EMC CORP
Form DEF 14A
March 28, 2002

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SCHEDULE 14A INFORMATION

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

Exchange Act of 1934 (Amendment No.)

Filed by the Registrant x **Filed by a Party other than the Registrant o**

Check the appropriate box:
o Preliminary Proxy Statement
x Definitive Proxy Statement
x Definitive Additional Materials
o Soliciting Material Under Rule 14a-12

o Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

EMC CORPORATION

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement)

Payment of Filing Fee (Check the appropriate box):

x No fee required.
o 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) 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:

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March 28, 2002

Dear Stockholder:

We cordially invite you to attend our 2002 Annual Meeting of Stockholders, which will be held on Wednesday, May 8, 2002, at 10:00 a.m. at EMC s facility at 21 Coslin Drive, Southborough, Massachusetts. A map with directions to the meeting is on the back cover of the attached Proxy Statement.

At this meeting you are being asked to elect three Class III members to the Board of Directors for a three-year term and to approve the addition of 10,000,000 shares of common stock to the 1989 Employee Stock Purchase Plan. Your Board of Directors recommends that you vote in favor of each of these proposals. You are also being asked to act upon two stockholder proposals, if properly presented at the meeting. Your Board of Directors recommends that you vote against each of such stockholder proposals. You should read with care the attached Proxy Statement, which contains detailed information about each of these proposals.

Your vote is important regardless of the number of shares you own. Accordingly, we urge you to complete, sign, date and return your proxy card promptly in the enclosed postage-paid envelope. If you elected to access the 2002 Proxy Statement and Annual Report on Form 10-K for 2001 electronically, you will not be receiving a proxy card and must vote electronically. The fact that you have returned your proxy card in advance will assure representation of your shares but will not affect your right to vote in person should you attend the meeting.

If you plan to join us at the meeting, please complete and return the RSVP card. If you elected to access the proxy materials electronically, please go to www.emc.com/annualmeeting to complete your RSVP. **All stockholders who attend the meeting will be required to present valid picture identification, such as a driver s license or a passport.** Registration will begin at 8:30 a.m.

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 8th.

Very truly yours,

MICHAEL C. RUETTGERS
Executive Chairman of the Board

YOUR VOTE IS IMPORTANT

In order to assure representation of your shares at the meeting, please complete, sign and return the enclosed proxy card or vote electronically or by telephone. See Voting Electronically or by Telephone on page 2 of the Proxy Statement for details regarding the options available to you.

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EMC CORPORATION

NOTICE OF THE ANNUAL MEETING OF STOCKHOLDERS

MAY 8, 2002

To the Stockholders:

Notice is hereby given that the Annual Meeting of Stockholders of EMC Corporation, a Massachusetts corporation, will be held at EMC s facility at 21 Coslin Drive, Southborough, Massachusetts, on Wednesday, May 8, 2002, at 10:00 a.m. for the following purposes:

1. To elect three members to the Board of Directors to serve for a three-year term as Class III Directors.

2. To amend the EMC Corporation 1989 Employee Stock Purchase Plan to increase the number of shares available for grant under such plan by 10,000,000 shares.

3. To act upon two stockholder proposals, if properly presented at the meeting.

4. To transact any and all other business that may properly come before the meeting or any adjournments thereof.

All stockholders of record at the close of business on March 11, 2002 are entitled to notice of and to vote at this meeting and any adjournments thereof.

Stockholders are requested to sign and date the enclosed proxy card and return it in the enclosed envelope. The envelope requires no postage if mailed in the United States. If you elected to access EMC s 2002 Proxy Statement and Annual Report on Form 10-K for 2001 electronically, you will not be receiving a proxy card and must vote electronically. For those who did not elect to receive such documents electronically, you may also be eligible to vote electronically or by telephone. Please see Voting Electronically or by Telephone on page 2 of the Proxy Statement for instructions.

EMC s Annual Report on Form 10-K for 2001 is enclosed.

By order of the Board of Directors

THOMAS J. DOUGHERTY, *Clerk*

March 28, 2002

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EMC CORPORATION

PROXY STATEMENT

INFORMATION CONCERNING SOLICITATION AND VOTING

General

This Proxy Statement is furnished in connection with the solicitation of proxies by the Board of Directors of EMC Corporation, a Massachusetts corporation, for the Annual Meeting of Stockholders of EMC to be held on May 8, 2002, and any adjournments thereof, for the purposes set forth in the attached Notice of the Annual Meeting of Stockholders (the Notice of Annual Meeting). EMC was incorporated in 1979, and its principal executive offices are located at 35 Parkwood Drive, Hopkinton, Massachusetts 01748. This Proxy Statement, EMC s Annual Report on Form 10-K for the fiscal year ended December 31, 2001 and the accompanying proxy card are first being distributed to stockholders on or about March 28, 2002.

All per share amounts of EMC s common stock, par value $.01 per share (the Common Stock), noted in this Proxy Statement have been adjusted to give effect to all stock splits.

Voting Rights and Outstanding Shares

As of March 11, 2002, EMC had outstanding 2,220,980,970 shares of Common Stock. The Common Stock is the only type of security entitled to vote at the Annual Meeting. Each share of Common Stock entitles the holder of record thereof at the close of business on March 11, 2002 to one vote on each of the matters to be voted upon at the Annual Meeting.

The expenses of preparing, printing and assembling the materials used in the solicitation of proxies will be borne by EMC. In addition to the solicitation of proxies by use of the mails, EMC may utilize 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 stockholders. Also, EMC has retained Morrow & Co., Inc. to aid in the distribution and solicitation of proxies. Morrow & Co., Inc. will receive a fee of $15,000 as well as reimbursement for certain expenses incurred by them in connection with their services, all of which will be paid by EMC.

If the enclosed form of proxy is properly signed and returned or a proxy is voted electronically or by telephone, the shares represented thereby will be voted. If the stockholder specifies in the proxy how the shares are to be voted, they will be voted as specified. If the stockholder does not specify how the shares are to be voted, they will be voted in accordance with the recommendations of the Board of Directors. The Board s recommendation is set forth together with a description of each item in this Proxy Statement. The Board of Directors recommends a vote for the three persons listed under Election of Directors as Class III Directors, to serve until their successors are elected and qualified (Proposal 1), for approval of the amendment to EMC s 1989 Employee Stock Purchase Plan (Proposal 2), and against approval of each of the stockholder proposals (Proposals 3 and 4). Should any person so named be unable to serve or for good cause will not serve as director, the persons named in the enclosed form of proxy intend to vote for such other person as management may recommend. Any stockholder has the right to revoke his or her proxy at any time before it is voted by attending the meeting and voting in person or filing with the Clerk of EMC either a written instrument revoking the proxy or another executed proxy bearing a later date.

In order to conduct any business at the Annual Meeting, a quorum must be present in person or represented by valid proxy. An automated system administered by EMC s transfer agent tabulates all votes cast at the Annual Meeting. Neither abstentions nor broker non-votes will be considered votes properly cast at the Annual Meeting. Accordingly, because the approval of each of the proposals is based on the votes properly cast at the Annual Meeting, neither abstentions nor broker non-votes will have any effect upon the outcome of voting with respect to the proposals.

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Voting Electronically or by Telephone

If your shares are registered in the name of a bank or brokerage firm and you have elected to access the 2002 Proxy Statement and Annual Report on Form 10-K for 2001 electronically, you will not be receiving a proxy card and must vote electronically. If you have not elected to access such documents electronically, you may still be eligible to vote electronically or by telephone. A large number of banks and brokerage firms participate in a program offering electronic and telephonic voting options. If your bank or brokerage firm participates, the voting instruction form you receive will provide instructions to vote electronically at the following address on the World Wide Web: *www.proxyvote.com* or by telephone. If you vote this year s proxy electronically, you may also elect to receive future proxy and other materials electronically by following the instructions when you vote. The Internet and telephone voting facilities will close at 11:59 p.m., E.S.T. on May 7, 2002.

Annual Meeting Admission

If you plan to attend the Annual Meeting in person, please complete and return the RSVP card mailed with this Proxy Statement. If you received your proxy materials electronically, please go to *www.emc.com/annualmeeting,* to complete your RSVP. Stockholders who have not returned the RSVP card will be required to present verification of ownership, such as a bank or brokerage firm account statement. All stockholders who attend the meeting will be required to present valid picture identification, such as a driver s license or passport. Registration will begin at 8:30 a.m.

Other Business

As of the date of this Proxy Statement, EMC s management has no knowledge of any business other than that described in the Notice of Annual Meeting that will be presented for consideration at the Annual Meeting. If any other business should properly come before the Annual Meeting, the persons appointed by the enclosed form of proxy shall have discretionary authority to vote all such proxies as they shall decide.

PROPOSAL 1

ELECTION OF DIRECTORS

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE ELECTION OF

EACH OF THE NOMINEES LISTED BELOW.

Pursuant to Section 50A of Chapter 156B of the Massachusetts General Laws, the Board of Directors is currently divided into three classes, having staggered terms of three years each. Under Section 50A and EMC s By-laws, the Board of Directors may determine the total number of directors and the number of directors to be elected at any annual meeting of stockholders or special meeting in lieu thereof. The Board of Directors has fixed at nine the total number of directors and has fixed at three the number of Class III Directors to be elected at the 2002 Annual Meeting. Of the current total of seven directors, three Class III Directors have terms expiring at the 2002 Annual Meeting, two Class I Directors have terms expiring at the 2003 Annual Meeting and two Class II Directors have terms expiring at the 2004 Annual Meeting. The three directors whose terms expire at the 2002 Annual Meeting have been nominated by the Board of Directors for election at such meeting. All of the nominees for director are now Class III members of the Board of Directors. The three nominees who receive the greatest number of votes properly cast will be elected as Class III Directors. Each Class III Director elected at the 2002 Annual Meeting will serve until the 2005 Annual Meeting or special meeting in lieu thereof, and until that director s successor is elected and qualified.

Information With Respect to Nominees

Set forth below is information with respect to each nominee for Class III Director to be elected at the 2002 Annual Meeting, and for each Class I and Class II Director. All of the directors were previously elected by the stockholders except for Windle B. Priem, who was elected by the Board of Directors in December 2001.

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NOMINEES TO SERVE AS CLASS III DIRECTORS FOR A THREE-YEAR TERM EXPIRING AT

THE 2005 ANNUAL MEETING

Michael J. Cronin

Mr. Cronin, age 63, has been a Director of EMC since May 1990. He has been Chief Executive Officer of Cognition Corporation, a CAD/ CAM software supplier, from September 1987 to the present. 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 Automatix, Inc., an industrial vision systems manufacturer. Mr. Cronin is Chairman of the Executive Compensation and Stock Option Committee and a member of the Audit Committee and the Mergers and Acquisitions Committee of EMC.

W. Paul Fitzgerald

Mr. Fitzgerald, age 61, has been a Director of EMC since March 1991. From January 1985 to January 1988, he was Vice President, Finance of EMC. From January 1988 to March 1995, he was Senior Vice President, Finance and Administration and Chief Financial Officer of EMC. From October 1991 to March 1995, he was Treasurer of EMC. Mr. Fitzgerald retired as an employee of EMC in October 1995. Mr. Fitzgerald is Chairman of the Audit Committee and a member of the Stock Repurchase and Bond Redemption Oversight Committee of EMC.

Joseph M. Tucci

Mr. Tucci, age 54, has been Chief Executive Officer and a Director of EMC since January 2001, and has served as President of EMC since January 2000. From January 2000 to January 2001, he was also Chief Operating Officer of EMC. 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. Getronics N.V. acquired Wang Global in June 1999. Mr. Tucci joined Wang Global in 1990 as its Executive Vice President, Operations. Mr. Tucci is also a Director of Paychex, Inc., a provider of payroll, human resources and benefits outsourcing solutions. Mr. Tucci is Chairman of the Stock Repurchase and Bond Redemption Oversight Committee and a member of the Mergers and Acquisitions Committee of EMC.

CLASS I DIRECTORS SERVING A TERM EXPIRING AT THE 2003 ANNUAL MEETING

Windle B. Priem

Mr. Priem, age 64, has been a Director of EMC since December 2001. He has been a Vice Chairman of Korn/ Ferry International, an executive recruiting agency, since July 2001. From January 1999 to June 2001, Mr. Priem served as Chief Executive Officer and President of Korn/ Ferry. He joined Korn/ Ferry in 1976 and has held various positions with Korn/ Ferry, including Chief Operating Officer from July 1998 to December 1998 and President of the North American region from January 1996 to June 1998. Mr. Priem is also a Director of Korn/ Ferry. Mr. Priem is a member of the Audit Committee and the Executive Compensation and Stock Option Committee of EMC.

Alfred M. Zeien

Mr. Zeien, age 72, has been a Director of EMC since December 1999. From February 1991 to April 1999, Mr. Zeien served as Chairman of the Board and Chief Executive Officer of The Gillette Company, a consumer products company. He joined Gillette in 1968 and held various positions with Gillette including President and Chief Operating Officer. Mr. Zeien is also a Director of Massachusetts Mutual Life Insurance Company, a financial services company, Polaroid Corporation, an instant and digital

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imaging company, Raytheon Company, a global technology and electronics company, and Inverness Medical Innovations, Inc., which develops, manufactures and markets self-test diagnostic and other products. Mr. Zeien is a member of the Audit Committee and the Executive Compensation and Stock Option Committee of EMC.

CLASS II DIRECTORS SERVING A TERM EXPIRING AT THE 2004 ANNUAL MEETING

John R. Egan

Mr. Egan, age 44, has been a Director of EMC since May 1992. 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. From January 1992 to June 1996, Mr. Egan was Executive Vice President, Sales and Marketing of EMC. He was on a leave of absence as an executive officer of EMC from June 1996 to May 1997. From May 1997 to September 1998, he was Executive Vice President, Products and Offerings of EMC, at which time he resigned as an executive officer of EMC. Mr. Egan has remained an employee of EMC. Mr. Egan has also been a principal in a venture capital firm since October 1998. Mr. Egan is also a Director of NetScout Systems, Inc., a provider of network and application performance management solutions. Mr. Egan is Chairman of the Mergers and Acquisitions Committee of EMC.

Michael C. Ruettgers

Mr. Ruettgers, age 59, has been Executive Chairman of the Board of Directors of EMC since January 2001. He has served as a Director of EMC since May 1992. From January 1992 to January 2001, Mr. Ruettgers served as Chief Executive Officer of EMC. From October 1989 to January 2000, he was President of EMC. He also served as Chief Operating Officer of EMC from October 1989 to January 1992 and Executive Vice President, Operations from July 1988 to October 1989. Mr. Ruettgers is also a Director of Raytheon Company, a global technology and electronics company and PerkinElmer, Inc., a diversified technology company. Mr. Ruettgers is a member of the Mergers and Acquisitions Committee of EMC.

During the fiscal year ended December 31, 2001, EMC s Board of Directors held six meetings.

PROPOSAL 2

APPROVAL OF AMENDMENT TO THE COMPANY S 1989

EMPLOYEE STOCK PURCHASE PLAN

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR PROPOSAL 2

On May 10, 1989, the Company s stockholders adopted and approved the EMC Corporation 1989 Employee Stock Purchase Plan (the 1989 Plan) and 7,200,000 shares of Common Stock were reserved for purchase thereunder. On May 8, 1991, May 12, 1993, May 8, 1996 and May 5, 1999, the 1989 Plan was amended to include an additional 14,400,000, 9,600,000, 8,000,000 and 8,800,000 shares, respectively, of Common Stock. Currently, the total number of shares of Common Stock that are authorized to be purchased under the 1989 Plan is 48,000,000. As of February 28, 2002, 6,151,544 shares remained available for future purchases under this plan.

On January 16, 2002, the Board of Directors approved an amendment to the 1989 Plan to increase the number of shares available under such plan by 10,000,000 shares. The affirmative vote of a majority of the votes properly cast at the Annual Meeting is required to approve this amendment to the 1989 Plan. Based upon the Company s current stock price and historical rates of employee participation in the 1989 Plan, the Company s forecast indicates that there may not be sufficient shares available for purchase once the current six-month purchase period ends. Additional shares are needed for use in the 1989 Plan so that the 1989 Plan

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can continue to be used as a benefit plan to attract and retain employees of the Company and its subsidiaries. If this amendment to the 1989 Plan is not approved by the stockholders, the Board of Directors will suspend employee participation in the 1989 Plan once the currently available shares are purchased. The proceeds received by the Company from the sale of Common Stock under the 1989 Plan are used for the general corporate purposes of the Company.

Summary of the 1989 Plan

If the January 16, 2002 amendment adding 10,000,000 shares is approved by the Company s stockholders, a total of not more than 58,000,000 shares of Common Stock may be issued under the 1989 Plan. Such shares may, at the discretion of the Board of Directors, be issued from the Company s authorized but unissued Common Stock or from the Company s treasury. The 1989 Plan provides for the Company to grant six-month options to participating employees to purchase shares of Common Stock. Each employee of the Company or a subsidiary of the Company having at least three months of continuous service on the date of grant of an option is eligible to participate in the 1989 Plan, except for employees whose customary employment is 20 hours or less per week. In addition, any employee who immediately after the grant of an option would be deemed under the provisions of the Internal Revenue Code of 1986, as amended (the Code), to own 5% or more of the outstanding Common Stock would not be eligible to receive such an option. Furthermore, no employee will be granted an option under the 1989 Plan which would permit his or her right to purchase shares to accrue at a rate which exceeds $25,000 in fair market value of Common Stock (determined at the time the option is granted) for any calendar year. Members of the Board of Directors who are not employed as regular salaried officers or employees of the Company may not participate in the 1989 Plan. As of January 1, 2002, there were approximately 20,100 employees of the Company and its subsidiaries eligible to participate in the 1989 Plan and approximately 12,800 employees participating in the 1989 Plan.

Options are granted twice yearly, on January 1 and July 1, and are exercisable on the succeeding June 30 or December 31. Options are exercisable through accumulations of payroll deductions. The amount of the deductions are determined by the employee, but may not be less than 2% nor more than 15% of the employee s compensation (up to a maximum of $7,500 in each option period, less any amount rolled over from the preceding option period representing an amount in lieu of a fractional share). The number of shares of Common Stock acquired in a particular option period is determined by dividing the balance in the employee s withholding account on the last day of the period by the purchase price per share for the Common Stock determined under the 1989 Plan. In lieu of a fractional share, any remaining balance in an employee s withholding account at the end of an option period is rolled over to the opening balance for the next option period. The purchase price for a share of Common Stock is the lower of 85% of the fair market value of the Common Stock on the date of grant or 85% of said value at the time of exercise.

In the event the number of shares of Common Stock available in any option period under the 1989 Plan is otherwise insufficient, the number of shares each employee is entitled to purchase shall be proportionately reduced and the cash balance in each employee s withholding account shall be returned to such employee.

An employee may at any time on or prior to June 15 or December 15, as the case may be with respect to any applicable option period, cancel his or her option, and upon such cancellation, all accumulated payroll deductions in the employee s withholding account shall be returned to him or her without interest. During an employee s lifetime, his or her rights in an option will be exercisable only by him or her and may not be sold, pledged, assigned or otherwise transferred. The employee or his or her legal representative may elect to have the amount credited to his or her withholding account at the time of his or her death applied to the exercise of his or her option for the benefit of named beneficiaries. Nothing in the 1989 Plan is to be construed so as to give an employee the right to be retained in the service of the Company.

In the event there is a change in the Common Stock due to a stock dividend, stock split, combination of shares, recapitalization, merger or other capital change, the aggregate number of shares of Common Stock available under the 1989 Plan and under any outstanding options, the option price and other relevant provisions of the 1989 Plan will be appropriately adjusted. The Company will have the right to amend the 1989 Plan at any time, but cannot make an amendment (other than as stated above) relating to the aggregate

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number of shares available under the 1989 Plan or the option price without the approval of the Company s stockholders. The Company may suspend or terminate the 1989 Plan at any time, but such termination will not affect the rights of employees holding options at the time of termination.

The Compensation Committee administers the 1989 Plan, makes determinations regarding all questions arising thereunder, and adopts, administers, and interprets such rules and regulations relating to the 1989 Plan as it deems necessary or advisable.

Federal Income Tax Consequences

The 1989 Plan is intended to qualify as an Employee Stock Purchase Plan within the meaning of Section 423 of the Code. Under a plan which so qualifies, neither the grant of an option nor the acquisition of shares upon exercise of such an option will result in taxable income to the employee or a deduction for the Company.

The Federal income tax treatment of the employee s subsequent disposition of shares acquired under a 1989 Plan option (Plan Shares) will vary depending upon the timing of the disposition. For these purposes, a disposition includes any transfer of shares other than certain transfers at death, certain tax-free exchanges, or a mere pledge or hypothecation. If the employee disposes of Plan Shares within two years after the corresponding option was granted, or within one year after the Plan Shares were purchased, the employee will recognize ordinary income on the date of disposition and the Company will receive a corresponding deduction equal to the difference between the price that the employee paid for the Plan Shares and the fair market value of the Plan Shares on the date they were purchased. If, on the other hand, the employee disposes of Plan Shares after both of the periods specified above, or if the employee dies while owning the Plan Shares, then he or she will recognize ordinary income (on the date of disposition or death) only to the extent of the lesser of (i) the excess of the fair market value of the Plan Shares at the time the option was granted over the option price (computed as of the grant date); or (ii) the excess of the fair market value of the Plan Shares at the time of death or disposition over the purchase price. In this case, the Company will receive no corresponding deduction. The employee will also recognize capital gain equal to the amount by which the amount realized upon the sale or disposition of the Plan Shares exceeds the sum of the aggregate purchase price paid for the Plan Shares and the ordinary income recognized in connection with their acquisition.

The foregoing summary is not a complete description of the U.S. Federal income tax aspects of the 1989 Plan. Moreover, the foregoing summary relates only to Federal income taxes; there may also be the imposition of FICA and FUTA taxes on the exercise of an option issued under the 1989 Plan, Federal estate and gift tax consequences, as well as foreign, state and local tax consequences.

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EQUITY COMPENSATION PLAN INFORMATION

The following table sets forth certain information regarding EMC s equity compensation plans as of December 31, 2001.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights(1)	Weighted-average exercise price per share of outstanding options, warrants and rights(1)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in the first column)
Equity compensation plans approved by security holders			
Option Plans	150,205,364	$28.63	54,571,440
Employee Stock Purchase Plan	0(2)	N/A	6,151,544(2)
Equity compensation plans not approved by security holders	267,200	$12.48	0
Total:	150,472,564	$28.60	60,722,984

(1) Does not include an aggregate of 1,151,285 shares of Common Stock to be issued (subject to vesting) upon the exercise of outstanding option grants, with a weighted exercise price of $12.40 per share, assumed by EMC in connection with various acquisitions. The option plans relating to such outstanding options were approved by the respective security holders of the acquired companies.

(2) Reflects the exercise of options to purchase an aggregate of 3,663,787 shares of Common Stock for the option period ended December 31, 2001, with an exercise price of $11.424 per share.

In April 1998, in connection with the acquisition of Management et Conseil en Informatique SA (MCI), EMC entered into Stock Option Agreements with certain employees of MCI (the MCI Employees), pursuant to which EMC granted to the MCI Employees non-qualified options (the MCI Options) to purchase shares of Common Stock. Such option grants did not receive stockholder approval. Each MCI Option is exercisable in annual increments of 20% over a five-year period and will expire on or prior to the tenth anniversary of the date of grant. If the employment of an MCI Employee with MCI is terminated for any reason, then such employee s MCI Option shall terminate on the date of such termination with respect to any shares which are not vested on the date of termination. The portion of the MCI Option with respect to any shares vested on the date of such termination shall be exercisable by the MCI Employee for 180 days after the fifth anniversary of the date of grant. The exercise price for each MCI Option is $10.5625 per share. As of December 31, 2001, an aggregate of 227,200 shares of Common Stock were issuable (subject to vesting and certain other restrictions on exercise) upon the exercise of outstanding MCI Options.

In January 1999, EMC entered into a Stock Option Agreement with a non-employee officer of EMC, pursuant to which EMC granted to such person a non-qualified option to purchase up to 40,000 shares of Common Stock. Such option grant did not receive stockholder approval. The option is exercisable in annual increments of 20% over a five-year period and will expire on the tenth anniversary of the date of grant; provided, however, that if the option holder ceases to serve as an officer of EMC for any reason, the option will terminate on the date such service terminates with respect to any shares subject to the option, whether such shares are vested or unvested on such date. The exercise price under the option is $23.3905 per share. As of December 31, 2001, an aggregate of 40,000 shares of Common Stock were issuable (subject to vesting) upon the exercise of the option.

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PROPOSAL 3

STOCKHOLDER PROPOSAL

Certain EMC stockholders have notified us that they intend to present the following proposal at the Annual Meeting. The names, addresses and number of shares of Common Stock held by such stockholders are available from EMC upon request to the Clerk of EMC. The affirmative vote of a majority of the votes properly cast at the Annual Meeting is required to approve this proposal.

EMC REQUEST TO TAKE STEPS TO CREATE AN INDEPENDENT BOARD

Introduction

As institutional investors in EMC, we believe it is imperative that our company is governed well. We believe that good corporate governance practices are in the best interests of EMC in this intensely competitive market and will protect the interests of its shareowners.

Indeed, EMC has a positive record on a number of corporate governance issues. However the EMC Board is composed primarily of inside Directors (5 out of 8 Directors listed in the 2001 proxy were current or former employees) and 2 others had close business relationships with EMC. Especially in periods of economic difficulty, the widest possible breadth of perspectives on the company s strategy and operations is imperative. The Board must be a thoughtful, independent voice.

In the filers opinion, one of the problems of an insider Board is that key Board functions and committees such as nominating new Board members, and the Audit and Compensation Committees are heavily influenced by management. We believe that it is a conflict of interest for managers to decide their own compensation packages, audit the company s financial records or develop the slate of Directors.

America s corporate leaders seem to recognize the value of Board independence. As far back as 1992, a survey of 600 directors of Fortune 1000 companies endorsed by the Business Roundtable found that 93% believed that a majority of the Board should be composed of outside, independent Directors and a majority felt the Nominating Committee should consist entirely of outside Directors. As shareowners we agree. We need Directors who are not current or former executives of EMC or representatives of major suppliers or customers.

Many U.S. corporations have adopted Codes or Governance Principles that include a commitment to a Board with a majority of outside, truly independent Directors. In addition, many institutional investors, including some of the largest pension funds in the United States, actively support independent Boards. The Council of Institutional Investors, a prestigious association of pension funds with portfolios valued over $1 trillion, has supported Board independence in its governance guidelines. In fact, scores of shareholder resolutions asking for policies of Board independence have received significant shareholder votes.

Thus we request that the Board take steps to ensure an independent Board by providing shareowners with new independent candidates for whom to vote.

We believe good corporate governance requires that such changes in EMC policy and practice be phased in as soon as possible. Thus, we urge our fellow shareholders to vote for the following resolution:

Resolved: The shareholders request the Board of EMC take the steps necessary to nominate candidates for Director so that, if elected by the shareholders, there would be a majority of independent Directors. When sufficient independent Directors are elected we request that Audit, Compensation and Nominating Committees be composed entirely of independent Directors.

EMC S STATEMENT IN OPPOSITION TO PROPOSAL 3

THE BOARD OF DIRECTORS RECOMMENDS A VOTE AGAINST PROPOSAL 3

Your Board of Directors opposes this proposal because it would limit its flexibility in selecting candidates for membership on the Board of Directors and Committees of the Board.

The Board seeks outstanding individuals for membership on the Board, based on their abilities and experience, who can best advance the interests of the Company and its stockholders.

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The Board believes that independent and fully engaged Board members perform a critical function on the Board. The Board also believes that senior company officers play an important role on the Board. Senior officers bring to the Board direct knowledge of the Company s business and operations, which is necessary to understanding the fast-paced affairs of the Company. The Board will consider whether a potential candidate who is a senior officer of the Company or who has a significant relationship with the Company can exercise independent judgment.

The Board believes that it should have flexibility in the composition of the Board and should not be bound by a rigid rule with respect to the number of independent directors. If the Board adopted the resolution contained in the proposal, the Board s ability to select the most qualified candidates could be limited. As a result, the Board may no longer be able to recommend those individuals that it believes would be the best candidates for Board membership. In addition, the Board believes that in any event a majority of its current members are independent under a number of reasonable definitions of that term.

The Board also opposes the proposed requirement that the Audit, Compensation and Nominating committees be composed entirely of independent directors. The composition of the Company s current Audit Committee complies with Securities and Exchange Commission and New York Stock Exchange rules and in the Board s view, the Committee is composed entirely of independent directors. Further, all of the current members of the Company s Compensation Committee are independent. The Board believes that such composition reflects the proper balance of independence, experience, talent and expertise. The Company does not currently have a Nominating Committee.

Accordingly, the Board believes that the goal of the proposal has been substantially achieved and the proposal is therefore unnecessary.

For these reasons, the Board believes that this proposal is not in the best interests of the Company and its stockholders and recommends that you vote AGAINST this proposal.

PROPOSAL 4

STOCKHOLDER PROPOSAL

Certain EMC stockholders have notified us that they intend to present the following proposal at the Annual Meeting. The names, addresses and number of shares of Common Stock held by such stockholders are available from EMC upon request to the Clerk of EMC. The affirmative vote of a majority of the votes properly cast at the Annual Meeting is required to approve this proposal.

REQUEST FOR BOARD INCLUSIVENESS COMMITMENT

WHEREAS: We believe that a diverse board of directors benefits the company and its shareholders by choosing its members from the broadest pool of talent and experience. Board diversity enhances business performance because decision-making better reflects the diverse needs of the customer the company serves the communities in which the company resides, and the workforce it relies on for production.

As investors in EMC Corporation, we believe that supporting diversity should be reflected from entry-level jobs to our Board. At the moment our Board is composed of all white men. This lack of diversity dominates our company s senior management as well. This is contrast to many leading companies. A report by the Investor Responsibility Research Center states that among the S&P 1500 companies, the proportion of female directors continues to rise from 8.9% in 1998 to 9.3% in 1999 and the number of minority directorships rose in 1999 from 6.9% to 7.0%.

A 1998 American Management Association report states that organizations with diversity among senior executives and their board have better sales performance than those companies with only white male executives. In addition, the Department of Labor s 1995 Glass Ceiling Commission (Good for Business: Making Full Use of the Nation s Human Capital) reported that diversity and inclusiveness in the workplace have a positive impact on the bottom line.

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A growing proportion of stockholders attach value to board inclusiveness, since the board is responsible for representing shareholder interests. The Teachers Insurance and Annuity Association and College Retirement Equities Fund, the largest U.S. institutional investor, has issued a set of corporate governance guidelines which include a call for diversity of directors by experience, sex, age, and race.

RESOLVED: the Shareholders request that:

1. The Board nominating committee make a greater commitment to locate qualified women and minorities as candidates for nomination to the board;

2. The company provide to shareholders, at reasonable expense, a report four (4) months from the 2002 annual shareholder meeting, to include a description of:

   Efforts to encourage diversified representation of the board;

   Criteria for board qualification;

   The process of selecting board nominees.

EMC S STATEMENT IN OPPOSITION TO

PROPOSAL 4

THE BOARD OF DIRECTORS RECOMMENDS A VOTE AGAINST PROPOSAL 4

Your Board of Directors opposes this proposal because it would limit its flexibility in selecting candidates for membership on the Board of Directors.

The Board seeks outstanding individuals for membership on the Board, based on their abilities and experience, who can best advance the interests of the Company and its stockholders.

The Board believes that the Company and its stockholders are best served by a focus on the overall qualifications of Board members rather than narrow goals regarding gender, race or any other category. The Board has considered in the past, and will consider in the future, highly qualified candidates who are women and minorities, as determined by their individual talents, experience and abilities, including relevant industry experience, judgment and commitment.

The Board believes that it should have flexibility in the composition of the Board and not be bound by rigid criteria that do not necessarily bear on a candidate s qualifications. If the Board adopted the resolution contained in the proposal, the Board s ability to select the most qualified candidates could be limited. As a result, the Board may no longer be able to recommend those individuals that it believes would be the best candidates for Board membership. Accordingly, the Board believes that the proposal is not in the best interests of the Company and its stockholders.

The Company strongly supports diversity in all aspects of its business and has strong and creative programs in place to advance the Company s diversity goals. The Board s historical membership also reflects such recognition of diversity.

The proposal also requires that the Company prepare and make available within four months after the Annual Meeting a report regarding Board diversity. The Company regularly reports to stockholders on the composition of the Board through its Proxy Statement. The Board believes that the preparation of the requested report would result in incremental costs to the Company without any corresponding benefit, and is, therefore, not in the best interests of the Company and its stockholders.

For these reasons, the Board believes that this proposal is not in the best interests of the Company and its stockholders and recommends that you vote AGAINST this proposal.

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SECURITY OWNERSHIP OF CERTAIN BENEFICIAL

OWNERS AND MANAGEMENT

The following table sets forth certain information regarding Common Stock owned on February 28, 2002 (i) by each person who is known by EMC to own beneficially more than 5% of the outstanding Common Stock, (ii) by each of EMC s directors and nominees for director, (iii) by each of the Named Executive Officers (as defined below) and (iv) by all directors and executive officers of EMC as a group.

Name of Beneficial Owner	Number of Shares Beneficially Owned(1)	Percent of Outstanding Shares
Michael J. Cronin(2)*	88,334	**
David A. Donatelli(3)	201,413	**
John R. Egan(4)	5,009,335	**
W. Paul Fitzgerald(5)*	592,542	**
Frank M. Hauck(6)	405,150	**
Erez Ofer(7)	247,752	**
Windle B. Priem	50,000	**
Michael C. Ruettgers(8)	5,397,240	**
Joseph M. Tucci(9)*	321,295	**
Alfred M. Zeien(10)	60,000	**
All directors and executive officers as a group (12 persons)(11)	12,979,883	**

* Nominee for director

** Less than 1%

(1) All persons have sole voting and investment power with respect to their shares. All amounts shown in this column include shares obtainable upon exercise of stock options currently exercisable or exercisable within 60 days of the date of this table.

(2) Mr. Cronin is deemed to own all of these shares by virtue of options to purchase these shares.

(3) Mr. Donatelli is deemed to own 153,656 of these shares by virtue of options to purchase these shares.

(4) Mr. Egan is deemed to own 1,600,000 of these shares by virtue of options to purchase these shares.

(5) Mr. Fitzgerald is deemed to own 421,334 of these shares by virtue of options to purchase these shares.

(6) Mr. Hauck is deemed to own 330,000 of these shares by virtue of options to purchase these shares.

(7) Mr. Ofer is deemed to own 201,840 of these shares by virtue of options to purchase these shares.

(8) Mr. Ruettgers is deemed to own 2,209,012 of these shares by virtue of options to purchase these shares. Excludes 2,400 shares owned by Mr. Ruettgers children and 50,000 shares held in the Ruettgers Family Charitable Foundation, as to which Mr. Ruettgers disclaims beneficial ownership.

(9) Mr. Tucci is deemed to own 320,000 of these shares by virtue of options to purchase these shares.

(10) Mr. Zeien is deemed to own 55,000 of these shares by virtue of options to purchase these shares.

(11) Includes 5,690,072 shares of Common Stock beneficially owned by all executive officers and directors as a group by virtue of options to purchase these shares. Excludes shares as to which such individuals have disclaimed beneficial ownership.

The address of all persons listed above is c/o EMC Corporation, 171 South Street, Hopkinton, Massachusetts 01748.

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COMPENSATION OF EXECUTIVE OFFICERS

The following table discloses compensation received by EMC s Chief Executive Officer and the next four most highly paid executive officers in 2001 (collectively, the Named Executive Officers) for the three fiscal years ended December 31, 2001, 2000 and 1999.

SUMMARY COMPENSATION TABLE

		Annual Compensation			Long Term Compensation	
					Awards	
Name and Principal Position	Year	Salary($)	Bonus($)(1)	Other Annual Compensation($)	Securities Underlying Options (#)	All Other Compensation($)
Joseph M. Tucci	2001	1,000,000	700,000(2)		3,400,000	1,500(3)
President, Chief Executive	2000(4)	600,000	1,212,400(2)		800,000	
Officer and Director	1999					
Michael C. Ruettgers	2001	1,000,000	700,000	92,785(5)	3,000,000	4,416(6)
Executive Chairman of the	2000	1,000,000	1,809,880	87,216(5)	250,000	4,416(6)
Board of Directors	1999	800,586	1,326,400	66,350(5)	561,000	3,720(6)
Erez Ofer	2001	530,000	537,948(2)		950,000	3,000(7)
Executive Vice President,	2000	204,613	430,839		120,000	3,000(7)
Open Software Operations	1999	120,038	324,308		220,000	3,000(7)
Frank M. Hauck	2001	600,000	204,030(2)		850,000	3,000(7)
Executive Vice President,	2000	377,500	392,100		150,000	3,000(7)
Customer Operations	1999	275,558	172,700			3,000(7)
David A. Donatelli	2001	600,000	196,000		1,000,000	3,000(7)
Executive Vice President,	2000	382,214	164,030		100,000	3,000(7)
Storage Platforms Operations	1999	216,300	198,169		200,000	3,000(7)

(1) Includes performance bonuses and commissions accrued in year of service whether paid during year of service or thereafter.

(2) Includes amounts deferred under the EMC Corporation Executive Deferred Compensation Retirement Plan, as amended (the Deferred Compensation Plan).

(3) Represents the amount paid to Mr. Tucci s account in the EMC Corporation 401(k) Plan (the 401(k) Plan).

(4) Mr. Tucci joined EMC on January 2, 2000.

(5) Includes the amounts of $48,616 in 2001, $63,629 in 2000 and $38,409 in 1999 for personal use of EMC-owned transportation. Also includes the amounts of $19,140 in 2001, $12,144 in 2000 and $18,707 in 1999 for tax planning advice.

(6) Includes the amounts of $3,000 for each of 2001, 2000 and 1999 paid to Mr. Ruettgers account in the 401(k) Plan, and $1,416 for each of 2001 and 2000 and $720 for 1999 paid to Mr. Ruettgers account in the EMC Corporation Supplemental Retirement Program.

(7) Includes the amount of $3,000 for each of 2001, 2000 and 1999 paid to such executive s account in the 401(k) Plan.

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OPTION GRANTS IN LAST FISCAL YEAR

The following table provides information on option grants in the fiscal year ended December 31, 2001 to the Named Executive Officers.

	Individual Grants					Grant Date Value
Name	Number of Options Granted in 2001(1)	Percent of Total Options Granted to Employees in Fiscal Year(1)	Exercise Price per Share	Market Price per Share on Date of Grant	Expiration Date	Grant Date Present Value(2)
Joseph M. Tucci(3)	400,000(4)(5)	0.47%	$72.3125	$72.3125	01/17/11	$15,256,000
	1,000,000(6)(7)	1.18%	$36.66	$36.66	04/18/11	$19,227,000
	2,000,000(4)(8)	2.37%	$11.51	$11.51	10/19/11	$11,854,000
Michael C Ruettgers(3)	500,000(6)(7)	0.59%	$36.66	$36.66	04/18/11	$ 9,613,500
	2,500,000(4)(8)	2.96%	$11.51	$11.51	10/19/11	$14,817,500
Erez Ofer	350,000(6)(7)	0.41%	$36.66	$36.66	04/18/11	$ 6,729,450
	600,000(4)(8)					