

EMC CORP  
Form DEF 14A  
March 24, 2011

Table of Contents

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 (Amendment No.        )

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material under §240.14a-12

**EMC Corporation**

---

(Name of Registrant as Specified In Its Charter)

---

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

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
  - (1) Title of each class of securities to which transaction applies:
  - (2) Aggregate number of securities to which transaction applies:
  - (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
  - (4) Proposed maximum aggregate value of transaction:
  - (5)

## Edgar Filing: EMC CORP - Form DEF 14A

Total fee paid:

- o Fee paid previously with preliminary materials.
  - o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.
    - (1) Amount Previously Paid:
    - (2) Form, Schedule or Registration Statement No.:
    - (3) Filing Party:
    - (4) Date Filed:
-

Table of Contents

March 24, 2011

Dear Shareholder:

We cordially invite you to attend our 2011 Annual Meeting of Shareholders, which will be held on Wednesday, May 4, 2011, at 10:00 a.m., E.D.T., at EMC's facility at 176 South Street, Hopkinton, Massachusetts. A map with directions to the meeting is on the last page of the attached Proxy Statement.

At the meeting you are being asked to:

1. Elect the eleven members listed in the attached Proxy Statement to the Board of Directors,
2. Ratify the selection by the Audit Committee of EMC's independent auditors, as described in the attached Proxy Statement,
3. Approve the EMC Corporation Amended and Restated 2003 Stock Plan, as described in the attached Proxy Statement,
4. Approve an amendment to EMC's Bylaws to reduce the percentage of shares required for shareholders to call a special meeting of shareholders, as described in the attached Proxy Statement,
5. Provide an advisory vote on executive compensation, as described in the attached Proxy Statement, and
6. Provide an advisory vote on the frequency of future advisory votes on executive compensation, as described in the attached Proxy Statement.

Your Board of Directors recommends that you vote FOR each of proposals 1 through 5, and for a "ONE YEAR" frequency on proposal 6. You should carefully read the attached Proxy Statement which contains detailed information about each of these proposals.

If you plan to join us at the meeting, please go to [www.emc.com/annualmeeting2011](http://www.emc.com/annualmeeting2011) to complete the registration form. The deadline for registration is April 27, 2011. All shareholders who attend the meeting will be required to present valid government-issued picture identification, such as a driver's license or passport. Check-in will begin at 9:00 a.m., E.D.T.

Following completion of the scheduled business, we will report on EMC's operations and answer questions. We hope that you will be able to join us on May 4th.

Very truly yours,

JOSEPH M. TUCCI  
*Chairman, President and Chief  
Executive Officer*

**YOUR VOTE IS IMPORTANT**

## Edgar Filing: EMC CORP - Form DEF 14A

**Whether or not you plan to attend the meeting, please vote as soon as possible. Under New York Stock Exchange rules, your broker will *NOT* be able to vote your shares on proposals 1, 3, 5 or 6 unless they receive specific instructions from you. We strongly encourage you to vote.**

We encourage you to vote by Internet. It is convenient for you and saves us significant postage and processing costs. For specific instructions on how to vote your shares, please refer to the section entitled "Questions and Answers about the Annual Meeting and Voting" beginning on page 82 of the attached Proxy Statement.

---

Table of Contents

**EMC CORPORATION**

**NOTICE OF THE ANNUAL MEETING OF SHAREHOLDERS**

*May 4, 2011*

To the Shareholders:

The Annual Meeting of Shareholders of EMC Corporation, a Massachusetts corporation, will be held at EMC's facility at 176 South Street, Hopkinton, Massachusetts, on Wednesday, May 4, 2011, at 10:00 a.m., E.D.T., for the following purposes:

1. To elect the eleven members listed in the attached Proxy Statement to the Board of Directors.
2. To ratify the selection by the Audit Committee of PricewaterhouseCoopers LLP as EMC's independent auditors for the fiscal year ending December 31, 2011, as described in the attached Proxy Statement.
3. To approve the EMC Corporation Amended and Restated 2003 Stock Plan, as described in the attached Proxy Statement.
4. To approve an amendment to EMC's Bylaws to reduce the percentage of shares required for shareholders to call a special meeting of shareholders, as described in the attached Proxy Statement.
5. To provide an advisory vote on executive compensation, as described in the attached Proxy Statement.
6. To provide an advisory vote on the frequency of future advisory votes on executive compensation, as described in the attached Proxy Statement.
7. To transact any and all other business that may properly come before the meeting or any adjournments or postponements of the meeting.

All shareholders of record at the close of business on March 7, 2011 are entitled to notice of and to vote at the meeting and any adjournments or postponements of the meeting. We are making these proxy materials available to you on or about March 24, 2011 on the Internet or by delivering printed versions of these materials to you by mail.

Your vote is important. Whether or not you plan to attend the meeting, please vote as soon as possible. **We encourage you to vote by Internet.** It is convenient for you and saves us significant postage and processing costs. If you previously elected to access the 2011 Proxy Statement and Annual Report on Form 10-K for 2010 electronically, you must vote your proxy over the Internet. Otherwise, you may vote your shares via a toll-free telephone number or over the Internet. Additionally, if you received a proxy card or voting instruction form by mail, you may submit your proxy card or voting instruction form for the 2011 Annual Meeting by completing, signing, dating and returning your proxy card or voting instruction form in the pre-addressed envelope provided. For specific instructions on how to vote your shares, please refer to the section entitled "Questions and Answers about the Annual Meeting and Voting" beginning on page 82 of the attached Proxy Statement.

EMC's Annual Report on Form 10-K for 2010 accompanies this Notice.

By order of the Board of Directors

PAUL T. DACIER

*Executive Vice President,  
General Counsel and Assistant  
Secretary*

March 24, 2011

**Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Shareholders to be held on May 4, 2011: The Annual Report on Form 10-K for 2010 and 2011 Proxy Statement are available at [www.proxyvote.com](http://www.proxyvote.com).**

---

Table of Contents

**Proxy Statement for the  
Annual Meeting of Shareholders of  
EMC CORPORATION  
To Be Held on Wednesday, May 4, 2011  
TABLE OF CONTENTS**

	<b>Page</b>
<u>Proposal 1 Election of Directors</u>	<u>1</u>
<u>Proposal 2 Ratification of Selection of Independent Auditors</u>	<u>7</u>
<u>Proposal 3 Approval of EMC Corporation Amended and Restated 2003 Stock Plan</u>	<u>8</u>
<u>Proposal 4 Approval of an Amendment to EMC's Bylaws to Reduce the Percentage of Shares Required for Shareholders to Call a Special Meeting of Shareholders</u>	<u>15</u>
<u>Proposal 5 Advisory Vote on Executive Compensation</u>	<u>16</u>
<u>Proposal 6 Advisory Vote on the Frequency of Future Advisory Votes on Executive Compensation</u>	<u>19</u>
<u>Corporate Governance</u>	<u>20</u>
<u>Board Independence and Committees</u>	<u>26</u>
<u>Security Ownership of Certain Beneficial Owners and Management</u>	<u>30</u>
<u>Equity Compensation Plan Information</u>	<u>32</u>
<u>Leadership and Compensation Committee Report</u>	<u>33</u>
<u>Compensation Discussion and Analysis</u>	<u>34</u>
<u>Executive Summary</u>	<u>34</u>
<u>Named Executive Officers</u>	<u>37</u>
<u>Objectives of EMC's Executive Compensation Program</u>	<u>37</u>
<u>Overview of EMC's Executive Compensation Program</u>	<u>37</u>
<u>Elements of EMC's Executive Compensation Program</u>	<u>39</u>
<u>Compensation of Executive Officers</u>	<u>56</u>
<u>Summary Compensation Table</u>	<u>56</u>
<u>Grants of Plan-Based Awards</u>	<u>58</u>
<u>Outstanding Equity Awards at Fiscal Year-End</u>	<u>60</u>
<u>Option Exercises and Stock Vested</u>	<u>62</u>
<u>Pension Benefits</u>	<u>62</u>
<u>Nonqualified Deferred Compensation</u>	<u>62</u>
<u>Potential Payments upon Termination or Change in Control</u>	<u>63</u>
<u>Director Compensation</u>	<u>74</u>
<u>Review and Approval of Transactions with Related Persons</u>	<u>77</u>
<u>Certain Transactions</u>	<u>77</u>
<u>Audit Committee Report</u>	<u>79</u>
<u>Shareholder Proposals for EMC's 2012 Proxy Statement</u>	<u>80</u>
<u>Business and Nominations for the 2012 Annual Meeting</u>	<u>80</u>
<u>Section 16(a) Beneficial Ownership Reporting Compliance</u>	<u>80</u>
<u>Householding</u>	<u>81</u>
<u>Questions and Answers about the Annual Meeting and Voting</u>	<u>82</u>

---

Table of Contents

**CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS**

This Proxy Statement contains forward-looking statements, within the meaning of the Federal securities laws, about our business and prospects. The forward-looking statements do not include the potential impact of any mergers, acquisitions, divestitures, securities offerings or business combinations that may be announced or closed after the date hereof. Any statements contained herein that are not statements of historical fact may be deemed to be forward-looking statements. Without limiting the foregoing, the words "believes," "plans," "intends," "expects," "goals" and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these words. Our future results may differ materially from our past results and from those projected in the forward-looking statements due to various uncertainties and risks, including, but not limited to, those described in Item 1A of Part I (Risk Factors) of our Annual Report on Form 10-K. The forward-looking statements speak only as of the date of this Proxy Statement and undue reliance should not be placed on these statements. We disclaim any obligation to update any forward-looking statements contained herein after the date of this Proxy Statement.

---



Table of Contents

**PROPOSAL 1**

**ELECTION OF DIRECTORS**

*THE BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR" THE ELECTION OF  
EACH OF THE NOMINEES LISTED BELOW*

Under EMC's Bylaws, the Board of Directors may determine the total number of directors to be elected at any annual meeting of shareholders or special meeting in lieu of an annual meeting. The Board of Directors has fixed at 11 the total number of directors. On the recommendation of the Corporate Governance and Nominating Committee (the "Governance Committee"), the Board of Directors has nominated the persons named below for election as directors at this Annual Meeting, each to serve for a one-year term or until the director's successor is elected and qualified.

***Director and Nominee Experience and Qualifications***

The Board believes that its members, collectively, should possess a variety of skills, professional experience, and diversity of backgrounds in order to effectively oversee our business. In addition, the Board believes that each director should possess certain attributes, as reflected in the Board's membership criteria described below. Accordingly, the Board and the Governance Committee consider the qualifications of directors and director candidates individually and in the broader context of the Board's overall composition and dynamics and EMC's current and future needs.

The Governance Committee is responsible for reviewing, assessing and recommending Board membership criteria to the Board for approval. The criteria, which are set forth in the Governance Committee's charter, include judgment, integrity, diversity, prior experience, the interplay of the nominee's experience with the experience of other Board members, the extent to which the nominee would be desirable as a member of any committees of the Board, and the candidate's willingness to devote substantial time and effort to Board responsibilities. At least once a year, the Governance Committee evaluates the size and composition of the Board to assess the skills and experience of Board members and compares them with those skills that might prove valuable in the future, giving consideration to the changing circumstances of the Company and the then current Board membership. This assessment enables the Board to update the skills and experience it seeks in the Board as a whole, and in individual directors, as the Company's needs evolve over time. The Governance Committee seeks individuals with a variety of occupational and personal backgrounds so that the Board may benefit from a range of perspectives and the diversity of the Board may be enhanced in such areas as experience and geography, as well as race, gender, ethnicity and age. In identifying director candidates from time to time, the Governance Committee may establish other specific skills and experience that it believes the Board should seek in order to constitute a balanced and effective Board.

In considering incumbent directors for renomination and evaluating director candidates, the Board and the Governance Committee consider a variety of factors. These include each nominee's independence, personal and professional accomplishments, and experience in light of the needs of the Company. For incumbent directors, the factors also include past performance on the Board. Among other things, the Board has determined that it is important to have individuals with the following skills and experiences:

*Technology expertise*, including in-depth knowledge of the information technology industry, so they can understand and review EMC's strategy, including the acquisition of businesses that have complementary technologies, products or services.

*Operational experience* with a business of significant scale and complexity to understand the competitive dynamics of our business strategy and execution.

*International expertise*, which is important given EMC's growth in markets around the world.

Table of Contents

*Expertise in complex financial and accounting matters* in order to evaluate our financial statements, capital structure and business plans.

*Talent management experience* to help us attract, motivate and retain world-class individuals.

*Service on other public company boards*, which provides directors with corporate governance experience, a deep understanding of the role and responsibilities of the Board of Directors and insight into matters being handled by our Board.

The Board believes that all the current nominees are highly qualified and have the skills and experience required for effective service on our Board. The directors' individual biographies below contain information about their experience, qualifications and skills that led the Board to nominate them.

Each nominee has agreed to be named in this Proxy Statement and to serve if elected. Should any nominee be unable to serve or for good cause will not serve as a director, the proxy holders will vote for such other person as the Board may recommend.

All of the directors were previously elected by the shareholders.

*The affirmative vote of a majority of votes properly cast on this proposal at the Annual Meeting is required for the election of directors.*

**NOMINEES TO SERVE AS DIRECTORS**

***Michael W. Brown***

Mr. Brown, age 65, has been a director of EMC since August 2005. From August 1994 until his retirement in July 1997, Mr. Brown served as Vice President and Chief Financial Officer of Microsoft Corporation, a manufacturer of software products for computing devices. He was Vice President, Finance of Microsoft from April 1993 to August 1994. He joined Microsoft in December 1989 and served as Treasurer from January 1990 to April 1993. After retiring from Microsoft, Mr. Brown served as Chairman of the NASDAQ Stock Market board of directors and as a past governor of the National Association of Securities Dealers ("NASD"). Mr. Brown also spent 18 years with Deloitte & Touche LLP in various positions. Mr. Brown is also a director of VMware, Inc. (where he is Chair of the Audit Committee and a member of the Compensation and Governance Committee), Administaff, Inc. (where he is a member of the Finance, Risk Management and Audit Committee, and Nominating and Corporate Governance Committee), and Stifel Financial Corp. (which acquired Thomas Weisel Partners Group where Mr. Brown was Chair of the Audit Committee). Mr. Brown holds a bachelor's degree in Economics from the University of Washington.

Mr. Brown brings to the Board substantial financial expertise that includes extensive knowledge of the complex financial and operational issues facing large companies, and a deep understanding of accounting principles and financial reporting rules and regulations. He acquired this knowledge in the course of serving as the CFO of a global technology company, working with a major international accounting and consulting firm for 18 years, and serving as a member of the audit committees of other public company boards. Through those and other senior management positions, as Chairman of NASDAQ and as a past governor of the NASD, Mr. Brown has demonstrated his leadership and business acumen.

***Randolph L. Cowen***

Mr. Cowen, age 60, has been a director of EMC since January 2009. From October 2007 until his retirement in November 2008, Mr. Cowen served as co-Chief Administrative Officer of The Goldman Sachs Group, Inc., a global investment, banking, securities and investment management

Table of Contents

firm. From September 2004 to November 2008, he was Global Head of Technology and Operations of Goldman Sachs, and from October 2001 to October 2007, he was Chief Information Officer of Goldman Sachs. Mr. Cowen joined Goldman Sachs in 1982. Mr. Cowen holds a bachelor's degree in History with a minor in Mathematics from Michigan State University.

With more than 28 years of experience managing IT and making the technology infrastructure purchasing decisions at a global financial services firm, Mr. Cowen brings to the Board extensive knowledge about technology and defining and implementing IT strategy. As a former customer of EMC, he has in-depth knowledge of our products and services. In addition, through various senior management positions, Mr. Cowen has demonstrated leadership skills and gained significant business operations experience.

***Michael J. Cronin***

Mr. Cronin, age 72, has been a director of EMC since May 1990. He has been Chief Executive Officer of Cognition Corporation, an engineering knowledge management company, since 1993. Mr. Cronin is also Chairman of the Board of Directors of Cognition Corporation. From June 1984 to September 1990, he was Chief Executive Officer and President of Automatrix, Inc., an industrial vision and robotics systems manufacturer. Mr. Cronin holds a bachelor's degree in Electrical Engineering from Northeastern University and an MBA from Harvard Business School.

Mr. Cronin has more than 40 years of experience in the technology industry as well as a deep understanding of our people, products and culture acquired over many years of service on our Board. As the active Chairman and CEO of a technology company, Mr. Cronin brings to the Board significant operating experience, financial expertise, business acumen and insight into current and emerging business trends.

***Gail Deegan***

Ms. Deegan, age 64, has been a director of EMC since July 2002. From February 1996 until her retirement in September 2001, Ms. Deegan served as Executive Vice President and Chief Financial Officer of Houghton Mifflin Company, a publishing company. From February 1995 to February 1996, Ms. Deegan was Senior Vice President of Regulatory and Government Affairs for NYNEX New England, and from November 1991 to January 1995, was Vice President and Chief Financial Officer of New England Telephone. From 1988 to January 1990, Ms. Deegan was Senior Vice President, Chief Financial Officer and Treasurer of Eastern Enterprises, and from February 1990 to May 1991, was Senior Vice President, Chief Financial Officer and Chief Administrative Officer. Ms. Deegan is a former director of TJX Companies, Inc. (where she was Chair of the Audit Committee and a member of the Finance Committee). Ms. Deegan holds a bachelor's degree in Elementary Education from The College of Saint Rose, a master's degree in History from Ohio State University, and an MBA from Simmons College School of Management.

Ms. Deegan is an experienced financial leader who has served as the CFO of three companies in different industries. Ms. Deegan has extensive experience with financial accounting matters for complex global organizations as well as substantial experience overseeing the financial reporting processes of large public companies. Ms. Deegan also gained operational and talent management experience from serving on the executive staff of these companies. In addition, Ms. Deegan's service on another public company board provides her with considerable experience about the best practices of effective boards.

***James S. DiStasio***

Mr. DiStasio, age 63, has been a director of EMC since March 2010. From January 2003 until his retirement in January 2007, Mr. DiStasio served as Senior Vice Chairman and Americas Chief

Table of Contents

Operating Officer of Ernst & Young LLP, a professional services organization. He spent over 38 years at Ernst & Young in various management positions, having been elected as a partner in 1977. Mr. DiStasio is a member of the Board of Trustees of NSTAR (where he is a member of the Audit, Finance and Risk Management Committee and the Executive Personnel Committee). Mr. DiStasio holds a bachelor's degree in Accounting from the University of Illinois.

Mr. DiStasio brings to the Board extensive financial, accounting and consulting expertise, including a deep understanding of accounting principles and financial reporting rules and regulations, acquired over the course of his 38-year career at one of the world's leading assurance, tax, transaction and advisory services firms. He has significant experience overseeing, from an independent auditor's perspective, the financial reporting processes of large public companies in a variety of industries with a global presence. Through his leadership roles at E&Y, including as COO of the Americas, Mr. DiStasio gained substantial management and operational experience. In addition, Mr. DiStasio's service on another public company board provides him with valuable experience.

***John R. Egan***

Mr. Egan, age 53, has been a director of EMC since May 1992. Mr. Egan has been a managing partner and general partner in Egan-Managed Capital, a venture capital firm, since October 1998. From May 1997 to September 1998, he served as Executive Vice President, Products and Offerings of EMC. From January 1992 to June 1996, he served as Executive Vice President, Sales and Marketing of EMC. From October 1986 to January 1992, he served in a number of executive positions with EMC, including Executive Vice President, Operations and Executive Vice President, International Sales. Mr. Egan resigned as an executive officer of EMC in September 1998 and as an employee of EMC in July 2002. Mr. Egan is also a director of VMware, Inc. (where he is Chair of the Mergers and Acquisitions Committee), and NetScout Systems, Inc. (where he is Chair of the Nominating and Governance Committee and a member of the Audit Committee). Mr. Egan holds a bachelor's degree in Marketing and Computer Science from Boston College.

Mr. Egan has spent his entire career in the IT industry. His broad experience ranges from venture capital investments in early-stage technology companies to extensive sales and marketing experience, to executive leadership and management roles. Mr. Egan brings to the Board business acumen, substantial operational experience, and expertise in corporate strategy development, as well as a deep understanding of EMC's people and products acquired over many years of involvement with the Company. In addition, Mr. Egan's service on other public company boards provides him with valuable experience.

***Edmund F. Kelly***

Mr. Kelly, age 65, has been a director of EMC since August 2007. He has served as Chairman of Liberty Mutual Group, a diversified global insurer and the nation's fifth-largest property and casualty insurer, since 2000 and Chief Executive Officer since 1998, and was President from 1992 to June 2010. He is also a director of the Bank of New York Mellon Corporation (where he is a member of the Human Resources and Compensation Committee and the Risk Committee). Mr. Kelly holds a bachelor's degree in Mathematics from Queen's University in Belfast, Ireland and a Ph.D. in Mathematics from the Massachusetts Institute of Technology.

As the Chairman and CEO of a Fortune 100 company, Mr. Kelly brings to the Board a wealth of complex management, worldwide operational and financial expertise. He also brings in-depth knowledge of the opportunities and challenges facing global companies. In addition, Mr. Kelly's service on another public company board provides him with valuable experience.

Table of Contents

***Windle B. Priem***

Mr. Priem, age 73, has been a director of EMC since December 2001. From July 2001 until his retirement in December 2003, Mr. Priem served as a Vice Chairman of Korn/Ferry International, a global executive recruiting company, and from December 1998 to June 2001, he served as President and Chief Executive Officer of Korn/Ferry. He joined Korn/Ferry in 1976 and held various other senior positions, including Chief Operating Officer from May 1997 to December 1998. He was also a director of Korn/Ferry from June 1992 to November 2002. Mr. Priem holds a bachelor's degree in Mechanical Engineering from Worcester Polytechnic Institute and an MBA from Babson College. He also completed the Program for Management Development at Harvard Business School, and spent three years as an officer in the U.S. Navy.

With more than 30 years of experience working with organizations and management structures, compensation, recruiting and succession planning, Mr. Priem brings to the Board a wealth of knowledge in talent management and executive compensation. While President and CEO of Korn/Ferry International, the world's largest executive recruiting firm, Mr. Priem conducted more than one hundred high profile executive searches for major global companies and led its successful initial public offering in 1999. Mr. Priem has significant operating experience and proven business acumen working with senior executives on a global basis.

***Paul Sagan***

Mr. Sagan, age 52, has been a director of EMC since December 2007. He has served as Chief Executive Officer of Akamai Technologies, Inc., a provider of services for accelerating the delivery of content and applications over the Internet, since April 2005 and was President from May 1999 to September 2010. Mr. Sagan joined Akamai in October 1998 as Vice President and Chief Operating Officer. In December 2010, President Barack Obama appointed Mr. Sagan as a member of the President's National Security Telecommunications Advisory Committee. Mr. Sagan is also a director of Akamai and iRobot Corporation (where he is a member of the Nominating and Corporate Governance Committee), and a former director of Digitas, Inc. and Dow Jones & Company. Mr. Sagan is a graduate of Northwestern University's Medill School of Journalism.

As the CEO of a fast-growing, industry-leading S&P 500 company, Mr. Sagan has significant experience leading a complex, international technology enterprise, extensive knowledge of internet-based technologies and business acumen. During his career, Mr. Sagan has led visionary technology and media companies and consulted with the World Economic Forum. In addition, Mr. Sagan's service on other public company boards provides him with valuable experience.

***David N. Strohm***

Mr. Strohm, age 62, has been a director of EMC since October 2003 and Lead Director since January 2006. He has been a Venture Partner of Greylock Partners, a venture capital firm, since January 2001, and was a General Partner of Greylock from 1980 to 2001. He is also a General Partner of several partnerships formed by Greylock. Mr. Strohm is also a director of VMware, Inc. (where he is Chair of the Compensation and Corporate Governance Committee and a member of the Mergers and Acquisitions Committee). Mr. Strohm is a former director of DoubleClick, Inc. (where he was Chair of the Compensation Committee and Chair of the Nominating and Corporate Governance Committee), Internet Security Systems, Inc. (where he was Lead Director, Chair of the Compensation Committee and a member of the Nominating and Corporate Governance Committee), and Successfactors, Inc. (where he was Chairperson of the Board, Chair of the Nominating and Corporate Governance Committee, and Chair of the Compensation Committee). Mr. Strohm holds a bachelor's degree from Dartmouth College and an MBA from Harvard Business School.

Table of Contents

Mr. Strohm has 30 years of experience as an early-stage venture capital investor, principally in the information technology industry. He has been a primary investor, and served in board leadership roles, in several companies which have grown to become publicly-traded. This experience has provided him with a deep understanding of the IT industry, and the drivers of structural change and high-growth opportunities in IT. He has also gained significant experience overseeing corporate strategy, assessing operating plans, and evaluating and developing business leaders. His service as board chair, lead director, and committee chair for several public companies has given him a broad experience base for serving as our Lead Director.

*Joseph M. Tucci*

Mr. Tucci, age 63, has been Chairman of the Board of Directors of EMC since January 2006 and has been Chief Executive Officer and a director since January 2001. He has served as President since January 2000. He also served as Chief Operating Officer from January 2000 to January 2001. Prior to joining EMC, Mr. Tucci served as Deputy Chief Executive Officer of Getronics N.V., an information technology services company, from June 1999 through December 1999 and as Chairman of the Board and Chief Executive Officer of Wang Global, an information technology services company, from December 1993 to June 1999. Mr. Tucci is also a director of VMware, Inc. (where he is Chairman of the Board of Directors and a member of the Mergers and Acquisitions Committee), and Paychex, Inc. (where he is Chairman of the Governance and Compensation Committee). Mr. Tucci holds a bachelor's degree in Marketing from Manhattan College and an MS in Business Policy from Columbia University.

During his tenure at EMC, Mr. Tucci has led EMC through a period of dramatic transformation and revitalization, continued market share gains and sustained revenue growth. Mr. Tucci has spent more than 40 years in the technology industry in senior roles at large, complex and global technology companies. Mr. Tucci's deep knowledge of all aspects of our business, combined with his drive for innovation and excellence, position him well to serve as our Chairman and CEO. In addition, Mr. Tucci's service on other public company boards provides him with valuable experience.

Table of Contents**PROPOSAL 2****RATIFICATION OF SELECTION OF INDEPENDENT AUDITORS***THE BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR" PROPOSAL 2*

EMC is asking shareholders to ratify the selection by the Audit Committee of PricewaterhouseCoopers LLP ("PWC") as our independent auditors for the fiscal year ending December 31, 2011. *The affirmative vote of a majority of votes properly cast on this proposal at the Annual Meeting is required to ratify such selection.*

Although ratification by the shareholders is not required by law, the Board of Directors has determined that it is desirable to request approval of this selection by the shareholders as a matter of good corporate governance. In the event the shareholders fail to ratify the appointment of PWC, the Audit Committee will consider this factor when making any determinations regarding PWC.

***Pre-Approval of Audit and Non-Audit Services***

During 2010, the Audit Committee pre-approved all audit, review and attest services performed by PWC.

In accordance with the Audit Committee's Pre-Approval Policy, the Audit Committee pre-approves specified non-audit services up to an aggregate dollar amount and approves on an engagement by engagement basis any individual engagement in excess of \$200,000. The Audit Committee has delegated to its Chair the authority to pre-approve any specific non-audit service which was not previously pre-approved by the Audit Committee, provided that any decisions of the Chair to pre-approve non-audit services shall be presented to the Audit Committee at its next scheduled meeting. During 2010, the Audit Committee pre-approved all non-audit services in accordance with the policy set forth above.

The following table summarizes the fees PWC, our independent auditor, billed to us for each of the last two fiscal years.

	<b>Audit Fees<sup>1</sup></b>	<b>Audit-Related Fees<sup>2,3</sup></b>	<b>Tax Fees<sup>3,4</sup></b>	<b>All Other Fees</b>
	<b>(\$)</b>	<b>(\$)</b>	<b>(\$)</b>	<b>(\$)</b>
2010	6,406,252	314,500	3,374,901	
2009	5,877,245	431,534	1,977,301	214,579 <sup>5</sup>

1 Includes services for the audit of our financial statements and internal control over financial reporting, the review of the interim financial statements included in our quarterly reports on Form 10-Q and other professional services provided in connection with statutory and regulatory filings or engagements.

2 Includes employee benefit plan compliance, acquisition-related support and other technical, financial reporting and compliance services.

3 EMC engages PWC to perform audit-related and tax services where it believes there are efficiencies to using its independent auditor, who is familiar with EMC's processes and procedures.

4 Includes tax compliance and tax consulting services in 2010 and 2009.

5 Includes consulting services relating to optimizing various finance processes.

Amounts in the table above do not include the fees PWC billed to VMware, Inc.

EMC expects that representatives of PWC will be present at the Annual Meeting and will be given the opportunity to make a statement if they desire to do so and to respond to appropriate questions.





Table of Contents

**PROPOSAL 3**

**APPROVAL OF EMC CORPORATION AMENDED  
AND RESTATED 2003 STOCK PLAN**

*THE BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR" PROPOSAL 3*

On May 7, 2003, EMC shareholders adopted and approved the EMC Corporation 2003 Stock Plan, which was subsequently amended and restated and most recently approved by shareholders on May 3, 2007 (the "2003 Stock Plan"). In February 2011, the Leadership and Compensation Committee (the "Compensation Committee") approved, subject to approval by EMC shareholders, an amendment and restatement of the 2003 Stock Plan which would, among other things:

increase by 60,000,000 the number of shares of common stock available for grant under the plan;

provide that accelerated vesting of awards in connection with a merger or consolidation will be contingent upon the consummation of such merger or consolidation;

subject dividend payments (if any) on restricted stock and/or restricted stock unit awards to the same vesting restrictions as the underlying awards;

limit the term of all stock appreciation rights issued under the plan to 10 years; and

extend the expiration date of the plan to May 4, 2021.

*The affirmative vote of a majority of the votes properly cast on this proposal at the Annual Meeting is required to approve the 2003 Stock Plan.*

Equity is a key component of our compensation program. Equity awards encourage employee loyalty to EMC and align employee interests with those of EMC shareholders. The 2003 Stock Plan allows us to provide our key employees, consultants, advisors and non-employee directors with equity incentives that are competitive with those of companies with which EMC competes for talent.

Without this amendment, the number of shares currently available under the 2003 Stock Plan may not be sufficient to cover projected awards through the date of the 2012 Annual Meeting of Shareholders. In such event, we may not be able to provide persons eligible for awards with compensation packages that are necessary to attract, retain and motivate these individuals. The additional 60,000,000 shares of common stock will provide us with sufficient shares to cover the awards we anticipate granting to eligible participants for approximately two years. If additional shares are not made available under the 2003 Stock Plan, we will not be able to grant any awards to participants once all the current shares have been allocated.

As of December 31, 2010, a total of 43,374,805 shares remained available for future awards under the 2003 Stock Plan.

As of December 31, 2010, EMC and its subsidiaries had approximately 48,500 employees worldwide, all of whom are eligible to be considered for awards under the 2003 Stock Plan. The following table sets forth information regarding outstanding equity awards (including awards under the 2003 Stock Plan and our prior stock option plans, non-plan options and options assumed by EMC in connection with acquisitions) and shares available for future awards under the 2003 Stock Plan as of

## Edgar Filing: EMC CORP - Form DEF 14A

### Table of Contents

December 31, 2010 (without giving effect to approval of the proposed amendments to the 2003 Stock Plan):

Total shares underlying outstanding stock options	172,416,173
Weighted average exercise price of outstanding stock options	\$15.23
Weighted average remaining contractual life of outstanding stock options	5.3 years
Total shares underlying outstanding unvested time-based restricted stock unit awards	26,942,168
Total shares underlying outstanding unearned performance-based restricted stock unit awards	15,109,275
Total shares currently available for grant	43,374,805

The 2003 Stock Plan, as proposed to be amended, provides for the following:

Stock options and stock appreciation rights may not have a term in excess of ten years, may not be repriced without shareholder approval and may not be granted at a discount to the fair market value of our common stock on the grant date;

No material amendments may be made without shareholder approval;

Restricted stock and restricted stock unit awards have minimum vesting periods;

The fungible share design effectively limits the number of "full-value" restricted stock and restricted stock unit awards that may be granted under the 2003 Stock Plan since these awards are counted against the plan's share reserve as two shares for every one share issued in connection with such awards;

Shares retained by or delivered to the Company to pay the exercise price of a stock option or withholding taxes in connection with an award, unissued shares resulting from the settlement of stock appreciation rights in common stock and shares purchased by us in the open market using the proceeds of stock option exercises do not become available for issuance as future awards;

EMC may cancel outstanding awards or "clawback" the value of awards recently realized if officers or other senior employees engage in activity detrimental to EMC; and

Awards made under the plan may qualify as "performance-based compensation" under Section 162(m) of the Internal Revenue Code of 1986, as amended (the "Code").

The following is a summary of the material terms and conditions of the 2003 Stock Plan, as proposed to be amended and restated. This summary is qualified in its entirety by reference to the terms of the 2003 Stock Plan (as proposed to be amended and restated), a copy of which is attached as Exhibit A to this Proxy Statement.

The closing price of a share of common stock on the New York Stock Exchange (the "NYSE") on March 1, 2011 was \$26.58. The proceeds received by EMC upon exercise of the awards by participants in the 2003 Stock Plan will be used for the general corporate purposes of EMC.

### ***Summary of the 2003 Stock Plan***

Administration. The Compensation Committee and/or the Board of Directors administers the 2003 Stock Plan, which includes approving:

the individuals to receive awards;

the types of awards to be granted;

Table of Contents

the terms and conditions of the awards, including the number of shares and exercise price of the awards;

the time when the awards become exercisable or will vest, or the restrictions to which an award is subject will lapse; and

whether options will be incentive stock options.

The Compensation Committee has full authority to interpret the terms of the 2003 Stock Plan and awards granted under the 2003 Stock Plan. The Compensation Committee or the Board may, in their discretion, determine to accelerate the vesting or lapse of one or more restrictions with respect to an award; provided, however, that neither the Compensation Committee nor the Board may accelerate the vesting or lapse of one or more restrictions with respect to an award of restricted stock or restricted stock units if such action would cause such award to fully vest in a period of time that is less than the applicable minimum vesting period set forth in the 2003 Stock Plan.

Authorized Shares. If the proposed amendments to the 2003 Stock Plan are approved by shareholders at the Annual Meeting, the total number of shares of common stock authorized under the 2003 Stock Plan will be the sum of (i) 360,000,000 shares, (ii) 8,560,608 shares available for grant under our prior stock option plans and (iii) 145,151,379 shares subject to outstanding awards under our prior stock option plans at the close of business on May 2, 2007 (but only to the extent shares have not been issued upon exercise of such stock options after May 2, 2007).

The shares authorized under the 2003 Stock Plan will be subject to adjustment in the event of a stock dividend, stock split or other change in corporate structure or capitalization affecting the common stock. As described above, the 2003 Stock Plan contains a fungible share limit, which means that stock options and stock appreciation rights are counted against the share reserve as one share for every share that is issued in connection with such award and that "full-value" awards (i.e., restricted stock or restricted stock units) are counted against the share reserve as two shares for every share that is issued in connection with such award. In addition, as described above, the 2003 Stock Plan does not contain liberal share counting. As a result, any shares actually or constructively transferred by the participant to EMC in connection with an award under the 2003 Stock Plan or our prior stock option plans (including, but not limited to, through the holding back of shares for tax withholding) will not be added back to the share reserve under the 2003 Stock Plan.

Eligibility. All key employees of, and consultants or advisors to, EMC or any of its subsidiaries are eligible to participate in the 2003 Stock Plan. Each non-employee director who is not a 5% shareholder of EMC (an "Eligible Director") or a person in control of such a shareholder is also eligible to participate in the 2003 Stock Plan.

Types of Awards. Awards under the 2003 Stock Plan may be in the form of stock options (either incentive stock options or non-qualified options), restricted stock, restricted stock units, stock appreciation rights or any combination thereof.

Stock Options. Stock options represent the right to purchase shares of common stock within a specified period of time at a specified price. The exercise price for a stock option will be not less than 100% (110% for an incentive stock option granted to a 10% or more shareholder) of the fair market value of common stock on the date of grant. All stock options will expire no more than ten years (five years in the case of an incentive stock option granted to a 10% or more shareholder) after the date of grant.

Awards of Restricted Stock and Restricted Stock Units. Restricted stock is common stock that is subject to a risk of forfeiture or other restrictions that will lapse upon satisfaction of specified conditions. Restricted stock units represent the right to receive shares of common stock in the future, with the right to future delivery of the shares subject to a risk of forfeiture or other

Table of Contents

restrictions that will lapse upon satisfaction of specified conditions. Subject to any restrictions applicable to the award, a participant holding restricted stock, whether vested or unvested, will be entitled to enjoy all rights of a shareholder with respect to such restricted stock, including the right to receive dividends and vote the shares. Any dividends payable on the restricted stock awards will be subject to the same restrictions as the underlying award. A participant holding restricted stock units is not entitled to voting or other shareholder rights, but, subject to any restrictions applicable to the award, will be entitled to receive dividends. Any dividends payable on the restricted stock unit awards will be subject to the same restrictions as the underlying award. Awards of restricted stock or restricted stock units, other than awards granted to Eligible Directors, will not vest fully in less than two years after the date of grant, but awards that vest upon the achievement of performance goals or that are granted upon the over-achievement of performance goals will not vest fully in less than one year after the date of grant.

Stock Appreciation Rights. Stock appreciation rights entitle the holder upon exercise to receive shares of common stock having a value equal to the excess of (i) the value of the number of shares with respect to which the right is being exercised (which value is based on fair market value at the time of such exercise) over (ii) the exercise price applicable to such shares. The exercise price for a stock appreciation right will not be less than 100% of the fair market value of common stock on the date of grant. All stock appreciation rights will expire no later than ten years after the date of grant.

Performance Goals. The Compensation Committee may grant awards under the 2003 Stock Plan subject to the satisfaction of performance goals. In the case of awards intended to qualify for exemption under Section 162(m) of the Code, the Compensation Committee will use one or more objectively determinable performance goals that relate to one or more performance criteria. The performance criteria available under the 2003 Stock Plan may consist of any or any combination of the following areas of performance (determined either on a consolidated basis or, as the context permits, on a divisional, subsidiary, line of business, geographical, project, product or individual basis or in combinations thereof): sales; revenues; assets; expenses; income; profit margins; earnings before or after any deductions and whether or not on a continuing operations or an aggregate or per share basis; return on equity, investment, capital or assets; inventory; organizational realignments; infrastructure changes; one or more operating ratios; borrowing levels, leverage ratios or credit rating; market share; capital expenditures; cash flow; stock price; shareholder return; sales of products or services; customer acquisition or retentions; acquisitions or divestitures (in whole or in part); joint ventures and strategic alliances; spin-offs, split ups and the like; reorganizations; strategic investments or recapitalizations, restructurings, financings (issuance of debt or equity) or refinancings. The Compensation Committee will determine whether the performance goals for a performance award have been met. No more than 2,000,000 shares will be allocated to performance awards granted to any participant during any 12-month period.

Transferability. Under the 2003 Stock Plan, awards are generally non-transferable other than by will or by the laws of descent and distribution; provided, that the Compensation Committee may, other than with respect to incentive stock options, allow for transferability of awards to immediate family members of the participant or to trusts, partnerships or other entities controlled by and of which the beneficiaries are immediate family members of the participant.

Termination of Service Relationship. Under the 2003 Stock Plan, except as set forth below, all previously unexercised awards terminate and are forfeited automatically upon the termination of the participant's service relationship with EMC, unless the Compensation Committee expressly specifies otherwise. However, if a participant's service relationship is terminated by reason of death or disability, all awards previously issued under the plan to the participant will become fully vested and, to the extent applicable, remain exercisable for three years after the date of termination (but in no event

Table of Contents

beyond the expiration date of the award). If a participant's service relationship is terminated by reason of retirement (as defined in the 2003 Stock Plan), except as otherwise provided by the Compensation Committee, all stock options and stock appreciation rights held by the participant and all awards of restricted stock and restricted stock units held by the participant that were granted prior to December 19, 2007 will continue to vest and, to the extent applicable, be exercisable as if the service relationship had not terminated and without regard to the satisfaction of any applicable performance-based vesting criteria. Awards of restricted stock and restricted stock units held by the participant that were granted on or after December 19, 2007 will terminate on the date of retirement. If a participant holds unexercised non-qualified stock options or unexercised stock appreciation rights that are vested at the time his or her service relationship is terminated, other than for death, disability or retirement, then such awards may continue to be exercised until the earlier to occur of (1) the expiration of the award term or (2) three months following the date the participant's service relationship is terminated; provided, however, if the participant's employment is terminated for "Cause" or if the participant engaged in "Detrimental Activity" (each as defined in the 2003 Stock Plan), all awards held by the participant shall immediately terminate.

With respect to awards held by officers or other senior employees, the Compensation Committee may cancel, suspend or otherwise limit any unexpired award and rescind the exercise of an award if such participant engages in "Detrimental Activity" (as defined in the 2003 Stock Plan).

Amendments. The Compensation Committee may at any time discontinue granting awards under the 2003 Stock Plan. The Compensation Committee may amend the 2003 Stock Plan, except that no amendment may adversely affect the rights of any participant without his or her consent and no amendment will, without the approval of EMC shareholders, materially amend the 2003 Stock Plan, increase the number of shares of common stock available under the 2003 Stock Plan, change the group of persons eligible to receive awards, reprice any outstanding options or stock appreciation rights or reduce the price at which options or stock appreciation rights may be granted (including any tandem cancellation and regrant or any other amendment or action that would have substantially the same effect as reducing the exercise price of outstanding options or stock appreciation rights), extend the time within which awards may be granted, or alter the 2003 Stock Plan so that options intended to qualify as incentive stock options under the Code would not do so.

Change in Corporate Structure or Capitalization; Change in Control. In the event of a stock dividend, stock split or other change in corporate structure or capitalization affecting the common stock, the number and kind of shares of stock or securities of EMC then subject to the 2003 Stock Plan and the awards then outstanding or to be granted thereunder, and the exercise price, if applicable, will be appropriately adjusted by the Compensation Committee, whose determination will be binding on all persons. In the event of a dissolution, liquidation, consolidation or merger in which EMC is not the surviving corporation or in which a majority of its outstanding shares are converted into securities of another corporation or are exchanged for other consideration, all outstanding awards will thereupon terminate, provided that prior to the effective date of any such dissolution, liquidation, consolidation or merger, EMC will either (i) contingent upon the consummation of such transaction, make all outstanding awards immediately exercisable on a basis that gives the holder of the award a reasonable opportunity to participate as a shareholder in the transaction or, if applicable, cause all restrictions to lapse, or (ii) arrange to have the surviving corporation grant replacement awards to participants.

Term. The 2003 Stock Plan, unless sooner terminated by the Compensation Committee or the Board of Directors, will remain in effect until May 4, 2021.

***Federal Income Tax Consequences***

Incentive Stock Options. In general, neither the grant nor the exercise of an incentive stock option granted under the 2003 Stock Plan will result in taxable income to the option holder or a

Table of Contents

deduction to EMC. If the option holder does not dispose of stock received upon exercise of an incentive stock option within two years after the date the option is granted and within one year after the date of exercise, any later sale of such stock will result in a capital gain or loss (and EMC will not be entitled to a corresponding deduction).

If stock received upon the exercise of an incentive stock option is disposed of before the holding period requirements described above have been satisfied, the option holder will generally realize ordinary income at the time of disposition. The amount of such ordinary income will generally be equal to the difference between the fair market value of the common stock on the date of exercise and the option price. If the option holder realizes any additional gain at the time of disposition, equal to the difference between the fair market value of the common stock on the date of disposition and the fair market value of the common stock on the date of exercise, such gain will generally be taxed at short-term or long-term capital gain rates, as applicable. In the case of a disqualifying disposition in which a loss (if sustained) would be recognized, then the amount of ordinary income will not exceed the excess of the amount realized on the sale over the adjusted basis of the stock, that is, in general, the price paid for the stock. EMC will generally be entitled to a deduction for Federal income tax purposes equal to the amount of ordinary income realized by the option holder, subject to certain reporting requirements.

Certain option holders exercising incentive stock options may become subject to the alternative minimum tax, under which the difference between (i) the fair market value of stock purchased under incentive stock options, determined on the date of exercise, and (ii) the exercise price, will be an item of tax preference in the year of exercise for purposes of the alternative minimum tax.

Non-Qualified Stock Options. Options granted under the 2003 Stock Plan which are not incentive stock options are "non-qualified stock options." No income results upon the grant of a non-qualified stock option. When an option holder exercises a non-qualified stock option, he or she will realize ordinary income subject to withholding. Generally, such income will be realized at the time of exercise and in an amount equal to the excess, measured at the time of exercise, of the then fair market value of the common stock over the option price. EMC will generally be entitled to a deduction for Federal income tax purposes equal to the amount of ordinary income realized by the option holder, subject to certain withholding and reporting requirements.

Restricted Stock. Generally, restricted stock is not taxable to a participant at the time of grant, but instead is included in ordinary income (at its then fair market value) and subject to withholding when the restrictions lapse. A participant may elect to recognize income at the time of grant, in which case the fair market value of the common stock at the time of grant is included in ordinary income and subject to withholding and there is no further income recognition when the restrictions lapse. EMC is entitled to a tax deduction for Federal income tax purposes in an amount equal to the ordinary income recognized by the participant.

Restricted Stock Units. Generally, the participant will not be subject to tax upon the grant of an award of restricted stock units. However, upon the receipt of the underlying shares of common stock, the participant will recognize ordinary income subject to withholding in an amount equal to the fair market value of the shares received. EMC will be entitled to a corresponding tax deduction for Federal income tax purposes.

Stock Appreciation Rights. Generally, the participant will not be subject to tax upon the grant of a stock appreciation right. However, upon the receipt of shares pursuant to the exercise of a stock appreciation right, the participant, generally, will recognize ordinary income subject to withholding in an amount equal to the fair market value of the shares received. The ordinary income recognized with respect to the receipt of shares upon exercise of stock appreciation rights will be subject to any necessary withholding and reporting requirements.

Table of Contents

Generally, EMC will not be entitled to a tax deduction upon the grant or termination of stock appreciation rights. However, EMC will, generally, be entitled to a deduction for Federal income tax purposes equal to the amount of ordinary income realized by the participant.

Section 162(m). The 2003 Stock Plan is designed to allow awards made under the plan to qualify as "performance-based compensation" within the meaning of Section 162(m) of the Code. In general, under Section 162(m), in order for EMC to be able to deduct compensation in excess of \$1,000,000 paid in any one year to EMC's chief executive officer or any of EMC's three other most highly compensated executive officers (other than EMC's chief financial officer), such compensation must qualify as "performance-based." One of the requirements of "performance-based" compensation for purposes of Section 162(m) is that the material terms of the performance goals under which compensation may be paid must be disclosed to and approved by shareholders. For purposes of Section 162(m), the material terms include (i) the individuals eligible to receive compensation, (ii) a description of the business criteria on which the performance goal is based and (iii) the maximum amount of compensation that can be paid to an individual under the performance goal. Each of these aspects is discussed in this proposal, and shareholder approval of the 2003 Stock Plan will constitute approval of each of these aspects of the 2003 Stock Plan for purposes of the approval requirements of Section 162(m).

Section 409A. Section 409A of the Code, which is generally effective as of January 1, 2005, makes important changes to the tax treatment of nonqualified deferred compensation. Awards held by employees that are subject to but fail to comply with Section 409A are subject to a penalty tax of 20% in addition to ordinary income tax, as well as to interest charges. In addition, the failure to comply with Section 409A may result in an acceleration of the timing of income inclusion for income tax purposes. The Compensation Committee intends to administer any award resulting in a deferral of compensation subject to Section 409A consistent with the requirements of Section 409A to the maximum extent possible, as determined by the Compensation Committee.

This summary is not a complete description of the U.S. Federal income tax aspects of the 2003 Stock Plan. Moreover, this summary relates only to Federal income taxes; there may also be Federal estate and gift tax consequences associated with the 2003 Stock Plan, as well as foreign, state and local tax consequences.

***New Plan Benefits***

The future benefits or amounts that would be received under the 2003 Stock Plan are discretionary and are therefore not determinable at this time. Similarly, the benefits or amounts which would have been received by or allocated to executive officers and our other employees for the last completed fiscal year if this amendment and restatement to the 2003 Stock Plan had been in effect cannot be determined.