

PLUG POWER INC  
Form 10-K/A  
April 30, 2013

**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, 2012**

**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)**

|  |                               |
|--|-------------------------------|
| <b>Delaware</b>                          | <b>22-3672377</b>             |
| <b>(State or Other Jurisdiction</b>      | <b>(I.R.S. Identification</b> |
| <b>of Incorporation or Organization)</b> | <b>Number)</b>                |

**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:**

| <b>Title of Each Class</b>  | <b>Name of Each Exchange on Which Registered</b> |
|---|--|
| 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**

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 |
| <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/>  |

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, 2012 was \$25,274,021.

As of March 22, 2013, 63,799,068 shares of the registrant's common stock were issued and outstanding.

#### **DOCUMENTS INCORPORATED BY REFERENCE**

None.



**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, 2012 which was originally filed on April 1, 2013 (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 (“SEC”). Our definitive proxy statement for our 2013 Annual Meeting of Stockholders will not be filed with the SEC within 120 days after the end of our fiscal year December 31, 2012; 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 Financial and 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.



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**PART III**

**ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE**

(a) DIRECTORS

The number of directors of the Company is presently fixed at nine (9), and the Board of Directors currently consists of nine (9) members. The Board of Directors is divided into three classes, with three (3) directors in Class I, three (3) 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, Miroshnichenko, Rasskazov and Roth 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; however, if the position of Chairman of the Board is vacant, or if he or she is absent, the Chief Executive Officer shall preside, 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 the each director is based on information furnished to the Company by each director and is as of January 31, 2013.





| <b>Name</b>                        | <b>Age</b> | <b>Director Since</b> |
|------------------------------------|------------|-----------------------|
| <b>Class I—Term Expires 2015</b>   |            |                       |
| Andrew Marsh                       | 56         | 2008                  |
| Gary K. Willis (1)(2)              | 67         | 2003                  |
| Maureen O. Helmer (1)(3)           | 56         | 2004                  |
| <b>Class II—Term Expires 2013</b>  |            |                       |
| George C. McNamee (2)              | 66         | 1997                  |
| Evgeny Rasskazov                   | 28         | 2011                  |
| Johannes M. Roth                   | 34         | 2013                  |
| <b>Class III—Term Expires 2014</b> |            |                       |
| Larry G. Garberding (1)(3)         | 74         | 1997                  |
| Douglas T. Hickey (1)(2)(3)        | 57         | 2011                  |
| Evgeny Miroshnichenko              | 32         | 2011                  |

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(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.

*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.

*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 is currently a director of Altarum Institute, a non-profit research and innovations institute and Intermap Technologies Corporation, a digital mapping company. 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 most recently was Managing Director at Hummer Winblad Venture Partners (HWVP), one of the nation's leading software venture capital firms. Prior to joining HWVP in 2001, Mr. Hickey served as CEO for Critical Path, Inc. During his time here, the Company grew revenue from less than \$1M to more than \$150M and earned Forbes.com Number-One Fastest Growing Company Award in 2000. Mr. Hickey previously held the CEO and President position for Global Center Inc. Here, he grew the Company revenue from zero to more than \$50M of recurring revenue and achieved profitability. His focus of 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 company revenues.

*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.

*Evgeny Rasskazov* has been a director since October 2011. Mr. Rasskazov is the Head of Department for target capital structure for INTER RAO UES (the “Group”). He is responsible for the Group’s projects and initiatives in equity capital markets, optimization of the Group’s capital structure and management of equity participations in the asset portfolio. Mr. Rasskazov has extensive experience in investment banking and corporate finance projects, developed through positions held previously in global investment banking firms Merrill Lynch and Barclays Capital. We believe Mr. Rasskazov’s qualifications to sit on our Board include his experience with corporate financing and investment banking as well as his background in equity capital markets. Mr. Rasskazov’s term will expire at the 2013 Annual Meeting, and he has not been nominated for re-election at the Annual Meeting. Mr. Rasskazov will continue to serve on the Board until the Annual Meeting.

*Johannes M. Roth* has been a director since April 2013. Mr. Roth is the founder and Managing Director of FiveT Capital Holding AG, an investment holding company based in Switzerland with businesses specializing in asset management, risk management and alternative investments. Mr. Roth is also a Portfolio Manager and Managing Director at 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 investment management and equity capital markets and his experience in management positions.

## **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.

Five Form 4s were filed late on April 20, 2011 for each of the Officers of the Company to account for stock option grants issued pursuant to the Plug Power 1999 Stock Option and Incentive Plan and the Executive Incentive Plan as amended July 30, 2008 and as approved by the Board of Directors on February 8, 2010. Four Form 4s were filed late on September 20, 2011 for each of the then appointed Directors of the Company to account for stock option grants issued pursuant to the 2011 Stock Option and Incentive Plan. Two Form 3s were filed late for Evgeny Miroshnichenko and Evgeny Rasskazov on October 26, 2011 once they were each established as a Section 16 Person. One Form 4 for Larry Garberding was filed late on December 9, 2011 to account for a sale shares. Five Form 4s were filed late on December 13, 2011 for each of the Officers of the Company to account for stock option grants issued pursuant to the Plug Power 2011 Stock Option and Incentive Plan and the Executive Incentive Plan as amended July 30, 2008 and as approved by the Board of Directors on February 8, 2010. Seven Form 4s were filed late on March 3, 2013 for each of the then appointed Directors of the Company to account for stock option grants issued pursuant to the

2011 Stock Option and Incentive Plan.

(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 January 31, 2013.

| <b>Executive Officers</b> | <b>Age</b> | <b>Position</b>  |
|---------------------------|------------|--|
| Andrew Marsh              | 56         | President, Chief Executive Officer and Director                |
| Gerald A. Anderson (1)    | 55         | Chief Financial Officer and Senior Vice President              |
| Gerard L. Conway, Jr.     | 48         | General Counsel, Corporate Secretary and Senior Vice President |
| Erik Hansen               | 41         | Senior Vice President  |
| Adrian Corless            | 46         | Chief Technology Officer, Senior Vice President                |

(1) Resigned effective April 26, 2013.

The principal occupation and business experience for at least the last five years for each executive officer of the Company is set forth below. The biographies of each of the executive officers below contains information regarding the person's service as an executive, 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 an executive officer.

*Andrew Marsh's* biographical information can be found in the section entitled "*Information about our Directors*" in this Proxy Statement.

*Gerald A. Anderson* joined Plug Power as Chief Financial Officer in July 2007 and, since March 2009, has also served as Senior Vice President. He is responsible for managing all aspects of the Company's financial, manufacturing operations and information services operations. Prior to joining Plug Power, Mr. Anderson was the Treasurer and Director of Finance for Intermagnetics General Corporation. Utilizing an acquisition growth strategy, he managed finance, treasury, risk management and business valuation functions for the medical device manufacturing company. Prior to that, he was Chief Financial Officer for J Management Company. In addition to managing finance, controllership, merger and acquisition and treasury functions, he also helped set the strategic direction of the company. Earlier in his career, Mr. Anderson spent 15 years with KeyCorp, eventually as Senior Vice President, Director of Business Analysis and Management Reporting. He has thirty years of financial experience. Mr. Anderson is a Director of the Cloud Institute for Sustainability Education, a New York City nonprofit organization. He holds a Bachelor of Science degree in Business Administration, with a concentration in Accounting, from the University of



Arizona. Mr. Anderson resigned effective April 26, 2013.

*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.

*Adrian Corless* joined Plug Power in April 2007 as Vice President of Technology and was appointed Chief Technology officer in June 2008. As of February 2010, Mr. Corless was appointed Senior Vice President and Chief Technology Officer and is currently responsible for the development of Plug Power's products as well as guiding Plug Power's overall technology and Intellectual Property strategies. Prior to joining Plug Power, Mr. Corless was the Chief Technical Officer of Cellex Power Products and was responsible for the technical aspects of the product development process. Prior to joining Cellex, Mr. Corless worked for Ballard Power Systems Inc. and Excellsis Inc. latterly as Program Manager for the Phase 4 fuel cell bus program. Mr. Corless is an active participant in the Industrial Truck Association, an executive board member of the Canadian Hydrogen and Fuel Cell Association, a Technical Advisory Board member for the NRC Institute for Fuel Cell Innovation, and a member of both UL and CSA standards development committees. Mr. Corless holds a Masters of Applied Science degree in Mechanical Engineering from the University of Victoria and is a Registered Professional Engineer in British Columbia, Canada.

Subject to any terms of any employment agreement with the Company (as further described in this Proxy Statement), 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](http://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 our Chief Executive Officer, Chief Financial Officer, the other three most highly-compensated executive officers 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 the last completed fiscal year as determined in accordance with applicable SEC rules, who are collectively referred to as the “Named Executive Officers.”

***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 2012 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 2012 in general and as measured against predetermined performance goals;
- The nature, scope and level of our executives' responsibilities;
- 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.

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 2012 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.

In 2012, the base salaries for our executives was as follows: Mr. Marsh's base salary increased from \$375,000 to \$450,000 per year, Mr. Anderson's base salary increased from \$300,000 to \$330,000 per year, Mr. Conway's base salary increased from \$200,000 to \$250,000 per year, Mr. Corless' base salary increased from \$215,000 to \$230,000 per year, and Mr. Hansen's base salary was \$230,000 per year. 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 beyond our control.

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 award amounts that are calculated as a percent of each executive's base salary.

We established attainment levels for each of our executives, other than Mr. Marsh, as 10%, 20% or 30% of his or her base salary. Since the annual incentive bonus is payable based on the achievement of each of the different levels of performance, the executive officer may earn between 0% and 30% of his base salary given his actual performance. The 20% 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% attainment level is considered the threshold level for each performance goal because although still challenging, it is the minimum acceptable performance level. The 30% 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 have to exceed expectations to achieve this level. Our maximum and threshold performance attainment levels are determined in relation to our 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. .

We also established attainment levels for our Chief Executive Officer as 17%, 34% or 50% of his base salary. Since the annual incentive bonus is payable based on the achievement of each of the different levels of performance, the Chief Executive Officer may earn between 0% and 50% of his base salary given his actual performance. The 34% attainment level is considered the target level for each performance goal because it is challenging for the Chief Executive Officer to attain, and the executive would meet expectations if he achieved this level. The 17% attainment level is considered the threshold level for each performance goal because although still challenging, it is the minimum acceptable performance level. The 50% attainment level is considered the maximum, or stretch, level for each performance goal because it is most challenging for the Chief Executive Officer to attain, and the Chief Executive Officer would have to exceed expectations to achieve this level. Our maximum and threshold performance attainment levels are determined in relation to our 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.

As a way of linking each executive's performance to corporate-wide strategy, the executives' individual performance goals directly correlate to our corporate milestones, which management recommends to the Board of Directors and the Board of Directors approves after appropriate discussion 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 discussion and review, ultimately approves the individual performance goals. 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. Generally the individual performance goals, as well as the corporate milestones, include, but are not limited to, one or more of the following categories: (i) annual shipment targets, (ii) revenue, (iii) gross margin on product sales, (iv) EBITAS and (v) decrease costs of business operations.

Initially, the CEO, and other members of management as appropriate, make a recommendation to the Compensation Committee of the Board of Directors for each executive's potential award amount based on his level of attainment of each of his individual performance goals (with the exception of the CEO himself whose level of attainment is evaluated by the Compensation Committee directly). Ultimately, the Board of Directors, after review and discussion and recommendation from the Compensation Committee, determines the final achieved level of attainment for each executive's individual performance goals. In 2012, no bonuses related to performance goals accrued to any of our named executive officers.

#### *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 adopted stock ownership guidelines for named executives, effective as of August 15, 2005, which are also considered when granting long-term equity incentive awards to executives. These guidelines provide a target level of Company equity holdings with which named executives are expected to comply within five (5) years from the latter of the effective date of the guidelines or the date the individual is first appointed as an executive. The target stock holdings are determined as a multiple of the named executive's base salary and then converted to a fixed number of shares. The named executive's base salary is multiplied by five (5) for Chief Executive Officer and by three (3) for all other named executives; that product is divided by Plug Power's 200-day average common stock price as reported by the NASDAQ Capital Market; and finally that amount is then rounded to the nearest 100 shares. The following count towards satisfaction of these stock ownership guidelines: (i) shares owned outright by the executive or his or her immediate family members residing in the same household; (ii) stock held in the Plug Power Inc. Savings and Retirement Plan (401K 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 as part of the Plug Power Inc. Employee Stock Option Plan (ESOP) times a factor of thirty-three percent; and (vi) shares held in trust.

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 under the 2011 Stock Option and Incentive Plan. The exercise price of each stock option granted under our 2011 Stock Option and Incentive Plan is the closing price of our common stock on the NASDAQ Capital Market as of the effective date of each grant.

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 shares of our stock that they may retain or trade; however, all executive officers must trade within their rights according to our Insider Trading Policy. The restricted stock is intended to be a long-term incentive alternative to the stock option awards that may be appropriate for executive officers based on their performance and their critical skills. Restricted stock awards may vest over three years, beginning with one-third vesting one year after the date of grant, then pro-rata vesting monthly thereafter. Restricted stock awards are made pursuant to our 2011 Stock Option and Incentive Plan.

On May 16, 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 1,000,000 to 6,500,000.

On October 28, 2009, the Compensation Committee recommended and the Board of Directors approved a Long Term Incentive (LTI) Plan pursuant to the terms of the Company's 1999 Stock Option and Incentive Plan. Designed as an incentive vehicle to support employee efforts, the LTI Plan seeks to increase shareholder value by encouraging Plug Power employees to continue to work diligently to further the Company's long term goals.

Under the LTI Plan, a select group of critical employees received a Restricted Stock Unit Award Agreement (Agreement) awarding a one time grant of restricted stock units (RSUs) calculated using a multiple of the selected employee's base salary. According to the Agreement, the restrictions on each participant's RSU allocation will lapse over a three year period upon successful completion of weighted performance-based metrics. Specifically, restrictions

on 25% of RSUs are tied to the Company's achievement of revenue targets, while the restrictions on 75% of RSUs are tied to the Company's achievement of earnings before interest expense, taxes, depreciation, amortization and non-cash charges for equity compensation (measurement referred to in the Agreement as "EBITDAS") targets. Intended to supplement the annual employee incentive plan payout, the total number of RSUs on which restrictions shall lapse each year will vary depending on the Company's progress achieving the corresponding threshold, target or stretch goals.

Restrictions shall lapse with respect to the corresponding revenue RSUs based on the following sample schedule, depending on the Company's achievement of the Revenue targets for 2012 and 2013:

**FOR ACHIEVEMENT OF REVENUE PERFORMANCE TARGETS**

| <b>2011 PERFORMANCE</b>   | <b>RSU<br/>Allocation</b> | <b>Percent<br/>Vesting</b> | <b>RSU's<br/>Earned</b> | <b>RSU's<br/>Forfeited</b> |
|---------------------------|---------------------------|----------------------------|-------------------------|----------------------------|
| < Threshold               | 0                         | 0%                         | 0                       | 4,789                      |
| >= Threshold and < Target | 13,931                    | 25%                        | 3,483                   | 1,306                      |
| >= Target and < Stretch   | 17,413                    | 25%                        | 4,353                   | 436                        |
| >= Stretch                | 19,155                    | 25%                        | 4,789                   | 0                          |

| <b>2012 PERFORMANCE</b>   | <b>RSU<br/>Allocation</b> | <b>Percent<br/>Vesting</b> | <b>RSU's<br/>Earned</b> | <b>RSU's<br/>Forfeited</b> |
|---------------------------|---------------------------|----------------------------|-------------------------|----------------------------|
| < Threshold               | 0                         | 0%                         | 0                       | 10,535                     |
| >= Threshold and < Target | 13,931                    | 55%                        | 7,662                   | 2,873                      |
| >= Target and < Stretch   | 17,413                    | 55%                        | 9,577                   | 958                        |
| >= Stretch                | 19,155                    | 55%                        | 10,535                  | 0                          |

| <b>2013 PERFORMANCE</b>   | <b>RSU<br/>Allocation</b> | <b>Percent<br/>Vesting</b> | <b>RSU's<br/>Earned</b> | <b>RSU's<br/>Forfeited</b> |
|---------------------------|---------------------------|----------------------------|-------------------------|----------------------------|
| < Threshold               | 0                         | 0%                         | 0                       | 10,535                     |
| >= Threshold and < Target | 13,931                    | 55%                        | 7,662                   | 2,873                      |
| >= Target and < Stretch   | 17,413                    | 55%                        | 9,577                   | 958                        |
| >= Stretch                | 19,155                    | 55%                        | 10,535                  | 0                          |

Restrictions shall lapse with respect to the corresponding EBITDAS RSUs based on the following sample schedule, depending on the Company's achievement of the EBITDAS targets for 2012 and 2013:

**FOR ACHIEVEMENT OF EBITDAS PERFORMANCE TARGETS**

|                           | <b>RSU<br/>Allocation</b> | <b>Percent<br/>Vesting</b> | <b>RSU's<br/>Earned</b> | <b>RSU's<br/>Forfeited</b> |
|---------------------------|---------------------------|----------------------------|-------------------------|----------------------------|
| <b>2011 PERFORMANCE</b>   |                           |                            |                         |                            |
| < Threshold               | 0                         | 0%                         | 0                       | 14,366                     |
| >= Threshold and < Target | 1,791                     | 25%                        | 10,448                  | 3,918                      |
| >= Target and < Stretch   | 52,240                    | 25%                        | 13,060                  | 1,306                      |
| >= Stretch                | 57,463                    | 25%                        | 14,366                  | 0                          |
| <b>2012 PERFORMANCE</b>   |                           |                            |                         |                            |
| < Threshold               | 0                         | 0%                         | 0                       | 31,604                     |
| >= Threshold and < Target | 1,791                     | 55%                        | 22,985                  | 8,619                      |
| >= Target and < Stretch   | 52,240                    | 55%                        | 28,732                  | 2,872                      |
| >= Stretch                | 57,463                    | 55%                        | 31,604                  | 0                          |
| <b>2013 PERFORMANCE</b>   |                           |                            |                         |                            |
| < Threshold               | 0                         | 0%                         | 0                       | 31,604                     |
| >= Threshold and < Target | 1,791                     | 55%                        | 22,985                  | 8,619                      |
| >= Target and < Stretch   | 52,240                    | 55%                        | 28,732                  | 2,872                      |
| >= Stretch                | 57,463                    | 55%                        | 31,604                  | 0                          |

For example, assuming the Company achieves stretch revenue and EBITDAS metrics, restrictions on a maximum of 25% of total awarded RSUs will lapse in 2013 for performance in 2012; and restrictions on a maximum of 55% of total awarded RSUs will lapse in 2014 for performance in 2013. Alternatively, if at the end of the fiscal year it is determined that the Company failed to achieve these articulated performance-based metrics, a percentage of RSUs will be forfeited for that fiscal year.

Pursuant to the terms of the Agreement, in the event stretch revenue and EBITDAS metrics were reached during each of the three years of the grant period commencing on January 1, 2010, we could have issued a maximum of 8,667,666 shares to LTI Plan participants, which would represent approximately 4.4% of total currently outstanding shares. Restrictions on these shares only lapse in the event we perform at the articulated performance metrics.

In 2010, 2011, and 2012, no threshold, target or stretch revenue and EBITDAS performance-based metrics were reached. Accordingly, no restrictions lapsed with respect to the 2010, 2011, and 2012 performance periods and all of the total awarded RSUs for Named Executive Officers 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.

### *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.

### **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.

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| Name and Principal Position                                    | Year | Salary<br>(\$)<br>(1) | Bonus (\$)<br>(2) | Option Awards (\$)<br>(3) | Non-Equity                                 | All Other         | Total (\$) |
|--|------|-----------------------|-------------------|---------------------------|--|-------------------|------------|
|  |      |                       |                   |                           | Incentive Plan<br>Compensation (\$)<br>(4) | Compensation (\$) |            |
| Andrew Marsh   | 2012 | 443,654               | -                 |                           | --   | 14,758 (5)        | 458,412    |
| President, Chief Executive Officer and Director                | 2011 | 375,000               | -                 | 740,588                   | 121,125                                    | 14,276 (5)        | 1,250,989  |
|  | 2010 | 375,000               | -                 |                           | --   | 12,526 (5)        | 387,526    |
| Gerald A. Anderson (10)  | 2012 | 327,462               | -                 |                           | --   | 10,002 (6)        | 337,464    |
| Chief Financial Officer and Senior Vice President              | 2011 | 300,000               | -                 | 421,708                   | 57,000                                     | 9,507 (6)         | 788,215    |
|  | 2010 | 258,654               | -                 |                           | --   | 12,526 (6)        | 271,180    |
| Gerard L. Conway, Jr.  | 2012 | 245,769               | -                 |                           | --   | 180 (7)           | 245,949    |
| General Counsel, Corporate Secretary and Senior Vice President | 2011 | 200,000               | -                 | 245,130                   | 38,000                                     | 180 (7)           | 483,310    |
|  | 2010 | 200,000               | -                 |                           | --   | 180 (7)           | 200,180    |
| Erik J. Hansen   | 2012 | 230,000               | 43,700            |                           | --   | 11,399 (8)        | 285,099    |
| Senior Vice President  | 2011 | 230,000               | -                 | 245,130                   | 251,700                                    | 175,784 (8)       | 902,614    |
|  | 2010 | 209,034               | -                 |                           | --   | 9,346 (8)         | 218,380    |
| Adrian Corless   | 2012 | 228,731               | -                 |                           | --   | 180 (9)           | 228,911    |
| Chief Technology Officer, Senior Vice President                | 2011 | 215,000               | -                 | 245,130                   | 40,850                                     | 5,215 (9)         | 506,195    |
|  | 2010 | 215,827               | -                 |                           | --   | 61,122 (9)        | 276,949    |

(1) This column represents the dollar amount of base salary actually paid to executives.

(2) This column represents the dollar amount of bonuses paid to executives in 2012.

(3) 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, 2012, 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.

- (4) This column represents the dollar amount of bonuses paid to executives in 2012 under a non-equity incentive plan earned in 2011.
- (5) Includes the Company's share of contributions on behalf of Mr. Marsh to the Plug Power 401(k) savings plan in the amount of \$14,242, \$13,760, and \$12,250 in the years ended 2012, 2011 and 2010, respectively, payments of \$516, \$516 and \$276 for supplemental life insurance premiums in the years ended 2012, 2011 and 2010.
- (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 \$9,486, \$9,231, and \$12,250 in the years ended 2012, 2011 and 2010, respectively, and payments of \$516, \$276 and \$276 for supplemental life insurance premiums in the years ended 2012, 2011 and 2010, respectively.
- (7) Includes payments of \$180, \$180 and \$180 for supplemental life insurance premiums in the years ended 2012, 2011 and 2010, respectively.



- (8) Includes the Company's share of contributions on behalf of Mr. Hansen to the Plug Power 401(k) savings plan in the amount of \$11,279, \$9,246, and \$9,346 in the years ended 2012, 2011 and 2010, respectively, payment of \$166,418 for moving and relocation expenses in 2011, and payment of \$120, \$120 and \$0 for supplemental life insurance premiums in the years ended 2012, 2011 and 2010, respectively.
- (9) Includes payments of \$180, \$180 and \$120 for supplemental life insurance premiums in the years ended 2012, 2011 and 2010, respectively, as well as a stipend of \$5,035 and \$61,002 related to moving and relocation expenses in 2011 and 2010, respectively, and approximately \$27,000 in moving and relocation expenses in 2012.
- (10) Mr. Anderson was the Company's Chief Financial Officer and Senior Vice President until he resigned effective April 26, 2013

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

There were no equity awards granted to the named executive officers in 2012.

### **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, plus
- (v) any benefits that may have vested under any employee benefit plan of the Company through the date of termination; plus:
  - (a) one (1) times annual base salary and
  - (b) one (1) times the annual incentive bonus for the immediately preceding fiscal year.

In addition, Mr. Marsh is entitled to fully vest as of the date of termination in any outstanding restricted stock, stock options and other stock awards previously granted that would have vested had he remained an employee for an additional twelve (12) months following the date of termination. Furthermore, the Company is required to continue paying health insurance and other benefits to 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 such executive’s employment without Cause, then such executive shall be entitled to:

- (i) receive a lump sum payment equal to three (3) times the sum of (1) his 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) continued vesting of his stock options and other stock-based awards for twelve (12) months following the Change of Control as if he had remained an active employee, and
- (iii) receive benefits, including health and life insurance for twelve (12) months following the Change of Control.

The Company and Mr. Anderson are parties to employment agreement pursuant to which Mr. Anderson receives an annual base salary of \$330,000. Mr. Anderson's employment may be terminated for "Cause", as defined in the agreement, or by Mr. Anderson for "Good Reason", as defined in the agreement, or without "Good Reason" upon written notice of termination to us. If Mr. Anderson's employment is terminated by the Company for any reason other than Cause, death or disability, the Company is obligated to accelerate vesting in his options by twelve (12) months following the termination, and also pay Mr. Anderson a lump sum equal to the sum of:

- o two (2) times his current annual base salary and
- o his annual bonus for the fiscal year immediately prior to such termination

The agreement also provides, among other things, that if, within twelve (12) months after a "Change in Control", as defined in the agreement, we terminate such executive's employment without Cause, then such executive shall be entitled to:

- (i) receive a lump sum payment equal to two (2) times the sum of (1) his annual base salary in effect immediately prior to the terminating event, plus (2) his annual bonus for the fiscal year immediately prior to the terminating event;
- (ii) accelerate vesting in his options for twelve months following the terminating event; and
- (iii) receive benefits, including health and life insurance for twelve (12) months following the terminating event.

The Company and Messrs. Conway, Hansen and Corless 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, plus
- (v) any benefits that may have vested under any employee benefit plan of the Company through the date of termination; plus (a) one (1) times annual base salary.

In addition, each is entitled to exercise any vested stock options for twelve (12) months following the date of termination. Furthermore, 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. 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 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),
- (ii) continued vesting of his stock options for twelve (12) months following the Change of Control as if he had remained an active employee, and
- (iii) receive benefits, including health and life insurance for twelve (12) months following the Change of Control.

***2012 Stock Option Grants***

There were no equity awards granted to the named executive officers in 2012.

**Outstanding Equity Awards at 2012 Fiscal Year-End**

The following table provides information on the holdings of stock options by the Named Executive Officers as of December 31, 2012. 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 (#) Exercisable | Number of Securities Underlying Unexercised Options (#) Unexercisable | Exercise Price (\$) | Option Expiration Date | Equity Incentive Plan Awards: Number of Unearned Shares, Units, or Other Rights That Have Not Yet Vested (1) | Equity Incentive Plan Awards: Market or Payout Value Of Unearned Shares, Units, or Other Rights That Have Not Yet Vested (\$) (2) |
| Andrew Marsh          | 40,000  |   | 35.80               | 04/08/18               | 51,563   | 105,189   |
|                       | 167   |   | 9.50                | 05/20/19               |  |   |
|                       |   | 83  | 9.50                | 05/20/19               |  |   |
|                       |   | 106,600   | 6.10                | 04/13/21               |  |   |
|                       |   | 200,000   | 2.17                | 12/13/21               |  |   |
| Gerald A. Anderson    | 4,500   |   | 33.30               | 07/09/17               | 31,731   | 64,731  |
|                       | 2,700   |   | 26.00               | 01/24/18               |  |   |
|                       | 167   |   | 9.50                | 05/20/19               |  |   |
|                       |   | 83  | 9.50                | 05/20/19               |  |   |
|                       |   | 65,600  | 6.10                | 04/13/21               |  |   |
|                       |   | 100,000   | 2.17                | 12/13/21               |  |   |
| Gerard L. Conway, Jr. | 800   |   | 67.30               | 12/22/13               | 19,039   | 38,840  |
|                       | 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               |  |   |
|                       | 167   |   | 9.50                | 05/20/19               |  |   |
|                       |   | 83  | 9.50                | 05/20/19               |  |   |
|                       |   | 41,000  | 6.10                | 04/13/21               |  |   |
|                       |   | 50,000  | 2.17                | 12/13/21               |  |   |
| Erik J. Hansen        | 5,000   |   | 8.60                | 10/29/18               | 19,039   | 38,840  |
|                       | 167   |   | 9.50                | 05/20/19               |  |   |
|                       |   | 83  | 9.50                | 05/20/19               |  |   |
|                       |   | 41,000  | 6.10                | 04/13/21               |  |   |
|                       |   | 50,000  | 2.17                | 12/13/21               |  |   |
| Adrian Corless        | 3,000   |   | 32.40               | 04/04/17               | 18,389   | 37,514  |
|                       | 2,700   |   | 24.20               | 07/30/18               |  |   |
|                       | 167   |   | 9.50                | 05/20/19               |  |   |
|                       |   | 83  | 9.50                | 05/20/19               |  |   |
|                       |   | 41,000  | 6.10                | 04/13/21               |  |   |
|                       |   | 50,000  | 2.17                | 12/13/21               |  |   |

(1) This column represents the number of shares that have not yet vested, and have not yet been earned. The number of shares is based on achieving threshold performance of goals.

(2)

This column represents the market value of the unearned restricted stock awards using the stock price at the end of fiscal year 2012.

### **Option Exercises and Stock Vested in Fiscal 2012 Table**

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

### **Potential Payments Upon Termination or Change-in-Control**

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

Such payments by the Company to any of Messrs. Marsh, Anderson, Conway, Hansen, or Corless are subject to the executive signing a general release of claims in a form and manner satisfactory to the Company and in no event is the executive entitled to receive any such payment after 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.

The following are excerpts of the definitions of Cause and Terminating Events from the Employment Agreements referenced above.

“Cause” shall mean (i) a willful act of dishonesty by the Executive with respect to any matter involving the Company or any subsidiary or affiliate, or (ii) conviction of the Executive of a crime involving moral turpitude, (iii) the failure to perform to the reasonable satisfaction of the Board a substantial portion of the Executive’s duties and responsibilities assigned or delegated under this Agreement (other than any such failure after the Executive gives notice of termination for “Good Reason”), which failure continues, in the reasonable judgment of the Board, after written notice given to the Executive by the Board. For purposes of this definition (i) hereof, no act, or failure to act, on the Executive’s part shall be deemed “willful” unless done, or omitted to be done, by the Executive without reasonable belief that the Executive’s act, or failure to act, was in the best interests of the Company and its subsidiaries and affiliates. “Cause” may also include (i) the failure or refusal of the named executive to render services to us in accordance with his obligations under the employment agreement or a determination by us that the named executive has failed to perform the duties of his employment; (ii) disloyalty, gross negligence, dishonesty, breach of fiduciary duty or breach of the terms of the employment agreement or the other agreements executed in connection therewith; (iii) the commission by the named executive of an act of fraud, embezzlement or disregard of our rules or policies or the commission by the named executive of any other action which injures us; (iv) acts which, in the judgment of our board of directors, would tend to generate adverse publicity toward us; (v) the commission, or plea of nolo contendere, by the named executive of a felony; (vi) the commission of an act which constitutes unfair competition with us or which induces any of our customers to breach a contract with us; or (vii) a breach by the named executive of the terms of the non-competition and non-solicitation agreement or the employee nondisclosure and developments agreement between us and the named executive.

“Terminating Event” shall mean a termination by the Company of the employment of the Executive with the Company for any reason other than (i) a willful act of dishonesty by the Executive with respect to any matter involving the Company or any subsidiary or affiliate, or (ii) conviction of the Executive of a crime involving moral turpitude, or (iii) the gross or willful failure by the Executive to substantially perform the Executive’s duties with the Company, which failure is not cured within thirty (30) days after a written demand for substantial performance is received by the Executive from the Board of Directors of the Company (the “Board”) which specifically identifies the manner in which the Board believes the Executive has not substantially performed the Executive’s duties, or (iv) the failure by the Executive to perform his full-time duties with the Company by reason of his death or Disability. For purposes of clauses (i) and (iii) of this Section 1(a), no act, or failure to act, on the Executive’s part shall be deemed “willful” unless done, or omitted to be done, by the Executive without reasonable belief that the Executive’s act, or failure to act, was in the best interests of the Company and its subsidiaries and affiliates. For purposes of this Agreement, “Disability” shall mean the Executive’s incapacity due to physical or mental illness which has caused the Executive to be absent from the full-time performance of his duties with the Company for a period of six (6) consecutive months if the Company shall have given the Executive a Notice of Termination and, within thirty (30) days after such Notice of Termination is given, the Executive shall not have returned to the full-time performance of his duties.

If Mr. Marsh had been terminated without cause on December 31, 2012, 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 \$733,492. This includes an acceleration of any remaining unvested options



granted to such named executive under the 1999 Stock Option and Incentive Plan and the 2011 Stock Option and Incentive Plan. If Mr. Anderson, Conway, Hansen or Corless had been terminated without cause on December 31, 2012, 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 for Mr. Anderson \$810,742, for Mr. Conway \$311,359, for Mr. Hansen \$504,222 and Mr. Corless \$293,054.

The Company and Messrs. Marsh, Anderson, Conway, Hansen, and Corless 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 the executive are subject to the executive signing a general release of claims in a form and manner satisfactory to the Company and in no event is Messrs. Marsh, Anderson, Conway, Hansen or Corless entitled to receive any such payment after he breaches the Employee Patent, Confidential Information and Non-Compete Agreement referenced in the executives respective agreement or any non-compete, non-solicit or non-disclosure covenants in any agreement between the Company and such executive.

The following is an excerpt of the definition of Change of Control from the Employment Agreements referenced above.

"Change in Control" shall be deemed to have occurred in any one of the following events:

- (i) any “person,” as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), (other than the Company, any of its subsidiaries, any trustee, fiduciary or other person or entity holding securities under any employee benefit plan or trust of the Company or any of its subsidiaries, INTER RAO Captial, together with all Affiliates and Associates (as such terms are hereinafter defined) of such person, shall become the “beneficial owner” (as such term is defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing 25% or more of the then outstanding shares of common stock of the Company (the “Stock”) (other than as a result of an acquisition of securities directly from the Company); or
- (ii) persons who, as of the effective date of this Agreement (the “Effective Date”), constitute the Company’s Board of Directors (the “Incumbent Directors”) cease for any reason, including, without limitation, as a result of a tender offer, proxy contest, merger or similar transaction, to constitute at least a majority of the Board, provided that any person becoming a director of the Company subsequent to the Effective Date shall be considered an Incumbent Director if such person’s election was approved by or such person was nominated for election by either (A) a vote of at least a majority of the Incumbent Directors or (B) a vote of at least a majority of the Incumbent Directors who are members of a nominating committee comprised, in the majority, of Incumbent Directors; but provided further, that any such person whose initial assumption of office is in connection with an actual or threatened election contest relating to the election of members of the Board of Directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board, including by reason of agreement intended to avoid or settle any such actual or threatened contest or solicitation, shall not be considered an Incumbent Director; or
- (iii) Upon (A) the consummation of any consolidation or merger of the Company where the shareholders of the Company, immediately prior to the consolidation or merger, did not, immediately after the consolidation or merger, beneficially own (as such term is defined in Rule 13d-3 of the Exchange Act), directly or indirectly, shares representing in the aggregate more than 50% of the voting shares of the corporation issuing cash or securities in the consolidation or merger (or of its ultimate parent corporation, if any), (B) the consummation of any sale, lease, exchange or other transfer (in one transaction or a series of transactions contemplated or arranged by any party as a single plan) of all or substantially all of the assets of the Company or (C) the completion of a liquidation or dissolution that has been approved by the stockholders of the Company; or
- (iv)

INTER RAO Capital, together with all Affiliates and Associates (as such terms are hereinafter defined) of such person, shall become the “beneficial owner” (as such term is defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing 50% or more of the then outstanding Stock (other than as a result of an acquisition of securities directly from the Company).

For purposes of this Agreement, “Affiliate” and “Associate” shall have the respective meanings ascribed to such terms in Rule 12b-2 of the Exchange Act, as in effect on the date of this Agreement; provided, however, that no person who is a director or officer of the Company shall be deemed an Affiliate or an Associate of any other director or officer of the Company solely as a result of his position as director or officer of the Company.

Notwithstanding the foregoing, a “Change in Control” shall not be deemed to have occurred for purposes of the foregoing clauses (i) or (iv) solely as the result of an acquisition of securities by the Company which, by reducing the number of shares of Stock outstanding, increases the proportionate number of shares of Stock beneficially owned by any person to 25% or more (or 50% or more in the case of clause (iv)) of the shares of Stock then outstanding; provided, however, that if any such person shall at any time following such acquisition of securities by the Company become the beneficial owner of any additional shares of Stock (other than pursuant to a stock split, stock dividend, or similar transaction) and such person immediately thereafter is the beneficial owner of 25% or more (or 50% or more in the case of clause (iv)) of the shares of Stock then outstanding, then a “Change in Control” shall be deemed to have occurred for purposes of the foregoing clause (i) or (iv), as applicable.

“Change-in-control” may also generally mean any of the following: (1) a sale or other disposition of all or substantially all of our assets; or (2) a merger or consolidation after which our voting securities outstanding immediately before the transaction cease to represent at least a majority of the combined voting power of the successor entity’s outstanding voting securities immediately after the transaction. 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, 2012 and on that date Messrs. Marsh, Anderson, Conway, Hansen or Corless 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 provisions, including, as mentioned above, salary, benefits, vested equity awards and expected bonus, under the employment or executive severance agreements for each such named executive would have been as follows: Mr. Marsh \$1,849,780, Mr. Anderson \$705,986, Mr. Conway \$333,748, Mr. Hansen \$527,766 and Mr. Corless \$316,598.

*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](http://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 2012 and the Company's 2013 Proxy statement. This report on executive compensation for Fiscal 2012 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 Fiscal 2012, Messrs. Willis (Chairman) and McNamee 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 April 16, 2013 (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..

<sup>1</sup> For purposes of this policy, a person's immediate family should include 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.



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

| <u>Name and Address of Beneficial Owner (1)</u>          | <u>Shares Beneficially Owned (2)</u> |                       |
|--|--------------------------------------|-----------------------|
|  | <u>Number</u>                        | <u>Percentage (%)</u> |
| Entities affiliated with Interinvest Corporation Inc.(1) | 9,817,367                            | 15.34%                |
| JSC “INTER RAO Capital” (3)                              | 4,462,693                            | 6.97%                 |
| Heights Capital Management, Inc.(4)                      | 4,000,000                            | 6.25%                 |
| Robeco Investment Management, Inc.(5)                    | 3,573,185                            | 5.58%                 |
| Andrew Marsh(6)  | 388,871                              | *                     |
| George C. McNamee (7)                                    | 250,220                              | *                     |
| Gary K. Willis (8)                                       | 180,248                              | *                     |
| Larry G. Garberding (9)                                  | 174,897                              | *                     |
| Gerald A. Anderson (10)                                  | 162,431                              | *                     |
| Maureen O. Helmer (11)                                   | 161,235                              | *                     |
| Erik J. Hansen(12)                                       | 100,842                              | *                     |
| Gerard L. Conway, Jr. (13)                               | 77,289                               | *                     |
| Adrian Corless (14)                                      | 60,317                               | *                     |
| Douglas T. Hickey (15)                                   | 37,664                               | *                     |
| Johannes M. Roth   |                                      | *                     |
| Evgeny Rasskazov   | 37,455                               | *                     |
| Evgeny Miroshnichenko                                    | 37,455                               | *                     |

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

- 1) Consists of (i) 8,905,367 shares held by Interinvest Corporation, Inc., (ii) 30,000 shares held by Interinvest Consulting Corporation of Canada Limited, (iii) 836,000 shares held by Interinvest (Bermuda) Ltd. and (iv) 46,000 shares held by Hans P. Black. Information is based on a Schedule 13D/A filed with the SEC on February 27, 2013. Each of these persons may be deemed to have the shared power to vote or to direct the vote of (and the shared power to dispose of or direct the disposition of) the 9,817,367 shares of Common Stock held. The principal business of Interinvest Corporation Inc. is 192 South Street, Suite 600, Boston, MA 02111. The principal business address of Interinvest (Bermuda) Ltd. is LOM Bldg., 27 Reid Street, Hamilton HM 11, Bermuda. The principal address of Interinvest Consulting Corporation of Canada Limited is 3655 rue Redpath,



Montreal, QC H3G 2W8. The principal business address of Hans P. Black is 3655 rue Redpath, Montreal, QC H3G 2W8.

- 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 April 16, 2013, through the exercise of any warrant, stock option or other right. The inclusion in this Proxy Statement 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 April 16, 2013 but excludes shares of Common Stock underlying options, warrants or other rights held by any other person. Percentage of beneficial ownership is based on 64,012,917 shares of Common Stock outstanding as of April 16, 2013. 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.

- 3) The Company and JSC “INTER RAO Capital” or INTER RAO Capital are parties to a Standstill and Support Agreement, which provides for certain voting support arrangements, director designation rights and standstill arrangements. The address for INTER RAO Capital’s principal business and principal office is 27 Bolshaya Pirogovskaya Street, Moscow, 119435, Russia. In a Schedule 13D filed with the SEC on November 20, 2012, JSC INTER RAO Capital reported that it is a wholly-owned subsidiary of Joint Stock Co “INTER RAO UES”, or INTER RAO UES. By virtue of its ownership interest in INTER RAO Capital, INTER RAO UES may be deemed to have shared power to vote or direct the voting of and the shared power to dispose or direct the disposition of the Common Stock owned by INTER RAO Capital, the power to vote, or direct the voting of, and the power to dispose, or direct the disposition of, the shares of Common Stock held by OGK-3, and as such could be deemed the beneficial owner of such shares of Common Stock. The address for INTER RAO UES’s principal business and principal office is Bld 3, Bolshaya Pirogovskaya Street, Mscow, 119435, Russia. Mr. Evgeny Rasskazov, one of our directors, is the Director for Strategic Development for INTER RAO UES, and Mr. Evgeny Miroshnichenko, another of our directors, is the Head of Department for target capital structure for INTER RAO UES.
- 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 February 22, 2013. The address of the principal business office of Capital Ventures International is One Capitol Place, P.O. Box 1787 GT, 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) Information is based on a Schedule 13G/A filed with the SEC on February 7, 2013. The address of the principal business of Robeco Investment Management, Inc. is One Beacon Street, Boston, MA 02108.
- 6) Includes 177,969 shares of Common Stock issuable upon exercise of outstanding options at a weighted average exercise price of \$11.31.
- 7) Includes 75,164 shares of Common Stock issuable upon exercise of outstanding options at a weighted average exercise price of \$9.20.
- 8) Includes 58,264 shares of Common Stock issuable upon exercise of outstanding options at a weighted average exercise price of \$10.69.
- 9) Includes 62,664 shares of Common Stock issuable upon exercise of outstanding options at a weighted average exercise price of \$10.40.
- 10) Includes 84,508 shares of Common Stock issuable upon exercise of outstanding options at a weighted average exercise price of \$6.64.

- 11) Includes 54,864 shares of Common Stock issuable upon exercise of outstanding options at a weighted average exercise price of \$11.01.
- 12) Includes 49,245 shares of Common Stock issuable upon exercise of outstanding options at a weighted average exercise price of \$5.04.
- 13) Includes 54,945 shares of Common Stock issuable upon exercise of outstanding options at a weighted average exercise price of \$12.26.
- 14) Includes 49,945 shares of Common Stock issuable upon exercise of outstanding options at a weighted average exercise price of \$7.36.
- 15) Includes 37,664 shares of Common Stock issuable upon exercise of outstanding options at a weighted average exercise price of \$7.63.

**SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS**

The following table gives information about the shares of Common Stock that may be issued upon the exercise of options, restricted stock and common stock warrants under the Company's 1999 Stock Option and Incentive Plan, as amended (1999 Stock Option Plan), and the Company's 2011 Stock Option and Incentive Plan.

## Equity Compensation Plan Information

| Plan Category  | Number of shares to be issued upon exercise of outstanding options, warrants and rights<br>(a) | Weighted average exercise price of outstanding options, warrants and rights<br>(b) | Number of shares remaining for future issuance under equity compensation plans (excluding shares reflected in column (a))<br>(c) |     |
|--|--|--|--|-----|
| Equity compensation plans approved by security holders     | 11,407,263   | \$ 3.43  | 5,773,757  | (2) |
| Equity compensation plans not approved by security holders | -  | -  | -  |     |
| Total  | 11,407,263   | \$ 3.43  | 5,773,757  |     |

(1) Represents 9,421,008 outstanding common stock warrants, 947,305 outstanding options issued under the 1999 Stock Option Plan, and 1,038,950 outstanding options issued under the 2011 Stock Option Plan.

(2) Includes shares available for future issuance under the 2011 Stock Option Plan.

**ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE****CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS**

The Company's Board of Directors related party transaction policy requires that the Company's General Counsel, together with outside counsel as necessary, evaluate potential transaction before the Company enters into any agreements with a related party. Certain transactions may require the Board of Directors' and its Audit Committee's approval. 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 Plug Power to beneficially own more than 5% of any class of Plug Power's voting securities, or (iv) the immediate family members of any of the persons listed in items (i) – (iii).

<sup>1</sup> For purposes of this policy, a person's immediate family should include 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.

Other than as otherwise disclosed herein, since January 1, 2012, 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.

### **DIRECTOR INDEPENDENCE**

The Board of Directors has determined that Ms. Helmer and Messrs. Garberding, McNamee, Willis, Hickey, Miroshnichenko, Rasskazov and Roth 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 (the "Governance 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:

|                    | <b>KPMG</b> |             |
|--------------------|-------------|-------------|
|                    | <b>2012</b> | <b>2011</b> |
| Audit Fees         | \$435,000   | \$480,000   |
| Audit-Related Fees | 51,500      | 55,300      |
| Tax Fees           | -           | -           |
| Other              | -           | -           |
| Total              | \$486,500   | \$535,300   |

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 audit-related services provided to the Company by KPMG during Fiscal 2012.

**PART IV**

**Item 15. Exhibits and Financial Statement Schedules**

***15(a)(2) Financial Statement Schedules***

Consolidated financial statement 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 on the notes thereto.

***15(a)(3) Exhibits***

Exhibits are as set forth in the “List of Exhibits.”





**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 30, 2013

## **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 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 30, 2013

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.

| <b>Signature</b>   | <b>Title</b>   | <b>Date</b>    |
|--|--|----------------|
| /s/ ANDREW MARSH<br><br><b>Andrew Marsh</b>                  | President, Chief Executive Officer and Director<br><br>(Principal Executive Officer) | April 30, 2013 |
| /s/ JILL MCCOSKEY<br><br><b>Jill McCoskey</b>                | Chief Accounting Officer<br><br>(Principal Financial Officer)                        | April 30, 2013 |
| /s/ LARRY G. GARBERDING<br><br><b>Larry G. Garberding</b>    | Director   | April 30, 2013 |
| /s/ MAUREEN O. HELMER<br><br><b>Maureen O. Helmer</b>        | Director   | April 30, 2013 |
| /s/ DOUGLAS T. HICKEY<br><br><b>Douglas T. Hickey</b>        | Director   | April 30, 2013 |
| /s/ GEORGE C. McNAMEE<br><br><b>George C. McNamee</b>        | Director   | April 30, 2013 |
| /s/ EVGENY MIROSNICHENKO<br><br><b>Evgeny Miroshnichenko</b> | Director   | April 30, 2013 |
| /s/ EVGENY RASSKAZOV<br><br><b>Evgeny Rasskazov</b>          | Director   | April 30, 2013 |
| /s/ GARY K. WILLIS<br><br><b>Gary K. Willis</b>              | Director   | April 30, 2013 |

/s/ JOHANNES M. ROTH

Director

April 30, 2013

**JOHANNES M. ROTH**

Certain exhibits indicated below are incorporated by reference to documents of Plug Power on file with the Commission. Exhibits nos. 10.1, 10.2, 10.4, 10.5 and 10.10 through 10.21 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)
- 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. (24)
- 4.7 Form of Warrant. (14)
- 4.8 Form of Warrant. (25)
- 10.1 Employee Stock Purchase Plan. (2)
- 10.2 Severance Agreement, dated as of July 12, 2007, by and between Plug Power Inc. and Gerald A. Anderson. (4)
- 10.3 Executive Severance Agreement, dated as of July 7, 2007, by and between Plug Power Inc. and Gerald A. Anderson. (4)
- 10.4 Indemnification Agreement, dated as of July 9, 2007, by and between Plug Power Inc. and Gerald A. Anderson. (4)

- 10.5 Registration Rights Agreement, dated as of June 29, 2006, by and between Plug Power Inc. and Smart Hydrogen Inc. (1)
- 10.6 Form of Indemnification Agreement entered into with each director. (1)
- 10.7 Plug Power Executive Incentive Plan. (3)
- 10.8 Employment Agreement, dated as of April 7, 2008, by and between Andrew Marsh and Plug Power Inc. (5)
- 10.9 Executive Employment Agreement, dated as of May 5, 2008, by and between Gerard L. Conway, Jr. and Plug Power Inc. (6)
- 10.10 Executive Employment Agreement, dated as of October 28, 2009, by and between Erik J. Hansen and Plug Power Inc. (10)
- 10.11 Executive Employment Agreement, dated as of February 9, 2010, by and between Adrian Corless and Plug Power Inc. (10)
- 10.12 Executive Employment Agreement, dated as of June 21, 2012, by and between Gerald A. Anderson and Plug Power Inc. (22)
- 10.13 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)
- 10.14 Master and Shareholders’ Agreement, dated as of January 24, 2012, by and between Axane S.A. and Plug Power, Inc. (18)
- 10.15 License Agreement dated as of February 29, 2012, by and between Hypulsion, S.A.S. and Plug Power Inc. (18)
- 10.16 2011 Stock Option and Incentive Plan. (12)
- 10.17 Amendment No. 1 to the Plug Power Inc. 2011 Stock Option and Incentive Plan (21)
- 10.18 Form of Incentive Stock Option Agreement. (15)
- 10.19 Form of Non-Qualified Stock Option Agreement for Employees. (15)

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- 10.20 Form of Non-Qualified Stock Option Agreement for Independent Directors. (15)
- 10.21 Form of Restricted Stock Award Agreement. (15)
- 10.22 Loan and Security Agreement, dated as of August 9, 2011, by and between Plug Power Inc. and Silicon Valley Bank. (15)
- 10.23 First Loan Modification Agreement, dated as of September 28, 2011, by and between Plug Power Inc. and Silicon Valley Bank. (16)
- 10.24 Second Loan Modification Agreement, dated as of March 30, 2012, by and between Plug Power Inc. and Silicon Valley Bank. (20)
- 10.25 Third Loan Modification Agreement, dated as of November 29, 2012, by and between Plug Power Inc. and Silicon Valley Bank. (23)
- 10.26 Purchase and Sale Agreement dated as of January 24, 2013 by Plug Power Inc. and 968 Albany Shaker Road Associates, LLC
- 10.27 Amendment to Purchase and Sale Agreement dated as of March 13, 2013 by Plug Power Inc. and 968 Albany Shaker Road Associates, LLC
- 31.1 and 31.2 Certifications pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. (27)
- 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.(27)

- (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.
- (4) Incorporated by reference to the Company's current Report on Form 8-K dated July 13, 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.



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- (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.
- (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.
- (16) Incorporated by reference to the Company's current Report on Form 8-K dated September 28, 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.
- (20) Incorporated by reference to the Company's current Report on Form 8-K dated April 3, 2012.
- (21) Incorporated by reference to the Company's current Report on Form 8-K dated May 18, 2012.
- (22) Incorporated by reference to the Company's current Report on Form 8-K dated June 21, 2012.
- (23) Incorporated by reference to the Company's current Report on Form 8-K dated December 5, 2012.
- (24) Incorporated by reference to the Company's current Report on Form 8-K dated February 13, 2013.
- (25) Incorporated by reference to the Company's current Report on Form 8-K dated February 14, 2013.
- (26) Incorporated by reference to the Company's current Report on Form 8-K dated April 1, 2013.
- (27) Filed herewith.