

**PRESSTEK, INC.**  
**CORPORATE GOVERNANCE PRINCIPLES**

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The following principles, together with the committee charters provide the framework for the governance of Presstek. The Board has adopted these principles to preserve and strengthen the structure and processes of Presstek's Board. Recognizing that the corporate governance debate is on-going, and that the Board must have the ability to adapt to the changing requirements of business, the Board will review these principles as well as other aspects of Presstek's governance annually, or more often as necessary.

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**ROLE OF BOARD AND MANAGEMENT**

Presstek's Board of Directors is elected by the Company's stockholders to represent their interests in the oversight of the Company's management and its business and to ensure that the stockholders' long-term interests are being served. The Board selects the Company's senior management team, which is charged with the responsibility of perpetuating a successful business and optimizing long-term financial returns. The Board functions also as an advisor and counselor to senior management and is responsible for monitoring the senior management team's performance.

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**COMPOSITION AND QUALIFICATION**

It is the policy of the Board that a majority of the Directors will not be current employees of the Company and will otherwise meet the independence requirements promulgated by the Securities and Exchange Commission, the National Association of Securities Dealers, any exchange upon which securities of the Company are traded, or any governmental or regulatory body exercising authority over the Company (each, a "Regulatory Body"). As of the date of adoption of these principles, Presstek has not yet met these requirements. While the Company recognizes that Directors who do not meet these independence requirements make valuable contributions to the Board and to the Company by reason of their experience and wisdom, it is the goal of the Company to meet this standard by the Annual Meeting of Stockholders in 2004.

The number of Directors shall not exceed a number that can function efficiently as a body. The Nominating and

Corporate Governance Committee, in consultation with the CEO, considers and makes recommendations to the Board concerning the appropriate size and needs of the Board.

The Board does not have a policy with regard to whether the role of the Chairman and CEO should be separate or combined, or whether the Chairman should be selected from the independent Directors or be an employee.

The Company's Audit Committee, Compensation Committee, and Nominating and Corporate Governance Committee shall be comprised of independent Directors. No Director shall serve as a member of these committees if the Director would not meet the independence requirements promulgated by any applicable Regulatory Body.

Directors should possess the highest personal and professional ethics, integrity and values and be committed to representing the long-term interests of the Company's stockholders. Character, judgment, business acumen, as well as printing and publishing, financial and other significant business experience are among the relevant criteria for Board membership.

The Chief Financial Officer and internal Legal Counsel shall be responsible for providing an orientation for new Directors, and for periodically providing materials or briefing sessions for all Directors, on subjects that would assist them in discharging their duties. Each new Director shall, within 3 months of election to the Board, spend a day at Company headquarters for personal briefing by senior management on the Company's strategic plans, its financial statements and its key policies and practices.

The Company recognizes that Directors should limit the number of boards on which they serve so that they can give proper attention to each board responsibility. However, the philosophy of the Company is not to set an invariant limit on the number of boards on which a Director may serve. In the event a Director wishes to join the board of another company, it is required that the director advise the Board of his or her intention. The Board will then determine whether the new commitment will allow the Director to continue to fulfill his or her obligations to the Company.

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## **BOARD MEETINGS**

The Board of Directors shall meet at least four times per year, or more frequently as circumstances require. The Board shall meet pursuant to a written agenda and prepare minutes of its proceedings. Information and data important to the Board's understanding of the items on the agenda will be distributed to members sufficiently in advance to allow the Directors to prepare for discussion of the items at the meeting. Any member of the Board may request that an item be included on the agenda.

Executive sessions, or meetings of independent Directors, without management present, shall be held at least once each year to review the report of the outside auditors, the performance of the CEO and other elected senior officers, the criteria against which their performance is measured, and their compensation. Additional executive sessions may be held as circumstances require.

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## **DUTIES AND RESPONSIBILITIES**

In addition to its general oversight of the Company's management and business, the Board reviews and discusses

reports by management on the performance of the Company, its future prospects, as well as immediate issues facing the Company. In addition, the Board is also responsible for:

1. the selection and evaluation of the CEO, CFO and other elected senior officers and overseeing succession planning;
2. providing counsel and oversight in the selection, evaluation, development and compensation of senior management;
3. reviewing, approving and monitoring fundamental financial and business strategies and major corporate actions;
4. reviewing, at least annually, the Company's strategic plans with those members of management who have the primary responsibility for their development and execution;
5. assessing major risks facing the company, and reviewing options for their mitigation;
6. ensuring processes are in place for maintaining the integrity of the Company, its financial statements, and its relationships with employees, customers, suppliers and stockholders, as well as its compliance with the law;
7. making an annual self-assessment of the Board and its committees, including a review of the Corporate Governance Principles, and update as appropriate; and
8. undertaking such additional activities within the scope of its primary function as may be required by law or regulation.

The Board's independent Directors are encouraged to meet with the senior managers of the Company without the CEO or other elected senior officers present. To facilitate such contact, independent Directors are expected to meet at least once annually with senior managers of the Company.

The Board and its committees shall have the right at any time to retain independent outside financial, legal or other advisors.

The CEO and other members of senior management are responsible for establishing effective communications with the Company's stakeholder groups, i.e., stockholders, customers, company associates, suppliers, creditors, corporate partners, the press and others. Board members may from time to time, at the request of management, meet with certain stakeholders with management present.

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### **COMPENSATION OF THE BOARD**

The Compensation Committee has the responsibility for recommending to the Board compensation for its Directors. In discharging this duty, the committee shall be guided by three factors:

1. The compensation should fairly pay Directors for work required in a Company of Presstek's size.
2. The compensation should align Directors' interests with the long-term interests of the Company's stockholders.
3. The structure of the Compensation should be simple, transparent and easy for stockholders to understand.

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### **ETHICS AND CONFLICTS OF INTEREST**

The Board expects its Directors, as well as its senior management and employees to act ethically at all times and to acknowledge their adherence to the Company's Code of Ethics. If an actual or potential conflict of interest shall arise for a Director, the Director shall promptly inform the CEO and the Audit and Nominating and Corporate Governance Committees of such conflict, and such other persons as may be required by the Code of Ethics. If a significant conflict exists and cannot be resolved in a manner satisfactory to the Audit and Nominating and Corporate Governance Committees, the Director should resign. The Board shall resolve any conflict of interest question involving the CEO or an elected senior officer. The CEO shall resolve any conflict of interest issue involving any other member of the senior management team.

The Company will not make any personal loans or extensions of credit to Directors or Executive Officers.

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### **REPORTING OF CONCERNS TO INDEPENDENT DIRECTORS OR THE AUDIT COMMITTEE**

Anyone who has concern about the conduct of any of the Company's Directors, Officers or Employees or about the Company's accounting, internal accounting controls or auditing matters, may communicate that concern directly via the Company's Governance Hotline. This facility is a phone and internet based reporting system which is managed by Ethicspoint. All communication may be confidential or anonymous. Contact information is available on the company's corporate website on the Investor Relations Page under the subsection "Governance Hotline".