

PRESSTEK INC /DE/
Form DEF 14A
May 09, 2008

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934

Filed by the Registrant X

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Check the appropriate box:

- Preliminary Proxy Statement
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- Definitive Proxy Statement
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Presstek, Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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 - 3) Filing Party:
 - 4) Date Filed:
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PRESSTEK, INC.

55 Executive Drive

Hudson, New Hampshire 03051

May 9, 2008

Dear Stockholders:

You are cordially invited to attend our Annual Meeting of Stockholders, which will be held on Wednesday, June 11, 2008, commencing at 1:30 P.M. local time, at the Waldorf Astoria, 301 Park Avenue, New York, New York. The Notice of Annual Meeting and Proxy Statement that follow describe the business to be conducted at the meeting.

Whether or not you plan to attend the meeting in person, it is important that your shares be represented and voted. After reading the enclosed Notice of Annual Meeting and Proxy Statement, we urge you to complete, sign, date and return your proxy card in the envelope provided. You may also complete a proxy by telephone or via the Internet in accordance with the instructions listed on the proxy card. If the address on the accompanying material is incorrect, please inform our Transfer Agent, Continental Stock Transfer & Trust Company, in writing, at 17 Battery Place South, 8th Floor, New York, NY 10004.

Your vote is very important, and we will appreciate a prompt return of your proxy by mail, telephone or the Internet. We hope to see you at the meeting.

Cordially,

Jeffrey Jacobson
*President and
Chief Executive Officer*

PRESSTEK, INC.

55 Executive Drive, Hudson, New Hampshire 03051

Telephone: (603) 595-7000

Fax: (603) 595-2602

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To be held Wednesday, June 11, 2008 at 1:30 P.M.

To the Stockholders of PRESSTEK, INC.:

NOTICE IS HEREBY GIVEN that the Annual Meeting of Stockholders of Presstek, Inc. (the Company or Presstek) will be held on Wednesday, June 11, 2008, commencing at 1:30 P.M. local time, at the Waldorf Astoria, 301 Park Avenue, New York, New York, to consider and to vote upon the following proposals:

1. To elect seven directors to serve until the next Annual Meeting of Stockholders;
2. To approve the Presstek, Inc. 2008 Omnibus Incentive Plan; and
3. To transact such other business as may properly come before the Annual Meeting of Stockholders and any adjournment or postponement thereof.

Only stockholders of record at the close of business on May 7, 2008, are entitled to notice of, and to vote at, the Annual Meeting of Stockholders and any adjournment or postponement thereof.

By order of the Board of Directors,

James R. Van Horn

Vice President, General Counsel and Secretary

May 9, 2008

PLEASE FILL IN, DATE, SIGN AND RETURN THE ENCLOSED PROXY CARD IN THE ENVELOPE PROVIDED AS PROMPTLY AS POSSIBLE. YOU MAY ALSO COMPLETE A PROXY BY TELEPHONE OR VIA THE INTERNET IN ACCORDANCE WITH THE INSTRUCTIONS LISTED ON THE PROXY CARD. YOU MAY REVOKE YOUR PROXY AT ANY TIME PRIOR TO EXERCISE AS SET FORTH HEREIN, AND IF YOU ARE PRESENT AT THE MEETING YOU MAY, IF YOU WISH, REVOKE YOUR PROXY AT THAT TIME AND EXERCISE THE RIGHT TO VOTE YOUR SHARES PERSONALLY.

PRESSTEK, INC.

**PROXY STATEMENT FOR
ANNUAL MEETING OF STOCKHOLDERS**

To be held on Wednesday, June 11, 2008

This proxy statement is being furnished to holders of common stock, \$.01 par value per share (the "Common Stock") of Presstek, Inc., a Delaware corporation, in connection with the solicitation of proxies by the Board of Directors of the Company (the "Board") for use at the Annual Meeting of the Company's stockholders to be held on Wednesday, June 11, 2008, commencing at 1:30 P.M. local time, and at any adjournment or postponement thereof (the "Annual Meeting"). The Annual Meeting is to be held at the Waldorf Astoria, 301 Park Avenue, New York, New York. The Company's Annual Report on Form 10-K, containing audited consolidated financial statements for the fiscal year ended December 29, 2007 ("fiscal 2007"), is being mailed contemporaneously with this proxy statement to all stockholders entitled to notice of, and to vote at, the Annual Meeting. This proxy statement and the accompanying form of proxy were first mailed to stockholders on or about May 9, 2008.

Presstek's address is 55 Executive Drive, Hudson, New Hampshire 03051. We also maintain executive offices at 2 Greenwich Office Park, Suite 300, Greenwich, Connecticut 06831.

Q: What is the purpose of the Annual Meeting?

A: At the Annual Meeting, the Company's stockholders will be asked to vote on the matters listed in the accompanying notice of Annual Meeting, namely:

1. the election of seven directors;
2. approval of the Presstek, Inc. 2008 Omnibus Incentive Plan; and
3. such other business as may properly come before the Annual Meeting and any adjournment or postponement thereof.

Q: Who is entitled to vote?

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A: Stockholders as of the close of business on the record date, May 7, 2008, are entitled to vote their shares of our Common Stock. Each outstanding share of Common Stock is entitled to one vote. At the close of business on the record date, there were 36,602,840 shares of our Common Stock outstanding. The Company has no other voting securities issued and outstanding. Proxies in the accompanying form, properly executed and returned to the management of the Company by mail, telephone or the Internet, and not revoked, will be voted at the Annual Meeting. Any proxy given pursuant to such solicitation may be revoked by the stockholder at any time prior to the voting of the proxy by a subsequently dated proxy, by written notice of revocation of the proxy delivered to the Secretary of the Company, or by personally withdrawing the proxy at the Annual Meeting and voting in person.

Q: How many shares must be present to hold the meeting?

A: A quorum must be present at the meeting for business to be conducted. The presence, in person or by proxy, of at least a majority of the outstanding shares of Common Stock as of the Record Date, is necessary to establish a quorum for the transaction of business at the Annual Meeting.

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Q: What if a quorum is not present at the meeting?

A: If a quorum is not present at the time of the meeting, the stockholders who are represented may adjourn the meeting until such time as a quorum is present. The time and place of the adjourned meeting will be announced at the time the adjournment is taken, and no other notice will be given.

Q: How do I vote?

A: You may vote in any of three ways:

* **You may vote by mail** if you complete, sign and date the accompanying proxy card and return it in the prepaid envelope. Your shares will be voted confidentially and in accordance with your instructions;

* **You may vote by telephone or via the Internet** in accordance with the instructions found on your proxy card; and

* **You may vote in person** if you are a registered stockholder and attend the meeting and deliver your completed proxy card in person. At the meeting, the Company will also distribute written ballots to registered stockholders who wish to vote in person at the meeting. Beneficial owners of shares held in street name who wish to vote at the meeting will need to obtain a proxy form from the institution that holds their shares.

Q: How many votes does it take to approve the items to be voted upon?

A: Directors are elected by a plurality of votes. This means that, assuming a quorum is present at the meeting, director nominees will be elected if the nominees receive the greatest number of affirmative votes cast for the election of directors. All other matters at the meeting will be decided by a majority of the votes cast by the stockholders present in person or represented by proxy and entitled to vote at the Annual Meeting.

Q: Can I revoke my proxy before it is exercised?

A: Yes, you may revoke your proxy and change your vote at any time before the polls close at the meeting by using any of the following methods:

* by signing another proxy with a later date;

* by voting by telephone or via the Internet after the date and time of your last telephone or Internet vote; or

* if you are a registered stockholder, by giving written notice of such revocation to the Secretary of the Company prior to or at the meeting or by voting in person at the meeting.

Attendance at the meeting will not automatically revoke a previously granted proxy.

Q: Who will count the votes?

A: The Company will designate the Inspector(s) of Elections for the Annual Meeting.

Q: How will different types of votes be counted?

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- A. Votes will be counted and certified by the Inspector(s) of Election. Abstentions and broker non-votes (i.e. proxies from brokers or nominees indicating that such persons have not received instructions from the beneficial owner or other persons entitled to vote shares as to a matter with respect to which the brokers or nominees do not have discretionary power to vote) will be treated as present for purposes of determining the presence of a quorum. Because broker non-votes and abstentions are not considered to be votes cast, they will have no effect on the votes for the matters presented at the Annual Meeting. The proxies received by the management of the Company will be voted in accordance with the instructions contained therein. Unless otherwise stated, all shares represented by such proxy will be voted as instructed. Proxies which are executed but which do not contain specific instructions will be voted FOR the matter in question.

Q: Who is soliciting my proxy?

- A. This solicitation is being made by the Board of Directors of the Company. The Company will bear all costs of soliciting proxies. The Company may request its officers and regular employees to solicit stockholders in person, by mail, e-mail, telephone, telegraph and through the use of other forms of electronic communication. In addition, the Company may request banks, brokers and other custodians, nominees and fiduciaries to solicit their customers who have Common Stock registered in the names of a nominee and, if so, will reimburse such banks, brokers and other custodians, nominees and fiduciaries for their reasonable out-of-pocket costs. Solicitation by the Company's officers and regular employees may also be made of some stockholders in person or by mail, e-mail, telephone, telegraph or through the use of other forms of electronic communication following the original solicitation. The Company may retain a proxy solicitation firm to assist in the solicitation of proxies. The Company will bear all reasonable solicitation fees and expenses if such proxy solicitation firm is retained.

Q: When are the stockholder proposals for the 2009 Annual Stockholders meeting due?

- A: If a stockholder would like a proposal to be included in the Company's Proxy Statement for the 2009 Annual Meeting of Stockholders, the stockholder must (i) submit the proposal in writing and addressed to the Company's Secretary no later than January 12, 2009, and (ii) satisfy the conditions established by the Securities and Exchange Commission and the Company's Certificate of Incorporation and Bylaws for stockholder proposals in order for the proposition to be considered for inclusion in the Company's proxy statement and form of proxy relating to such Annual Meeting. Any such proposals, as well as any questions related thereto, should be directed to the Secretary of the Company.

After the January 12, 2009 deadline, a stockholder may submit a nomination for director or present a proposal suitable for stockholder action at the Company's 2009 Annual Meeting if it is submitted to the Company's Secretary at the address set forth below, although the Company is not obligated to present the matter or nominee in its proxy statement. Our proxy for the 2009 Annual Meeting will give discretionary authority to the proxy holders to vote on all proposals we receive after April 27, 2009.

Any such stockholder proposal or director nomination should be submitted in accordance with the Company's Certificate of Incorporation and Bylaws to Presstek, Inc., 55 Executive Drive Hudson, New Hampshire 03051; Attention: Secretary of the Company.

Q: What other information about the Company is available?

- A: Interested parties may submit a request to the Secretary of the Company at the address above for a copy of the Company's Annual Report on Form 10-K be sent to them by mail. This and other important information about the Company is also available on our Web site at www.presstek.com.

PROPOSAL 1

ELECTION OF DIRECTORS

The directors of the Company are elected annually and hold office until the next annual meeting of stockholders and until a successor, if applicable, is elected and qualified or until the director's earlier resignation or removal.

The Board currently consists of nine directors. The Board has determined to fix the number of directors at seven following the Annual Meeting and recommends to the stockholders that the seven persons listed below, each of whom is currently serving as a director of the Company, be elected to hold office until the next annual meeting of stockholders and until their respective successors, if applicable, are elected and qualified or until their earlier resignation or removal. The proxies granted by stockholders will be voted for the election as directors of the Company of such persons listed below, unless a proxy specifies that it is not to be voted in favor of a particular nominee or nominees. Proxies cannot be voted for a greater number of persons than the number of nominees listed below. In any event any of the nominees listed below are unable to serve, it is intended that the proxy will be voted for such other nominees, if any, as are designated by the Board. Each of the persons named below has indicated to the Board that he or she will be available to serve, and the Board knows of no reason why such nominee is unwilling or unable to serve.

OUR BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE FOR

THE ELECTION OF ALL OF THE NOMINATED DIRECTORS.

Director Nominees

The nominees for director and their ages are the following:

John W. Dreyer	70	Chairman of the Board
Jeffrey Jacobson	48	President, Chief Executive Officer and a Director
Daniel S. Ebenstein	65	Director
Dr. Lawrence Howard	55	Director
Steven N. Rappaport	59	Director
Frank D. Steenburgh	64	Director
Donald C. Waite, III	66	Director

John W. Dreyer has been Non-Executive Chairman of the Board of Directors since June 2006. Mr. Dreyer has been a director of the Company since February 1996. Mr. Dreyer served as the Company's Lead Director from March 2005 until his election as Chairman. He retired as Chairman and Chief Executive Officer of Pitman Company, a graphic arts and image supplier, in December 2000.

Jeffrey Jacobson has been the President and Chief Executive Officer and a director of the Company since May 2007. From April 2005 until April 2007, he was a Corporate Vice President and the Chief Operating Officer of Eastman Kodak Company's Graphic Communications Group, a division formed by the integration of six different Kodak companies into a \$3.6 billion global enterprise. From March, 2000 through March, 2005, Mr. Jacobson served as Chief Executive Officer of Kodak Polychrome Graphics, a \$1.7 billion global joint venture between Sun Chemical Corporation and Eastman Kodak. In all, Mr. Jacobson has 21 years of experience in the graphics arts industry. Mr. Jacobson is a board member of the Electronic Document Systems Foundation, as well as a board member of the New York University Graphic Communications Management and Technology Advisory Board.

Daniel S. Ebenstein has been a director of the Company since November 1999. Since 1968, Mr. Ebenstein has been practicing intellectual property law at the New York law firm of Amster, Rothstein & Ebenstein LLP and has been a partner of that firm since 1972.

Dr. Lawrence Howard, a founder of the Company, has been a director of the Company since November 1987. Since March 1997, Dr. Howard has been a general partner of Hudson Ventures, L.P. (formerly known as Hudson Partners, L.P.), a limited partnership that is the general partner of Hudson Venture Partners, L.P., a limited partnership that is qualified as a small business investment company. Since March 1997, Dr. Howard has also been a managing member of Hudson Management Associates LLC, a limited liability company that provides management services to Hudson Venture Partners, L.P. Since November of 2000, Dr. Howard has been a General Partner of Hudson Venture Partners II, and a limited partner of Hudson Venture II, L.P. From 1988 to 1993 he served in various executive positions with the Company, including Chief Executive Officer. He also serves as a director and Chairman of the Board of iCad, Inc.

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Steven N. Rappaport has been a director of the Company since November 2003. Since July 2002, Mr. Rappaport has been a partner of RZ Capital, LLC, a private investment firm that also provides administrative services for a limited number of clients. Mr. Rappaport is currently serving as an independent director and audit committee member with respect to a number of investment portfolios, of which Credit Suisse serves as the investment adviser under the Investment Companies Act of 1940. Twenty-one of the funds are open-end funds and Mr. Rappaport is the Chairman of these funds. Seven of the funds are closed-end funds, whose shares are currently listed on the New York Stock Exchange. Mr. Rappaport also serves as a director of iCad, Inc. and a number of for profit private businesses, and is a member of the Board of Trustees of Washington University in St. Louis.

Frank D. Steenburgh has been a director of the Company since April 2008. From January 2008 until the present, he has served as Chief Marketing Officer of ColorCentric Corporation. From January 2006 until the present, he has served as President and CEO of Steenburgh & Associates, LLC. From January 2005 until December 2005 he served as Senior Vice President, Business Growth of Xerox Corporation. From November 2001 until December 2004 he served as Senior Vice President and Worldwide General Manager, iGen3 Business of Xerox. Prior thereto he served in various capacities with Xerox.

Donald C. Waite, III has been a director of the Company since July 2002. Since February 2002, Mr. Waite has been the Director of the Executives-in-Residence Program and an Adjunct Professor at Columbia Graduate School of Business. Mr. Waite was employed as an executive with McKinsey & Company, an international management consulting firm, from 1966 until his retirement in February 2002. He remains a member of the McKinsey Investment Committee. From June 1996 to February 2002, Mr. Waite was one of the three members of McKinsey's Office of the Managing Director, and Chairman of McKinsey's Investment Committee and Compensation Committee. Mr. Waite is a Director Emeritus of McKinsey & Company. He sits on the Board of Overseers of the Columbia Graduate School of Business and is a member of the board of directors of Guardian Life Insurance Company of America and Information Services Group, Inc.

Directors Michael D. Moffitt and Brian F. Mullaney will end their service as directors on the date of the Annual Meeting.

COMPENSATION OF DIRECTORS

As compensation for services as a director, each non-employee director of the Company receives:

A \$22,500 annual retainer paid on the first day of July, or a pro-rata portion thereof for directors appointed after July 1 of a given year;

Compensation for attendance at meetings in the amount of: (i) \$1,500 for each in-person meeting of the Board; (ii) \$500 for each telephonic meeting of the Board; (iii) \$1,000 for each meeting of the Compensation Committee and Nominating and Corporate Governance Committee; (iv) \$1,500 for each meeting of the Audit Committee; and (v) \$500 for each meeting of other committees of the Board. The Chairman of the Audit Committee also received an annual retainer of \$7,500, paid on the first day of July each year during his term. Compensation for meeting attendance is paid to non-employee directors on a quarterly basis; Upon joining the Board, each new non-employee director is granted an option to purchase 25,000 shares of the Company's Common Stock at an exercise price per share equal to the closing price of our Common Stock on the date the option was granted. These options are fully exercisable on the first anniversary of the date of grant; and

On the Company's first business day of July, each non-employee director is granted an option to purchase 15,000 shares of Common Stock at an exercise price per share equal to the closing price of our Common Stock on that date. These options are fully exercisable on the first anniversary of the date of grant.

On June 7, 2006, the Board elected John W. Dreyer, who was then serving as Lead Director, to the position of Chairman of the Board. At that time, the Board set the compensation of the office of Chairman of the Board to be the same as Mr. Dreyer was receiving as Lead Director, which was a \$50,000 annual fee for his service as Lead Director, in addition to continuing to receive all director compensation customarily paid by the Company to its non-employee directors.

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On August 2, 2006, the Compensation Committee of the Board of Directors of the Company approved an increase in the compensation amount for the Chairman of the Board of Directors for the Company, a position currently held by Mr. Dreyer. Under the revised compensation plan, the annual cash compensation of the Chairman was increased from \$50,000 per year to \$150,000 per year retroactive to June 7, 2006, the date of Mr. Dreyer's election to the position of Chairman of the Board. On January 1, 2008, the Board reduced the annual cash compensation of the Chairman to \$100,000. In addition, the Chairman of the Board is eligible to receive additional annual bonuses as may be deemed appropriate by the Board of Directors. On January 2, 2007, in recognition of his contributions to the Company during 2006, the Compensation Committee of the Board of Directors of the Company granted Mr. Dreyer a ten year option to purchase 50,000 shares of Common Stock at an exercise price of \$6.36 per share, which was the closing price of Common Stock on December 29, 2006. The option vested in full on the first anniversary of the grant date.

In fiscal 2007 due to significant additional responsibilities Mr. Dreyer performed as a director for the Company during the transition to a new executive team, on February 26, 2007, the Board granted Mr. Dreyer a ten year option to purchase 100,000 shares of Common Stock at an exercise price of \$6.29 per share, the closing price of Common Stock on such date, and on December 11, 2007, the Board granted Mr. Dreyer a ten year option to purchase 50,000 shares of Common Stock at an exercise price of \$5.89 per share, the closing price of Common Stock on such date. Each of these options vest in full on the first anniversary of the respective grant dates.

Including, and in addition to, the option grants described herein, directors of the Company are generally eligible to be granted stock options or stock-based awards under the 2003 Plan and will be eligible for grants under the 2008 Omnibus Incentive Plan proposed for approval by the stockholders at the 2008 Annual Meeting. The Board or the Compensation Committee has discretion to determine the number of shares subject to each award, the exercise price and other terms and conditions thereof. The 2003 Plan provides for the grant of any or all of the following types of awards: (i) stock options; (ii) stock issuances; and (iii) other equity interests in the Company. Awards may be granted singly, in contribution, or in tandem, as determined by the Board or the Compensation Committee. The 2008 Plan is described below in this proxy statement under the heading **Proposal 2 - Approval of the Presstek, Inc. 2008 Omnibus Incentive Plan**.

The following table sets forth the cash compensation earned and options to purchase Common Stock granted to all persons who served as a non-employee director of the Company in fiscal 2007:

Director	Fees Earned or Paid in		
	Cash \$(1)	Options Awards \$(2)	Total (\$)
John W. Dreyer	181,500	571,176	752,676
Daniel S. Ebenstein	31,000	69,722	100,722
Dr. Lawrence Howard	53,500	69,722	123,222
Michael D. Moffitt	32,500	69,722	102,222
Brian F. Mullaney	34,000	69,722	103,722
Steven N. Rappaport	61,000	69,722	130,722
Donald C. Waite, III	50,000	69,722	119,722

- (1) This column reports the amount of cash compensation earned in 2007 for Board and Committee service.
- (2) The dollar amounts in this column represent the compensation cost, adjusted as described below, recorded in our audited financial statements for fiscal 2007 of Common Stock option awards made to the directors. These amounts have been calculated in accordance with SFAS No. 123R disregarding the estimates of forfeiture and using the Black Scholes option-pricing model. Assumptions used in the calculation of these amounts are included in Note 15 to our audited financial statements included in our Annual Report on Form 10-K for the fiscal year ended December 29, 2007. The grant date fair value of options granted in 2007 was \$69,015 for each of the non-employee directors in the table, except for Mr. Dreyer for whom the aggregate grant date fair value of all options granted in 2007 was \$792,815. The aggregate number of shares subject to all options outstanding held by the respective non-employee directors in the table at December 29, 2007 were 360,092 for Mr. Dreyer, 80,000 for Mr. Ebenstein, 80,000 for Dr. Howard, 62,500 for Mr. Moffitt, 55,000 for Mr. Mullaney, 77,500 for Mr. Rappaport, and 75,000 for Mr. Waite.

BOARD OF DIRECTORS MEETINGS

During the fiscal year ended December 29, 2007, the Board of Directors held eight meetings. During the year, each of the Company's directors attended at least seventy-five percent of the aggregate of the total number of meetings of the Board of Directors and of the

total number of meetings of all committees on which each director served. Additionally, all of the directors then in office attended the Annual Meeting of Stockholders in 2007. Directors are encouraged to attend the annual meeting of stockholders but are not required to do so.

BOARD OF DIRECTORS AND COMMITTEE INDEPENDENCE

The Board has determined, in accordance with Nasdaq Marketplace Rule 4200(a)(15), that each of the following directors is an independent director as such term is defined in Nasdaq listing standards: Messrs. Ebenstein, Moffitt, Mullaney, Rappaport, Steenburgh, Waite and Dr. Howard. The Board of Directors has also determined that each member of the three standing committees of the Board met the independence requirements applicable to those committees prescribed by Nasdaq. Because Mr. Dreyer received substantial additional compensation as a director for significant additional responsibilities he performed for the Company during the transition to a new executive team in 2007, the Board determined that Mr. Dreyer should not be considered independent at this time.

COMMUNICATIONS WITH THE BOARD

The Company provides a process for stockholders to send communications to the Board. Information regarding stockholder communications with the Board can be found on the Company's Web site at www.presstek.com/investors/hotline.html.

AUDIT COMMITTEE

The Company has an Audit Committee of the Board established in accordance with section 3(a)(58)(A) of the Securities Act of 1934, as amended. The Audit Committee, which oversees the audit and financial procedures of the Company, is directly responsible for the appointment, compensation, retention and oversight of the Company's independent registered public accounting firm. The Audit Committee is currently comprised of Mr. Rappaport as Chair, Dr. Howard and Mr. Waite. The Company's Board of Directors has determined that Mr. Rappaport, who qualifies as an independent director under Nasdaq listing standards, is also an audit committee financial expert as such term is defined by a regulation of the Securities and Exchange Commission (SEC). The Audit Committee held meetings during fiscal 2007. The Audit Committee operates under a written charter adopted by the Board, which is available on the Company's Web site at www.presstek.com.

NOMINATING AND CORPORATE GOVERNANCE COMMITTEE

The Company has a Nominating and Corporate Governance Committee of the Board, which is comprised of Mr. Waite as Chair and Messrs. Ebenstein and Moffitt. The Nominating and Corporate Governance Committee held one meeting during fiscal 2007. The Board has adopted a written charter for the Nominating and Corporate Governance Committee, which is available on the Company's Web site at www.presstek.com.

The Nominating and Corporate Governance Committee makes recommendations to the Board regarding the size and composition of the Board and is responsible for reviewing with the Board from time to time the appropriate skills and characteristics required of Board members in the context of the current size and make-up of the Board. This assessment includes issues of diversity in numerous factors such as age, understanding of and achievements in manufacturing, technology, finance and marketing, international experience and culture. These factors, and any other qualifications considered useful by the Committee, are reviewed in the context of an assessment of the perceived needs of the Board at a particular point in time. As a result, the priorities and emphasis of the Nominating and Corporate Governance Committee and of the Board may change from time to time to take into account changes in business and other trends, and the portfolio of skills and experience of current and prospective Board members. The Committee establishes procedures for the nomination process, recommends candidates for election to the Board and also reviews the functions of the Company's senior executives and recommends any changes it believes are necessary.

Consideration of new Board nominee candidates typically involves a series of internal discussions, review of information concerning candidates and interviews with selected candidates. In general, candidates for nomination to the Board are suggested by Board members or by management. Frank D. Steenburgh was appointed by the Board on April 8, 2008 to a new Board seat. Mr. Steenburgh was recommended to the Governance Committee for service on our Board by a non-management director. In fiscal year 2007, Presstek did not employ a search firm or pay fees to other third parties in connection with seeking or evaluating Board nominee candidates. The Nominating and Corporate Governance Committee will consider candidates proposed by stockholders, and has from time to time received unsolicited candidate proposals from stockholders. The Committee evaluates candidates proposed by stockholders using the same criteria as used for other candidates. A stockholder seeking to recommend a prospective nominee for the Nominating and Corporate Governance Committee's consideration should submit the candidate's name and qualifications to Presstek, Inc., 55 Executive Drive Hudson, New Hampshire 03051; Attention: Secretary of the Corporation.

THE COMPENSATION COMMITTEE

The Company has a Compensation Committee of the Board (the Compensation Committee), which is currently comprised of Dr. Howard as Chair and Messrs. Rappaport and Mullaney. The Board has adopted a written charter for the Compensation Committee, which is available on the Company's Web site at www.presstek.com. The Compensation Committee held four meetings during fiscal 2007, and on other occasions acted through unanimous consents in lieu of meetings. The Compensation Committee sets the compensation of the executive officers of the Company and makes recommendations to the Board regarding the compensation of the members of the Board. Generally, management is not involved in the setting of compensation for the executive officers, except that the Chief Executive Officer participates in discussions related to compensation for all other executive officers. The Compensation Committee is comprised entirely of non-employee directors. The Compensation Committee chairperson reports on Compensation Committee actions and recommendations at Board meetings. Each of the actions of the Compensation Committee taken in fiscal 2007 was ratified by the Board. The Compensation Committee has the authority to engage the services of outside advisors, experts and others to assist the Compensation Committee. In fiscal 2007, the Compensation Committee retained Pearl Meyer & Partners as a compensation consultant to provide the Committee with independent analysis and competitive market data in connection with the Committee's negotiation of a compensation arrangement with Mr. Jacobson, who joined the Company in May 2007 as President and Chief Executive Officer. The Committee also used compensation survey data acquired from Radford Consulting.

EXECUTIVE OFFICERS

Executive officers serve at the discretion of the Board until their successors have been duly elected and qualified or until their earlier resignation or removal. The current executive officers of the Com