

PLUG POWER INC
Form 10-K/A
April 22, 2014
Table of Contents

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

FORM 10-K/A

Amendment No. 1

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2013

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT

For the transition period from _____ to _____

Commission file number: 1-34392

Plug Power Inc.

(Exact Name of Registrant as Specified in Its Charter)

Delaware **22-3672377**
(State or Other Jurisdiction of **(I.R.S.**
Incorporation or Organization) **Identification Number)**
968 ALBANY SHAKER ROAD, LATHAM, NEW YORK 12110
(Address of Principal Executive Offices, including Zip Code)
(518) 782-7700
(Registrant's telephone number, including area code)
Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Name of Each Exchange on Which Registered
Common Stock, par value \$.01 per share	The NASDAQ Capital Market
Series A Junior Participating Cumulative Preferred Stock, par value \$.01 per share	The NASDAQ Capital Market
Securities registered pursuant to Section 12(g) of the Act: None	

Table of Contents

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Sections 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer, non-accelerated filer, and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer

Non-accelerated filer Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The aggregate market value of the voting and non-voting common equity of the registrant held by non-affiliates of the registrant on June 30, 2013 was \$30,259,968.

As of March 31, 2014, 143,958,761 shares of the registrant's common stock were issued and outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

None.

Table of Contents

PLUG POWER INC.

FORM 10-K/A

EXPLANATORY NOTE

The Registrant is filing this Amendment No. 1 on Form 10-K/A (this Form 10-K/A) to its Annual Report on Form 10-K for the fiscal year ended December 31, 2013 which was originally filed on March 31, 2014 (the Original Form 10-K) to include all of the Part III information required by applicable rules and regulations of the Securities and Exchange Commission (the SEC). Our definitive proxy statement for our 2014 Annual Meeting of Stockholders will not be filed with the SEC within 120 days after the end of our fiscal year December 31, 2013; therefore, we are filing this Form 10-K/A to provide the incorporated information within the required time period.

Pursuant to Rule 12b-15 under the Securities Exchange Act of 1934, as amended, each item of the Original Form 10-K that is amended by this Form 10-K/A is also restated in its entirety, and this Form 10-K/A is accompanied by currently dated certifications on Exhibits 31.1 and 32.1 by the Company's Principal Executive Officer and Exhibits 31.2 and 32.2 by the Company's Principal Accounting Officer. Accordingly, the Registrant hereby amends Item 15 of the Original Form 10-K.

Except as expressly noted herein, this Form 10-K/A does not amend, update or change any other items or disclosures in the Original Form 10-K and does not purport to reflect any information or events subsequent to the filing of the Original Form 10-K. Accordingly, this Form 10-K/A should be read in conjunction with the Original Form 10-K and our other reports filed with the SEC subsequent to the filing of the Original Form 10-K.

Table of Contents

INDEX TO FORM 10-K

PART III

Item 10. <u>Directors, Executive Officers and Corporate Governance</u>	1
Item 11. <u>Executive Compensation</u>	6
Item 12. <u>Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters</u>	19
Item 13. <u>Certain Relationships and Related Transactions, and Director Independence</u>	21
Item 14. <u>Principal Accounting Fees and Services</u>	23

PART IV

Item 15. <u>Exhibits, Financial Statement Schedules</u>	24
---	----

Table of Contents**PART III****ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE****(a) DIRECTORS**

The number of directors of the Company is presently fixed at ten (10), and the Board of Directors currently consists of ten (10) members. The Board of Directors is divided into three classes, with three (3) directors in Class I, four (4) directors in Class II, and three (3) directors in Class III. Directors in Classes I, II and III serve for three-year terms with one class of directors being elected by the Company's stockholders at each Annual Meeting of Stockholders.

The Board of Directors has determined that Ms. Helmer and Messrs. Garberding, McNamee, Willis, Hickey, Roth and Kenausis are independent directors as defined in Rule 5605(a)(2) under the Marketplace Rules of the National Association of Securities Dealers, Inc. (the "NASDAQ Rules").

The positions of Chief Executive Officer and Chairman of the Board are currently each filled by a different individual, Andrew Marsh and George McNamee, respectively. If the position of Chairman of the Board is vacant, or if he or she is absent, the Chief Executive Officer presides, when present, at meetings of stockholders and of the Board of Directors.

Set forth below is certain information regarding the directors of the Company. The ages of and biographical information regarding each director is based on information furnished to the Company by such director and is as of March 31, 2014.

Name	Age	Director Since
Class I Term Expires 2015		
Andrew Marsh	58	2008
Gary K. Willis (1)(2)	67	2003
Maureen O. Helmer (1)(3)	57	2004
Class II Term Expires 2016		
George C. McNamee (2)	67	1997
Johannes M. Roth	35	2013
Xavier Pontone	39	2013
Gregory L. Kenausis	44	2013

Table of Contents

Class III Term Expires 2014		
Larry G. Garberding (1)(3)	75	1997
Douglas T. Hickey (1)(2)(3)	58	2011
Evgeny Miroshnichenko	33	2011

- (1) Member of the Audit Committee.
- (2) Member of the Compensation Committee.
- (3) Member of the Corporate Governance and Nominating Committee.

The principal occupation and business experience for at least the last five years for each director of the Company is set forth below. The biographies of each of the directors below contains information regarding the person's service as a director, business experience, director positions held currently or at any time during the last five years, information regarding the experiences, qualifications, attributes or skills that caused the Corporate Governance Committee and the Board to determine that the person should serve as a director.

Andrew J. Marsh has served as Chief Executive Officer, President and member of the Board of Directors of the Company since April 8, 2008. Previously, Mr. Marsh was a co-founder of Valere Power, where he served as CEO and Board Member from the Company's inception in 2001 through its sale to Eltek ASA in 2007. Under his leadership, Valere grew into a profitable global operation with over 200 employees and \$90 million in revenues derived from the sale of DC power products to the telecommunications sector. During Mr. Marsh's tenure, Valere Power received many awards such as the Tech Titan award as the fastest growing technology company in the Dallas Fort Worth area and the Red Herring Top 100 Innovator Award. Prior to founding Valere, he spent almost 18 years with Lucent Bell Laboratories in a variety of sales and technical management positions. Mr. Marsh is a member of the board of directors of the California Hydrogen Business Council, a non-profit group comprised of organizations and individuals in the business of hydrogen. Mr. Marsh holds a Bachelor of Science in Electrical Engineering Technology from Temple University, a Master of Science in Electrical Engineering from Duke University and a Masters of Business Administration from Southern Methodist University. We believe Mr. Marsh's qualifications to sit on our Board include his record of success in leadership positions in technology companies having attributes similar to our Company, his extensive experience in management positions as well as his educational background in engineering and business administration.

Gary K. Willis has been a director of the Company since 2003. Mr. Willis joined Zygo Corporation's Board of Directors in June 2009 after retiring as Chairman of the Board of Directors in November 2000, having served in that capacity since November 1998. Zygo Corporation is a provider of metrology, optics, optical assembly, and systems solutions to the semiconductor, optical manufacturing, and industrial/automotive markets. Mr. Willis had been a director of Zygo Corporation since February 1992 and also served as President from 1992 to 1999 and as Chief Executive Officer from 1993 to 1999. Prior to joining Zygo Corporation, Mr. Willis served as the President and Chief Executive Officer of The Foxboro Company, a manufacturer of process control instruments and systems. Mr. Willis is also a director of Rofin-Sinar Technologies, Inc. and Middlesex Health Services, Inc. Mr. Willis holds a Bachelor of Science degree in Mechanical Engineering from Worcester Polytechnic Institute. We believe Mr. Willis' qualifications to sit on our Board include his extensive experience in management and director positions with similar companies as well as his educational background in mechanical engineering.

Table of Contents

Maureen O. Helmer has been a director of the Company since 2004. Maureen O. Helmer is currently a member of the law firm Hiscock & Barclay LLP and is the Chair of the firm's Regulatory Practice Group. Prior to her joining Hiscock & Barclay LLP, Ms. Helmer was a member of Green & Seifter Attorneys, PLLC. From 2003 through 2006 she practiced as a partner in the law firm of Couch White, LLP and then as a solo practitioner. In addition to serving as Chair of the New York State Public Service Commission (PSC) from 1998 to 2003, Ms. Helmer also served as Chair of the New York State Board on Electric Generation Siting and the Environment. Ms. Helmer has advised international energy, telecommunications and industrial companies on policy and government affairs issues. Prior to her appointment as Chair, Ms. Helmer served as Commissioner of the Public Service Commission from 1997 until 1998 and was General Counsel to the Department of the Public Service Commission from 1995 through 1997. From 1984 through 1995, Ms. Helmer held several positions in the New York Legislature. She also served as a board member of the New York State Energy Research and Development Authority, the New York State Environmental Board and the New York State Disaster Preparedness Commission during her tenure as Chair of the PSC. In addition, she was Vice Chair of the Electricity Committee of the National Association of Regulatory Utility Commissioners and a member of the NARUC Board of Directors. She was also appointed to serve as a member of the New York State Cyber-Security Task Force. Ms. Helmer earned her Bachelor of Science from the State University at Albany and her Juris Doctorate from the University of Buffalo law school. She is admitted to practice law in New York. We believe Ms. Helmer's qualifications to sit on our Board include her long history of experience with energy regulation, policy and government affairs and advising energy and industrial companies.

George C. McNamee serves as Chairman of the Company's Board of Directors and has served as such since 1997. Mr. McNamee is a Director of iRobot Corporation (IRBT). He was previously Chairman of First Albany Companies (now GLCH) and a Managing Partner of FA Tech Ventures, an information and energy technology venture capital firm. Mr. McNamee's background in investment banking has given him broad exposure to many financing and merger and acquisition issues. As an executive, he has dealt with rapid-growth companies, technological change, crisis management, team building and strategy. As a public company director, Mr. McNamee has led board special committees, chaired audit committees, chaired three boards and has been an active lead director. Mr. McNamee has previously served on public company boards, including Mechanical Technology Inc. (MTI) and Home Shopping Network (HSN). He has been an early stage investor, director and mentor for private companies that subsequently went public including MapInfo (now Pitney Bowes), META Group (now Gartner Group) and iRobot. He served as a NYSE director from 1999 to 2004 and chaired its foundation. In the aftermath of the 1987 stock market crash, he chaired the Group of Thirty Committee to reform the Clearance and Settlement System. Mr. McNamee has been active as a director or trustee of civic organizations including The Albany Academies and Albany Medical Center, whose finance Committee he chaired for a dozen years. He is also a director of several private companies, a member of the Yale Development Board and a Trustee of The American Friends of Eton College. He received his Bachelor of Arts degree from Yale University. We believe Mr. McNamee's qualifications to sit on our Board include his experience serving on countless boards, his background in investment banking and experience with the financial sector and its regulatory bodies.

Johannes M. Roth has been a director since April 2013. Mr. Roth is the founder and, since 2006, has been Managing Director and Chairman of FiveT Capital Holding AG, an investment holding company based in Switzerland with businesses specializing in asset management, risk management and alternative investments. Since 2006, Mr. Roth has been a board member of FiveT Capital AG, Zürich, Switzerland, which advises several long-only funds and operates an asset management business for high net-worth individuals. We believe Mr. Roth's qualifications to sit on our Board include his background in financial investments, financial and risk management and equity capital markets as well as his experience in management positions.

Xavier Pontone has been a director since October 2013. He is a director designee of Air Liquide Investissements d'Avenir et de Démonstration pursuant to the terms of Air Liquide's investment in the Company as described below

under Item 13 - CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE. Since September 2013, Mr. Pontone has been the Managing Director of Air Liquide Advanced Business, where he leads a team that develops new growth opportunities with a focus on hydrogen mobility, biogas and energy transition. Mr. Pontone sits on the board of directors of Hypulsion, the Company's joint venture with Axane, S.A. (an Air Liquide subsidiary). Mr. Pontone also sits on the boards of both Air Liquide Advanced Technologies and Axane. He is Vice President of AFHYPAC (French association for hydrogen and fuel cells). Mr. Pontone previously served as Manager of Operations Control Center of Air Liquide Belgium Industries where he managed operations of 12 large industrial gas production plants and associated industrial gas product networks. Prior to Air Liquide Belgium Industries, Mr. Pontone held a Business Management role in Western Canada for Air Liquide Canada. We believe Mr. Pontone's qualifications to sit on our Board include his senior management experience in the hydrogen mobility and energy space, in European markets and with our Hypulsion joint venture.

Table of Contents

Gregory L. Kenausis has been a director since October 2013. Mr. Kenausis is the founding partner and since 2005 has been the Chief Investment Officer of Grand Haven Capital AG, an investment firm with \$40 million of assets under management, where he is the head of trading activity and research and is responsible for managing the fund's structure. We believe Mr. Kenausis's qualifications to sit on our Board include his background and senior level experience in financial investments, trading and management and equity capital markets.

Larry G. Garberding has served as a director of the Company since 1997. Mr. Garberding was a Director and Executive Vice President and Chief Financial Officer of DTE Energy Company and the Detroit Edison Company from 1990 until retiring in 2001. Mr. Garberding was a Certified Public Accountant, a partner with a major public accounting firm, and has been on the board of several corporations, having had responsibility for financial, operational, regulatory and sales activities. Mr. Garberding received a Bachelor of Science degree in Industrial Administration from Iowa State University. We believe Mr. Garberding's qualifications to sit on our Board include his extensive experience with power and energy companies and his background in accounting, financing and operations.

Douglas T. Hickey has served as a director of the Company since October 2011. Mr. Hickey previously sat on Plug Power's Board from September 1, 2000 to April 24, 2006. Mr. Hickey currently serves as Chief Executive Officer of BinWise, Inc. since 2012. Prior to BinWise, from 2000 to 2011, Mr. Hickey was Managing Director at Hummer Winblad Venture Partners (HWVP), one of the nation's leading software venture capital firms. Prior to joining HWVP, Mr. Hickey served as CEO for Critical Path, Inc., where during his tenure revenue grew from less than \$1M to more than \$150M and the company earned Forbes.com Number-One Fastest Growing Company Award in 2000. Mr. Hickey previously held the CEO and President position for Global Center Inc., where, he grew revenue from zero to more than \$50M of recurring revenue and achieved profitability. His focus on the company's strategy enabled rapid growth, securing customers like Yahoo, Netscape and Oracle, ultimately leading to the successful sale of the company to Frontier Communications, (NYSE:FRO). Prior to Global Center, Mr. Hickey was CEO and President of MFS DataNet, the leading supplier of data related services to internet service providers and enterprise customers worldwide. MFS grew to more than \$1 billion in revenue and subsequently completed a successful IPO and trade sale. We believe Mr. Hickey's qualifications to sit on our Board include his extensive corporate leadership experience and his proven background growing revenue.

Evgeny Miroshnichenko has been a director since October 2011. Mr. Miroshnichenko is the Director for Strategic Development for INTER RAO UES (the Group). He is responsible for organization of strategic management process, development and implementation of corporate strategy, realization of strategic projects, as well as management of financial investments of the Group. Mr. Miroshnichenko has also built solid experience in corporate governance as he has held director positions in Boards of Directors in a number of Russian electricity companies. We believe Mr. Miroshnichenko's qualifications to sit on our Board include his experience with strategic corporate projects and background in financial investment management and corporate governance.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires the Company's officers, as defined by Section 16, and directors, and persons who own more than 10% of the Company's outstanding shares of Common Stock (collectively, Section 16 Persons), to file initial reports of ownership and reports of changes in ownership with the SEC. Section 16 Persons are required by SEC regulations to furnish the Company with copies of all Section 16(a) forms they file.

Form 4s were filed late on April 3, 2013 for each of Messrs. McNamee, Garberding, Hickey, Willis and Miroshnichenko and Ms. Helmer for stock grants made pursuant to the Company's Director Compensation Policy and in accordance with the Company's 2011 Stock Option and Incentive Plan.

Table of Contents**(b) EXECUTIVE OFFICERS**

The names and ages of all executive officers of the Company and the principal occupation and business experience for at least the last five years for each are set forth below. The ages of and biographical information regarding each executive officer is based on information furnished to the Company by each executive officer and is as of March 31, 2014.

Executive Officer	Age	Position
Andrew Marsh	58	President, Chief Executive Officer and Director
David P. Waldek	49	Interim Chief Financial Officer
Keith C. Schmid	51	Chief Operating Officer
Jill McCoskey	45	Chief Accounting Officer
Gerard L. Conway, Jr.	49	General Counsel, Corporate Secretary and Senior Vice President
Erik Hansen	42	Senior Vice President

Andrew Marsh's biographical information is included above in this Item 10 under **DIRECTORS**.

David P. Waldek has been a founding partner of CFO Advisory Group, LLC, financial and business solutions advisory firm, since 2005. Prior to founding CFO Advisory Group, Mr. Waldek served as Chief Financial Officer of Albany Molecular Research, Inc., a publicly held drug discovery and development company, from March 1999 to November 2004. While at Albany Molecular Research, Inc., he was responsible for development and execution of the company's financial and strategic vision with operation responsibility over finance, business development investor relations, information technology and facilitates management. Mr. Waldek holds a Bachelors of Science Degree in Economics from the University of Rochester and an M.B.A in Finance from the William E. Simon Graduate School of Business Administration.

Keith C. Schmid joined Plug Power Inc. as Chief Operating Officer in 2013. Mr. Schmid served as President of SPS Solutions, a power solutions and energy storage consulting firm, from 2011 to 2013. Previously, Mr. Schmid served as CEO of Boston-Power Incorporated, a provider of large format lithium ion battery solutions, in 2011, and as President and CEO of Power Distribution Incorporated, a power distribution and protection company, from 2007 to 2010. In addition, Mr. Schmid held the position of General Manager, Industrial Energy Division- Americas for Exide Technologies from 2001 to 2007. Mr. Schmid holds a Master of Science degree in Engineering and an M.B.A. from the University of Wisconsin Madison.

Jill McCoskey has served as Controller of the Company since 2008. Prior to that, she served as the Controller of Consolidations and Financial Reporting at Philips Medical Systems MR Inc. from November 2006 to December 2007. Her responsibilities at Philips Medical Systems MR Inc. included leading the corporate accounting department as well as consolidating and reporting on the financial operations of the business. She holds a Bachelors of Science Degree in Accounting from Clarkson University, and an M.B.A. from the University at Albany, State University of New York.

Table of Contents

Gerard L. Conway, Jr. has served as General Counsel and Corporate Secretary since September 2004 and, since March 2009, has also served as Senior Vice President. In that capacity, Mr. Conway is responsible for advising the Company on legal issues such as corporate law, securities, contracts, strategic alliances and intellectual property. He also serves as the Compliance Officer for securities matters affecting the Company. During his tenure, Mr. Conway served as Vice President of Government Relations from 2005 to June 2008 and in that capacity he advocated on energy issues, policies, legislation and regulations on the state, federal, national and international levels on behalf of the Company and the alternative energy sector. Prior to his appointment to his current position, Mr. Conway served as Associate General Counsel and Director of Government Relations for the Company beginning in July 2000. Prior to joining Plug Power, Mr. Conway spent four years as an Associate with Featherstonhaugh, Conway, Wiley & Clyne, LLP, where he concentrated in government relations, business and corporate law. Mr. Conway has more than nineteen years of experience in general business, corporate real estate and government relations. Mr. Conway holds a Bachelor of Arts degree in English and Philosophy from Colgate University and a Juris Doctorate from Boston University School of Law.

Erik Hansen joined Plug Power Inc. as Vice President of Business Development in 2008 and was appointed Senior Vice President in October of 2009. Mr. Hansen is responsible for directing the sales of the Company. Mr. Hansen has more than 15 years of experience with cutting edge technologies related to energy storage systems. Prior to joining Plug Power, he was General Manager of Sales and Systems Engineering for Cobasys LLC in Orion, Michigan, where he worked for eight years. In that role, Mr. Hansen led the decision-making and strategic planning for the manufacture and sales of advanced energy storage solutions for both the transportation and uninterruptible power systems. Mr. Hansen holds a Bachelor of Science degree in Electrical Engineering and a Bachelor of Science degree in Computer Engineering, both from West Virginia University.

Subject to the terms of any employment agreement with the Company (as described under Item 11 EXECUTIVE COMPENSATION), each of the executive officers holds his or her respective office until the regular annual meeting of the Board of Directors following the Annual Meeting of Stockholders and until his or her successor is elected and qualified or until his or her earlier resignation or removal.

(c) CODE OF BUSINESS CONDUCT AND ETHICS

We have adopted a Code of Business Conduct and Ethics that applies to all officers, directors, employees and consultants of the Company. The Code of Business Conduct and Ethics is intended to comply with Item 406 of Regulation S-K of the Securities Exchange Act of 1934 and with applicable rules of The NASDAQ Stock Market, Inc. Our Code of Business Conduct and Ethics is posted on our Internet website under the Investor page. Our Internet website address is www.plugpower.com. To the extent required or permitted by the rules of the SEC and NASDAQ, we will disclose amendments and waivers relating to our Code of Business Conduct and Ethics in the same place as our website.

ITEM 11. EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

We provide what we believe is a competitive total compensation package to our executive management team through a combination of base salary, annual incentive bonuses, long-term equity incentive compensation, and broad-based benefits programs. We place emphasis on pay-for-performance based incentive compensation, which is designed to reward our executives based on the achievement of predetermined performance goals. This Compensation Discussion

and Analysis explains our compensation objectives, policies and practices with respect to each individual serving as our Chief Executive Officer or Chief Financial Officer during 2013, the three most highly-compensated executive officers other than our Chief Executive Officer and Chief Financial Officer, and an additional individual for whom disclosure would have been provided but for the fact that he was not serving as an executive officer of the Company at the end of 2013, who are collectively referred to as the named executive officers.

Table of Contents

Objectives of Our Executive Compensation Programs

Our compensation programs for our named executive officers are designed to achieve the following objectives:

Attract and retain talented and experienced executives;

Motivate and reward executives whose knowledge, skills and performance are critical to our success;

Provide a competitive compensation package which is weighted towards pay-for-performance and in which total compensation is primarily determined by Company and individual results and the creation of shareholder value;

Ensure fairness among the executive management team by recognizing the contributions each executive makes to our success; and

Motivate our executives to manage our business to meet our short- and long-term objectives and reward them for meeting these objectives.

Our Executive Compensation Programs

Our executive compensation primarily consists of base salary, annual incentive bonuses, long-term equity incentive compensation and broad-based benefits programs. Consistent with the emphasis we place on pay-for-performance based incentive compensation, long-term equity incentive compensation in the form of stock options and restricted stock constitute a significant portion of our total executive compensation.

Within the context of the overall objectives of our compensation programs, our Compensation Committee determined the specific amounts of compensation to be paid to each of our executives in 2013 based on a number of factors, including:

Its understanding of the amount of compensation generally paid by similarly situated companies to their executives with similar roles and responsibilities;

Our executives' performance during 2013 in general and as measured against predetermined performance goals;

The nature, scope and level of our executives' responsibilities;

Edgar Filing: PLUG POWER INC - Form 10-K/A

Our executives' effectiveness in leading the Company's initiatives to increase customer value, productivity and revenue growth;

The individual experience and skills of, and expected contributions from, our executives;

The executive's contribution to the Company's commitment to corporate responsibility, including the executive's success in creating a culture of unyielding integrity and compliance with applicable law and the Company's ethics policies;

The amounts of compensation being paid to our other executives;

The executive's contribution to our financial results;

Our executives' historical compensation at our Company; and

Any contractual commitments we have made to our executives regarding compensation.

Table of Contents

Each of the primary elements of our executive compensation is discussed in detail below, including a description of the particular element and how it fits into our overall executive compensation. Compensation paid to our named executive officers in 2013 is discussed under each element. In the descriptions below, we have identified particular compensation objectives which we have designed our executive compensation programs to serve; however, we have designed our compensation programs to complement each other and to collectively serve all of our executive compensation objectives described above. Accordingly, whether or not specifically mentioned below, we believe that, as a part of our overall executive compensation, each element to a greater or lesser extent serves each of our objectives.

Base Salary

We pay our executives a base salary which we review and determine annually. We believe that a competitive base salary is a necessary element of any compensation program designed to attract and retain talented and experienced executives. We also believe that attractive base salaries can motivate and reward executives for their overall performance. Base salaries are, in part, established based on the individual experience, skills, expected contributions of our executives, and our executives' performance during the prior year.

After a review of 2012 base salaries, we did not increase the annual base salaries of our named executive officers for 2013. Base salaries for 2013 were as follows: Mr. Marsh \$450,000, Mr. Conway \$250,000, Ms. McCoskey \$153,500, Mr. Hansen \$230,000, Mr. Andersen \$300,000, and Mr. Corless \$230,000. In April 2013, we engaged CFO Advisory Group to provide the services of Mr. Waldek to serve as our Interim Chief Financial Officer at a daily rate of \$1,250. For 2013, we paid a total of \$113,021 to CFO Advisory Group for the services of Mr. Waldek. In October 2013, we hired Mr. Schmid as our Chief Operating Officer with an initial annual base salary of \$300,000. Our executives' base salaries reflect the initial base salaries that we negotiated with each of our executives at the time of his or her initial employment or promotion and our subsequent adjustments to these amounts to reflect market increases, the growth and stage of development of our Company, our executives' performance and increased experience, any changes in our executives' roles and responsibilities, and other factors. The initial base salaries that we negotiated with our executives were based on our understanding of the market at the time, the individual experience and skills of, and expected contribution from, each executive, the roles and responsibilities of the executive, the base salaries of our existing executives, and other factors.

Annual Incentive Bonuses

Our named executive officers are eligible to receive annual incentive bonuses based on our pay-for-performance incentive compensation program. They are eligible to receive annual incentive bonuses primarily based upon their performance as measured against predetermined individual performance goals, including financial measures, achievement of strategic objectives, and other factors. The primary objective of this program is to motivate and reward our named executive officers for meeting individual performance goals. We do not believe that every important aspect of executive performance is capable of being specifically quantified in a predetermined performance goal. For example, events outside of our control may occur after we have established the named executive officers' individual performance goals for the year that require our named executive officers to focus their attention on different or other strategic initiatives; thus, the individual performance goals may be modified during the fiscal year by the President and Chief Executive Officer, or the Board of Directors in the case of the President and Chief Executive Officer himself, to account for such events.

Within our pay-for-performance incentive compensation program, specific performance attainment levels are indicated for each performance goal. These performance attainment levels correlate to potential bonus award amounts that are calculated as a percentage of each executive's base salary.

We established threshold, target and stretch attainment levels for each of our named executive officers based on a percentage of his or her base salary. For Mr. Marsh, the attainment levels were set at 17%, 56% and 83% of his base salary. For Mr. Hansen, the attainment levels were set at 43%, 109% and 163% of his base salary. For each other named executive officer, the attainment levels were set at 10%, 20% and 30% of his or her base salary. Mr.

Table of Contents

Hansen's potential bonus levels were set significantly higher primarily because of his sales-focused role, the importance of sales growth to the Company's strategy and our belief that a greater portion of his compensation should be tied to a performance-based incentive. Because the annual incentive bonuses are payable based on the achievement of each of several different performance goals, the executive officer may earn a bonus in an amount equal to between 0% and 30% (or 83% and 163% in the case of Mr. Marsh and Mr. Hansen, respectively) of his base salary given his actual performance. If a performance goal is not met, then the executive does not earn the portion of the bonus award attributable to that objective. The 20% (or 56% and 109% in the case of Mr. Marsh and Mr. Hansen, respectively) attainment level is considered the target level for each performance goal because it is challenging for the executive to attain, and the executive would meet expectations if he achieved this level. The 10% (or 17% and 43% in the case of Mr. Marsh and Mr. Hansen, respectively) attainment level is considered the threshold level for each performance goal because although still challenging, it is the minimum acceptable performance level. The 30% (or 83% and 163% in the case of Mr. Marsh and Mr. Hansen, respectively) attainment level is considered the maximum, or stretch, level for each performance goal because it is most challenging for the executive to attain, and the executive would need to exceed expectations to achieve this level. The maximum and threshold performance attainment levels are determined in relation to the target attainment levels and are intended to provide for correspondingly greater or lesser incentives in the event that performance is within an appropriate range above or below the target performance attainment level.

In order to link each executive's performance to corporate-wide strategy, the executives' individual performance goals directly correlate to our corporate milestones, which are recommended by management and adopted or modified by the Board of Directors after appropriate consideration and review. The executives' individual performance goals are determined in the same way as the corporate milestones such that management reviews how each executive may contribute to the corporate milestones and recommends individual performance goals to the Board of Directors. The Board of Directors, after appropriate consideration and review, approves or modifies the individual performance goals. For 2013, the individual performance goals, as well as the corporate milestones, included (i) annual and quarterly product order targets, (ii) revenue, (iii) addition and expansion of large customer accounts and (iv) earnings before interest, taxes, depreciation, amortization and non-cash charges for equity compensation (EBITDAS). Each performance goal is given a relative weighting for each executive such that the achievement of (or failure to achieve) certain objectives has a greater impact on the potential bonus award. For 2013, the goals were weighted as follows: for Mr. Marsh, order targets 50%, revenue 25%, EBITDAS 25%, for Mr. Hansen, order targets 40%, large customers 40%, revenue 20%, and each other named executive officer, order targets 25%, revenue 25%, EBITDAS 25%, large customers 25%. Because disclosure of the specific individual performance goals would give competitors information that could be leveraged for competitive advantage, we do not disclose these specific individual performance goals or our executives' actual performance against such goals.

After completion of the fiscal year, initially the Chief Executive Officer and other members of management, as appropriate, make a recommendation to the Compensation Committee of the Board of Directors for each executive's potential bonus amount based on his level of attainment of each of his individual performance goals (with the exception of the Chief Executive Officer himself whose level of attainment is evaluated by the Compensation Committee directly). The Board of Directors, after review and discussion and recommendation from the Compensation Committee, determines the final level of attainment for each executive's individual performance goals.

In 2013, Mr. Marsh earned a bonus of \$93,750, or 20.8% of his annual base salary. Ms. McCoskey earned a bonus of \$11,252, or 7.33% of her annual base salary. Mr. Conway earned a bonus of \$18,325, or 7.33% of his annual base salary. Mr. Hansen earned a bonus of \$140,000, or 60.9% of his annual base salary, and Mr. Corless earned a bonus of \$22,067, or 9.6% of his annual base salary. Mr. Andersen did not receive a bonus. Annual bonus awards made to the named executive officers in 2014 for performance in 2013 are reflected in the Non-Equity Incentive Plan Compensation column of the Summary Compensation Table.

Outside of the incentive bonus plan, we determined to pay Ms. McCoskey a discretionary bonus in the amount of \$100,000 in connection with her appointment as Chief Accounting Officer and the increased responsibilities that accompany that position.

Table of Contents

Long-Term Equity Incentive Compensation

We grant long-term equity incentive awards in the form of stock options and restricted stock to executives as part of our total compensation package. Consistent with our emphasis on pay-for-performance based incentive compensation, these awards represent a significant portion of total executive compensation. Based on the stage of our Company's development and the incentives we aim to provide to our executives, we have chosen to use either stock options or a combination of stock options and restricted stock as our long-term equity incentive awards. Our decisions regarding the amount and type of long-term equity incentive compensation and relative weighting of these awards among total executive compensation have also been based on our understanding of market practices of similarly situated companies and our negotiations with our executives in connection with their initial employment or promotion by our Company.

Additionally, the Board of Directors adopted stock ownership guidelines for executives, including the named executive officers, and these guidelines are also considered when granting long-term equity incentive awards to executives. The ownership guidelines provide a target level of Company equity holdings with which named executive officers are expected to comply within five (5) years from the later of the effective date of the guidelines (August 2005) or the date the individual is first appointed as an executive. The target stock holdings are determined as a multiple of the named executive officer's base salary (5x for the Chief Executive Officer and 3x for the other named executive officers) and then converted to a fixed number of shares using a 200-day average stock price. The following shares count in determining compliance with the stock ownership guidelines: (i) shares owned outright by the executive or his or her immediate family members residing in the same household; (ii) shares held in the Plug Power Inc. Savings and Retirement Plan; (iii) restricted stock issued as part of an executive's annual or other bonus whether or not vested; (iv) shares acquired upon the exercise of employee stock options; (v) shares underlying unexercised employee stock options times a factor of thirty-three percent; and (vi) shares held in trust. The named executive officers are currently in compliance with stock ownership guidelines.

Stock option awards provide our executive officers with the right to purchase shares of our common stock at a fixed exercise price typically for a period of up to ten years, subject to continued employment with our Company. Stock options are earned on the basis of continued service and generally vest over three years, beginning with one-third vesting on the first anniversary of the grant date, one-third vesting on the second anniversary of the grant date and the final one-third vesting on the third anniversary of the grant date, subject to acceleration in certain circumstances. Stock option awards are made pursuant to our 2011 Stock Option and Incentive Plan. Except as may otherwise be provided in the applicable stock option award agreement, stock option awards become fully exercisable upon a change of control. The exercise price of each stock option is the closing price of our common stock on the NASDAQ Capital Market as of the option grant date.

Grants to new hires and grants relating to an existing executive officer's promotion may be made on a periodic basis. All grants to executive officers are approved by the Compensation Committee. We consider a number of factors in determining the number of stock options, if any, to grant to our executives, including:

The number of shares subject to, and exercise price of, outstanding options, both vested and unvested, held by our named executive officers;

The vesting schedule of the unvested stock options held by our named executive officers; and

The amount and percentage of our total equity on a diluted basis held by our named executive officers. Restricted stock awards provide our executive officers with a long-term incentive alternative to the stock option awards. Restricted stock awards vest subject to both continued employment of the executive by the Company and either time-based vesting or vesting based on satisfaction of specified performance objectives.

In October 2009, the Compensation Committee recommended and the Board of Directors approved a Long Term Incentive (LTI) Plan (the "LTI Plan"). Designed as an incentive vehicle to support employee efforts, the LTI Plan sought to increase shareholder value by encouraging Plug Power employees to continue to work diligently to further the Company's long term goals.

Table of Contents

Under the LTI Plan, a select group of critical employees, including Messrs. Marsh, Conway, Hansen, Corless and Andersen, received a one-time grant of restricted stock units (RSUs) calculated using a multiple of the employee's base salary. Under the terms of the RSU grant, the restrictions on each participant's RSU allocation lapse over a three-year period upon successful completion of weighted performance-based metrics. Specifically, restrictions on 25% of RSUs were tied to the Company's achievement of revenue targets, while the restrictions on 75% of RSUs were tied to the Company's achievement of earnings before interest expense, taxes, depreciation, amortization and non-cash charges for equity compensation (EBITDAS) targets. If the Company fails to achieve any of the articulated performance-based metrics for a fiscal year, a percentage of the total RSUs are forfeited for that fiscal year.

In 2010, 2011, 2012 and 2013, none of the revenue or EBITDAS performance-based metrics were reached. Accordingly, no restrictions lapsed with respect to any performance period under the LTI Plan and all of the RSUs awarded under the LTI Plan were forfeited.

Broad-Based Benefits

All full-time employees, including our named executive officers, may participate in our health and welfare benefit programs, including medical, dental, and vision care coverage, disability insurance and life insurance, and our 401(k) plan.

Relationship of Executive Compensation to Risk

The Compensation Committee considers whether the design of the Company's executive compensation program encourages senior executives to engage in excessive risk-taking. The Compensation Committee reviews the overall program design, as well as the balance between short-term and long-term compensation, the metrics used to measure performance and the award opportunity under the Company's incentive compensation program, and the implementation of other administrative features designed to mitigate risk such as vesting requirements and stock ownership guidelines as described above. Based on its review, the Compensation Committee believes that the Company's executive compensation program is aligned to the interests of stockholders, appropriately rewards pay for performance, and does not promote unnecessary and excessive risk.

Our Executive Compensation Process

The Compensation Committee of our Board of Directors is responsible for determining the compensation for our named executive officers. The Compensation Committee is composed entirely of non-employee directors who are independent as that term is defined in the applicable NASDAQ rules. In determining executive compensation, our Compensation Committee annually reviews the performance of our executives with our Chief Executive Officer, and our Chief Executive Officer makes recommendations to our Compensation Committee with respect to the appropriate base salary, annual incentive bonuses and performance measures, and grants of long-term equity incentive awards for each of our executives. The Chairman of the Compensation Committee makes recommendations to the Compensation Committee with regards to the Chief Executive Officer's compensation. The Compensation Committee makes its determination regarding executive compensation and then recommends such determination to the Board of Directors. The Board of Directors ultimately approves executive compensation.

As a result, the total amount of compensation that we paid to our executives, the types of executive compensation programs we maintained, and the amount of compensation paid to our executives under each program has been determined by our Compensation Committee and Board of Directors based on their understanding of the market, experience in making these types of decisions, and judgment regarding the appropriate amounts and types of executive compensation to provide. The Compensation Committee did not engage a compensation consultant in 2013.

Table of Contents**Summary Compensation**

The following table sets forth information concerning compensation for services rendered in all capacities awarded to, earned by or paid in the last three fiscal years to the Company's named executive officers.

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Stock	Option	Non-Equity	All	Total (\$)
				Awards (\$)	Awards (\$)	Plan	Other	
				(1)	(2)	Compensation (\$)	Compensation (\$)	
Andrew Marsh President, Chief Executive Officer and Director	2013	450,000		135,667	58,000	93,750	15,266(4)	752,683
	2012	443,654					14,758(4)	458,412
	2011	375,000			740,588	121,125	14,276(4)	1,250,989
Gerald A. Anderson (5) Former Chief Financial Officer and Senior Vice President	2013	107,885					32,936(6)	140,821
	2012	327,462					10,002(6)	337,464
	2011	300,000			421,708	57,000	9,507(6)	788,215
David Waldek (7) Interim Chief Financial Officer	2013	113,021(8)						113,013
	2012							
	2011							
Jill McCoskey (9) Chief Accounting Officer	2013	150,500	100,000		43,500	11,252	7,705	312,957
	2012							
	2011							
Gerard L. Conway, Jr. General Counsel, Corporate Secretary and Senior Vice President	2013	250,000		12,334	58,000	18,325	10,757(10)	349,416
	2012	245,769					180(10)	245,949
	2011	200,000			245,130	38,000	180(10)	483,310
Erik J. Hansen Senior Vice President	2013	230,000		43,167	58,000	140,000	11,620(11)	482,787
	2012	230,000	43,700				11,399(11)	285,099
	2011	230,000			245,130	251,700	175,784(11)	902,614
Adrian Corless (12) Former Chief Technology Officer, Senior Vice President	2013	248,657		12,334	58,000	22,067		341,058
	2012	228,731					180	228,911
	2011	215,000			245,130	40,850	5,215	506,195

(1) This column represents the aggregate grant date fair value of the stock award computed in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 718. Pursuant to SEC rules, the amounts shown exclude the impact of estimated forfeitures. Fair value is calculated using the closing price of Plug Power stock on the date of grant. For additional information on stock awards, refer to note 14 of the Company's consolidated financial statements in the Form 10-K for the year ended December 31, 2013, as filed with the SEC. These amounts reflect the Company's accounting expense for these awards, and do not correspond to the actual value that will be recognized by the named executives.

(2)

This column represents the aggregate grant date fair value of the option award computed in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 718. Pursuant to SEC rules, the amounts shown exclude the impact of estimated forfeitures. For additional information on the valuation assumptions with respect to option awards, refer to note 6 of the Company's consolidated financial statements in the Form 10-K for the year ended December 31, 2013, as filed with the SEC. These amounts reflect the Company's accounting expense for these awards, and do not correspond to the actual value that will be recognized by the named executives.

- (3) This column represents the dollar amount of bonuses paid to executives under a non-equity incentive plan.

Table of Contents

- (4) Includes the Company's share of contributions on behalf of Mr. Marsh to the Plug Power 401(k) savings plan in the amount of \$14,750, \$14,242 and \$13,760, in the years ended 2013, 2012 and 2011, respectively, and payments of \$516 for supplemental life insurance premiums in each of the years ended 2013, 2012 and 2011.
- (5) Mr. Anderson was the Chief Financial Officer and Senior Vice President until he resigned effective April 26, 2013.
- (6) Includes the Company's share of contributions on behalf of Mr. Anderson to the Plug Power 401(k) savings plan in the amount of \$6,706, \$9,486, and \$9,231 in the years ended 2013, 2012 and 2011, respectively, payments of \$0, \$516, and \$276 for supplemental life insurance premiums in the years ended 2013, 2012 and 2011, respectively, and payment of \$26,230 for earned but unused vacation time in the year 2013.
- (7) Mr. Waldek was hired as Interim Chief Financial Officer effective April 16, 2013.
- (8) Reflects the amount paid to CFO Advisory Group for the services of Mr. Waldek.
- (9) Ms. McCoskey was named Chief Accounting Officer effective April 16, 2013.
- (10) Includes the Company's share of contributions on behalf of Mr. Conway to the Plug Power 401(k) savings plan in the amount of \$10,577 in the year ended 2013, and payments of \$180 for supplemental life insurance premiums in each of the years ended 2013, 2012 and 2011.
- (11) Includes the Company's share of contributions on behalf of Mr. Hansen to the Plug Power 401(k) savings plan in the amount of \$11,500, \$11,279 and \$9,246 in the years ended 2013, 2012 and 2011, respectively, payment of \$166,418 for moving and relocation expenses in 2011, and payments of \$120 for supplemental life insurance premiums in each of the years ended 2013, 2012 and 2011.
- (12) Mr. Corless was the Chief Technology Officer and Senior Vice President until he resigned effective November 8, 2013.

Table of Contents**Grants of Plan-Based Awards Table**

Name	Estimated future payouts under non-equity incentive plan awards			Grant Date	Stock or Unit	All Other	Option	Exercise or Fair Value of
	Threshold (\$)	Target (\$)	Stretch (\$)		Shares of	Stock Awards:	Awards:	
					Number of (#)	Number of (#)		Option Awards (\$/Sh)
					(1)	(2)	(3)	(4)
Andrew Marsh	76,500	153,000	225,000	07/24/13	366,667			135,667
				07/24/13		200,000	0.37	58,000
Gerry Anderson								
David Waldek								
Jill McCoskey	15,350	30,700	46,050	07/24/13		150,000	0.37	43,500
Gerard L. Conway, Jr.	25,000	50,000	75,000	07/24/13	33,334			12,334
				07/24/13		200,000	0.37	58,000
Erik J. Hansen	100,000	250,000	375,000	07/24/13	116,667			43,167
				07/24/13		200,000	0.37	58,000
Adrian Corless				07/24/13	33,334			12,334
				07/24/13		200,000	0.37	58,000

- 1) This column shows the number of restricted shares granted in 2013 to the named executive. The restrictions lapse ratably in three equal annual installments, beginning one year from the date of grant.
- 2) This column shows the number of stock options granted in 2013 to the named executives. These options generally vest and become exercisable ratably in three equal annual installments, beginning one year from the date of grant.
- 3) This column shows the per share exercise price for the stock options granted, which was the closing price of Plug Power common stock on the date of grant.
- 4) This column represents the aggregate grant date fair value of the stock awards and option awards computed in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 718. Pursuant to SEC rules, the amounts shown exclude the impact of estimated forfeitures. For additional information on the valuation assumptions with respect to option awards, refer to note 6 of the Company's consolidated financial statements in the Form 10-K for the year ended December 31, 2013, as filed with the SEC. These amounts reflect the Company's accounting expense for these awards, and do not correspond to the actual value that will be recognized by the named executives.

Table of Contents**Outstanding Equity Awards at Fiscal Year-End**

The following table provides information on the holdings of stock options and stock awards by the named executive officers as of December 31, 2013. For additional information about the option awards and stock awards, see the description of equity incentive compensation in the section titled Compensation Discussion and Analysis.

Name	Option Awards				Stock Awards	
	Number of Securities Underlying Unexercised Options (#)	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Number of Shares of Stock That Have Not Vested (#) (1)	Market Value of Shares of Stock That Have Not Vested (\$) (2)
Andrew Marsh	40,000		35.80	04/08/18		
	250		9.50	05/20/19		
	71,067	35,533	6.10	04/13/21		
	133,333	66,667	2.17	12/13/21		
		200,000	0.37	07/24/23		
					366,667	568,334
Gerald A. Anderson						
David Waldek						
Jill McCoskey	1,500		26.00	01/24/18		
	250		9.50	05/20/19		
	9,567	4,783	6.10	04/13/21		
	13,333	6,667	2.17	12/13/21		
		150,000	0.37	07/24/23		
Gerard L. Conway, Jr.	1,200		53.90	01/28/15		
	3,000		55.80	02/01/16		
	3,000		37.50	02/14/17		
	2,700		26.00	01/24/18		
	250		9.50	05/20/19		
	27,333	13,667	6.10	04/13/21		
	33,333	16,667	2.17	12/13/21		
		200,000	0.37	07/24/23		
					33,334	51,668
Erik J. Hansen	5,000		8.60	10/29/18		
	250		9.50	05/20/19		
	27,333	13,667	6.10	04/13/21		
	33,333	16,667	2.17	12/13/21		
		200,000	0.37	07/24/23		
					116,667	180,834

Adrian Corless

3,000	32.40	02/08/14
2,700	24.20	02/08/14
250	9.50	02/08/14
27,333	6.10	02/08/14
16,667	2.17	02/08/14

- (1) This column represents the number of shares that have not yet vested.
- (2) This column represents the market value of the unvested restricted stock awards using the stock price at the end of fiscal year 2013.

Table of Contents

Option Exercises and Stock Vested in Fiscal 2013 Table

There were no option exercises or stock awards vested during the year for the named executive officers.

Employment Agreements

The Company and Mr. Marsh are parties to an employment agreement which renews automatically for successive one-year terms unless Mr. Marsh or the Company gives notice to the contrary. Mr. Marsh receives an annual base salary of \$450,000 and is eligible to: (i) receive an annual incentive bonus of up to an amount equal to fifty percent (50%) of his annual base salary; (ii) participate in all savings and retirement plans; and (iii) participate in all benefit and executive perquisites. Mr. Marsh's employment may be terminated by the Company for Cause, as defined in the agreement, or by Mr. Marsh for Good Reason, as defined in the agreement, or without Good Reason upon written notice of termination to the Company. If Mr. Marsh's employment is terminated by the Company for any reason other than Cause, death or disability, or in the event that Mr. Marsh terminates his employment with the Company and is able to establish Good Reason, the Company is obligated to pay Mr. Marsh the sum of the following amounts:

(i) any earned but unpaid annual base salary;

(ii) incentive bonus earned but not yet paid;

(iii) unpaid expense reimbursements;

(iv) accrued but unused vacation;

(v) any benefits that may have vested under any employee benefit plan of the Company through the date of termination;

one (1) times his then current annual base salary; and

one (1) times his annual incentive bonus for the immediately preceding fiscal year.

In addition, as of the date of termination, any restricted stock, stock options and other stock awards held by Mr. Marsh will accelerate vesting as if he had remained an employee for an additional twelve (12) months following the date of termination. Further, the Company is required to continue paying for health insurance and other benefits for Mr. Marsh and his eligible family members for twelve (12) months following his termination. The agreement also provides, among other things, that if, within twelve (12) months after a Change in Control, as defined in the agreement, the Company terminates Mr. Marsh's employment without Cause, then he is entitled to:

(i) receive a lump sum payment equal to three (3) times the sum of (1) his then current annual base salary plus (2) his average annual incentive bonus over the three (3) fiscal years prior to the Change in Control (or his annual incentive bonus for the fiscal year immediately preceding to the Change of Control, if higher),

- (ii) accelerated vesting of his stock options and other stock-based awards that would have vested had he remained an active employee for twelve (12) months following his termination, and
- (iii) receive benefits, including health and life insurance for twelve (12) months following the Change of Control.

Table of Contents

The Company and Messrs. Conway, Hansen, and Ms. McCoskey are parties to Executive Employment Agreements pursuant to which if any of their employment is terminated by the Company for any reason other than Cause, as defined in the agreement, death or disability, or in the event that any terminates his employment with the Company and is able to establish Good Reason, as defined in the agreement, the Company is obligated to pay each the sum of the following amounts:

(i) any earned but unpaid annual base salary;

(ii) incentive bonus earned but not yet paid;

(iii) unpaid expense reimbursements;

(iv) accrued but unused vacation;

(v) any benefits that may have vested under any employee benefit plan of the Company through the date of termination;

one (1) times then current annual base salary for Messrs. Conway and Hansen, and fifty percent (50%) of then current annual base salary for Ms. McCoskey.

In addition, Messrs. Conway and Hansen are entitled to exercise any vested stock options for twelve (12) months following the date of termination and the Company is required to continue paying health insurance and other benefits to each and his eligible family members for twelve (12) months following his termination. Ms. McCoskey is entitled to exercise any vested stock options for six (6) months following the date of termination and the Company is required to continue paying health insurance and other benefits to her and her eligible family members for six (6) months following her termination. The Executive Employment Agreements also provide, among other things, that if, within twelve (12) months after a Change in Control, as defined in the agreement, the Company terminates such executive's employment without Cause, then such executive shall be entitled to:

(i) receive a lump sum payment (A) for Messrs. Conway and Hansen equal to the sum of (1) his average annual base salary over the three (3) fiscal years immediately prior to the Change of Control (or the executive's annual base salary in effect immediately prior to the Change of Control, if higher) and (2) his average annual bonus over the three (3) fiscal years prior to the Change in Control (or the executive's annual bonus in effect immediately prior to the Change of Control, if higher), and (B) for Ms. McCoskey, equal to the sum of (1) fifty percent (50%) of her average annual base salary over the three (3) fiscal years immediately prior to the Change of Control (or the executive's annual base salary in effect immediately prior to the Change of Control, if higher) and (2) fifty percent (50%) of her average annual bonus over the three (3) fiscal years prior to the Change in Control (or the executive's annual bonus in effect immediately prior to the Change of Control, if higher)

(ii) accelerated vesting of his stock options and other stock-based awards that would have vested had he remained an active employee for twelve (12) months following his termination, and

(iii) receive benefits, including health and life insurance for twelve (12) months following the Change of Control. Messrs. Andersen and Corless are also parties to employment agreements that provide for a similar potential payment upon termination of employment other than for Cause as discussed above. In 2013, Mr. Andersen and Mr. Corless each left the Company voluntarily and therefore neither was entitled to receive any such payment.

Table of Contents

Potential Payments Upon Termination or Change-in-Control

The Company and Messrs. Marsh, Conway and Hansen and Ms. McCoskey are parties to employment agreements, respectively, that provide for a potential payment upon termination of employment other than for Cause as discussed above in *Employment Agreements*.

Such payments by the Company to any of the executives are subject to the executive signing a general release of claims in a form and manner satisfactory to the Company. An executive is not entitled to receive any such payment in the event he breaches the Employee Patent, Confidential Information and Non-Compete Agreement referenced in the executive's respective agreement or any non-compete, non-solicit or non-disclosure covenants in any agreement between the Company and such executive. We agreed to provide severance payments to such executives in these circumstances based on our negotiations with each of our executives at the time they joined our Company, or as negotiated subsequent to hiring, and in order to provide a total compensation package that we believed to be competitive. Additionally, we believe that providing severance upon a termination without cause can help to encourage our executives to take the risks that we believe are necessary for our Company to succeed and also recognizes the longer hiring process typically involved in hiring a senior executive.

If Mr. Marsh had been terminated without cause on December 31, 2013, the approximate value of the severance package, including, as mentioned above in *Employment Agreements*, salary, benefits and equity awards, under his employment agreement would have been \$767,883. If Ms. McCoskey, Mr. Conway or Mr. Hansen had been terminated without cause on December 31, 2013, the approximate value of the severance packages, including, as mentioned above in *Employment Agreements*, salary, benefits and equity awards, under the employment agreement for such named executive would have been: Ms. McCoskey \$88,899, Mr. Conway \$314,607 and Mr. Hansen \$411,073.

The Company and Messrs. Marsh, Conway and Hansen and Ms. McCoskey are parties to employment agreements, respectively, that provide for a potential payment upon a Change of Control, as discussed above in *Employment Agreements*. Such payments by the Company to any of the executives are subject to the executive signing a general release of claims in a form and manner satisfactory to the Company. An executive is not entitled to receive any such payment in the event he breaches the Employee Patent, Confidential Information and Non-Compete Agreement referenced in the executive's respective agreement or any non-compete, non-solicit or non-disclosure covenants in any agreement between the Company and such executive.

We agreed to provide payments to these executives in these circumstances in order to provide a total compensation package that we believed to be competitive. Additionally, the primary purpose of our equity-based incentive awards is to align the interests of our executives and our stockholders and provide our executives with strong incentives to increase stockholder value over time. As change-in-control transactions typically represent events where our stockholders are realizing the value of their equity interests in our Company, we believe it is appropriate for our executives to share in this realization of stockholder value, particularly where their employment is terminated in connection with the change-in-control transaction. We believe that this will also help to better align the interests of our executives with our stockholders in pursuing and engaging in these transactions.

If a change-in-control had occurred on December 31, 2013 and on that date Mr. Marsh, Ms. McCoskey, Mr. Conway or Mr. Hansen, had been terminated without Cause, experienced a material negative change in his or her compensation or responsibilities or was required to be based at a location more than fifty (50) miles from his or her current work location, the value of the change-of-control payments and benefits under the employment agreements for each such named executive would have been as follows: Mr. Marsh \$1,806,921, Ms. McCoskey \$105,171, Mr. Conway \$333,851 and Mr. Hansen \$441,906. The employment agreements provide for a modified cutback of the payments in the event that the total value of all change in control benefits exceed the maximum benefit that allows for a tax deduction for the

Company under Section 280G of the Internal Revenue Code of 1986, as amended.

Table of Contents

The following Report of the Compensation Committee of the Board of Directors on Executive Compensation will not be deemed incorporated by reference by any general statement incorporating by reference this Proxy Statement into any of the Company's filings under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except to the extent that the Company specifically incorporates this information by reference, and will not otherwise be deemed filed under such Acts.

Compensation Committee Report

The Compensation Committee reviews and evaluates individual executive officers and determines the compensation for each executive officer (See the section entitled *Executive Compensation*). The Compensation Committee also oversees management's decisions concerning the performance and compensation of other Company officers, administers the Company's incentive compensation and other stock-based plans, evaluates the effectiveness of its overall compensation programs, including oversight of the Company's benefit, perquisite and employee equity programs, and reviews the Company's management succession plans. A more complete description of the Compensation Committee's functions is set forth in the Compensation Committee's charter which is published on the Investors section of the Company's website at www.plugpower.com. Each member of the Compensation Committee is an independent director as defined in the NASDAQ Rules.

In general, the Compensation Committee designs compensation to attract, retain and motivate a superior executive team, reward individual performance, relate compensation to Company goals and objectives and align the interests of the executive officers with those of the Company's stockholders. We rely upon our judgment about each individual and not on rigid guidelines or formulas, or short-term changes in business performance in determining the amount and mix of compensation elements for each senior executive officer. Key factors affecting our judgments include: the executive's performance compared to the goals and objectives established for the executive at the beginning of the year; the nature, scope and level of the executive's responsibilities; the executive's contribution to the Company's financial results; the executive's effectiveness in leading the Company's initiatives to increase customer value, productivity and revenue growth; and the executive's contribution to the Company's commitment to corporate responsibility, including the executive's success in creating a culture of unyielding integrity and compliance with applicable law and the Company's ethics policies.

The Compensation Committee has reviewed the Compensation Discussion and Analysis and discussed that analysis with Management. Based on its review and discussions with Management, the Compensation Committee recommended to our Board of Directors that the Compensation Discussion and Analysis be included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2013 and the Company's proxy statement relating to the Company's 2014 annual meeting of stockholders. This report on executive compensation for is provided by the undersigned members of the Compensation Committee of the Board of Directors.

Gary K. Willis (Chairman)

George C. McNamee

Douglas Hickey

Compensation Committee Interlocks and Insider Participation

During 2013, Messrs. Willis (Chairman), McNamee and Hickey served as members of the Compensation Committee. None of them had any relationship with the Company requiring disclosure under applicable rules and regulations of the SEC.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The following table sets forth information regarding the beneficial ownership of Common Stock as of March 31, 2014 (except as otherwise indicated) by:

all persons known by us to have beneficially owned 5% or more of the Common Stock;

each director of the Company;

the named executive officers; and

all directors and executive officers as a group.

Table of Contents

The beneficial ownership of the stockholders listed below is based on publicly available information and from representations of such stockholders.

Name and Address of Beneficial Owner (1)	Shares Beneficially Owned (2)	
	Number	Percentage (%)
Air Liquide S.A. (3)	11,105,204	7.2%
Heights Capital Management (4)	10,000,000	6.9%
George C. McNamee (5)	827,677	*
Andrew Marsh (6)	628,061	*
Gary K. Willis (7)	301,854	*
Larry G. Garberding (8)	254,233	*
Maureen O. Helmer (9)	237,686	*
Erik J. Hansen (10)	141,821	*
Gerard L. Conway, Jr. (11)	123,143	*
Johannes Minoh Roth (12)	89,234	*
Douglas Hickey (13)	79,000	*
Evgeny Miroshnickenko	60,532	*
Jill McCoskey (14)	34,104	*
Gerald A. Anderson	20,982	*
Adrian Corless	10,372	*
Keith Schmid	2,103	*
Gregory Kenausis	1,633	*
Xavier Pontone	1,633	*
David Waldek	180	*
All executive officers and directors as a group (17 persons) (15)	2,814,248	1.9%

* Represents less than 1% of the outstanding shares of Common Stock

- 1) Unless otherwise indicated by footnote, the mailing address for each stockholder is c/o Plug Power Inc., 968 Albany Shaker Road, Latham, New York 12110.
- 2) The number of shares beneficially owned by each stockholder is determined under rules promulgated by the SEC and includes voting or investment power with respect to securities. Under Rule 13d-3 under the Securities Exchange Act of 1934, as amended, beneficial ownership includes any shares to which the individual or entity has sole or shared voting power or investment power and includes any shares as to which the individual or entity has the right to acquire beneficial ownership within 60 days of March 31, 2014, through the exercise of any warrant, stock option or other right. The inclusion in this table of such shares, however, does not constitute an admission that the named stockholder is a direct or indirect beneficial owner of such shares. The number of shares of Common Stock outstanding used in calculating the percentage for each listed person includes the shares of Common Stock underlying options, warrants or other rights held by such person that are exercisable within 60 days of March 31, 2014 but excludes shares of Common Stock underlying options, warrants or other rights held by any other person. Percentage of beneficial ownership is based on 143,958,761 shares of Common Stock outstanding as of March 31, 2014. Unless otherwise indicated, each of the stockholders has sole voting and investment power with respect to the shares of Common Stock beneficially owned by the stockholder.

Table of Contents

- 3) Includes 39,324 shares of Common Stock and 11,965,880 shares of Common Stock issuable upon conversion of shares of the Company's Series C Redeemable Convertible Preferred Stock. All shares are held directly by Air Liquide Investissements d'Avenir et de Démonstration, a corporation incorporated under the laws of France having its registered office at 6, rue Cognacq-Jay 75007 Paris, France and its principal office at 104, rue du Faubourg Saint-Antoine 75012 Paris, France. Air Liquide Investissements d'Avenir et de Démonstration is a wholly owned subsidiary of Air Liquide S.A., a corporation incorporated under the laws of France, having its principal office at 75, Quai d'Orsay, 75321 Paris, France. Information is partly based on a Schedule 13G filed with the SEC on March 19, 2014.
- 4) Heights Capital Management, Inc. is the investment manager to Capital Ventures International and as such may exercise voting and dispositive power over these shares. Information is based on a Schedule 13G filed with the SEC on January 10, 2014. The address of the principal business office of Capital Ventures International is P.O. Box 897, Regatta Office Park, West Bay Road, Grand Cayman, Cayman Islands, British West Indies. The address of the principal business office of Heights Capital Management, Inc. is 101 California Street, Suite 3250, San Francisco, California 94111.
- 5) Includes 117,000 shares of Common Stock issuable upon exercise of outstanding options and 96,774 shares of Common Stock issuable upon exercise of outstanding warrants.
- 6) Includes 280,183 shares of Common Stock issuable upon exercise of outstanding options and 48,387 shares of Common Stock issuable upon exercise of outstanding warrants.
- 7) Includes 99,100 shares of Common Stock issuable upon exercise of outstanding options.
- 8) Includes 104,500 shares of Common Stock issuable upon exercise of outstanding options.
- 9) Includes 96,700 shares of Common Stock issuable upon exercise of outstanding options.
- 10) Includes 79,583 shares of Common Stock issuable upon exercise of outstanding options.
- 11) Includes 84,483 shares of Common Stock issuable upon exercise of outstanding options.
- 12) Includes 65,000 shares of Common Stock issuable upon exercise of outstanding options.
- 13) Includes 79,000 shares of Common Stock issuable upon exercise of outstanding options.
- 14) Includes 29,433 shares of Common Stock issuable upon exercise of outstanding options.
- 15) Includes 1,034,982 shares of Common Stock issuable upon exercise of outstanding options and 145,161 shares of Common Stock issuable upon exercise of outstanding warrants.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The Company's Board of Directors has adopted a related party transaction policy that requires the Company's General Counsel, together with outside counsel as necessary, to evaluate potential transaction between the Company and any related party prior to entering into any such transaction. Certain related party transactions may require the approval of the Board of Directors and its Audit Committee. The policy defines a related party as: (i) the Company's directors or executive officers, (ii) the Company's director nominees, (iii) security holders known to the Company to beneficially own more than 5% of any class of the Company's voting securities, or (iv) the immediate family members of any of the persons listed in items (i) (iii). A person's immediate family includes such person's child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law or any other person (other than a tenant or employee) sharing the household of such person.

Table of Contents

Other than as otherwise disclosed herein, since January 1, 2013, the Company has not entered into, and there is not currently proposed, any transactions or series of similar transactions involving an amount in excess of \$120,000 in which any related party had or will have a direct or indirect material interest.

The Company and Axane, S.A. (Axane), a subsidiary of Air Liquide S.A. (Air Liquide), are partners in Hypulsion S.A.S. (the JV), a joint venture to develop and sell hydrogen fuel cell systems for the European material handling market. The Company currently owns 20% and Axane owns 80% of the JV. Air Liquide is also the parent company of Air Liquide Investissements d Avenir et de Démonstration (Air Liquide Investment). Air Liquide Investment beneficially owns approximately 7.2% of our common stock.

In connection with the formation of the JV in February 2012, the Company and Axane entered into a Master and Shareholders Agreement providing for the terms of the JV, and the Company and the JV entered into a License Agreement (the License Agreement).

Under the License Agreement, the Company granted to the JV a royalty-free license to certain intellectual property in the field of integrated hydrogen fuel cell systems for the material handling market (the License). The License is exclusive as to the territories of Albania, Austria, Belgium, Bosnia and Herzegovina, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Liechtenstein, Luxemburg, Republic of Macedonia, Malta, Montenegro, the Netherlands, Norway, Poland, Portugal, Romania, Serbia, Slovakia, Slovenia, Spain, Sweden, Switzerland and the United Kingdom (the Territory). If the Company sells its entire equity interest in the JV, the License becomes non-exclusive one year after such sale. Further, the License becomes non-exclusive, and the Company may terminate the License, upon any bankruptcy or dissolution of the JV. Under the License Agreement, the Company receives a royalty-free license back to certain intellectual property of the JV in the field of integrated hydrogen fuel cell systems for the material handling market outside of the Territory. The term of the License runs until the expiration of the last item of licensed intellectual property or ninety-nine years, whichever is longer. The License terminates in the event that Axane fails to make any required contribution to the JV.

On May 8, 2013, the Company entered into a Securities Purchase Agreement with Air Liquide Investment, pursuant to which the Company sold to Air Liquide Investment 10,431 shares of the Company s Series C Redeemable Convertible Preferred Stock, par value \$0.01 per share (the Series C Preferred Stock), for an aggregate purchase price of approximately \$2.6 million (Euro 2 million) in cash.

Under the terms of the investment, for so long as Air Liquide Investment holds any shares of Series C Preferred Stock, Air Liquide Investment is entitled to designate one director to the Company s Board of Directors. In the event the Series C Preferred Stock is converted into shares of Common Stock and Air Liquide Investment continues to hold at least 5% of the outstanding shares of Common Stock or 50% of the shares of Common Stock held by Air Liquide Investment on an as-converted basis immediately following the issuance of the Series C Preferred Stock, Air Liquide Investment will continue to be entitled to designate one director to the Company s Board of Directors. Air Liquide Investment also has the right to participate in certain private equity financings by the Company.

In connection with the Series C Preferred Stock investment, Axane purchased from the Company a 25% ownership interest in the JV for a cash purchase price of \$3.3 million (Euro 2.5 million). The Company currently owns 20% and Axane owns 80% of the JV. The Company has the right to purchase a 60% ownership interest in the JV from Axane in 2018 at a formula price. If the Company does not exercise its purchase right, Axane has the right to buy the Company s remaining 20% interest at a formula price.

In connection with the Series C Preferred Stock investment, the Company and the JV entered into an engineering service agreement under which, among other things, the Company provides the JV with engineering and technical

services. During 2013, the JV made payments to the Company totaling \$3,009,923 for engineering, technical, consulting and related services. In addition, during 2013, the JV paid the Company a total of \$494,492 for the purchase of fuel cell systems and parts.

Table of Contents**DIRECTOR INDEPENDENCE**

The Board of Directors has determined that Ms. Helmer and Messrs. Garberding, McNamee, Willis, Hickey, Roth and Kenausis are independent directors as defined in Rule 5605(a)(2) under the NASDAQ Rules.

Audit Committee

The Audit Committee consists of Messrs. Garberding (Chair), Willis and Hickey, and Ms. Helmer each of whom is an independent director under the NASDAQ Rules.

Compensation Committee

The Compensation Committee consists of Messrs. Willis (Chair), McNamee and Hickey, each of whom is an independent director under the NASDAQ Rules.

Corporate Governance and Nominating Committee

The Corporate Governance and Nominating Committee consists of Ms. Helmer (Chair) and Messrs. Garberding and Hickey, each of whom is an independent director under the NASDAQ Rules.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The following table presents fees for professional services rendered by KPMG for the audit of the Company's annual financial statements and fees billed for other services rendered by KPMG:

	KPMG	
	2013	2012
Audit Fees	\$ 325,000	\$ 310,000
Audit-Related Fees	239,500	51,500
Tax Fees		
Other		
Total	\$ 564,500	\$ 361,500

In the above table, and in accordance with SEC definitions and rules: (1) audit fees are fees for professional services for the audit of the Company's consolidated financial statements included in Form 10-K, review of unaudited interim consolidated financial statements included in Form 10-Qs, or for services that are normally provided by the accountant in connection with statutory and regulatory filings or engagements; (2) audit-related fees are fees for assurance and related services that are reasonably related to the performance of the audit or review of the Company's consolidated financial statements; (3) tax fees are fees for tax compliance, tax advice, and tax planning; and (4) all other fees are fees for any services not included in the first three categories.

The Audit Committee approved all audit and non-audit services provided to the Company by KPMG during 2013.

Table of Contents

PART IV

Item 15. Exhibits and Financial Statement Schedules

15(a)(1) Financial Statements

The financial statements and notes are listed in the Index to Consolidated Financial Statements on page F-1 of this Report.

15(a)(2) Financial Statement Schedules

The financial statement schedules are listed in the Index to Consolidated Financial Statements on page F-1 of this Report.

All other schedules not filed herein have been omitted as they are not applicable or the required information or equivalent information has been included in the consolidated financial statements or the notes thereto.

15(a)(3) Exhibits

Exhibits are as set forth in the List of Exhibits which immediately precedes the Index to Consolidated Financial Statements on page F-1 of this Report.

Table of Contents

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

PLUG POWER INC.

By: **/s/ANDREW MARSH**
Andrew Marsh,
President, Chief Executive Officer and
Director

Date: April 22, 2014

Table of Contents**POWER OF ATTORNEY**

KNOW ALL MEN BY THESE PRESENTS that each individual whose signature appears below constitutes and appoints each of Andrew Marsh, Jill McCoskey and Gerard L. Conway, Jr. such person's true and lawful attorney-in-fact and agent with full power of substitution, for such person and in such person's name, place and stead, in any and all capacities, to sign any and all amendments to this Annual Report on Form 10-K, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto each said attorney-in-fact and agent full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as such person might or could do in person, hereby ratifying and confirming all that any said attorney-in-fact and agent, or any substitute or substitutes of any of them, may lawfully do or cause to be done by virtue hereof.

Date: April 22, 2014

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ ANDREW MARSH	President, Chief Executive Officer and Director	
Andrew Marsh	(Principal Executive Officer)	April 22, 2014
/s/ DAVID WALDEK	Chief Financial Officer	
David Waldek	(Principal Financial Officer)	April 22, 2014
/s/ JILL MCCOSKEY	Chief Accounting Officer	
Jill McCoskey	(Principal Accounting Officer)	April 22, 2014
* LARRY G. GARBERDING		
Larry G. Garberding	Director	April 22, 2014
* MAUREEN O. HELMER		
Maureen O. Helmer	Director	April 22, 2014
* DOUGLAS T. HICKEY		
Douglas T. Hickey	Director	April 22, 2014
* GREGORY L. KENAUSIS		
Gregory L. Kenausis	Director	April 22, 2014

* GEORGE C. McNAMEE

George C. McNamee	Director	April 22, 2014
--------------------------	----------	----------------

* EVGENY MIROSHNICHENKO

Evgeny Miroshnichenko	Director	April 22, 2014
------------------------------	----------	----------------

* XAVIER PONTONE

Xavier Pontone	Director	April 22, 2014
-----------------------	----------	----------------

* GARY K. WILLIS

Gary K. Willis	Director	April 22, 2014
-----------------------	----------	----------------

* JOHANNES M. ROTH

JOHANNES M. ROTH	Director	April 22, 2014
-------------------------	----------	----------------

/s/ ANDREW MARSH

* **Andrew Marsh, as Attorney-in-Fact**

Table of Contents

Certain exhibits indicated below are incorporated by reference to documents of Plug Power on file with the Commission. Exhibits nos. 10.1, 10.5 through 10.9 and 10.13 through 10.18 represent the management contracts and compensation plans and arrangements required to be filed as exhibits to this Annual Report on Form 10-K.

Exhibit No.	and Description
3.1	Amended and Restated Certificate of Incorporation of Plug Power Inc. (7)
3.2	Third Amended and Restated By-laws of Plug Power Inc. (8)
3.3	Certificate of Amendment to Amended and Restated Certificate of Incorporation of Plug Power Inc. (7)
3.4	Certificate of Designations, Preferences and Rights of a Series of Preferred Stock of Plug Power Inc. classifying and designating the Series A Junior Participating Cumulative Preferred Stock. (9)
3.5	Second Certificate of Amendment of Amended and Restated Certificate of Incorporation of Plug Power Inc. (13)
3.6	Certificate of Designations, Preferences and Rights of a Series of Preferred Stock of Plug Power Inc. classifying and designating the Series C Redeemable Convertible Preferred Stock. (27)
4.1	Specimen certificate for shares of common stock, \$.01 par value, of Plug Power. (2)
4.2	Shareholder Rights Agreement, dated as of June 23, 2009, between Plug Power Inc. and Registrar and American Stock Transfer & Trust Company, LLC, as Rights Agent. (9)
4.3	Amendment No. 1 To Shareholder Rights Agreement. (11)
4.4	Amendment No. 2 To Shareholder Rights Agreement. (17)
4.5	Amendment No. 3 To Shareholder Rights Agreement. (19)
4.6	Amendment No. 4 To Shareholder Rights Agreement. (23)
4.7	Amendment No. 5 To Shareholder Rights Agreement. (26)
4.8	Form of Warrant. (14)
4.9	Form of Warrant. (24)
4.10	Form of Warrant (27)
10.1	Employee Stock Purchase Plan. (2)
10.2	Registration Rights Agreement, dated as of June 29, 2006, by and between Plug Power Inc. and Smart Hydrogen Inc. (1)
10.3	Form of Director Indemnification Agreement. (1)
10.4	Form of Director Indemnification Agreement (28)
10.5	Plug Power Executive Incentive Plan. (3)

Edgar Filing: PLUG POWER INC - Form 10-K/A

- 10.6 Employment Agreement, dated as of April 7, 2008, by and between Andrew Marsh and Plug Power Inc. (5)
- 10.7 Executive Employment Agreement, dated as of May 5, 2008, by and between Gerard L. Conway, Jr. and Plug Power Inc. (6)
- 10.8 Executive Employment Agreement, dated as of October 28, 2009, by and between Erik J. Hansen and Plug Power Inc. (10)
- 10.9 Executive Employment Agreement, dated as of October 23, 2013, by and between Keith C. Schmid and Plug Power Inc. (28)
- 10.10 Standstill and Support Agreement, dated as of May 6, 2011 among Plug Power Inc., OJSC INTER RAO UES and OJSC Third Generation Company of the Wholesale Electricity Market . (11)
- 10.11 Master and Shareholders Agreement, dated as of January 24, 2012, by and between Axane S.A. and Plug Power, Inc. (18)
- 10.12 License Agreement dated as of February 29, 2012, by and between Hypulsion, S.A.S. and Plug Power Inc. (18)
- 10.13 2011 Stock Option and Incentive Plan. (12)
- 10.14 Amendment No. 1 to the Plug Power Inc. 2011 Stock Option and Incentive Plan (21)

Table of Contents

10.15	Form of Incentive Stock Option Agreement. (15)
10.16	Form of Non-Qualified Stock Option Agreement for Employees. (15)
10.17	Form of Non-Qualified Stock Option Agreement for Independent Directors. (15)
10.18	Form of Restricted Stock Award Agreement. (15)
10.19	Purchase and Sale Agreement dated as of January 24, 2013, by Plug Power Inc. and 968 Albany Shaker Road Associates, LLC (25)
10.20	Amendment to Purchase and Sale Agreement dated as of March 13, 2013 by Plug Power Inc. and 968 Albany Shaker Road Associates, LLC (25)
10.21	Securities Purchase Agreement, dated as of May 8, 2013, by and between Plug Power Inc. and Air Liquide Investissements d Avenir et Démonstration (26)
10.22	Registration Rights Agreement, dated as of May 16, 2003, by and between Plug Power Inc. and Air Liquide Investissements d Avenir et de Démonstration (27)
10.23	Executive Employment Agreement, dated as of September 27, 2012, by and between Jill McCoskey and Plug Power Inc. (29)
23.1	Consent of KPMG LLP. (29)
31.1 and 31.2	Certifications pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. (29)
32.1 and 32.2	Certifications pursuant to 18 U.S.C. Section 1350, adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.(29)
101.INS	XBRL Instance Document (29)
101.SCH	XBRL Taxonomy Extension Schema Document (29)
101.CAL	XBRL Taxonomy Extension Calculation Linkbase (29)
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document (29)
101.LAB	XBRL Taxonomy Extension Label Linkbase Document (29)
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document (29)
(1)	Incorporated by reference to the Company s current Report on Form 8-K dated June 29, 2006.
(2)	Incorporated by reference to the Company s Registration Statement on Form S-1/A (File Number 333-86089).
(3)	Incorporated by reference to the Company s current Report on Form 8-K dated February 15, 2007.
(5)	Incorporated by reference to the Company s current Report on Form 8-K dated April 2, 2008.
(6)	Incorporated by reference to the Company s Form 10-Q for the period ended June 30, 2008.
(7)	Incorporated by reference to the Company s Form 10-K for the period ended December 31, 2008.
(8)	Incorporated by reference to the Company s current Report on Form 8-K dated October 28, 2009.
(9)	Incorporated by reference to the Company s Registration Statement on Form 8-A dated June 24, 2009.
(10)	Incorporated by reference to the Company s current Report on Form 8-K dated October 28, 2009.
(11)	Incorporated by reference to the Company s current Report on Form 8-K dated May 6, 2011.
(12)	Incorporated by reference to the Company s current Report on Form 8-K dated May 12, 2011.

Edgar Filing: PLUG POWER INC - Form 10-K/A

- (13) Incorporated by reference to the Company s current Report on Form 8-K dated May 19, 2011.
- (14) Incorporated by reference to the Company s current Report on Form 8-K dated May 24, 2011.
- (15) Incorporated by reference to the Company s Form 10-Q for the period ended June 30, 2011.
- (17) Incorporated by reference to the Company s current Report on Form 8-K dated March 19, 2012.
- (18) Incorporated by reference to the Company s current Report on Form 8-K dated March 21, 2012.
- (19) Incorporated by reference to the Company s current Report on Form 8-K dated March 26, 2012.
- (21) Incorporated by reference to the Company s current Report on Form 8-K dated May 18, 2012.
- (23) Incorporated by reference to the Company s current Report on Form 8-K dated February 13, 2013.

Table of Contents

- (24) Incorporated by reference to the Company s current Report on Form 8-K dated February 14, 2013.
- (25) Incorporated by reference to the Company s current Report on Form 8-K dated April 1, 2013.
- (26) Incorporated by reference to the Company s current Report on Form 8-K dated May 8, 2013.
- (27) Incorporated by reference to the Company s current Report on Form 8-K dated May 20, 2013.
- (28) Incorporated by reference to the Company s current Report on Form 8-K dated October 29, 2013.
- (29) Filed herewith

Table of Contents

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

	Page
<u>Report of Independent Registered Public Accounting Firm</u>	F-1
<u>Consolidated balance sheets as of December 31, 2013 and 2012</u>	F-2
<u>Consolidated statements of operations for the years ended December 31, 2013, 2012 and 2011</u>	F-3
<u>Consolidated statements of comprehensive loss for the years ended December 31, 2013, 2012 and 2011</u>	F-4
<u>Consolidated statements of stockholders' (deficit) equity for the years ended December 31, 2013, 2012 and 2011</u>	F-5
<u>Consolidated statements of cash flows for the years ended December 31, 2013, 2012 and 2011</u>	F-6
<u>Notes to consolidated financial statements</u>	F-7

Table of Contents

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders

Plug Power Inc.:

We have audited the accompanying consolidated balance sheets of Plug Power Inc. and subsidiaries (the Company) as of December 31, 2013 and 2012, and the related consolidated statements of operations, comprehensive loss, stockholders' (deficit) equity, and cash flows for each of the years in the three-year period ended December 31, 2013. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Plug Power Inc. and subsidiaries as of December 31, 2013 and 2012, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 2013, in conformity with U.S. generally accepted accounting principles.

/s/ KPMG LLP

Albany, New York

March 31, 2014

F-1

Table of Contents**PLUG POWER INC. AND SUBSIDIARIES****CONSOLIDATED BALANCE SHEETS**

	December 31, 2013	December 31, 2012
Assets		
Current assets:		
Cash and cash equivalents	\$ 5,026,523	\$ 9,380,059
Accounts receivable, net	6,429,400	4,021,725
Inventory	10,406,320	8,550,457
Prepaid expenses and other current assets	1,850,859	1,988,457
Total current assets	23,713,102	23,940,698
Restricted cash	500,000	
Property, plant, and equipment, net	5,277,667	6,708,237
Leased property under capital lease, net	2,453,312	2,969,799
Note receivable	509,945	570,697
Intangible assets, net	2,901,595	5,270,571
Total assets	\$ 35,355,621	\$ 39,460,002
Liabilities, Redeemable Preferred Stock, and Stockholders (Deficit) Equity		
Current liabilities:		
Borrowings under line of credit	\$	\$ 3,380,835
Accounts payable	3,094,385	3,558,157
Accrued expenses	3,068,774	3,828,045
Product warranty reserve	1,608,131	2,671,409
Deferred revenue	3,434,735	2,950,375
Obligations under capital lease	717,870	650,379
Other current liabilities	679,176	
Total current liabilities	12,603,071	17,039,200
Obligations under capital lease	586,879	1,304,749
Deferred revenue	5,579,281	4,362,092
Common stock warrant liability	28,829,849	475,825
Finance obligation	2,492,330	
Other liabilities	765,281	1,247,833
Total liabilities	50,856,691	24,429,699
Redeemable Preferred Stock		
Series C redeemable convertible preferred stock, \$0.01 par value per share (aggregate involuntary liquidation preference \$17,007,931) 10,431 shares authorized; Issued and outstanding: 10,431 at December 31, 2013 and 0 at December 31, 2012	2,371,080	
Stockholders (deficit) equity:		
	1,063,566	384,048

Edgar Filing: PLUG POWER INC - Form 10-K/A

Common stock, \$0.01 par value per share; 245,000,000 shares authorized; Issued (including shares in treasury): 106,356,558 at December 31, 2013 and 38,404,764 at December 31, 2012		
Additional paid-in capital	831,155,925	801,840,491
Accumulated other comprehensive income	897,807	1,004,412
Accumulated deficit	(849,437,066)	(786,646,266)
Less common stock in treasury: 165,906 shares at December 31, 2013 and December 31, 2012	(1,552,382)	(1,552,382)
Total stockholders (deficit) equity	(17,872,150)	15,030,303
Total liabilities, redeemable preferred stock, and stockholders (deficit) equity	\$ 35,355,621	\$ 39,460,002

See accompanying notes to consolidated financial statements.

Table of Contents

PLUG POWER INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
For the years ended December 31, 2013, 2012 and 2011

	2013	2012	2011
Product revenue	\$ 18,446,082	\$ 20,791,874	\$ 19,591,786
Service revenue	6,658,816	3,615,253	3,631,479
Research and development contract revenue	1,496,530	1,701,330	3,886,114
Licensed technology revenue			516,563
Total revenue	26,601,428	26,108,457	27,625,942
Cost of product revenue	20,414,084	25,353,541	22,625,306
Cost of service revenue	14,928,595	12,304,158	8,044,296
Cost of research and development contract revenue	2,505,989	2,804,817	6,232,210
Research and development expense	3,121,007	5,434,235	5,655,748
Selling, general and administrative expenses	12,325,466	14,576,998	14,545,965
Gain on sale of assets			(673,358)
Amortization of intangible assets	2,270,858	2,306,489	2,322,876
Operating loss	(28,964,571)	(36,671,781)	(31,127,101)
Interest and other income	150,006	226,120	248,430
Change in fair value of common stock warrant liability	(37,101,818)	4,845,165	3,447,153
Interest and other expense and foreign currency gain (loss)	(398,275)	(261,958)	(22,436)
Gain on sale of equity interest in joint venture	3,234,717		
Loss before income taxes	\$ (63,079,941)	\$ (31,862,454)	\$ (27,453,954)
Income tax benefit	410,259		
Net loss attributable to the Company	\$ (62,669,682)	\$ (31,862,454)	\$ (27,453,954)
Preferred stock dividends declared	(121,118)		
Net loss attributable to common shareholders	\$ (62,790,800)	\$ (31,862,454)	\$ (27,453,954)
Loss per share:			
Basic and diluted	\$ (0.82)	\$ (0.93)	\$ (1.46)
Weighted average number of common shares outstanding	76,436,408	34,376,427	18,778,066

See accompanying notes to consolidated financial statements.

Table of Contents**PLUG POWER INC. AND SUBSIDIARIES**
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS**For the years ended December 31, 2013, 2012 and 2011**

	2013	2012	2011
Net loss attributable to the Company	\$ (62,669,682)	\$ (31,862,454)	\$ (27,453,954)
Other comprehensive (loss) income:			
Foreign currency translation (loss) gain	(106,605)	75,668	(55,626)
Unrealized gain on available-for-sale securities, net			18,502
Comprehensive Loss	\$ (62,776,287)	\$ (31,786,786)	\$ (27,491,078)

F-4

Table of Contents**PLUG POWER INC. AND SUBSIDIARIES****CONSOLIDATED STATEMENTS OF STOCKHOLDERS (DEFICIT) EQUITY****For the years ended December 31, 2013, 2012 and 2011**

	Common Stock Shares	Common Stock Amount	Additional Paid in-Capital	Accumulated Other Comprehensive Income (Loss)	Treasury Stock Shares	Treasury Stock Amount	Accumulated Deficit	Sto
December 31, 2010	13,369,924	\$ 133,699	\$ 770,863,164	\$ 965,868	180,449	\$ (1,719,510)	\$ (727,329,858)	\$
attributable to the Company							(27,453,954)	(
Comprehensive loss				(37,124)				
Compensation	221,737	2,217	1,848,330		833	(3,030)		
Issuance of common stock, net	9,332,750	93,328	11,831,027					
Repurchase of treasury shares			(328,650)		(35,000)	328,650		
Issuance of treasury shares					19,624	(158,492)		
December 31, 2011	22,924,411	\$ 229,244	\$ 784,213,871	\$ 928,744	165,906	\$ (1,552,382)	\$ (754,783,812)	\$
attributable to the Company							(31,862,454)	(
Comprehensive income				75,668				
Compensation	530,353	5,304	1,985,850					
Issuance of common stock, net	14,950,000	149,500	15,640,770					
December 31, 2012	38,404,764	\$ 384,048	\$ 801,840,491	\$ 1,004,412	\$ 165,906	\$ (1,552,382)	\$ (786,646,266)	\$
attributable to the Company							(62,669,682)	(
Comprehensive loss				(106,605)				
Compensation	2,198,154	21,982	2,127,510					
Issuance of common stock, net (1)	43,101,800	431,018	9,991,406					
Issuance of warrants (2)	22,494,987	224,950	17,076,968					
Repurchase of common stock and	156,853	1,568	119,550				(121,118)	
December 31, 2013	106,356,558	\$ 1,063,566	\$ 831,155,925	\$ 897,807	\$ 165,906	\$ (1,552,382)	\$ (849,437,066)	\$

(1) As a result of the 2013 public offerings discussed in Note 4, Stockholders' Equity, the Company received net proceeds of \$12,873,452, of which \$2,451,028 in value was ascribed to the warrants issued in the February 2013 public offering.

(2) Pursuant to the exercise of warrants, additional paid-in capital was increased by \$5,878,146 from the issuance of 22,494,987 shares of common stock. Additionally, paid-in capital was increased by \$11,198,822 and warrant liability was reduced by \$11,198,822 (the fair value of the warrants on the exercise date).

See accompanying notes to consolidated financial statements.

Table of Contents

PLUG POWER INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
Years ended December 31, 2013, 2012 and 2011

	2013	Year ended December 31, 2012	2011
Cash Flows From Operating Activities:			
Net loss attributable to the Company	\$ (62,669,682)	\$ (31,862,454)	\$ (27,453,954)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation of property, plant and equipment, and investment in leased property	1,907,940	2,069,672	2,132,117
Amortization of intangible assets	2,270,858	2,306,489	2,322,876
Stock-based compensation	2,180,869	2,001,840	1,452,259
Gain on sale of equity interest in joint venture	(3,234,717)		
Loss on disposal of property, plant and equipment	65,899	51,975	308,621
Loss (gain) on sale of leased assets		20,068	(673,358)
Realized loss on available for sale securities			22,421
Change in fair value of common stock warrant liability	37,101,818	(4,845,165)	(3,447,153)
Changes in operating assets and liabilities that provide (use) cash:			
Accounts receivable	(2,407,675)	9,367,539	(9,192,901)
Inventory	(1,855,863)	(1,294,671)	1,438,195
Prepaid expenses and other current assets	137,598	(94,443)	(310,089)
Note receivable	60,752	(570,697)	
Accounts payable, accrued expenses, product warranty reserve and other liabilities	(2,140,157)	914,388	(1,101,356)
Deferred revenue	1,701,549	1,770,463	1,192,255
Net cash used in operating activities	(26,880,811)	(20,164,996)	(33,310,067)
Cash Flows From Investing Activities:			
Proceeds from sale of equity interest in joint venture	3,234,717		
Purchase of property, plant and equipment	(111,032)	(77,527)	(1,326,144)
Restricted cash			525,000
Proceeds from disposal of property, plant and equipment	84,250	63,605	46,650
Proceeds from sale of leased assets			673,358
Proceeds from maturities and sales of available-for-sale securities			10,399,396
Net cash provided by (used in) investing activities	3,207,935	(13,922)	10,318,260
Cash Flows From Financing Activities:			
Change in restricted cash	(500,000)		
Purchase of treasury stock			(158,492)
Proceeds from exercise of warrants	6,103,096		
Proceeds from issuance of preferred stock	2,595,400		

Edgar Filing: PLUG POWER INC - Form 10-K/A

Preferred stock issuance costs	(224,320)		
Proceeds from issuance of common stock and warrants	14,807,718	17,192,500	22,583,877
Common stock issuance costs	(1,934,265)	(1,402,230)	(1,891,378)
Repayment of borrowings under line of credit	(3,380,835)	(2,024,275)	5,405,110
Proceeds from finance obligation	2,600,000	2,105,282	
Principal payments on obligations under capital lease and finance obligation	(698,674)	(170,222)	(9,956)
Net cash provided by financing activities	19,368,120	15,701,055	25,929,161
Effect of exchange rate changes on cash	(48,780)	1,029	(35,864)
Increase (decrease) in cash and cash equivalents	(4,353,536)	(4,476,834)	2,901,490
Cash and cash equivalents, beginning of year	9,380,059	13,856,893	10,955,403
Cash and cash equivalents, end of year	\$ 5,026,523	\$ 9,380,059	\$ 13,856,893

See accompanying notes to consolidated financial statements.

F-6

Table of Contents

1. Nature of Operations

Description of Business

Plug Power Inc., or the Company, is a leading provider of alternative energy technology focused on the design, development, commercialization and manufacture of fuel cell systems for the industrial off-road (forklift or material handling) market.

We are focused on proton exchange membrane, or PEM, fuel cell and fuel processing technologies and fuel cell/battery hybrid technologies, from which multiple products are available. A fuel cell is an electrochemical device that combines hydrogen and oxygen to produce electricity and heat without combustion. Hydrogen is derived from hydrocarbon fuels such as liquid petroleum gas, or LPG, natural gas, propane, methanol, ethanol, gasoline or biofuels. Hydrogen can also be obtained from the electrolysis of water. Hydrogen can be purchased directly from industrial gas providers or can be produced on-site at consumer locations.

We sell and continue to develop fuel cell product solutions to replace lead-acid batteries in material handling vehicles and industrial trucks for some of North America's largest distribution and manufacturing businesses. We are focusing our efforts on material handling applications (forklifts) at multi-shift high volume manufacturing and high throughput distribution sites where our products and services provide a unique combination of productivity, flexibility and environmental benefits. Our current product line includes: GenDrive, a hydrogen fueled PEM fuel cell system providing power to material handling vehicles; GenKey, our turn-key solution offering complete simplicity to customers transitioning their material handling vehicles to fuel cell power; GenFuel, our hydrogen fueling delivery system; and GenCare, our ongoing maintenance program for both the GenDrive fuel cells and GenFuel products.

We sell our products worldwide, with a primary focus on North America, through our direct product sales force, leveraging relationships with original equipment manufacturers, or OEMs, and their dealer networks. We are party to a joint venture based in France with Axane, S.A. under the name Hypulsion, to develop and sell hydrogen fuel cell systems for the European material handling market. We sell to businesses, government agencies and commercial consumers.

We were organized in the State of Delaware on June 27, 1997.

Unless the context indicates otherwise, the terms Company, Plug Power, we, our or us as used herein refers to Plug Power Inc. and its subsidiaries.

Liquidity

Our cash requirements relate primarily to working capital needed to operate and grow our business, including funding operating expenses, growth in inventory to support both shipments of new units and servicing the installed base, funding the growth in our GenKey turn-key solution which also includes the installation of our customer's hydrogen infrastructure as well as delivery of the hydrogen molecule, and continued development and expansion of our products. Our ability to achieve profitability and meet future liquidity needs and capital requirements will depend upon numerous factors, including the timing and quantity of product orders and shipments; the timing and amount of our operating expenses; the timing and costs of working capital needs; the timing and costs of building a sales base; the timing and costs of developing marketing and distribution channels; the timing and costs of product service requirements; the timing and costs of hiring and training product staff; the extent to which our products gain market acceptance; the timing and costs of product development and introductions; the extent of our ongoing and any new research and development programs; and changes in our strategy or our planned activities. If we are unable to fund our

operations without additional external financing and therefore cannot sustain future operations, we may be required to delay, reduce and/or cease our operations and/or seek bankruptcy protection.

We have experienced and continue to experience negative cash flows from operations and net losses. The Company incurred net losses attributable to common shareholders of \$62.8 million, \$31.9 million and \$27.5 million for the years ended December 31, 2013, 2012 and 2011, respectively, and has an accumulated deficit of \$849.4 million at December 31, 2013. Substantially all of our accumulated deficit has been incurred in connection with our operating expenses, research and development expenses and from general and administrative costs associated with our operations. We expect that for fiscal year 2014, our operating cash burn will be approximately \$10-\$15 million.

F-7

Table of Contents

Net cash used in operating activities for the year ended December 31, 2013 was \$26.9 million. Additionally, on December 31, 2013, we had cash and cash equivalents of \$5.0 million and net working capital of \$11.1 million. This compares to \$9.4 million and \$6.9 million, respectively, at December 31, 2012.

On January 15, 2014, we completed an underwritten public offering of 10,000,000 shares of common stock and accompanying warrants to purchase 4,000,000 shares of common stock. The shares and the warrants were sold together in a fixed combination, with each combination consisting of one share of common stock and 0.40 of a warrant to purchase one share of common stock, at a price of \$3.00 per fixed combination for gross proceeds of \$30.0 million. The securities were placed with a single institutional investor. The warrants have an exercise price of \$4.00 per share, are immediately exercisable and will expire on January 15, 2019. Net proceeds, after underwriting discounts and commissions and other estimated fees and expenses were approximately \$28.0 million.

On March 11, 2014, we completed an underwritten public offering of 3,902,440 shares of common stock. The shares were sold at \$5.74 per share for gross proceeds of approximately \$22.4 million. The shares were placed with a single institutional investor. Net proceeds, after underwriting discounts and commissions and other estimated fees and expenses were approximately \$21.5 million.

Between January 1, 2014 and March 21, 2014, we have received an additional \$18.2 million from the exercise of previously issued common stock warrants.

To date, we have funded our operations primarily through public and private offerings of common and preferred stock, a sale-leaseback of our building, our previous line of credit and maturities and sales of our available-for-sale securities. The Company believes that its current cash, cash equivalents, cash generated from future sales, cash generated from the exercise of outstanding warrants, and cash generated from recent public offerings will provide sufficient liquidity to fund operations for at least the next twelve months. This projection is based on our current expectations regarding product sales, cost structure, cash burn rate and operating assumptions.

2. Summary of Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements include the financial statements of Plug Power Inc. and its wholly-owned subsidiaries. All significant intercompany balances and transactions have been eliminated in consolidation. It is the Company's policy to reclassify prior year consolidated financial statements to conform to current year presentation.

Cash Equivalents

Cash equivalents consist of money market accounts with an initial term of less than three months. For purposes of the consolidated statements of cash flows, the Company considers all highly-liquid debt instruments with original maturities of three months or less to be cash equivalents. The Company's cash and cash equivalents are deposited with financial institutions located in the U.S. and may at times exceed insured limits.

Accounts Receivable

Accounts receivable related to product and service arrangements are recorded when products are shipped or delivered to customers, as appropriate. Accounts receivable related to contract research and development arrangements are recorded when work is completed under the applicable contract. Accounts receivable are stated at the amount billed to customers and are ordinarily due between 30 and 60 days after the issuance of the invoice. Accounts are considered

delinquent when more than 90 days past due, and no extended payment agreements have been granted. Delinquent receivables are reserved or written off based on individual credit evaluation and specific circumstances of the customer. The allowance for doubtful accounts and related receivable are reduced when the amount is deemed uncollectible. As of December 31, 2013 and December 31, 2012, the allowance for doubtful accounts was \$0.

Table of Contents

Inventory

Inventory is stated at the lower of cost or market value and consists primarily of raw materials. In the case of our consignment arrangements, we do not relieve inventory until the customer has accepted the product, at which time the risks and rewards of ownership have transferred. At December 31, 2013 and 2012, inventory on consignment was valued at approximately \$1,178,000 and \$406,000, respectively.

Intangible Assets

Intangible assets with estimable useful lives are amortized over their respective estimated useful lives to their estimated residual values, and reviewed for impairment when certain triggering events occur. Intangible assets consisting of acquired technology and customer relationships related to Cellex and General Hydrogen are amortized using a straight-line method over their useful lives of 8 years.

Revenue Recognition

The Company recognizes revenue under arrangements for products and services, which may include the sale of products (GenDrive units) and related services, including revenue from installation, service and maintenance, spare parts, hydrogen fueling services, which may include hydrogen supply as well as hydrogen fueling infrastructure, and leased units. The Company also recognizes revenue under research and development contracts, which are primarily cost reimbursement contracts associated with the development of PEM fuel cell technology. Revenue is generally recognized under these arrangements as follows.

Products and Services

The Company enters into revenue arrangements that may contain a combination of fuel cell systems and equipment, which may be sold, or under a limited number of arrangements leased to customers, installation, service, maintenance, spare parts, hydrogen fueling and other support services. For these multiple deliverable arrangements, the Company accounts for each separate deliverable as a separate unit of accounting if the delivered item or items have value to the customer on a standalone basis. The Company considers a deliverable to have standalone value if the item is sold separately by us or another entity or if the item could be resold by the customer. The Company allocates revenue to each separate deliverable based on its relative selling price. When determining the relative selling price, the Company utilizes its best estimate of the selling price as vendor-specific objective evidence and third-party evidence is generally not available for the deliverables involved in our revenue arrangements due to a lack of a competitive environment in selling fuel cell technology. For a majority of our deliverables, the Company determines relative selling prices using its best estimate of the selling price as vendor-specific objective evidence and third-party evidence is generally not available for the deliverables involved in its revenue arrangements due to a lack of a competitive environment in selling fuel cell technology. When determining estimated selling prices, the Company may consider the cost to produce the deliverable, the anticipated margin on that deliverable, the selling price and profit margin for similar parts, the Company's ongoing pricing strategy and policies, the value of any enhancements that have been built into the deliverable and the characteristics of the varying markets in which the deliverable is sold, as applicable. The Company determines estimated selling prices for deliverables in its agreements based on the specific facts and circumstances of each arrangement and analyzes the estimated selling prices used for its allocation of arrangement consideration at least annually. Selling prices will be analyzed on a more frequent basis if a significant change in the Company's business necessitates a more timely analysis or if the Company experiences significant variances in its selling prices.

Once relative selling prices are determined, the Company proportionately allocates the sale consideration to each element of the arrangement. The allocated sales consideration related to fuel cell systems and equipment, spare parts,

and hydrogen is recognized as revenue at shipment if title and risk of loss have passed to the customer, there is persuasive evidence of an arrangement, the sales price is fixed or determinable, collection of the related receivable is reasonably assured, and customer acceptance criteria, if any, have been successfully demonstrated. The allocated sales consideration related to installation, service, maintenance, and hydrogen delivery infrastructure is generally recognized as revenue when completed or on a straight-line basis over the term of the contract, as appropriate.

In the case of consignment sales, the Company does not begin recognizing revenue until the customer has accepted the product, at which time the risks and rewards of ownership have transferred, the price is fixed, and the Company has a reasonable expectation of collection upon billing.

The Company does not include a right of return on its products other than rights related to warranty provisions that permit repair or replacement of defective goods. The Company accrues for anticipated warranty costs at the same time that revenue is recognized for the related product.

Table of Contents

The Company has also sold extended warranty contracts that generally provide for a five to ten year warranty from the date of product installation. These types of contracts are accounted for as a separate deliverable, and accordingly, revenue generated from these transactions is deferred and recognized in income over the warranty period, generally on a straight-line basis. Additionally, the Company may enter into annual service and maintenance contracts that are billed monthly. Revenue generated from these transactions is recognized in income on a straight-line basis over the term of the contract.

At December 31, 2013 and 2012, the Company had unbilled amounts from product and service revenue in the amount of approximately \$184,000 and \$118,000, respectively, which is included in other current assets in the accompanying consolidated balance sheets. At December 31, 2013 and 2012, the Company had deferred product and service revenue in the amount of \$9.0 million and \$7.3 million, respectively.

Research and Development Contracts

Contract accounting is used for research and development contract revenue. The Company generally shares in the cost of these programs with cost sharing percentages generally ranging from 30% to 50% of total project costs. Revenue from time and material contracts is recognized on the basis of hours expended plus other reimbursable contract costs incurred during the period. All allowable work performed through the end of each calendar quarter is billed, subject to limitations in the respective contracts. We expect to continue research and development contract work that is directly related to our current product development efforts. At December 31, 2013 and 2012, the Company had unbilled amounts from research and development contract revenue in the amount of approximately \$111,000 and \$182,000, respectively and is included in other current assets in the accompanying consolidated balance sheets. Unbilled amounts at December 31, 2013 are expected to be billed during the first quarter of 2014.

Product Warranty Reserve

Our GenDrive products are generally sold with a one to two-year product warranty to customers that commences on the product installation date. We currently estimate the costs of satisfying warranty claims based on an analysis of past experience and provide for future claims in the period the revenue is recognized. The Company's product warranty reserve as of December 31, 2013 is approximately \$1.6 million and is included in product warranty reserve in the accompanying consolidated balance sheets. Included in this balance is approximately \$1.2 million related to specific GenDrive component quality issues that were identified during the year ended December 31, 2012.

Property, Plant and Equipment

Property, plant and equipment are originally recorded at cost. Maintenance and repairs are expensed as costs are incurred. Depreciation on plant and equipment, which includes depreciation on the Company's facility that is accounted for as a financing obligation (see Note 10, Finance Obligation), is calculated on the straight-line method over the estimated useful lives of the assets. The Company records depreciation and amortization over the following estimated useful lives:

Buildings	20 years
Building improvements	5 - 20 years
Software, machinery and equipment	1 - 15 years

Gains and losses resulting from the sale of property and equipment are recorded in current operations.

F-10

Table of Contents

Leased Property Under Capital Lease

Leased property under capital lease is stated at the present value of minimum lease payments. Amortization expense is recorded on a straight-line basis over 6 years, the shorter of the lease term and the estimated useful life of the asset. Amortization expense amounted to \$516,497 and \$129,122 for the years ended December 31, 2013 and December 31, 2012, respectively, and has been included in cost of service revenue in the accompanying consolidated statements of operations.

Impairment of Long-Lived Assets

Long-lived assets, such as property, plant, and equipment, and purchased intangibles subject to amortization, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated undiscounted future cash flows, an impairment charge is recognized by the amount by which the carrying amount of the asset exceeds the fair value of the asset. Fair value is determined through various valuation techniques, including discounted cash flow models, quoted market values and third party independent appraisals, as considered necessary. Assets to be disposed of would be separately presented in the consolidated balance sheet and reported at the lower of the carrying amount or fair value less costs to sell, and are no longer depreciated. The assets and liabilities of a disposal group classified as held for sale would be presented separately in the appropriate asset and liability sections of the consolidated balance sheet.

Common Stock Warrant Accounting

The Company accounts for common stock warrants in accordance with applicable accounting guidance provided in Accounting Standards Codification (ASC) Subtopic 815-40, *Derivatives and Hedging Contracts in Entity's Own Equity*, as either derivative liabilities or as equity instruments depending on the specific terms of the warrant agreement. In compliance with applicable securities law, registered common stock warrants that require the issuance of registered shares upon exercise and do not sufficiently preclude an implied right to cash settlement are accounted for as derivative liabilities. We classify these derivative warrant liabilities on the accompanying consolidated balance sheets as a long-term liability, which is revalued at each balance sheet date subsequent to the initial issuance using the Black-Scholes pricing model. The Black-Scholes pricing model, which is based, in part, upon unobservable inputs for which there is little or no market data, requires the Company to develop its own assumptions. Changes in the fair value of the warrants are reflected in the accompanying consolidated statements of operations as change in fair value of common stock warrant liability.

Income Taxes

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the period that includes the enactment date. A valuation allowance is recorded to reduce the carrying amounts of deferred tax assets if it is more likely than not that such assets will not be realized. We did not report a benefit for federal and state income taxes in the consolidated financial statements as the deferred tax asset generated from our net operating loss has been offset by a full valuation allowance because it is more likely than not that the tax benefits of the net operating loss carryforward will not be realized.

The Company accounts for uncertain tax positions in accordance with FASB ASC No. 740-10-25, *Income Taxes Overall Recognition*. The Company recognizes in its consolidated financial statements the impact of a tax position only if that position is more likely than not to be sustained on audit, based on the technical merits of the position.

Table of Contents

Foreign Currency Translation

Historically, foreign currency translation adjustments arose from conversion of the Company's foreign subsidiary's financial statements to U.S. dollars for reporting purposes, and were included in accumulated other comprehensive income (loss) in stockholders' (deficit) equity on the accompanying consolidated balance sheets. As of September 30, 2013, the functional currency of our last remaining foreign subsidiary, Plug Power Canada Inc., was changed to the U.S. dollar, therefore these translation adjustments will no longer occur. Transaction gains and losses resulting from the effect of exchange rate changes on transactions denominated in currencies other than the U.S. dollar give rise to realized foreign currency transaction gains and losses, and are included in interest and other expense in the accompanying consolidated statements of operations.

Research and Development

Costs incurred in research and development by the Company are expensed as incurred.

Joint Venture

The Company accounts for investments in joint ventures in which we have significant influence in accordance with applicable accounting guidance in ASC Subtopic 323-10, *Investments - Equity Method and Joint Ventures - Overall*. On February 29, 2012 we completed the formation of our joint venture with Axane, S.A., a subsidiary of Air Liquide, under the name HyPulsion (the JV). The principal purpose of the JV is to develop and sell hydrogen fuel cell systems for the European material handling market. Axane contributed cash at the closing and will make additional fixed cash contributions in 2013 and 2014 in exchange for an initial 55% ownership of the JV, subject to certain conditions. We have not contributed any cash to the JV and we are not obligated to contribute any cash. We contributed to the JV the right to use our technology, including design and technology know-how on GenDrive systems, in exchange for an initial 45% ownership of the JV.

On April 19, 2013 Axane purchased an additional 25% ownership interest in HyPulsion from the Company for a cash purchase price of \$3.3 million (Euro 2.5 million). We now own 20% and Axane owns 80% of HyPulsion, and we will share in 20% of the profits from the JV. The Company has the right to purchase an additional 60% of HyPulsion from Axane at any time between January 4, 2018 and January 29, 2018 at a formula price. If the Company exercises its purchase right, Axane will have the right, at any time between February 1, 2018 and December 31, 2021, to require the Company to buy the remaining 20% interest at a formula price.

In addition, the Company and HyPulsion also entered into an engineering service agreement under which, among other things, the Company will provide HyPulsion with engineering and technical services for a new fuel cell assembly line and manufacturing execution system. Under the service agreement, HyPulsion has paid the Company approximately \$659,000 (Euro 500,000) in the aggregate for services to be performed by the Company.

In accordance with the equity method of accounting, the Company will increase its investment in the JV by its share of any earnings, and decrease its investment in the JV by its share of any losses. Losses in excess of the investment must be restored from future profits before we can recognize our proportionate share of profits. As of December 31, 2013, the Company had a zero basis for its investment in the JV.

Redeemable Preferred Stock

On May 8, 2013, the Company entered into a Securities Purchase Agreement with Air Liquide, pursuant to which the Company agreed to issue and sell 10,431 shares of the Company's Series C Redeemable Convertible Preferred Stock,

par value \$0.01 per share, for an aggregate purchase price of approximately \$2.6 million (Euro 2 million) in cash, as more fully discussed in Note 5, Redeemable Preferred Stock. We account for preferred stock as temporary equity in accordance with applicable accounting guidance in Accounting Standards Codification (ASC) 480, *Distinguishing Liabilities from Equity*. Dividends on the redeemable preferred stock are accounted for as a reduction (increase) in the net income (loss) attributable to common shareholders.

F-12

Table of Contents***Stock-Based Compensation***

The Company maintains employee stock-based compensation plans, which are described more fully in Note 6, Employee Benefit Plans.

Stock-based compensation represents the cost related to stock-based awards granted to employees and directors. The Company measures stock-based compensation cost at grant date, based on the fair value of the award, and recognizes the cost as expense on a straight-line basis (net of estimated forfeitures) over the option's requisite service period.

The Company estimates the fair value of stock-based awards using a Black-Scholes valuation model. Stock-based compensation expense is recorded in Cost of product revenue, Cost of service revenue, Research and development expense and Selling, general and administrative expenses in the accompanying consolidated statements of operations based on the employees' respective function.

The Company records deferred tax assets for awards that result in deductions on the Company's income tax returns, based upon the amount of compensation cost recognized and the Company's statutory tax rate. Differences between the deferred tax assets recognized for financial reporting purposes and the actual tax deduction reported on the Company's income tax return are recorded in additional paid-in capital if the tax deduction exceeds the deferred tax asset or in the consolidated statements of operations if the deferred tax asset exceeds the tax deduction and no additional paid-in capital exists from previous awards. Excess tax benefits are recognized in the period in which the tax deduction is realized through a reduction of taxes payable. No tax benefit or expense for stock-based compensation has been recorded during the years ended December 31, 2013, 2012 and 2011 since the Company remains in a NOL position.

Per Share Amounts

Basic earnings per common share are computed by dividing net loss attributable to common shareholders by the weighted average number of common shares outstanding during the reporting period. Diluted earnings per share reflects the potential dilution that could occur if securities or other contracts to issue common stock (such as stock options, unvested restricted stock, common stock warrants, and preferred stock) were exercised or converted into common stock or resulted in the issuance of common stock (net of any assumed repurchases) that then shared in the earnings of the Company, if any. This is computed by dividing net earnings by the combination of dilutive common share equivalents, which is comprised of shares issuable under outstanding warrants, the conversion of preferred stock, and the Company's share-based compensation plans, and the weighted average number of common shares outstanding during the reporting period. Since the Company is in a net loss position, all common stock equivalents would be considered to be anti-dilutive and are, therefore, not included in the determination of diluted earnings per share. Accordingly, basic and diluted loss per share are the same.

The following table provides the components of the calculations of basic and diluted earnings per share:

	Year Ended December 31,		
	2013	2012	2011
Numerator:			
Net loss attributable to common shareholders	\$ (62,790,800)	\$ (31,862,454)	\$ (27,453,954)
Denominator:			
Weighted average number of common shares outstanding	76,436,408	34,376,427	18,778,066

F-13

Table of Contents

The dilutive potential common shares are summarized as follows:

	At December 31,		
	2013	2012	2011
Stock options outstanding	4,703,326	1,986,255	1,948,997
Restricted stock outstanding	650,002		280,771
Common stock warrants (1)	24,137,878	9,421,008	7,128,563
Preferred stock (2)	10,972,859		
Number of dilutive potential common shares	40,464,065	11,407,263	9,358,331

- (1) On May 31, 2011, the Company issued 7,128,563 warrants as part of an underwritten public offering. As a result of the March 28 and 29, 2012 and February 20 and 21, 2013 public offerings, the May 8, 2013 issuance of Series C redeemable convertible preferred stock, and the September 16, 2013 public offering described in Note 4, the number of warrants increased to 22,995,365 pursuant to the anti-dilution provisions of those warrants. Additionally, on February 20, 2013, the Company issued 23,637,500 warrants as part of an underwritten public offering. Of the warrants issued in these offerings, 22,494,987 were exercised as of December 31, 2013.
- (2) The preferred stock amount represents the dilutive potential common shares of the 10,431 shares of Series C redeemable convertible preferred stock issued on May 16, 2013.

Use of Estimates

The consolidated financial statements of the Company have been prepared in conformity with U.S. generally accepted accounting principles, which require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events

The Company evaluates subsequent events at the date of the balance sheet as well as conditions that arise after the balance sheet date but before the financial statements are issued. The effects of conditions that existed at the date of the balance sheet date are recognized in the financial statements. Events and conditions arising after the balance sheet date but before the financial statements are issued are evaluated to determine if disclosure is required to keep the financial statements from being misleading. To the extent such events and conditions exist, if any, disclosures are made regarding the nature of events and the estimated financial effects for those events and conditions.

Reclassifications

Certain reclassifications have been made to prior period financial statements to conform to the current period presentation. These reclassifications include separating what was previously presented as product and service revenue and cost of product and service revenue into separate product revenue and service revenue and cost of product revenue and cost of service revenue line items on the consolidated statements of operations. These reclassifications did not impact the results of operations or net cash flows in the periods presented.

Recent Accounting Pronouncements

There are no recently issued accounting standards with pending adoptions that the Company's management currently anticipates will have any material impact upon its financial statements.

F-14

Table of Contents**3. Inventory**

Inventory as of December 31, 2013 and December 31, 2012 consisted of the following:

	December 31, 2013	December 31, 2012
Raw materials and supplies	\$ 8,881,596	\$ 7,576,862
Work-in-process	219,327	314,321
Finished goods	1,305,397	659,274
	\$ 10,406,320	\$ 8,550,457

4. Stockholders Equity***Common Stock***

The Company has one class of common stock, par value \$.01 per share. Each share of the Company's common stock is entitled to one vote on all matters submitted to stockholders. There were 106,190,652 and 38,238,858 shares of common stock issued and outstanding as of December 31, 2013 and 2012, respectively.

Preferred Stock

The Company has authorized 5.0 million shares of preferred stock, par value \$.01 per share. The Company's certificate of incorporation provides that shares of preferred stock may be issued from time to time in one or more series. The Company's Board of Directors is authorized to fix the voting rights, if any, designations, powers, preferences, qualifications, limitations and restrictions thereof, applicable to the shares of each series.

The Company has registered Series A Junior Participating Cumulative Preferred Stock, par value \$.01 per share. As of December 31, 2013 and 2012, there were no shares of Series A Junior Participating Cumulative Preferred Stock issued and outstanding.

2013 Public Offerings

On September 16, 2013, the Company completed an underwritten public offering of 18,600,000 shares of common stock. The shares were sold at \$0.54 per share. Net proceeds, after underwriting discounts and commissions and other fees and expenses payable by Plug Power were \$9,151,221. The Company also sold an additional 2,790,000 shares of common stock at \$0.54 per share, pursuant to the underwriter's exercise of its over-allotment option in connection with the September 16, 2013 underwritten public offering, resulting in additional net proceeds to Plug Power of \$1,408,671. The total net proceeds from the September 2013 public offering to Plug Power were \$10,559,892.

On February 20, 2013, the Company completed an underwritten public offering of 18,910,000 shares of common stock and warrants to purchase an aggregate of 18,910,000 shares of common stock. The shares and warrants in the underwritten public offering were sold as a fixed combination, with each combination consisting of one share of common stock and one warrant to purchase one share of common stock at a price to the public of \$0.15 per fixed combination. The underwriter also purchased 2,836,500 warrants pursuant to the exercise of its over-allotment option. These warrants have an exercise price of \$0.15 per share, are immediately exercisable and will expire on February 20, 2018. The warrants are subject to weighted average anti-dilution provisions in the event of issuance of additional

shares of common stock and certain other conditions, as further described in the warrant agreement. Additionally, in the event of a sale of the Company, and under certain conditions, each warrant holder has the right to require the Company to purchase such holder's warrants at a price determined using a Black-Scholes option pricing model. The underwriter was also granted an additional 1,891,000 warrants at \$0.18 per share. These warrants are exercisable on February 13, 2014 and will expire on February 13, 2018. Net proceeds, after underwriting discounts and commissions and other fees and expenses payable by Plug Power, were \$1,948,766. On February 21, 2013, the Company sold 2,801,800 additional shares of common stock, pursuant to the underwriter's exercise of its overallotment option in connection with the public offering, resulting in additional net proceeds to the Company of approximately \$364,794. The total net proceeds from the February 2013 public offerings to Plug Power were \$2,313,560.

F-15

Table of Contents

2012 Public Offerings

On March 28, 2012, the Company completed an underwritten public offering of 13,000,000 shares of its common stock. The shares were sold at \$1.15 per share. Net proceeds, after underwriting discounts and commissions and other fees and expenses payable by Plug Power were \$13,704,745.

On March 29, 2012, the Company sold 1,950,000 additional shares of common stock at \$1.15 per share, pursuant to the underwriter's exercise of its over-allotment option in connection with the March 28, 2012 underwritten public offering, resulting in additional net proceeds to Plug Power of \$2,085,525.

2011 Public Offerings

On May 31, 2011, the Company completed an underwritten public offering of 8,265,000 shares of its common stock and warrants to purchase an aggregate of 7,128,563 shares of common stock (including warrants to purchase an aggregate of 929,813 shares of common stock purchased by the underwriter pursuant to the exercise of its over-allotment option). Net proceeds, after underwriting discounts and commissions and other fees and expenses payable by Plug Power, were \$18,289,883 (of this amount \$8,768,143 in fair value was recorded as common stock warrant liability at issuance date). The shares and the warrants were sold together as a fixed combination, with each combination consisting of one share of common stock and 0.75 of a warrant to purchase one share of common stock, at a price to the public of \$2.42 per fixed combination. The warrants are exercisable upon issuance and will expire on May 31, 2016. The exercise price of the warrants upon issuance was \$3.00 per share of common stock and is subject to weighted average anti-dilution provisions in the event of issuance of additional shares of common stock and certain other conditions, as further described in the warrant agreement. Additionally, in the event of a sale of the Company, and under certain conditions, each warrant holder has the right to require the Company to purchase such holder's warrants at a price determined using a Black-Scholes option pricing model. As a result of the March 28 and 29, 2012 public offerings and pursuant to the effect of the anti-dilution provisions, the exercise price of the warrants was reduced to \$2.27 per share of common stock. Simultaneously with the adjustment to the exercise price, the number of common stock shares that may be purchased upon exercise of the warrants was increased to 9,421,008 shares. As a result of the February 20 and 21, 2013 public offerings and pursuant to the effect of the anti-dilution provisions, the exercise price of the warrants was reduced to \$1.13 per share of common stock. Simultaneously with the adjustment to the exercise price, the number of common stock shares that may be purchased upon exercise was increased to 18,925,389 shares. As a result of the May 8, 2013 agreement to issue and sell Air Liquide 10,431 shares of Series C Redeemable Convertible Preferred Stock, and pursuant to the effect of the anti-dilution provisions, the exercise price of the warrants was reduced to \$1.03 per share of common stock. Simultaneously with the adjustment to the exercise price, the number of common stock shares that may be purchased upon exercise was increased to 20,762,805 shares. As a result of the September 16, 2013 public offering and pursuant to the effect of the anti-dilution provisions, the exercise price of the warrants was reduced to \$0.93 per share of common stock. Simultaneously with the adjustment to the exercise price, the number of common stock shares that may be purchased upon exercise of the warrants was increased to 22,995,365.

On June 8, 2011, the Company sold 836,750 additional shares of common stock, pursuant to the underwriter's partial exercise of its over-allotment option, resulting in additional net proceeds to Plug Power of \$1,874,990.

On July 1, 2011, the Company sold 231,000 additional shares of common stock, pursuant to the underwriter's partial exercise of its over-allotment option, resulting in additional net proceeds to Plug Power of \$527,626.

Table of Contents

5. Redeemable Preferred Stock

On May 8, 2013, the Company entered into a Securities Purchase Agreement (the "Purchase Agreement") with Air Liquide Investissements d'Avenir et de Demonstration ("Air Liquide"), pursuant to which the Company agreed to issue and sell to Air Liquide 10,431 shares of the Company's Series C Redeemable Convertible Preferred Stock, par value \$0.01 per share (the "Series C Preferred Stock"), for an original issue price of \$2,595,400 in cash. Net proceeds, after fees and expenses paid by the Company, were \$2,371,080.

Under the terms of the Purchase Agreement, for so long as Air Liquide holds any shares of Series C Preferred Stock, Air Liquide shall be entitled to designate one director to the Company's Board of Directors. In the event the Series C Preferred Stock is converted into shares of Common Stock and Air Liquide continues to hold at least 5% of the outstanding shares of Common Stock of the Company, or 50% of the shares of Common Stock held by Air Liquide on an as-converted basis immediately following the issuance of the Series C Preferred Stock, Air Liquide shall continue to be entitled to designate one director to the Company's Board of Directors. The Purchase Agreement also provides Air Liquide with the right to participate in certain future equity financings by the Company.

The Series C Preferred Stock will rank senior to the Common Stock with respect to rights upon the liquidation, dissolution or winding up of the Company. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Company, or other deemed liquidation event, as defined in the Securities Purchase Agreement, the holders of the Series C Preferred Stock will be entitled to be paid an amount per share equal to the greater of (i) the original issue price, plus any accrued but unpaid dividends or (ii) the amount per share that would have been payable had all shares of Series C Preferred Stock been converted to shares of common stock immediately prior to such liquidation event.

The Series C Preferred Stock will be entitled to receive dividends at a rate of 8% per annum, based on the original issue price of \$2,595,400, payable in equal quarterly installments in cash or in shares of Common Stock, at the Company's option. The Series C Preferred Stock will be convertible into shares of Common Stock, at a conversion price equal to \$0.248794 per share, at Air Liquide's option, (1) on or after May 8, 2014 or (2) upon any liquidation, dissolution or winding up of the Company, any sale, consolidation or merger of the Company resulting in a change of control, or any sale or other transfer of all or substantially all of the assets of the Company. The number of shares of common stock is determined by dividing the original issue price of \$2,595,400 by the conversion price in effect at the time the shares are converted.

The Series C Preferred Stock has weighted average anti-dilution protection. Therefore, the conversion price is subject to adjustment in the event the Company issues additional shares of common stock for a consideration per share less than the Series C conversion price in effect immediately prior to such issue. Upon this occurrence, the conversion price shall be reduced to a price determined in accordance with a prescribed formula. Accordingly, with the exercise of 16,096,400 warrants at \$0.15 occurring after the close of the redeemable preferred stock sale, the Series C Preferred Stock conversion price was adjusted from \$0.248794 per share to \$0.236529 per share.

The Series C Preferred Stock may not be redeemed by the Company until May 8, 2016. After this date, the Series C Preferred Stock may be redeemed by the holders of the Series C Preferred Stock or the Company. If redeemed by the holder, the redemption price will be equal to the Series C Original Issue Price per share, plus any accruing but unpaid dividends. If redeemed at the election of the Company, the redemption price for shares of Series C Preferred Stock shall be a per share price equal to the greater of (i) the Series C original issue price per share, plus any Series C accruing dividends accrued but unpaid thereon and (ii) the fair market value of a single share of Series C preferred stock as of the date of the redemption.

The Series C Preferred Stock will vote together with the Common Stock on an as-converted basis on all matters. The shares of Series C Preferred Stock were issued in a private placement exempt from registration pursuant to Section 4(2) of the Securities Act of 1933, as amended (the Securities Act).

F-17

Table of Contents**6. Employee Benefit Plans****Stock Option Plan*****2011 Stock Option and Incentive Plan***

On May 12, 2011, the Company's stockholders approved the 2011 Stock Option and Incentive Plan (the 2011 Plan). The 2011 Plan provides for the issuance of up to a maximum number of shares of common stock equal to the sum of (i) 1,000,000, plus (ii) the number of shares of common stock underlying any grants pursuant to the 2011 Plan or the Plug Power Inc. 1999 Stock Option and Incentive Plan that are forfeited, canceled, repurchased or are terminated (other than by exercise). The shares may be issued pursuant to stock options, stock appreciation rights, restricted stock awards and certain other equity-based awards granted to employees, directors and consultants of the Company. No grants may be made under the 2011 Plan after May 12, 2021. On May 16, 2012, the stockholders approved an amendment to the 2011 Plan, to increase the number of shares of the Company's common stock authorized for issuance under the 2011 Plan from 1.0 million to 6.5 million.

At December 31, 2013, there were approximately 4.7 million options granted and outstanding and 1.1 million options available to be issued under the 2011 Stock Option Plan. The 2011 Stock Option Plan permits the Company to: grant incentive stock options; grant non-qualified stock options; grant stock appreciation rights; issue or sell common stock with vesting or other restrictions, or without restrictions; grant rights to receive common stock in the future with or without vesting; grant common stock upon the attainment of specified performance goals; and grant dividend rights in respect of common stock. Options for employees issued under this plan generally vest in equal annual installments over three years and expire ten years after issuance. Options granted to members of the Board generally vest one year after issuance. To date, options granted under the 2011 Stock Option Plan have vesting provisions ranging from one to three years in duration and expire ten years after issuance.

Compensation cost associated with employee stock options represented approximately \$1,445,000 of the total share-based payment expense recorded for the year ended December 31, 2013. The Company estimates the fair value of stock options using a Black-Scholes valuation model, and the resulting fair value is recorded as compensation cost on a straight-line basis over the option vesting period. Key inputs and assumptions used to estimate the fair value of stock options include the grant price of the award, the expected option term, volatility of the Company's stock, an appropriate risk-free rate, and the Company's dividend yield. Estimates of fair value are not intended to predict actual future events or the value ultimately realized by employees who receive equity awards, and subsequent events are not indicative of the reasonableness of the original estimates of fair value made by the Company. The assumptions made for purposes of estimating fair value under the Black-Scholes model for the 3,090,900, 78,400 and 1,618,400 options granted during the years ended December 31, 2013, 2012 and 2011, respectively, were as follows:

	2013	2012	2011
Dividend yield:	0%	0%	0%
Expected term of options (years):	6	6	6
Risk free interest rate:	0.93%-1.70%	0.80%-1.16%	1.16%-2.61%
Volatility:	92%-107%	80%	74%-79%

The Company's estimate of an expected option term was calculated in accordance with the simplified method for calculating the expected term assumption. The estimated stock price volatility was derived from the Company's actual historic stock prices over the past six years, which represents the Company's best estimate of expected volatility.

A summary of stock option activity for the year December 31, 2013 is as follows:

F-18

Table of Contents

	Shares	Weighted Average Price	Weighted Average Remaining Contractual Terms	Aggregate Intrinsic Value
Options outstanding at December 31, 2012	1,986,255	\$ 8.95	7.9	\$
Granted	3,090,900	0.40	9.6	
Exercised				
Forfeited	(340,837)	6.41		
Expired	(32,992)	51.05		
Options outstanding at December 31, 2013	4,703,326	\$ 3.22	8.7	
Options exercisable at December 31, 2013	1,193,800	10.45	6.7	
Options unvested at December 31, 2013	3,509,526	\$ 0.77	9.4	\$ 2,751,453

The weighted average grant date fair value of options granted during the years ended December 31, 2013, 2012 and 2011 was \$0.32, \$0.83 and \$3.58, respectively. There were no stock options exercised during the year ended December 31, 2013. As of December 31, 2013, there was approximately \$1,437,000 of unrecognized compensation cost related to stock option awards to be recognized over the next three years. The total fair value of stock options that vested during the years ended December 31, 2013 and 2012 was approximately \$1,445,000 and \$1,407,000, respectively.

Restricted stock awards generally vest in equal installments over a period of one to three years. Restricted stock awards are valued based on the closing price of the Company's common stock on the date of grant, and compensation cost is recorded on a straight-line basis over the share vesting period. The Company recorded expense of approximately \$33,000 associated with its restricted stock awards in 2013. Additionally, as of December 31, 2013, there was \$207,000 of unrecognized compensation cost related to restricted stock awards to be recognized over the next three years.

A summary of restricted stock activity for the year ended December 31, 2013 is as follows:

	Shares	Aggregate Intrinsic Value
Unvested restricted stock at December 31, 2012		\$
Granted	683,336	1,059,171
Forfeited	(33,334)	(51,668)
Unvested restricted stock at December 31, 2013	650,002	\$ 1,007,503

For the years ended December 31, 2013, 2012, and 2011, the Company recorded expense of approximately \$2.2 million, \$2.0 million, and \$1.5 million respectively, in connection with its share based payment awards.

401(k) Savings & Retirement Plan

The Company offers a 401(k) Savings & Retirement Plan to eligible employees meeting certain age and service requirements. This plan permits participants to contribute 100% of their salary, up to the maximum allowable by the Internal Revenue Service regulations. Participants are immediately vested in their voluntary contributions plus actual

earnings or less actual losses thereon. Participants are vested in the Company's matching contribution based on years of service completed. Participants are fully vested upon completion of three years of service. During 2002, the Company began funding its matching contribution in common stock. Accordingly, the Company has issued 1,319,914, 403,579 and 133,748 shares of common stock to the Plug Power Inc. 401(k) Savings & Retirement Plan during 2013, 2012 and 2011, respectively.

The Company's expense for this plan, including the issuance of shares, was approximately \$371,000, \$436,000 and \$374,000 for years ended December 31, 2013, 2012 and 2011, respectively.

Table of Contents**7. Note Receivable**

On May 25, 2012, we executed a \$663,359 Promissory Note with Forem Energy Group, maturing on May 25, 2022. This note is unsecured and bears interest at an annual rate of 2.9%. Accordingly, receivables relating to this agreement in the amount \$509,945 and \$65,735 have been recorded as note receivable and current portion of note receivable (prepaid expenses and other current assets), respectively, in the accompanying consolidated balance sheet as of December 31, 2013, and \$570,697 and \$59,017 have been recorded as note receivable and current portion note receivable (prepaid expenses and other current assets), respectively, in the accompanying consolidated balance sheet as of December 31, 2012. The carrying amounts reported are considered to approximate fair value.

8. Property, Plant and Equipment

Property, plant and equipment at December 31, 2013 and 2012 consist of the following:

	December 31, 2013	December 31, 2012
Land	\$ 90,000	\$ 90,000
Buildings	15,332,232	15,332,232
Building improvements	4,923,827	4,939,283
Software, machinery and equipment	10,658,236	13,741,573
	31,004,295	34,103,088
Less accumulated depreciation	(25,726,628)	(27,394,851)
Property, plant, and equipment, net	\$ 5,277,667	\$ 6,708,237

Depreciation expense related to property, plant and equipment was \$1.4 million, \$1.9 million and \$2.1 million for the years ended December 31, 2013, 2012 and 2011, respectively.

9. Capital Lease

On October 1, 2012, the Company entered into an agreement under which it is providing a customer with 255 GenDrive units, service and maintenance of the units and daily delivery of hydrogen in exchange for a monthly utility payment tied to the amount of energy (kilograms of hydrogen) consumed each month. The agreement has an initial term of three years with an automatic three year renewal unless the customer terminates at the end of the initial 3 year term.

On December 28, 2012, Plug Power sold the 255 GenDrive units in use under the agreement to a third party and leased back the equipment to fulfill its obligations under the agreement or at other customer sites as agreed to by the owner/lessor. The transaction has been recorded by the Company as leased property under capital lease with a corresponding liability of obligations under capital lease on the consolidated balance sheets.

Future minimum capital lease payments as of December 31, 2014 are:

Table of Contents

Year ending December 31,	Capital leases
2014	\$ 815,184
2015	611,388
Total future minimum lease payments	\$ 1,426,572
Less amount representing interest (at 9.9%)	121,823
Present value of net minimum capital lease payments	1,304,749
Less current installments of obligations under capital leases	717,870
Obligations under capital leases, excluding current installments	\$ 586,879

Leased property under capital lease at December 31, 2013 and December 31, 2012 consists of the following:

	December 31,	December 31,
	2013	2012
Leased property under capital lease	\$ 3,098,921	\$ 3,098,921
Less accumulated depreciation	(645,609)	(129,122)
Leased property under capital lease, net	\$ 2,453,312	\$ 2,969,799

10. Finance Obligation

On March 27, 2013, the Company completed a sale-leaseback transaction of its property located at 968 Albany Shaker Road, Latham, New York, for an aggregate sale price of \$4,500,000, of which \$2,750,000 was received in cash at closing and \$1,750,000 is receivable with 5% annual interest, over 15 years in equal monthly installments of \$13,839. Although the property was sold and the Company has no legal ownership of the facility, the Company was prohibited from recording the transaction as a sale because of continuing involvement with the property. Accordingly, the sale has been accounted for as a financing transaction, which requires the Company to continue reporting the building as an asset and to record a financing obligation for the sale price. Liabilities relating to this agreement of \$2,492,330 and \$59,375 have been recorded as finance obligation and current portion finance obligation (other current liabilities), respectively, in the accompanying consolidated balance sheet as of December 31, 2013.

In connection with the sale-leaseback transaction, the Company also entered into an agreement with the buyer, pursuant to which the Company leases from the buyer a portion of the premises sold for a term of 15 years. The Company's remaining future minimum payments under the 15 year lease are as follows:

Year ending December 31, 2013	
2014	\$ 459,564
2015	459,564
2016	459,564
2017	459,564

Edgar Filing: PLUG POWER INC - Form 10-K/A

2018	483,132
Thereafter	4,795,976
Total future minimum financing obligation payments	7,117,364
Less interest	(2,825,497)
Present value of future minimum financing obligation payments	\$ 4,291,867

F-21

Table of Contents

As part of the terms of the transaction, the Company issued a standby letter of credit to the benefit of the landlord/lessor that can be drawn by the beneficiary in the event of default on the lease by Plug Power. The standby letter totals \$500,000 and is 100% collateralized by cash balances of the Company. The standby letter is renewable for a period of ten years and can be cancelled in part or in full if certain covenants are met and maintained by the Company. Accordingly, as of December 31, 2013, \$500,000 has been recorded to restricted cash in the accompanying consolidated balance sheet.

11. Loan and Security Agreement

At December 31, 2012, the Company was a party to a loan and security agreement, as amended, with Silicon Valley Bank, or SVB, providing us with access to up to \$15.0 million of financing in the form of revolving loans, letters of credit, foreign exchange contracts and cash management services. The Loan Agreement expired on March 29, 2013. As of December 31, 2012, \$3.4 million was outstanding under the loan agreement. This amount was subsequently paid in full in January, 2013.

In September 2011, the Company signed a letter of credit with SVB in the amount of \$525,000. The standby letter of credit is required by the agreement negotiated between Air Products and Chemicals, Inc., or Air Products, and us to supply hydrogen infrastructure and hydrogen to Central Grocers at their distribution center. There are no collateral requirements associated with this letter of credit.

12. Intangible Assets

Intangible assets, consisting of acquired technology and customer relationships, are amortized using the straight-line method over their useful lives of eight years.

The gross carrying amount and accumulated amortization of the Company's acquired identifiable intangible assets as of December 31, 2013 are as follows:

	Weighted Average Amortization Period	Gross Carrying Amount	Accumulated Amortization	Total
Acquired Technology	8 years	\$ 17,036,835	\$ (14,301,907)	\$ 2,734,928
Customer Relationships	8 years	1,000,000	(833,333)	166,667
		\$ 18,036,835	\$ (15,135,240)	\$ 2,901,595

The gross carrying amount and accumulated amortization of the Company's acquired identifiable intangible assets as of December 31, 2012 are as follows:

	Weighted Average Amortization Period	Gross Carrying Amount	Accumulated Amortization	Total
Acquired Technology	8 years	\$ 17,134,953	\$ (12,156,049)	\$ 4,978,904
Customer Relationships	8 years	1,000,000	(708,333)	291,667
		\$ 18,134,953	\$ (12,864,382)	\$ 5,270,571

The change in the gross carrying amount of the acquired technology from December 31, 2012 to December 31, 2013 is due to changes in foreign exchange rates.

F-22

Table of Contents

Amortization expense for acquired identifiable intangible assets for the years ended December 31, 2013, 2012, and 2011 was \$2.3 million, \$2.3 million, and \$2.3 million, respectively. Estimated amortization expense for subsequent years is as follows:

2014	\$ 2,263,776
2015	637,819
Total	\$ 2,901,595

13. Accrued Expenses

Accrued expenses at December 31, 2013 and 2012 consist of:

	2013	2012
Accrued payroll and compensation related costs	\$ 1,531,175	\$ 708,495
Accrued dealer commissions and customer rebates	235,690	1,097,498
Other accrued liabilities	1,301,909	2,022,052
Total	\$ 3,068,774	\$ 3,828,045

14. Fair Value Measurements

The Company complies with the provisions of FASB ASC No. 820, *Fair Value Measurements and Disclosures* (ASC 820), in measuring fair value and in disclosing fair value measurements. ASC 820 defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements required under other accounting pronouncements. FASB ASC No. 820-10-35, *Fair Value Measurements and Disclosures- Subsequent Measurement* (ASC 820-10-35), clarifies that fair value is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. ASC 820-10-35-3 also requires that a fair value measurement reflect the assumptions market participants would use in pricing an asset or liability based on the best information available. Assumptions include the risks inherent in a particular valuation technique (such as a pricing model) and/or the risks inherent in the inputs to the model.

ASC 820-10-35 discusses valuation techniques, such as the market approach (comparable market prices), the income approach (present value of future income or cash flow), and the cost approach (cost to replace the service capacity of an asset or replacement cost). The statement utilizes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. The following is a brief description of those three levels:

Level 1 Level 1 inputs are unadjusted quoted prices in active markets for assets or liabilities identical to those to be reported at fair value. An active market is a market in which transactions occur for the item to be fair valued with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 Level 2 inputs are inputs other than quoted prices included within Level 1. Level 2 inputs are observable either directly or indirectly. These inputs include: (a) Quoted prices for similar assets or liabilities in active markets; (b) Quoted prices for identical or similar assets or liabilities in markets that are not active, such as when there are few

transactions for the asset or liability, the prices are not current, price quotations vary substantially over time or in which little information is released publicly; (c) Inputs other than quoted prices that are observable for the asset or liability; and (d) Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 Level 3 inputs are unobservable inputs for an asset or liability. These inputs should be used to determine fair value only when observable inputs are not available. Unobservable inputs should be developed based on the best information available in the circumstances, which might include internally generated data and assumptions being used to price the asset or liability.

Table of Contents

When determining the fair value measurements for assets or liabilities required or permitted to be recorded at and/or marked to fair value, the Company considers the principal or most advantageous market in which it would transact and considers assumptions that market participants would use when pricing the asset or liability. When possible, the Company looks to active and observable markets to price identical assets. When identical assets are not traded in active markets, the Company looks to market observable data for similar assets. Nevertheless, certain assets are not actively traded in observable markets and the Company must use alternative valuation techniques to derive a fair value measurement.

The following tables summarize the basis used to measure certain financial assets at fair value on a recurring basis in the consolidated balance sheets:

Basis of Fair Value Measurements

		Quoted Prices in Active Markets for Identical Items (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
Balance at December 31, 2013	Total			
Common stock warrant liability	\$ 28,829,849	\$	\$	\$ 28,829,849

		Quoted Prices in Active Markets for Identical Items (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
Balance at December 31, 2012	Total			
Common stock warrant liability	\$ 475,825	\$	\$	\$ 475,825

The following tables show reconciliations of the beginning and ending balances for assets measured at fair value on a recurring basis using significant unobservable inputs (i.e. Level 3):

	Fair Value Measurement Using Significant Unobservable Inputs
Common stock warrant liability	
Beginning of period - January 1, 2013	\$ 475,825
Change in fair value of common stock warrants	37,101,818
Issuance of common stock warrants	2,451,028
Exercise of common stock warrants	(11,198,822)
Fair value of common stock warrant liability at December 31, 2013	\$ 28,829,849

	Fair Value Measurement Using Significant Unobservable Inputs
Common stock warrant liability	
Beginning of period - January 1, 2012	\$ 5,320,990
Change in fair value of common stock warrants	(4,845,165)
Fair value of common stock warrant liability at December 31, 2012	\$ 475,825

F-24

Table of Contents

The following summarizes the valuation technique for assets measured and recorded at fair value:

Common stock warrant liability (Level 3): For our common stock warrants, fair value is based on the Black-Scholes pricing model which is based, in part, upon unobservable inputs for which there is little or no market data, requiring the Company to develop its own assumptions.

The Company used the following assumptions for its common stock warrants issued on May 31, 2011. The risk-free interest rate for May 31, 2011 (issuance date), December 31, 2012, and December 31, 2013 was 0.75%, 0.31% and 0.52%, respectively. The volatility of the market price of the Company's common stock for May 31, 2011, December 31, 2012 and December 31, 2013 was 94.4%, 73.5%, and 119.3%, respectively. The expected average term of the warrant used for all periods was 2.4 years.

The Company used the following assumptions for its common stock warrants issued on February 20, 2013. The risk-free interest rate for February 20, 2013 (issuance date) and December 31, 2013 was 0.85% and 1.14%, respectively. The volatility of the market price of the Company's common stock for February 20, 2013 and December 31, 2013 was 102.0% and 99.0%, respectively. The expected average term of the warrant used for February 20, 2013 and December 31, 2013 were 5.0 years and 4.1 years, respectively.

There was no expected dividend yield for the warrants granted. If factors change and different assumptions are used, the warrant liability and the change in estimated fair value could be materially different. Generally, as the market price of our common stock increases, the fair value of the warrant increases, and conversely, as the market price of our common stock decreases, the fair value of the warrant decreases. Also, a significant increase in the volatility of the market price of the Company's common stock, in isolation, would result in a significantly higher fair value measurement; and a significant decrease in volatility would result in a significantly lower fair value measurement.

15. Income Taxes

The components of loss before income taxes and the provision for income taxes for the years ended December 31, 2013, 2012 and 2011 are as follows:

	2013	2012	2011	
Loss before income taxes:				
United States	\$ (61,730,000)	\$ (30,399,000)	\$ (25,483,000)	
Foreign	(1,350,000)	(1,463,000)	(1,971,000)	
	\$ (63,080,000)	\$ (31,862,000)	\$ (27,454,000)	
		2013	2012	2011
Income tax benefit				
United States		\$	\$	\$
Foreign		(410,000)		
		\$ (410,000)	\$	\$

The significant components of U.S. deferred income tax expense (benefit) for the years ended December 31, 2013, 2012 and 2011 are as follows:

F-25

Table of Contents

	2013	2012	2011
Deferred tax (benefit) expense	\$ (3,209,000)	\$ 10,661,000	\$ 17,774,000
Net operating loss carryforward (generated) expired	(6,536,000)	26,924,000	187,597,000
Valuation allowance increase (decrease)	9,745,000	(37,585,000)	(205,371,000)
Provision for Income taxes	\$	\$	\$

The significant components of foreign deferred income tax expense (benefit) for the years ended December 31, 2013, 2012 and 2011 are as follows:

	2013	2012	2011
Deferred tax expense (benefit)	\$ 1,406,000	\$ (1,041,000)	\$ (1,268,000)
Net operating loss carryforward expired (generated)	(15,000)	(79,000)	496,000
Valuation allowance (decrease) increase	(1,391,000)	1,120,000	772,000
Provision for Income taxes	\$	\$	\$

The Company's effective income tax rate differed from the federal statutory rate as follows:

	2013	2012	2011
U.S. Federal statutory tax rate	(35.0%)	(35.0%)	(35.0%)
Deferred state taxes, net of federal benefit	(1.3%)	(3.3%)	(3.1%)
Common stock warrant liability	20.6%	(5.3%)	(4.4%)
Gain on Hypulsion transaction	(1.8%)	0.0%	0.0%
Other, net	0.1%	0.1%	0.6%
Change to uncertain tax positions	(1.3%)	(1.6%)	(57.5%)
Foreign tax rate differential	0.2%	0.5%	0.8%
Expiring attribute carryforward	2.2%	0.0%	5.4%
Adjustments to open deferred tax balance	(0.3%)	(5.8%)	(1.7%)
Writeoff of tax attributes due to imposition of Section 382 limitation	1.5%	165.7%	840.9%
Tax credits	0.0%	0.0%	(0.3%)
Change in valuation allowance	14.5%	(115.3%)	(745.7%)
	(0.6%)	0.0%	0.0%

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of certain assets and liabilities for financial reporting and the amounts used for income tax purposes. Significant components of the Company's deferred tax assets and liabilities as of December 31, 2013 and 2012 are as follows:

U.S.	Foreign
Years ended December 31,	Years ended December 31,

Edgar Filing: PLUG POWER INC - Form 10-K/A

	2013	2012	2013	2012
Intangible assets	\$ 59,000	\$ 130,000	\$ 999,000	\$ 694,000
Deferred revenue	3,425,000	2,779,000		
Other reserves and accruals	1,253,000	1,621,000		
Tax credit carryforwards			84,000	1,569,000
Property, plant and equipment	1,450,000	1,541,000	504,000	541,000
Amortization of stock-based compensation	9,183,000	8,495,000		
Capitalized research & development expenditures	13,775,000	15,846,000	5,195,000	5,384,000
Net operating loss carryforwards	9,883,000	3,347,000	3,556,000	3,541,000
Total deferred tax asset	39,028,000	33,759,000	10,338,000	11,729,000
Valuation allowance	(26,746,000)	(17,001,000)	(10,338,000)	(11,729,000)
Net deferred tax assets	\$ 12,282,000	\$ 16,758,000	\$	\$
Non-employee stock based compensation	(1,556,000)	(1,556,000)		
Section 382 recognized built in loss	(10,726,000)	(15,202,000)		
Net deferred tax liability	\$ (12,282,000)	\$ (16,758,000)	\$	\$
Net	\$	\$	\$	\$

F-26

Table of Contents

The Company has recorded a valuation allowance, as a result of uncertainties related to the realization of its net deferred tax asset, at December 31, 2013 and 2012 of approximately \$37.0 million and \$28.7 million, respectively. A reconciliation of the current year change in valuation allowance is as follows:

	Total	U.S.	Foreign
Increase in valuation allowance for current year increase in net operating losses:	\$ 6,529,000	\$ 6,536,000	\$ (7,000)
Increase in valuation allowance for current year net increase in deferred tax assets other than net operating losses:	3,587,000	3,209,000	378,000
Decrease in valuation allowance as a result of foreign currency fluctuation	(798,000)		(798,000)
Decrease in valuation allowance as a result of tax attribute expiration	(1,478,000)		(1,478,000)
Increase in valuation allowance due to current year change of deferred tax assets as the result of uncertain tax positions.	514,000		514,000
Net increase (decrease) in valuation allowance	\$ 8,354,000	\$ 9,745,000	\$ (1,391,000)

The deferred tax assets have been offset by a full valuation allowance because it is more likely than not that the tax benefits of the net operating loss carryforwards and other deferred tax assets may not be realized. Included in the valuation allowance at December 31, 2013 and December 31, 2012 are \$0.1 million of deferred tax assets resulting from the exercise of employee stock options, which upon subsequent realization of the tax benefits, will be allocated directly to paid-in capital.

Before the imposition of IRC Section 382 limitations described below, at December 31, 2013, the Company has unused federal and state net operating loss carryforwards of approximately \$741 million, of which \$117 million was generated from the operations of acquired companies prior to the dates of acquisition and \$624 million was generated by the Company subsequent to the acquisition dates and through December 31, 2013. The net operating loss carryforwards if unused will expire at various dates from 2017 through 2033.

Under Internal Revenue Code (IRC) Section 382, the use of loss carryforwards may be limited if a change in ownership of a company occurs. If it is determined that due to transactions involving the Company's shares owned by its 5 percent shareholders a change of ownership has occurred under the provisions of IRC Section 382, the Company's federal and state net operating loss carryforwards could be subject to significant IRC Section 382 limitations.

Based upon IRC Section 382 studies, Section 382 ownership changes occurred in 2013, 2012 and 2011 that resulted in \$728 million of the Company's \$741 million of federal and state net operating loss carryforwards being subject to IRC Section 382 limitations. As a result of IRC Section 382 limitations, \$715 million of the \$728 million net operating loss carryforwards that are limited will expire prior to utilization. As a result of the IRC Section 382 limitations these net operating loss carryforwards that will expire unutilized are not reflected in the Company's gross deferred tax asset as of December 31, 2013.

The ownership changes also resulted in net unrealized built in losses per IRS Notice 2003-65 which should result in recognized built in losses during the five year recognition period of approximately \$40.7 million. This will translate into unfavorable book to tax add backs in the Company's 2013 to 2018 U.S. corporate income tax returns that resulted in a gross deferred tax liability of \$10.7 million at December 31, 2013 with a corresponding reduction to the valuation allowance. This gross deferred tax liability will offset certain existing gross deferred tax assets (i.e. capitalized research expense). This has no impact on the Company's current financial position, results of operations, or cash flows

because of the full valuation allowance.

IRC Section 382 also limits the ability for a Company to utilize research credit carryforwards. Approximately \$15.6 million of research credit carryforwards are subject to IRC Section 382 limitations and as a result of the IRC Section 382 limitations, the entire \$15.6 million will expire prior to utilization.

At December 31, 2013, the Company has unused foreign net operating loss carryforwards of approximately \$16.6 million. The net operating loss carryforwards if unused will expire at various dates from 2014 through 2031. At December 31, 2013, the Company has scientific research and experimental development expenditures of \$20.8 million available to offset future taxable income. These expenditures have no expiry date. At December 31, 2013, the Company has Canadian ITC credit carryforwards of \$0.5 million available to offset future income tax. These credit carryforwards if unused will expire at various dates from 2014 through 2025. Approximately \$2.3 million of the foreign net operating loss carryforwards and \$0.4 million of the Canadian ITC credit carryforwards represent unrecognized tax benefits and are therefore, not reflected in the Company's deferred tax asset as of December 31, 2013.

F-27

Table of Contents

As of December 31, 2013, the Company has no un-repatriated foreign earnings.

A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows:

	2013	2012	2011
Unrecognized tax benefits balance at beginning of year	\$ 1,579,000	\$ 2,046,000	\$ 17,893,000
Reductions for tax positions of prior years	(471,000)	(503,000)	(15,875,000)
Currency Translation	(75,000)	36,000	28,000
Unrecognized tax benefits balance at end of year	\$ 1,033,000	\$ 1,579,000	\$ 2,046,000

The Company recognizes accrued interest and penalties related to unrecognized tax benefits as a component of income tax expense. During the year ended December 31, 2013 the company recognized a \$0.4 million benefit due to a reduction in interest and penalties as a result of the expiration of the associated statute of limitations. The company had \$0.8 million and \$1.2 million of interest and penalties accrued at December 31, 2013 and December 31, 2012, respectively.

The Company files income tax returns in the U.S. federal jurisdiction and various state and foreign jurisdictions. In the normal course of business the company is subject to examination by taxing authorities. Open tax years in the U.S. range from 2010 to 2013, and open tax years in foreign jurisdictions range from 2006 to 2013. However, upon examination in subsequent years, if net operating losses carryforwards and tax credit carryforwards are utilized, the U.S. and foreign jurisdictions can reduce net operating loss carryforwards and tax credit carryforwards utilized in the year being examined if they do not agree with the carryforward amount. As of December 31, 2013, the Company was not under audit in the U.S. or non-U.S. taxing jurisdictions. No significant changes to the amount of unrecognized tax benefits are anticipated within the next twelve months.

16. Warranty Reserve

Our GenDrive products are generally sold with a one to two-year product warranty that commences on the product installation date. The Company currently estimates the costs of satisfying warranty claims based on an analysis of past experience and provide for future claims in the period the revenue is recognized. Factors that affect the warranty liability include the number of installed units, estimated material costs, estimated travel, and labor costs. During the year ended December 31, 2012, the Company adjusted the reserve for additional warranty claims arising from GenDrive component quality issues that were identified during the year. These were isolated quality issues that were identified in GenDrive units that are currently being used at customer sites. These units are in the process of being retro-fitted with replacement components that will improve the reliability of the GenDrive products for customers.

The following table summarizes product warranty activity recorded during the year ended December 31, 2013 and 2012:

	December 31, 2013	December 31, 2012
Beginning balance - January 1	\$ 2,671,409	\$ 1,210,909
Additions for current year deliveries	970,775	996,439
Reductions for payments made	(2,034,053)	(2,809,263)

Edgar Filing: PLUG POWER INC - Form 10-K/A

Reserve Adjustment 3,273,324

Ending balance - December 31 \$ 1,608,131 \$ 2,671,409

F-28

Table of Contents**17. Commitments and Contingencies*****Operating Leases***

As of December 31, 2013 and 2012, the Company has several non-cancelable operating leases, primarily for hydrogen infrastructure and fork lift trucks that expire over the next five years. Minimum rent payments under operating leases are recognized on a straight-line basis over the term of the lease.

Future minimum lease payments under non-cancelable operating leases (with initial or remaining lease terms in excess of one year) as of December 31, 2013 are:

Year ending December 31,	Operating leases
2014	\$ 463,652
2015	452,735
2016	451,011
2017	447,564
2018 and thereafter	959,455
Total future minimum lease payments	\$ 2,774,417

Rental expense and rental income for all operating leases for the years ended December 31, 2013, and 2012 were as follows:

	2013	2012
Minimum rentals	\$ 769,000	\$ 764,000
Sublease rental income	(76,104)	(215,141)
	\$ 692,896	\$ 548,859

Litigation

In May 2012, Sorooof Trading Development Company Ltd., or Sorooof, filed two claims against the Company, GE Microgen, Inc., or GEM, and General Electric Company, or GE, alleging breach of a distributor agreement and seeking damages of \$3 million. The Company, GEM and GE, are party to an agreement under which Plug Power agreed to indemnify such parties for up to \$1 million of certain losses related to the Sorooof distributor agreement. On September 24, 2008, GE made a claim for indemnification against the Company under this agreement for all losses it may suffer as a result of the Sorooof dispute. To the extent that the dispute results in an adverse outcome for the Company or for any of the parties Plug Power has agreed to indemnify, the Company could suffer financially as a result of the damages we would have to pay.

Alliances and development agreements

General Electric Company (GE) Entities: On February 27, 2006, the Company, GE MicroGen, Inc., and GE restructured their service and equity relationships by terminating the joint venture and the associated distributor and

other agreements, and entering into a new development collaboration agreement. Under this agreement, the Company and GE (through its Global Research unit) agreed to collaborate on programs including, but not limited to, development of tools, materials and components that can be applied to various types of fuel cell products. The Company and GE mutually agreed to extend the terms of the development collaboration agreement such that the Company was obligated to purchase \$1 million of services from GE in connection with this collaboration prior to December 31, 2009. As of December 31, 2009, the approximately \$363,000 obligation remaining under the extended development collaboration agreement became due and payable; however, the Company and GE d/b/a GE Global Research entered into a Lease Agreement dated October 6, 2009 for space in the Company's Latham, New York facility whereby the parties mutually agreed that pursuant to section 4 of the Lease Agreement the amount owed by the Company to GE under the development collaboration agreement would be offset by the rent owed by GE to the Company each month. The development collaboration agreement is scheduled to terminate on the earlier of (i) December 31, 2014 or (ii) upon the completion of a certain level of program activity. As of December 31, 2013 and 2012, approximately \$0 and \$11,000, respectively, have been recorded as accrued expenses in the accompanying consolidated balance sheets related to the development collaboration agreement.

Concentrations of credit risk

Concentrations of credit risk with respect to receivables exist due to the limited number of select customers that the Company has initial commercial sales arrangements with and government agencies. To mitigate credit risk, the Company performs appropriate evaluation of a prospective customer's financial condition.

Table of Contents

At December 31, 2013, five customers comprise approximately 78.3% of the total accounts receivable balance, with each customer individually representing 30.8%, 26.9%, 10.2%, 5.8% and 4.6% of total accounts receivable, respectively. At December 31, 2012, four customers comprise approximately 82.2% of the total accounts receivable balance, with each customer individually representing 63.1%, 7.7%, 6.3%, and 5.1% of total accounts receivable, respectively.

For the year ended December 31, 2013, contracts with three customers comprised 33.2% of total consolidated revenues, with each customer individually representing 11.6%, 11.2% and 10.4% of total consolidated revenues, respectively. For the year ended December 31, 2012, contracts with two customers comprised 43.1% of total consolidated revenues, with each customer individually representing 27.7%, and 15.4% of total consolidated revenues, respectively.

Employment Agreements

The Company is party to employment agreements with certain executives which provide for compensation and certain other benefits. The agreements also provide for severance payments under certain circumstances.

Hydrogen Payment Agreement

Pursuant to the agreement negotiated between Air Products and the Company to supply hydrogen infrastructure and hydrogen to Central Grocers at their distribution center, the Company has an obligation to purchase hydrogen from and pay a monthly service charge of \$23,300 for hydrogen infrastructure to Air Products for the full term of the contract, which expires on March 19, 2019. Amendment No. 1 to the Hydrogen Payment Agreement became effective April 1, 2010 and increased the monthly service charge to \$25,971 to accommodate for the addition of two dispensers and associated piping. Amendment No. 2 to the Hydrogen Payment Agreement became effective December 1, 2010 and increased the monthly service charge to \$27,297.

Pursuant to an agreement negotiated between Linde LLC, (Linde), and the Company to supply hydrogen infrastructure and hydrogen to a customer under a Power Purchase Agreement, the Company has an obligation to purchase hydrogen, and pay a monthly service charge of \$10,000 for hydrogen infrastructure to Linde for the full term of the contract, which expires on July 31, 2022. Under the terms of this agreement, the Company also has an obligation for the maintenance of the hydrogen infrastructure for a monthly service charge of \$4,500.

18. Supplemental Disclosures of Cash Flow Information

The following represents required supplemental disclosures of cash flow information and non-cash financing and investing activities which occurred during the years ended December 31, 2013, 2012 and 2011:

	2013	2012	2011
Stock-based compensation accrual impact, net	\$ (31,378)	\$ (10,687)	\$ 395,257
Change in unrealized loss/gain on available for sale securities			18,502
Cash paid for interest	474,716	255,896	12,634
Transfer of investment in leased property to inventory			253,786

19. Geographic Information

The United States was the physical location of all revenue generated for the years ended December 31, 2013, 2012 and 2011.

Long-lived assets, representing the sum of net book value of property, plant, and equipment, net book value of leased property under capital leases, restricted cash, note receivable, and net book value of intangible assets, based on physical location as of December 31, 2013 and 2012, are as follows:

F-30

Table of Contents

	2013	2012
United States	\$ 9,890,924	\$ 12,261,233
Canada	1,751,595	3,258,071
Total	\$ 11,642,519	\$ 15,519,304

20. Unaudited Quarterly Financial Data (in thousands, except per share data)

	Quarters ended			
	March 31, 2013	June 30, 2013	September 30, 2013	December 31, 2013
Product revenue	\$ 4,672	\$ 5,581	\$ 2,535	\$ 5,658
Service revenue	1,373	1,549	1,630	2,107
Research and development contract revenue	400	368	462	267
Net loss attributable to common shareholders	(8,576)	(9,338)	(15,948)	(28,929)
Loss per share:				
Basic and Diluted	(0.18)	(0.14)	(0.19)	(0.28)

	Quarters ended			
	March 31, 2012	June 30, 2012	September 30, 2012	December 31, 2012
Product revenue	\$ 6,572	\$ 6,244	\$ 3,418	\$ 4,558
Service revenue	665	957	855	1,138
Research and development contract revenue	515	458	502	226
Net loss attributable to common shareholders	(6,583)	(6,480)	(10,325)	(8,474)
Loss per share:				
Basic and Diluted	(0.28)	(0.17)	(0.27)	(0.22)