

DIRECTOR COMPENSATION

We paid our non-employee Directors a fee of \$25,000 per year until September 12, 2007. At that time, the Compensation Committee increased the fee to \$30,000 per year. We do not pay additional compensation for attending Board or Board committee meetings, but we do reimburse Board members for the expenses they incur to attend the meetings. For the fiscal year ending December 31, 2007, we paid total fees of \$26,250 to each of our non-employee Directors.

In 2007, each non-employee Director also received automatic stock option grants under our 2002 Non-Employee Directors' Stock Option Plan. On July 2, 2007, under the 2002 Non-Employee Directors' Stock Option Plan, each of our non-employee Directors serving at that time received an option to purchase 12,500 shares of our common stock, at an exercise price of \$9.77 per share, the fair market value of the common stock on the date of the grant, based on the closing sales price reported on the Nasdaq Global Market. The options vest over a four-year period in equal annual installments.