁾	—	18,200
Tax fees	—	—
All other fees	—	—
Total	\$244,800	\$277,000

⁽¹⁾ Represents fees associated with consents for registration statements and other miscellaneous filings.

Audit Fees

Audit fees billed by Wolf for 2018 and 2017 consist of fees for the audit of the Company's financial statements included in the Company's fiscal year end reports for the year ended December 31, 2018 and 2017 and review of financial statements included in the Company's Quarterly Reports on Form 10-Q or services that are normally provided by an accountant in connection with statutory and regulatory filings or engagements for those fiscal years.

Audit-Related Fees

Audit-related fees for Wolf in 2017 consist of fees for consents for registration statements and other miscellaneous filings.

Tax Fees

There were no tax fees billed by Wolf in 2018 and 2017.

All Other Fees

There were no other fees for 2018 and 2017.

Audit Committee's pre-approval policy and procedures

The Audit Committee's current policy is to require all audit and permissible non-audit services provided by our independent auditors to be pre-approved by the committee. These services may include audit services, audit-related services, tax services and other services. The Audit Committee may also pre-approve particular services on a case-by-case basis.

PROPOSALS RECOMMENDED FOR CONSIDERATION BY STOCKHOLDERS

PROPOSAL 1

ELECTION OF DIRECTORS

The Company's By-laws provide that the number of directors shall be fixed from time to time by a vote of the majority of the Board of Directors. The Board of Directors currently consists of seven members as follows: Ms. Angelina M. Galiteva, Mr. John N. Hatsopoulos, Mr. Benjamin Locke, Mr. Charles T. Maxwell, Dr. Ahmed F. Ghoniem, Mr. Keith Davidson, and Ms. Deanna Petersen.

On January 3, 2018, Mr. Hatsopoulos entered into an Advisory Agreement with the Company pursuant to which he agreed to resign as a director effective June 30, 2018 or the 2018 Annual Meeting, whichever is sooner. The Board determined it would be in the best interest of the stockholders to nominate Mr. Benjamin Locke to replace Mr. Hatsopoulos due to Mr. Locke's expertise with the Company as Chief Executive Officer. Mr. Hatsopoulos was re-appointed to the Company's Board of Directors on February 1, 2019 in order to serve as Lead Director in connection with the identification and evaluation of financing alternatives for the Company.

On March 18, 2019, in addition to Ms. Angelina Galiteva, Mr. John Hatsopoulos, Mr. Benjamin Locke, Mr. Ahmed Ghoniem, and Ms. Deanna Petersen, the Board also nominated Mr. Earl Lewis and Ms. Laurence Elizabeth de Armada Garcia Roosevelt for election to the Board at the Annual Meeting of Stockholders on June 6, 2019 following indications from Mr. Charlie Maxwell and Mr. Keith Davidson that they did not intend to serve as directors of the Company following the 2019 Annual Meeting of Stockholders.

The Board has concluded that the nomination and election of Ms. Angelina M. Galiteva, Mr. John Hatsopoulos, Mr. Benjamin Locke, Mr. Ahmed F. Ghoniem, Ms. Deanna Petersen, Mr. Earl Lewis, and Ms. Laurence Elizabeth de Armada Garcia Roosevelt as members of the Board is in the best interests of the Company, and recommends stockholder approval of the election of each nominee to hold office for one year until the next annual meeting of stockholders or until their successors are duly elected and qualified. Biographical information concerning the nominees can be found under "Information About Directors and Executive Officers" above.

Each of the nominees has consented to being named in this Proxy Statement and to serve his or her respective term if elected. If a nominee should for any reason become unavailable for election, the Board may nominate a substitute nominee. If you have submitted a proxy and a substitute nominee is selected, proxies may be voted with discretionary authority by the persons appointed as proxies for any substitute nominee designated by the Board. Alternatively, if the Board does not select a substitute nominee, the proxy may vote only for the remaining nominees, leaving a vacancy on the Board that may be filled at a later date by the Board in accordance with the Bylaws of the Company. As of the date of this Proxy Statement, the Board is not aware that any nominee is unable or will decline to serve as a director.

The persons named in the proxy will vote FOR each such nominee, except where authority has been withheld as to the nominee.

Vote Required for Approval

The election of directors will be determined by a plurality of the votes cast by the stockholders.

The Board recommends a vote FOR each of the nominees for election to the Board of Directors of the Company.

PROPOSAL 2

RATIFICATION OF APPOINTMENT OF WOLF & COMPANY P.C.
AS INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR 2019

The Audit Committee has selected Wolf & Company, P.C., or “Wolf” to serve as the Company's independent registered public accounting firm in connection with the audit for the fiscal year ended December 31, 2019, and the review of the Company's financial statements for the quarters ended March 31, 2019, June 30, 2019, and September 30, 2019. Wolf has served as the Company's independent registered public accounting firm since September 15, 2014.

Although ratification is not required, the Board is submitting the selection of Wolf to its stockholders for ratification as a matter of good corporate practice. If the selection is not ratified by stockholders, the Audit Committee will consider the results in connection with its selection of auditors for the balance of 2019. Notwithstanding the ratification of the selection, the Audit Committee in its discretion may select a different independent registered public accounting firm at any time if it determines that such a change would be in the Company's best interest and the best interests of its stockholders.

The Audit Committee, prior to engaging Wolf, considered the qualifications of that firm, its reputation for integrity, competence in the fields of accounting and auditing, and its independence.

The Company has been informed that neither Wolf nor any of its partners have any direct financial interest or any material indirect financial interest in the Company nor have any of them had any connection during the past three years with the Company in the capacity of promoter, underwriter, voting trustee, director, officer or employee. A representative of Wolf is expected to be present at the Annual Meeting, to make a statement if so desired, and to be available to respond to appropriate questions.

Vote Required for Approval

To be approved, the ratification of the appointment of Wolf requires the affirmative vote of the holders of a majority of the shares of common stock present or represented by proxy at the Annual Meeting and entitled to vote thereon. The Board recommends that stockholders vote FOR the ratification of the appointment of Wolf & Company P.C. as the Company's independent registered public accounting firm.

PROPOSAL 3

ADVISORY VOTE REGARDING APPROVAL OF THE
COMPENSATION OF THE COMPANY'S NAMED EXECUTIVE OFFICERS

As required by Section 14A of the Exchange Act, and in view of the fact that the Company ceased to be an "Emerging Growth Company" as of December 31, 2018, the Company is required to submit to stockholders at least once every three years the opportunity to cast a non-binding stockholder advisory vote to approve the compensation of the Company named executive officers as disclosed in its Proxy Statement. Accordingly, the Company is hereby providing its stockholders the opportunity to cast a non-binding advisory vote "For" or "Against" the compensation paid to the Company's named executive officers in 2018 as disclosed and described in the "Compensation of Directors and Executive Officers" section of this Proxy Statement, including the compensation table and narrative disclosures that accompany the compensation tables. The Board will consider the results of the advisory vote in connection with the determination of the compensation of the Company's named executive officers.

This proposal 3 gives Company stockholders the opportunity to vote for or against the following resolution:

RESOLVED, that the compensation paid to the Company's named executive officers, as disclosed under the section entitled "Compensation of Directors and Executive Officers, " including the compensation tables and narrative discussion related thereto, is hereby approved.

Vote required for Approval

To be approved, the non-binding advisory vote on the compensation of the Company's named executive officers requires the affirmative vote of the holders of a majority of the shares of common stock present or represented by proxy at the Annual Meeting and entitled to vote thereon.

The Board recommends that stockholders vote FOR the approval of the compensation of the Company's named executive officers.

PROPOSAL 4

NON-BINDING ADVISORY VOTE REGARDING FREQUENCY OF STOCKHOLDER VOTES
ON APPROVAL OF THE COMPENSATION OF THE COMPANY'S NAMED EXECUTIVE OFFICERS

In addition to the non-binding advisory vote to approve 2018 executive compensation as described in Proposal 3 above, SEC rules require that stockholders of the Company have an opportunity at least every six years to vote on the frequency of a non-binding advisory stockholder vote on executive compensation. Accordingly, the advisory vote on the frequency of stockholder votes regarding approval of the compensation of the Company's named executive officers is being submitted for a vote by stockholders of the Company. The Board will consider the results of the non-binding advisory vote in connection with the determination of the frequency of stockholder votes on approval of the compensation of the Company's named executive officers.

The Company's stockholders are being requested to indicate by their vote on this proposal whether the non-binding advisory stockholder vote on executive compensation should occur every year, every two years, or every three years.

Vote Required for Approval

To be approved, the non-binding advisory vote on the frequency of stockholder votes on the approval of the compensation of the Company's named executive officers requires the affirmative vote of the holders of a majority in voting power of the votes cast by the holders of all of the shares of stock present or represented at the Annual Meeting and entitled to vote on the matter. The results of the non-binding advisory vote regarding the frequency of stockholder votes on the approval of the compensation of the Company's named executive officers will be taken into account by the Board in determining the frequency of stockholder votes on approval of the compensation of the Company's named executive officers.

The Board recommends that stockholders select **THREE YEARS** as the frequency of stockholder votes on approval of the compensation of the Company's named executive officers.

ADDITIONAL INFORMATION

No Incorporation by Reference

In the Company's filings with the Securities and Exchange Commission, or SEC, information is sometimes "incorporated by reference." This means that we are referring you to information that has previously been filed with the SEC and the information should be considered as part of the filing. Based on SEC regulations, the "Audit Committee Report" and the "Compensation Committee Procedures," specifically are not incorporated by reference into any other filings by the Company with the SEC. In addition, this Proxy Statement includes website addresses. These website addresses are intended to provide inactive, textual references only. The information on these websites is not part of this Proxy Statement.

Stockholder Communication with the Board

A stockholder that desires to communicate directly with the Board or one or more of its members concerning the affairs of the Company shall direct the communication in writing to Tecogen Inc., attention Corporate Secretary, 45 First Avenue, Waltham, Massachusetts, 02451. If such communication is intended for some or all of the members of the Board, the mailing envelope must contain a clear notation indicating that the enclosed letter is a "Stockholder-Board Communication". The Corporate Secretary has been authorized to screen commercial solicitations and materials which pose security risks, are unrelated to the business or governance of the Company or are otherwise inappropriate. All such letters must identify the author as a stockholder and clearly state whether the intended recipients are all or individual members of the Board. The Corporate Secretary will make copies of all such letters and circulate them to the appropriate director or directors.

Householding of Proxy Statements

The SEC has adopted rules that permit companies and intermediaries (e.g., brokers) to satisfy the delivery requirements for proxy materials with respect to two or more stockholders sharing the same address by delivering a single proxy statement and annual report or Notice of Internet Availability of proxy materials addressed to those stockholders. This process, which is commonly referred to as "householding," potentially means extra convenience for stockholders and cost savings for companies.

A number of brokers with account holders who are our stockholders may "household" our proxy materials. In that event, a single proxy statement and annual report will be delivered to multiple stockholders sharing an address unless contrary instructions have been received from the affected stockholders. Once you have received notice from your broker that they will be householding communications to your address, householding will continue until you are notified otherwise or until you revoke your consent. If, at any time, you no longer wish to participate in householding and would prefer to receive a separate proxy statement and annual report, please notify your broker and the Company's Secretary in writing at 45 First Ave, Waltham, MA 02451 or by telephone at (781) 466-6400. The Company will promptly deliver, without charge, an additional copy of any such Proxy Statement and annual report upon request. Stockholders who currently receive multiple copies of the proxy materials at their address and would like to request householding of their communications should contact their broker.

Other Proposed Action

The Board does not intend to bring any other matters before the Annual Meeting, nor does the Board know of any matters which other persons intend to bring before the Annual Meeting. If, however, other matters not mentioned in this Proxy Statement properly come before the Annual Meeting, the persons named in the accompanying form of proxy will vote thereon in accordance with the recommendation of the Board.

By Order of the Board of Directors

TECOGEN INC.

/s/ Bonnie J. Brown

Bonnie J. Brown

Secretary of the Corporation

- 28 -