

EMC CORP
Form PRE 14A
March 06, 2009

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 Pursuant to §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 PRE 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 26, 2009

Dear Shareholder:

We cordially invite you to attend our 2009 Annual Meeting of Shareholders, which will be held on Wednesday, May 6, 2009, 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 this 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 an amendment to the EMC Corporation Amended and Restated 1989 Employee Stock Purchase Plan to increase by 30 million the number of shares of Common Stock available for grant under such plan, as described in the attached Proxy Statement, and
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.

Your Board of Directors recommends that you vote FOR each of these proposals. You are also being asked to act on a shareholder proposal. Your Board of Directors recommends that you vote AGAINST the shareholder proposal. 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 [] to complete the registration form. The deadline for registration is April 29, 2009. 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 6th.

Very truly yours,

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

YOUR VOTE IS IMPORTANT

Edgar Filing: EMC CORP - Form PRE 14A

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 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 1 of the attached Proxy Statement.

Table of Contents

EMC CORPORATION

NOTICE OF THE ANNUAL MEETING OF SHAREHOLDERS

May 6, 2009

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 6, 2009, 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, 2009, as described in the attached Proxy Statement.
3. To approve an amendment to the EMC Corporation Amended and Restated 1989 Employee Stock Purchase Plan to increase by 30 million the number of shares of Common Stock available for grant under such 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 act upon a shareholder proposal, if properly presented.
6. To transact any and all other business that may properly come before the meeting or any adjournments of the meeting.

All shareholders of record at the close of business on March 5, 2009 are entitled to notice of and to vote at this meeting and any adjournments of the meeting.

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 and saves us significant postage and processing costs. If you previously elected to access the 2009 Proxy Statement and Annual Report on Form 10-K for 2008 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 2009 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 1 of the attached Proxy Statement.

EMC's Annual Report on Form 10-K for 2008 is enclosed.

By order of the Board of Directors

PAUL T. DACIER
*Executive Vice President,
General Counsel and Assistant
Secretary*

March 26, 2009

Table of Contents

**Proxy Statement for the
Annual Meeting of Shareholders of
EMC CORPORATION
To Be Held on Wednesday, May 6, 2009**

TABLE OF CONTENTS

	Page
<u>Questions and Answers About the Annual Meeting and Voting</u>	1
<u>Corporate Governance</u>	7
<u>Board Independence and Committees</u>	10
<u>Proposal 1 Election of Directors</u>	15
<u>Proposal 2 Ratification of Selection of Independent Auditors</u>	18
<u>Proposal 3 Approval of an Amendment to the EMC Corporation Amended and Restated 1989 Employee Stock Purchase Plan</u>	19
<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>	22
<u>Shareholder Proposal</u>	23
<u>Security Ownership of Certain Beneficial Owners and Management</u>	25
<u>Equity Compensation Plan Information</u>	27
<u>Leadership and Compensation Committee Report</u>	28
<u>Compensation Discussion and Analysis</u>	29
<u>Summary</u>	29
<u>Named Executive Officers</u>	31
<u>Objectives of EMC's Executive Compensation Program</u>	31
<u>Overview of EMC's Executive Compensation Program</u>	31
<u>Elements of EMC's Executive Compensation Program</u>	33
<u>Compensation of Executive Officers</u>	48
<u>Summary Compensation Table</u>	48
<u>Grants of Plan-Based Awards</u>	50
<u>Outstanding Equity Awards at Fiscal Year-End</u>	52
<u>Option Exercises and Stock Vested</u>	54
<u>Pension Benefits</u>	54
<u>Nonqualified Deferred Compensation</u>	54
<u>Potential Payments Upon Termination or Change in Control</u>	55
<u>Director Compensation</u>	64
<u>Review and Approval of Transactions with Related Persons</u>	66
<u>Certain Transactions</u>	67
<u>Audit Committee Report</u>	68
<u>Shareholder Proposals for EMC's 2010 Annual Meeting</u>	70
<u>Advance Notice Provisions</u>	70
<u>Section 16(a) Beneficial Ownership Reporting Compliance</u>	70
<u>Householding</u>	70

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 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

EMC CORPORATION

PROXY STATEMENT

QUESTIONS AND ANSWERS ABOUT THE ANNUAL MEETING AND VOTING

Why did I receive these proxy materials?

We are making these proxy materials available to you on or about March 26, 2009 on the Internet or by delivering printed versions of these materials to you by mail, in connection with the 2009 Annual Meeting of Shareholders of EMC Corporation, a Massachusetts corporation. The matters to be voted on at the Annual Meeting are set forth in the Notice of the Annual Meeting of Shareholders.

You are invited to attend the Annual Meeting on Wednesday, May 6, 2009, beginning 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 this Proxy Statement.

What is included in these proxy materials?

The following documents are included in these proxy materials and are available on our website at www.EMC.com/about/investor-relations:

Our Notice of Annual Meeting;

Our Proxy Statement; and

Our Annual Report on Form 10-K for 2008.

If you received printed versions of these materials by mail, these materials also include a proxy card or voting instruction form.

How can I access the proxy materials and vote my shares?

The instructions for accessing proxy materials and voting can be found in the information you received either by mail or by e-mail. Depending on how you received the proxy materials, you may vote by Internet, telephone or mail. We encourage you to vote by Internet.

For shareholders who received a notice by mail about the Internet availability of the proxy materials: You may access the proxy materials and voting instructions over the Internet via the web address provided in the notice. In order to access this material and vote, you will need the control number provided on the notice you received in the mail. You may vote by following the instructions on the notice or on the website.

For shareholders who received a notice by e-mail: You may access the proxy materials and voting instructions over the Internet via the web address provided in the e-mail. In order to vote, you will need the control number provided in the e-mail. You may vote by following the instructions in the e-mail or on the website.

For shareholders who received the proxy materials by mail: You may vote your shares by following the instructions provided on the proxy card or voting instruction form. If you vote by Internet or telephone, you will need the control number provided on the proxy card or voting instruction form. If you vote by mail, please complete, sign and date the proxy card or voting instruction form and mail it in the accompanying pre-addressed envelope.

Table of Contents

What is the deadline for voting my shares if I do not vote in person at the Annual Meeting?

If you are a shareholder of record and do not vote in person at the Annual Meeting, you may vote by Internet or by telephone until 11:59 p.m., E.D.T., on May 5, 2009.

If you are a beneficial owner of shares held through a bank or brokerage firm, please follow the voting instructions provided by your bank or brokerage firm.

If you hold shares in the EMC Stock Fund through the EMC Corporation 401(k) Savings Plan, your voting instructions must be received by the plan trustee by 11:59 p.m., E.D.T., on May 1, 2009, for the trustee to vote your shares. You may not vote these shares in person at the Annual Meeting.

Why did I receive a notice in the mail regarding the Internet availability of the proxy materials instead of a paper copy of the proxy materials?

As explained in more detail below, we are pleased to be using the voluntary "notice and access" system adopted by the Securities and Exchange Commission (the "SEC") relating to delivery of the proxy materials over the Internet. As a result, we mailed to many of our shareholders a notice about the Internet availability of the proxy materials instead of a paper copy of the proxy materials. Shareholders who received the notice will have the ability to access the proxy materials over the Internet and to request a paper copy of the proxy materials by mail, by e-mail or by telephone. Instructions on how to access the proxy materials over the Internet or to request a paper copy may be found on the notice. In addition, the notice contains instructions on how shareholders may request proxy materials in printed form by mail or electronically by e-mail on an ongoing basis.

What are the "notice and access" rules and how do they affect the delivery of the proxy materials?

The SEC's notice and access rules allow us to deliver proxy materials to our shareholders by posting the materials on an Internet website, notifying shareholders of the availability of the proxy materials on the Internet and sending paper copies of proxy materials upon shareholder request. We believe that the notice and access rules allow us to use Internet technology that many shareholders prefer, continue to provide our shareholders with the information they need and, at the same time, assure more prompt delivery of the proxy materials. The notice and access rules also lower our cost of printing and delivering the proxy materials and minimize the environmental impact of printing paper copies. We are further reducing our carbon footprint by printing paper copies of this Proxy Statement with soybean ink on recycled paper.

Why didn't I receive a notice in the mail about the Internet availability of the proxy materials?

Shareholders who previously elected to access the proxy materials over the Internet will not receive a notice in the mail about the Internet availability of the proxy materials. Instead, you should have received an e-mail with links to the proxy materials and the proxy voting website. Additionally, we mailed copies of the proxy materials to shareholders who previously requested to receive paper copies instead of the notice.

If you received a paper copy of the proxy materials, you may elect to receive future proxy materials electronically by following the instructions on your proxy card or voting instruction form. Choosing to receive your future proxy materials by e-mail will help us conserve natural resources and reduce the costs of printing and distributing our proxy materials. If you choose to receive future proxy materials by e-mail, you will receive an e-mail with instructions containing a link to the website where those materials are available and a link to the proxy voting website. Your election to receive proxy materials by e-mail will remain in effect until you terminate it.

Table of Contents

What items will be voted on at the Annual Meeting and how does the Board of Directors recommend that I vote?

There are five proposals that will be voted on at the Annual Meeting:

Proposal 1: The election of the eleven members listed in this Proxy Statement to the Board of Directors.

The Board of Directors recommends a vote "FOR" this proposal.

Proposal 2: The ratification of the selection by the Audit Committee of PricewaterhouseCoopers LLP as our independent auditors for the fiscal year ending December 31, 2009.

The Board of Directors recommends a vote "FOR" this proposal.

Proposal 3: The amendment to the EMC Corporation Amended and Restated 1989 Employee Stock Purchase Plan to increase by 30 million the number of shares of Common Stock available for grant under such plan.

The Board of Directors recommends a vote "FOR" this proposal.

Proposal 4: The amendment to EMC's Bylaws to reduce the percentage of shares required for shareholders to call a special meeting of shareholders.

The Board of Directors recommends a vote "FOR" this proposal.

Proposal 5: Shareholder proposal.

The Board of Directors recommends a vote "AGAINST" the shareholder proposal.

Assuming there is a proper quorum of shares represented at the Annual Meeting, how many shares are required to approve the proposals being voted upon at the Annual Meeting?

The voting requirements for approval of the proposals at the Annual Meeting are as follow:

Proposal	Vote required	Broker discretionary voting allowed?
Election of Directors	Majority of votes cast	Yes
Ratification of selection of independent auditors	Majority of votes cast	Yes
Amendment to EMC Corporation 1989 Employee Stock Purchase Plan	Majority of votes cast	No
Amendment to EMC's Bylaws	Majority of votes cast	Yes
Shareholder proposal	Majority of votes cast	No

Who may vote at the Annual Meeting?

If you owned EMC Common Stock at the close of business on March 5, 2009 (the "Record Date"), then you may vote at the Annual Meeting. At the close of business on the Record Date, we had [] shares of Common Stock outstanding and entitled to vote. Each share of Common Stock is entitled to one vote on each matter properly brought before the Annual Meeting.

Table of Contents

What is the difference between holding shares as a shareholder of record and as a beneficial owner of shares held in street name?

Shareholder of Record. If your shares of Common Stock are registered directly in your name with our transfer agent, Mellon Investor Services LLC, you are considered the shareholder of record of those shares.

Beneficial Owner of Shares Held in Street Name. If your shares are held in an account at a brokerage firm, bank, broker-dealer or other similar organization, then you are the beneficial owner of shares held in "street name." The bank or brokerage firm holding your account is considered the shareholder of record for purposes of voting at the Annual Meeting. As a beneficial owner, you have the right to direct your bank or brokerage firm how to vote the shares held in your account.

How can I vote my shares in person at the Annual Meeting?

If you are a shareholder of record, you will receive a ballot when you arrive at the Annual Meeting. If you are a beneficial owner of shares and you wish to vote in person at the Annual Meeting, you must obtain a legal proxy from the bank or brokerage firm that holds your shares. You will need to bring the legal proxy with you to the meeting and hand it in with a signed ballot that you can request at the meeting. You will not be able to vote your shares at the Annual Meeting without a legal proxy and a signed ballot. Even if you plan to attend the Annual Meeting, we recommend that you also vote by proxy as described above so that your vote will be counted if you later decide not to attend the meeting.

Can I change my vote after I have voted?

Yes. You have the right to revoke your proxy at any time before it is voted at the Annual Meeting, subject to the proxy voting deadlines described above. You may vote again on a later date by Internet or by telephone (only your latest Internet or telephone proxy submitted prior to the meeting will be counted), or by signing and returning a new proxy card with a later date, or by attending the meeting and voting in person. However, your attendance at the Annual Meeting will not automatically revoke your proxy unless you vote again at the meeting or file a written instrument with the Secretary or Assistant Secretary of EMC requesting that your prior proxy be revoked.

What happens if I do not give specific voting instructions when I deliver my proxy?

Shareholders of Record. If you are a shareholder of record and you:

Indicate when voting by Internet or by telephone that you wish to vote as recommended by our Board of Directors; or

If you sign and return a proxy card without giving specific voting instructions,

then the proxy holders will vote your shares in the manner recommended by our Board of Directors on all matters presented in this Proxy Statement and as the proxy holders may determine in their discretion regarding any other matters properly presented for a vote at the meeting.

Beneficial Owners of Shares Held in Street Name. If you are a beneficial owner of shares and your bank or brokerage firm does not receive instructions from you about how your shares are to be voted, one of two things can happen, depending on the type of proposal. For the election of directors, the ratification of auditors and the amendment to EMC's Bylaws, the bank or brokerage firm that holds your shares may vote your shares in its discretion. This is known as "broker discretionary voting." For all other proposals, the bank or brokerage firm may not vote your shares at all. This is called a "broker non-vote."

Table of Contents

What is the "quorum" requirement for the Annual Meeting?

In order to conduct any business at the Annual Meeting, a majority of EMC's outstanding shares on the Record Date must be present in person or represented by valid proxies. This is called a quorum. Your shares will be counted for purposes of determining if there is a quorum, whether representing votes for, against, withheld or abstained, or broker non-votes, if you:

Are present and vote in person at the meeting; or

Have voted by Internet, by telephone or by properly submitting a proxy card or voting instruction form by mail.

How are abstentions and broker non-votes treated?

Abstentions and broker non-votes are considered present for purposes of determining the presence of a quorum. Abstentions and broker non-votes will not be considered votes properly cast at the Annual Meeting. Because the approval of Proposals 1, 2, 3, 4 and 5 are based on the votes properly cast at the Annual Meeting, abstentions and broker non-votes will not have any effect on the outcome of voting on these proposals.

Could other matters be decided at the Annual Meeting?

As of the date of this Proxy Statement, EMC has no knowledge of any business other than that described in the Notice of the Annual Meeting of Shareholders that will be presented for consideration at the Annual Meeting. The deadline under EMC's Bylaws for shareholders to notify EMC of any proposals or director nominations to be presented at the Annual Meeting has passed. If any other business should properly come before the Annual Meeting as directed by the Board of Directors, the proxy holders shall have discretionary authority to vote all such proxies as they shall decide.

I want to attend the Annual Meeting. What procedures must I follow?

Registration to attend the meeting is being conducted electronically. If you plan to attend the meeting, you must register online at [] and complete the registration form. The deadline for registration is April 29, 2009.

All shareholders who attend the meeting will be required to present a valid government-issued picture identification, such as a driver's license or passport.

Shareholders who come to the Annual Meeting, but have not registered electronically, will also be required to present verification of ownership of shares of our Common Stock, such as a bank or brokerage firm account statement, to attend the meeting.

EMC reserves the right to inspect all persons and their property and to refuse admittance to any person. Check-in will begin at 9:00 a.m., E.D.T.

Who counts the votes cast at the Annual Meeting?

Representatives of Broadridge Financial Solutions, Inc. will tabulate the votes cast at the Annual Meeting and act as inspectors of election.

Where can I find the voting results of the Annual Meeting?

The preliminary voting results will be announced at the Annual Meeting. The final voting results will be posted on our website shortly after the Annual Meeting and published in our quarterly report on Form 10-Q for the fiscal quarter ending on June 30, 2009.

Table of Contents

Who is paying for the cost of this proxy solicitation?

The expenses of preparing, printing and assembling the materials used in the solicitation of proxies on behalf of the Board of Directors will be borne by EMC. In addition to the solicitation of proxies by Internet or by mail, EMC may use the services of certain of its officers and employees (who will receive no compensation therefor in addition to their regular salaries) to solicit proxies personally and by mail, telephone and electronic means from brokerage houses and other shareholders. Also, EMC has retained Morrow & Co., LLC, 470 West Ave., Stamford, CT 06902 to aid in the distribution and solicitation of proxies. Morrow will receive a fee of \$12,500 as well as reimbursement for certain expenses incurred by them in connection with their services, all of which will be paid by EMC.

Where are EMC's principal executive offices located, and what is EMC's main telephone number?

EMC's principal executive offices are located at 176 South Street, Hopkinton, Massachusetts 01748. EMC's main telephone number is (508) 435-1000.

Table of Contents

CORPORATE GOVERNANCE

EMC is committed to good corporate governance, which we believe helps us to sustain our success and build long-term value for our shareholders. For many years, we have had in place Corporate Governance Guidelines which provide a framework for the effective governance of EMC. The Corporate Governance and Nominating Committee (the "Governance Committee") reviews the Guidelines at least annually and, as appropriate, recommends changes to the Board of Directors for approval. We also have written charters for the Board of Directors' standing committees (Audit, Governance, Leadership and Compensation, Finance, and Mergers and Acquisitions), as well as Business Conduct Guidelines applicable to all directors, officers and employees. Information about EMC's corporate governance practices and copies of the Corporate Governance Guidelines, committee charters and Business Conduct Guidelines are available at <http://www.emc.com/about/investor-relations/governance/corporate-governance.htm>. Copies will also be provided to any shareholder upon written request to EMC Corporation, Investor Relations, 176 South Street, Hopkinton, MA 01748 or by contacting EMC Investor Relations at 866-362-6973. EMC posts additional information on its website from time to time as the Board makes changes to EMC's corporate governance practices.

EMC's Board of Directors has implemented corporate governance practices that the Board believes are both in the best interests of EMC and its shareholders as well as compliant with SEC rules and regulations and the listing standards of the New York Stock Exchange (the "NYSE"). The Board reviews these practices on an on-going basis. Highlights of our corporate governance practices include:

Annual Election of Directors. Each Director is required to stand for election annually.

Majority Vote for Directors. Beginning at this Annual Meeting, a majority vote standard, as described in our Bylaws, will apply to the election of Directors.

Simple Majority Vote. The affirmative vote of a simple majority of outstanding shares is required to approve certain corporate transactions.

Lead Director. Our Corporate Governance Guidelines provide that if the Chairman is not an "independent director," the independent Directors will select a Lead Director. The Board believes that a Lead Director is an integral part of our Board structure that promotes strong, independent oversight of EMC's management and affairs. David N. Strohm, an independent Director, has been our Lead Director since January 2006. The Lead Director has significant responsibilities, which are set forth in EMC's Corporate Governance Guidelines and include:

Acting as a liaison between the independent Directors and the Chairman, and facilitating discussions among the independent Directors on key issues and concerns outside of Board meetings;

In collaboration with the Chairman, setting an appropriate schedule of and standing agenda for Board meetings, as well as preparing agendas for Board meetings;

In collaboration with the Leadership and Compensation Committee (the "Compensation Committee"), approving Chief Executive Officer goals, evaluating CEO performance, setting CEO compensation levels and reviewing CEO succession planning;

In collaboration with the Governance Committee, making recommendations to the Board regarding committee members and chairs and overseeing the performance evaluations of the Board, each of the applicable committees and the individual Directors; and

Edgar Filing: EMC CORP - Form PRE 14A

Presiding at all meetings of the Board at which the Chairman is not present, including the executive sessions of the "non-management" Directors (as defined in the listing standards of the NYSE) and independent Directors.

Annually, the independent Directors consider the role and designation of the Lead Director.

Edgar Filing: EMC CORP - Form PRE 14A

Table of Contents

Board Self-Assessments. The Governance Committee, together with the Lead Director, oversees an annual evaluation process as follows:

Each Director evaluates the Board as a whole;

Each member of the standing committees of the Board of Directors evaluates the committees on which he or she serves; and

Each Director prepares an individual self-evaluation.

After these evaluations are complete, the results are discussed by the Board and each committee and with each individual Director, as applicable, and action plans are developed, if necessary.

Procedures Regarding Majority Vote. Our Corporate Governance Guidelines require any incumbent nominee for Director, other than in a Contested Election Meeting (as defined in our Bylaws), who does not receive more votes cast "for" his or her election than cast "against" his or her election to promptly tender his or her resignation. The Governance Committee will assess the appropriateness of the Director continuing to serve and recommend to the Board the action to be taken regarding a tendered resignation. Set forth below are procedures of the Board and Governance Committee to be used if such majority vote policy is triggered:

In considering whether it is appropriate for a nominee to continue to serve as a Director, the Governance Committee will act promptly and consider all factors deemed relevant, including any known reasons why shareholders voted "against" the Director, the length of service and qualifications of the Director in question, the Director's contributions to EMC, the Director's particular area of expertise or experience and compliance with listing standards;

The Board will act on the Governance Committee's recommendation promptly, but in any event not later than 90 days following the certification of the shareholder vote. The Board will consider the factors considered by the Governance Committee and any other factors it deems relevant. Board action may include acceptance of the tendered resignation, adoption of measures designed to address the issues underlying the "against" votes for such Director or rejection of the tendered resignation. Following the Board's decision, EMC will promptly publicly disclose the Board's decision and process (including, if applicable, the reasons for rejecting the tendered resignation) in a periodic or current report filed with the SEC;

If a Director's resignation is accepted by the Board, the Board will determine whether to fill such vacancy or to reduce the size of the Board; and

The process described above of determining whether or not to accept a tendered resignation shall be managed by the independent Directors. Further, any Director who tenders his or her resignation pursuant to EMC's majority vote policy will not participate in the Governance Committee recommendation or Board consideration regarding whether or not to accept the tendered resignation. If a majority of the members of the Governance Committee receive more votes cast "against" than "for" at the same election, then the independent Directors who are on the Board who did not receive such votes will consider the tendered resignations.

Shareholder Communications. To enable open communications, EMC provides various means for shareholders and other interested parties to contact the non-management Directors, the Audit Committee and the Compensation Committee (see "Communications with the Board" below). The Board strives to provide clear, candid and timely responses to any substantive communication it receives. During 2008, EMC dialogued and met with shareholders on a variety of topics, including executive compensation, sustainability and other governance topics. For a discussion of recent developments in our executive compensation program, see "Compensation Discussion and Analysis Summary Evolving Our Compensation

Program" on page [] of this Proxy Statement. In addition to these communications, EMC's Corporate Governance

Table of Contents

Guidelines state that it is the Board's policy to provide a response to any shareholder proposal that receives a majority vote.

Director Continuing Education. The Board believes that director education is integral to Board and committee performance and effectiveness. The Board's director orientation program emphasizes EMC's business and strategic plans, and includes site visits, presentations and meetings with management. Directors are also expected to participate in continuing educational programs in order to maintain the necessary level of expertise to perform their responsibilities as directors.

Executive Sessions of Non-Management Directors. The non-management Directors meet in executive session in connection with each regularly scheduled Board meeting, and the independent Directors meet in executive session at least once each year. The Lead Director acts as presiding Director for such executive sessions.

Sustainability. The Governance Committee is responsible for overseeing EMC's sustainability program which focuses on three key areas: environmental stewardship, diversity in our workforce and corporate citizenship. We believe that integrating environmental, social and financial considerations in our business strategy and decisions is integral to growing the success of EMC, and benefits our shareholders, employees, customers, suppliers and communities. By developing sustainable business practices throughout EMC, we create competitive advantage, build trust and pave the way for continued long-term corporate success.

Table of Contents**BOARD INDEPENDENCE AND COMMITTEES**

The Board has a substantial majority of directors who are independent under the NYSE's director independence standards and EMC's Categorical Standards of Independence.

EMC has adopted Categorical Standards of Independence, which are available on our website at <http://www.emc.com/about/investor-relations/governance/corporate-governance.htm> and are also attached as Exhibit A to this Proxy Statement, to assist it in assessing director independence. Pursuant to these standards, the Board broadly considers all relevant facts and circumstances in its determination of independence of all Board members (including any relationships set forth in this Proxy Statement under the heading "Certain Transactions"). EMC's Board of Directors has affirmatively determined that the following Directors (and former Director) have no direct or indirect material relationship with EMC, and therefore are independent under our Categorical Standards and the NYSE listing standards: Michael W. Brown, Randolph L. Cowen, Michael J. Cronin, Gail Deegan, W. Paul Fitzgerald, Olli-Pekka Kallasvuo, Edmund F. Kelly, Windle B. Priem, Paul Sagan and David N. Strohm. Mr. Kallasvuo resigned from the Board of Directors in January 2009.

The table below includes a description of categories or types of transactions, relationships or arrangements considered by the Board in reaching its determination that the above-mentioned Directors are independent:

Name	Independent	Transactions/Relationships/Arrangements
Michael W. Brown	Yes	Business relationships
Randolph L. Cowen	Yes	Business relationships, charitable organization relationships
Michael J. Cronin	Yes	Business relationships
Gail Deegan	Yes	Business relationships, charitable organization relationships
W. Paul Fitzgerald	Yes	Family relationships, employment relationships
Olli-Pekka Kallasvuo	Yes	Business relationships
Edmund F. Kelly	Yes	Business relationships, charitable organization relationships
Windle B. Priem	Yes	Business relationships, charitable organization relationships
Paul Sagan	Yes	Business relationships
David N. Strohm	Yes	Business relationships

In determining that the above-mentioned Directors are independent, the Board considered transactions during 2008 between EMC and companies with which Messrs. Kallasvuo, Kelly and Sagan are affiliated as executive officers and determined that the amount of business between EMC and these companies fell below the thresholds in EMC's Categorical Standards of Independence. The Board considered transactions during 2008 between EMC and companies, universities, hospitals and other organizations with which Messrs. Brown, Cowen, Cronin, Kallasvuo, Kelly, Priem, Sagan and Strohm, and Ms. Deegan, are affiliated as directors, trustees or members of an advisory board and determined that the Directors did not have a material direct or indirect interest in the transactions. The Board considered that EMC made donations to charities with which Messrs. Kelly and Priem are affiliated as directors or officers (but not as executive officers), and determined that the amount of the donations fell below the thresholds in EMC's Categorical Standards of Independence. In addition, the Board considered Mr. Fitzgerald's relationship with John R. Egan, a Director of EMC, and that Mr. Fitzgerald's son and son-in-law are employed by EMC, and determined that these relationships do not impair his independence. Further discussion of these transactions can be found under "Certain Transactions" below.

Board Meetings

During the fiscal year ended December 31, 2008, EMC's Board of Directors held six meetings. Each Director attended at least 92% of the Board meetings and committee meetings which were held

Table of Contents

during the period in which he or she was a Director of EMC and in which he or she was a member of such committees.

Attendance at Annual Meeting of Shareholders

EMC's Corporate Governance Guidelines provide that each Director is expected to attend the Annual Meeting of Shareholders. All but one of the then-current Directors attended the 2008 Annual Meeting of Shareholders.

Committees of the Board

The Board of Directors has established five standing committees: the Audit Committee, the Governance Committee, the Compensation Committee, the Finance Committee and the Mergers and Acquisitions Committee. The Audit, Governance and Compensation Committees consist entirely of independent directors, and members of the Audit Committee meet additional, heightened independence criteria applicable to audit committee members under the Sarbanes-Oxley Act of 2002 and SEC implementing rules. Generally, each Director serves on at least two committees, while Directors who are active chief executive officers of another corporation may serve on one committee. Each committee operates pursuant to a written charter that is available on our website at

<http://www.emc.com/about/investor-relations/governance/corporate-governance.htm>. The membership of each committee is listed below.

Audit	Corporate Governance and Nominating	Leadership and Compensation	Finance	Mergers and Acquisitions
Gail Deegan ¹	David N. Strohm ¹	Windle B. Priem ¹	Michael W. Brown ¹	John R. Egan ¹
Michael W. Brown	Gail Deegan	Michael W. Brown	John R. Egan	Michael W. Brown
Michael J. Cronin	Windle B. Priem	Randolph L. Cowen ²	W. Paul Fitzgerald	Randolph L. Cowen ²
Windle B. Priem		David N. Strohm	Edmund F. Kelly	Michael J. Cronin
			Joseph M. Tucci	Paul Sagan
				David N. Strohm
				Joseph M. Tucci

¹ Chair.

² Mr. Cowen was appointed to the Compensation Committee and the Mergers and Acquisitions Committee in January 2009.

Audit Committee: The Audit Committee held 14 meetings in 2008. This committee reviews with management and EMC's auditors EMC's financial statements, the accounting principles applied in their preparation, the scope of the audit, any issues raised by the auditors regarding EMC's financial statements and its accounting controls and procedures, EMC's risk assessment and risk management policies, EMC's worldwide corporate compliance program, the independence of EMC's auditors, EMC's internal controls, EMC's policy pertaining to related person transactions, the other matters as set forth in its charter, and such other matters as the committee deems appropriate. The Audit Committee is directly responsible for the appointment, compensation, retention and oversight of the work of EMC's independent auditors for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for EMC and pre-approves all such audit, review or attest engagements. The Audit Committee also pre-approves non-audit services to be performed by its independent auditors in accordance with the committee's pre-approval policy.

The Board of Directors has determined, in accordance with the rules of the SEC, that each of Ms. Deegan and Messrs. Brown, Cronin and Priem is an "audit committee financial expert." The Board has also determined, in accordance with the rules of the NYSE, that the simultaneous service of Mr. Brown on the audit committees of more than three public companies does not impair his ability to effectively serve on the Audit Committee.

Table of Contents

During 2008, senior members of EMC's financial and legal management participated in each of the Audit Committee's regularly scheduled meetings. During the course of the year, the Audit Committee had separate executive sessions with EMC's general counsel, independent auditors and internal auditors at which candid discussions regarding legal matters, financial reporting, internal controls and accounting systems and processes took place. The Audit Committee discussed with EMC's internal and independent auditors the overall scope and plans for their respective audits. The Audit Committee also met on a regular basis without members of management or its independent auditors.

The Audit Committee has reviewed with senior members of management EMC's policies and practices regarding risk assessment and risk management. The Audit Committee has also reviewed the adequacy and effectiveness of EMC's legal, regulatory and ethical compliance programs, including our Business Conduct Guidelines.

Corporate Governance and Nominating Committee: The Governance Committee held seven meetings in 2008. This committee oversees and advises the Board of Directors on corporate governance matters and assists the Board of Directors in identifying and recommending qualified Board candidates. The committee also reviews and makes recommendations to the Board of Directors on the size and composition of the Board, standards to be applied by the Board in making independence determinations, assignments to committees of the Board and resignations of directors, when appropriate. The committee oversees the evaluation of the Board, the committees and individual directors and monitors possible conflicts of interest of directors and senior executives. In addition, the committee oversees and makes recommendations to the Board of Directors regarding shareholder proposals and sustainability matters.

The Governance Committee periodically reviews and assesses the skills and characteristics it believes are or may be required on the Board based on the changing needs of the business. The committee identifies Board candidates through numerous sources, including recommendations from Directors, executive officers and shareholders of EMC, as well as through the use of executive search firms. The committee seeks to have available to it qualified candidates from a broad pool of individuals with a range of talents, experience, backgrounds and perspectives. The Governance Committee evaluates identified Board candidates based on the criteria established by and periodically reviewed by the committee and approved by the Board. The committee seeks to identify those individuals most qualified to serve as Board members and considers many factors with regard to each candidate, including judgment, integrity, diversity, prior experience, the interplay of the candidate's experience with the experience of other Board members, the extent to which the candidate 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. Selected candidates are interviewed by members of the committee and certain other Board members. Based on the foregoing, the Governance Committee makes recommendations to the Board regarding Director nominees.

EMC shareholders may recommend individuals to the Governance Committee for consideration as potential director candidates by submitting their names and appropriate background and biographical information to the EMC Governance Committee, 176 South Street, Hopkinton, Massachusetts 01748. Assuming that the appropriate information has been timely provided, the committee will consider these candidates substantially in the same manner as it considers other Board candidates it identifies. EMC shareholders may also nominate director candidates by following the advance notice provisions of EMC's Bylaws as described under "Advance Notice Provisions" on page [] of this Proxy Statement.

Leadership and Compensation Committee: The Compensation Committee held 11 meetings in 2008. This committee sets EMC's executive compensation philosophy and objectives, recommends compensation for non-employee directors, sets the compensation of the Chairman and Chief Executive Officer, reviews and approves the goals and objectives relevant to the compensation of the Chairman

Table of Contents

and Chief Executive Officer and evaluates his performance, including his performance relative to his respective goals and objectives, as well as his overall performance. The Compensation Committee also reviews and approves the compensation of EMC's other executive officers, monitors the risk profile of our executive compensation program, monitors all general compensation programs and oversees regulatory compliance of compensation matters. The Compensation Committee annually reviews EMC's equity plans, approves transactions under EMC's equity plans and has the authority to administer and interpret the provisions of EMC's equity, deferred compensation, 401(k) and other plans. The Compensation Committee also oversees and reports to the Board on succession planning for the Chief Executive Officer and other senior management positions. Among other things, the Compensation Committee regularly reviews EMC's succession plan (both long-term and short-term plans), considers candidates, reviews and monitors the career development of potential successors and briefs the Board of Directors. The Board of Directors also regularly considers EMC's succession plan and ensures that they have adequate exposure to senior officers who have the potential to succeed the Chief Executive Officer and other senior management positions.

The Compensation Committee may incorporate certain metrics which are part of EMC's operating plan into the compensation program for EMC's executive officers. Accordingly, since the Board of Directors is involved in setting EMC's operating plan, the Board may play a role in setting executive compensation.

The Compensation Committee has engaged Watson Wyatt Worldwide ("Watson Wyatt") as its compensation consultant. Watson Wyatt works at the direction of the Compensation Committee and, among other things, assists the Compensation Committee in reviewing executive and director compensation, compensation best practices, trends and competitive practices, change in control and other termination scenarios, performing pay-for-performance analyses, and in selecting peer group companies used for compensation analysis. Watson Wyatt reports directly to the Compensation Committee and provides no other services to EMC.

Subject to compensation parameters approved by the Compensation Committee, our Chief Executive Officer and Chief Financial Officer set the performance goals under our business unit incentive compensation plans. These goals are aligned to EMC's operating plan. In addition, our Chief Executive Officer, subject to compensation parameters approved by the Compensation Committee, approves the individual performance goals under our Management by Objectives Plan for our executive officers other than our Vice Chairman. These goals are generally aligned with the goals approved by the Compensation Committee for the Chief Executive Officer. Our Chief Executive Officer also presents recommendations to the Compensation Committee for approval of compensation of executive officers. The Executive Vice President, Human Resources, assists our Chief Executive Officer and Chief Financial Officer in performing their compensation-related responsibilities and also assists the Compensation Committee in fulfilling its functions. For more information on our executive compensation program, please see "Compensation Discussion and Analysis" below.

Leadership and Compensation Committee Interlocks and Insider Participation

None of the Compensation Committee members has ever been an officer or employee of EMC. None of our executive officers serves as a member of the board of directors or compensation committee of any entity that has an executive officer serving as a member of our Board or Compensation Committee.

Finance Committee: The Finance Committee held six meetings in 2008. This committee oversees and reviews with management matters related to the enhancement of the capital structure of EMC and its subsidiaries, including the issuance and restructuring of EMC's equity and debt, issuance of our subsidiaries' equity (including the equity of VMware, Inc. ("VMware")), and the redemption of

Edgar Filing: EMC CORP - Form PRE 14A

Table of Contents

any of EMC's bonds or convertible notes which may be outstanding from time to time. This committee also oversees any Common Stock repurchase program which may exist from time to time.

Mergers and Acquisitions Committee: The Mergers and Acquisitions Committee held eight meetings in 2008. This committee reviews with members of EMC management potential acquisitions, divestitures and investments and evaluates the execution, financial results and integration of completed acquisition transactions.

Communications with the Board

EMC shareholders and all other interested parties can report concerns or complaints about EMC's accounting, internal accounting controls, or auditing matters directly to the Audit Committee. Questions or concerns about compensation matters can be sent directly to the Compensation Committee. Communications can also be sent directly to the non-management Directors. Information on how to contact the Audit Committee, the Compensation Committee and the non-management Directors is set forth below.

Audit Committee

By mail:
c/o Alertline
PMB 3767
13950 Ballantyne Corporate Place
Charlotte, NC 28277

Leadership and Compensation Committee

By mail:
c/o Alertline
PMB 3767
13950 Ballantyne Corporate Place
Charlotte, NC 28277

Non-Management Directors

By mail:
c/o Alertline
PMB 3767
13950 Ballantyne Corporate
Place
Charlotte, NC 28277

By e-mail:
AuditCommitteeChairman@emc.com

By e-mail:
CompensationCommitteeChairman@emc.com

By e-mail:
nonmngtdirectors@emc.com

Communications received electronically will be accessed directly by, and communications received by mail will be forwarded directly to, the Audi