

EMC CORP
Form DEF 14A
March 21, 2012
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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
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EMC Corporation

(Name of Registrant as Specified In Its Charter)

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March 21, 2012

Dear Shareholder:

We cordially invite you to attend our 2012 Annual Meeting of Shareholders, which will be held on Tuesday, May 1, 2012, at 10:00 a.m., E.D.T., at EMC's facility at 176 South Street, Hopkinton, Massachusetts. A map with directions to the meeting is on the last page of the attached Proxy Statement.

At the meeting you are being asked to vote on the following matters:

1. Election of the ten members listed in the attached Proxy Statement to the Board of Directors,
2. Ratification of the selection by the Audit Committee of EMC's independent auditors, as described in the attached Proxy Statement, and
3. Advisory approval of our executive compensation, as described in the attached Proxy Statement.

Your Board of Directors recommends that you vote FOR each of these proposals. You should carefully read the attached Proxy Statement which contains detailed information about each of these proposals.

If you plan to join us at the meeting, please go to www.emc.com/annualmeeting2012 to complete the registration form. The deadline for registration is April 24, 2012. 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 1st.

Very truly yours,

JOSEPH M. TUCCI

Chairman, President and Chief Executive Officer

YOUR VOTE IS IMPORTANT

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

We encourage you to vote by Internet. It is convenient for you and saves us significant postage and processing costs. For specific instructions on how to vote your shares, please refer to the section entitled "Questions and Answers about the Annual Meeting and Voting" beginning on page 69 of the attached Proxy Statement.

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EMC CORPORATION

NOTICE OF THE ANNUAL MEETING OF SHAREHOLDERS

May 1, 2012

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 Tuesday, May 1, 2012, at 10:00 a.m., E.D.T., for the following purposes:

1. Election of the ten members listed in the attached Proxy Statement to the Board of Directors.
2. Ratification of the selection by the Audit Committee of PricewaterhouseCoopers LLP as EMC's independent auditors for the fiscal year ending December 31, 2012, as described in the attached Proxy Statement.
3. Advisory approval of our executive compensation, as described in the attached Proxy Statement.
4. Transaction of any and all other business that may properly come before the meeting or any adjournments or postponements of the meeting.

All shareholders of record at the close of business on March 1, 2012 are entitled to notice of and to vote at the meeting and any adjournments or postponements of the meeting. We are making these proxy materials available to you on or about March 21, 2012 on the Internet or by delivering printed versions of these materials to you by mail.

Your vote is important. Whether or not you plan to attend the meeting, please vote as soon as possible. **We encourage you to vote by Internet.** It is convenient for you and saves us significant postage and processing costs. If you previously elected to access the 2012 Proxy Statement and Annual Report on Form 10-K for 2011 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 2012 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 69 of the attached Proxy Statement.

EMC's Annual Report on Form 10-K for 2011 accompanies this Notice.

By order of the Board of Directors

PAUL T. DACIER

Executive Vice President,

General Counsel and Assistant Secretary

March 21, 2012

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Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Shareholders to be held on May 1, 2012: The Annual Report on Form 10-K for 2011 and 2012 Proxy Statement are available at www.proxyvote.com.

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**Proxy Statement for the
Annual Meeting of Shareholders of
EMC CORPORATION
To Be Held on Tuesday, May 1, 2012**

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Proxy Statement contains forward-looking statements, within the meaning of the Federal securities laws, about our business and prospects. The forward-looking statements do not include the potential impact of any mergers, acquisitions, divestitures, securities offerings or business combinations that may be announced or closed after the date hereof. Any statements contained herein that are not statements of historical fact may be deemed to be forward-looking statements. Without limiting the foregoing, the words believes, plans, intends, expects, goals and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these words. Our future results may differ materially from our past results and from those projected in the forward-looking statements due to various uncertainties and risks, including, but not limited to, those described in Item 1A of Part I (Risk Factors) of our Annual Report on Form 10-K for 2011. 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.

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This summary highlights information contained elsewhere in this Proxy Statement. For more complete information about these topics, please review the Company's Annual Report on Form 10-K and the entire Proxy Statement.

2011 Business Results

EMC's vision is to be the undisputed leader in enabling Hybrid Cloud Computing. To make this vision a reality, we have made strategic investments over the years to build our portfolio of information storage, virtualization, information protection, information security, and information management, analytics and intelligence technologies, products and services. As a result, we now have what we believe to be the deepest knowledge, broadest product portfolio and strongest partnerships in the IT industry to help customers accelerate their journey to the cloud and realize the benefits of delivering IT as a Service.

We firmly believe our vision and strategy are on target. Customers find our vision compelling and our offerings attractive. Our demonstrated ability to sustain profitable growth year after year has produced a track record that few large, technology companies can match.

In 2011, we successfully executed what we call our financial triple play: simultaneously gaining market share, reinvesting substantially in our business and delivering improved profitability. Furthermore, in 2011, we achieved all-time record revenue, profit and free cash flow, as set forth in the table below:

	2011 (\$)	% Growth from 2010
Revenue	20.0 billion	18%
Non-GAAP Net Income*	3.4 billion	24%
Non-GAAP Earnings Per Share*	1.51	20%
Free Cash Flow*	4.4 billion	29%

* A reconciliation of our GAAP to non-GAAP results can be found in [Exhibit B](#) to this Proxy Statement.

Annual Meeting of Shareholders

Date and Time:	May 1, 2012 at 10:00 a.m., E.D.T.
Place:	EMC Corporation 176 South Street Hopkinton, MA 01748
Record Date:	March 1, 2012
Voting:	Shareholders as of the record date are entitled to vote. Each share of common stock is entitled to one vote for each director nominee and each of the other proposals.
Attendance:	All shareholders may attend the meeting.

Meeting Agenda and Voting Recommendations

Agenda Item	Board Recommendation	Page
Election of 10 directors	FOR EACH NOMINEE	5
Ratification of selection of PricewaterhouseCoopers LLP as our independent auditors	FOR	13
Advisory approval of our executive compensation	FOR	14

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We are asking you to vote for all of the director nominees listed below. All directors attended at least 90% of the Board meetings and committee meetings on which he or she sits. Set forth below is summary information about each director nominee.

Nominee	Age	Director Since	Principal Occupation	Committee Membership
Michael W. Brown	66	2005	Former Vice President and Chief Financial Officer of Microsoft Corporation	Audit Finance (chair) Leadership and Compensation Mergers and Acquisitions
Randolph L. Cowen	61	2009	Former co-Chief Administrative Officer of The Goldman Sachs Group, Inc.	Leadership and Compensation Mergers and Acquisitions
Gail Deegan	65	2002	Former Executive Vice President and Chief Financial Officer of Houghton Mifflin Company	Audit (chair) Corporate Governance and Nominating
James S. DiStasio	64	2010	Former Senior Vice Chairman and Americas Chief Operating Officer of Ernst & Young LLP	Audit
John R. Egan	54	1992	Managing Partner and General Partner of Egan-Managed Capital	Finance Mergers and Acquisitions (chair)
Edmund F. Kelly	66	2007	Chairman of Liberty Mutual Group	Finance
Windle B. Priem	74	2001	Former President and Chief Executive Officer of Korn/Ferry International	Audit Corporate Governance and Nominating Leadership and Compensation (chair)
Paul Sagan	53	2007	President and Chief Executive Officer of Akamai Technologies, Inc.	Mergers and Acquisitions
David N. Strohm	63	2003	Venture Partner of Greylock Partners	Corporate Governance and Nominating (chair) Leadership and Compensation Mergers and Acquisitions
Joseph M. Tucci	64	2001	Chairman, President and Chief Executive Officer of EMC Corporation	Finance Mergers and Acquisitions

Corporate Governance Highlights

Substantial majority of independent directors (8 of 10)

Long-standing shareholder engagement program

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Annual election of directors	Annual Board, committee and individual director self-assessments
Majority vote for directors	Executive sessions of non-management directors
Independent Lead Director	Continuing director education
Board oversight of risk management	Executive and director stock ownership guidelines
Succession planning at all levels, including for Board and CEO	Board oversight of sustainability program
No supermajority voting requirements	Board oversight and disclosure of political spending

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As a matter of good corporate governance, we are asking you to ratify the selection by the Audit Committee of PricewaterhouseCoopers LLP (PWC) as our independent auditors for 2012. The following table summarizes the fees PWC billed us for 2011 and 2010.

	Audit Fees (\$)	Audit-Related Fees (\$)	Tax Fees (\$)	All Other Fees (\$)
2011	6,659,588	334,500	3,118,337	255,539
2010	6,406,252	314,500	3,374,901	

Advisory Approval of Our Executive Compensation

We are asking for your advisory approval of the compensation of our Named Executive Officers. While this vote is advisory, and not binding on us, the Leadership and Compensation Committee will consider your views when determining executive compensation in the future. At our May 2011 annual meeting, shareholders expressed strong support for our executive compensation program, with over 98% of votes cast voting in favor of the proposal.

Pay-for-Performance Philosophy

Our executive compensation programs are based on strong pay-for-performance practices that require achievement of challenging goals designed to drive profitable revenue growth and market share gains. We believe achievement of these goals will create long-term shareholder value.

2011 Executive Compensation Program

The Leadership and Compensation Committee approved an executive compensation program for 2011 that implements our pay-for-performance philosophy. The primary elements of our executive compensation program are base salary, cash bonuses and equity incentives.

As discussed above, EMC achieved superior financial performance in 2011 and the Named Executive Officers achieved 102.1%, 103.7% and 110.6% of the challenging revenue, non-GAAP earnings per share and free cash flow targets established by the Leadership and Compensation Committee, respectively. In 2011, the Named Executive Officers received the following cash compensation:

Name	Base Salary (\$)	Cash Bonus (\$)	Total (\$)
Joseph M. Tucci*	1,000,000	2,140,869	3,140,869
David I. Goulden	600,000	1,044,200	1,644,200
Patrick P. Gelsinger	600,000	912,481	1,512,481
William J. Teuber, Jr.	700,000	912,481	1,612,481
Howard D. Elias	600,000	912,481	1,512,481

* Mr. Tucci's base salary and target cash bonus have not increased since 2001.

In addition, based on achievement of the 2011 revenue and earnings per share performance targets established by the Leadership and Compensation Committee, a portion of the performance-based equity awards granted in August 2010 vested in February 2012 and the remaining portion is eligible to vest over the next few years:

Name	2010 Performance Stock Units		2010 Performance Stock Options	
	# of Units Granted	% Eligible to Vest	# of Options Granted	% Eligible to Vest
Joseph M. Tucci	210,000	100%	105,000	100%
David I. Goulden	72,000	100%	36,000	100%
Patrick P. Gelsinger	72,000	100%	36,000	100%
William J. Teuber, Jr.	72,000	100%	36,000	100%

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Howard D. Elias	72,000	100%	36,000	100%
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A significant majority of the equity awards granted to our executive officers in 2011 are performance-based awards and will vest only if the Company achieves challenging revenue and/or earnings per share goals. All or a portion of these awards will be forfeited if the performance goals are not met.

Other Compensation Highlights

Annual say on pay vote	Compensation Committee oversight of risks associated with compensation policies and practices
No pension or supplemental retirement benefits for executive officers	No excise tax gross-ups
Clawback policy applicable to all employees for cash and equity incentive compensation	No hedging of Company stock
Strong executive stock holding guidelines	No discounted options
Double trigger change in control agreements	No option repricings without shareholder approval
Independent compensation consultant	No excessive perquisites for executives
2013 Annual Meeting	
Deadline for shareholder proposals for inclusion in the proxy statement:	November 21, 2012
Deadline for business and nominations for director:	December 27, 2012 January 26, 2013

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PROPOSAL 1

ELECTION OF DIRECTORS

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

Under EMC's Bylaws, the Board of Directors may determine the total number of directors to be elected at any annual meeting of shareholders or special meeting in lieu of an annual meeting. The Board of Directors has fixed at 10 the total number of directors. On the recommendation of the Corporate Governance and Nominating Committee (the Governance Committee), the Board of Directors has nominated the persons named below for election as directors at this Annual Meeting, each to serve for a one-year term or until the director's successor is elected and qualified.

Director and Nominee Experience and Qualifications

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

Board Membership Criteria. The Governance Committee is responsible for reviewing, assessing and recommending Board membership criteria to the Board for approval. The criteria, which are set forth in the Governance Committee's charter, include judgment, integrity, diversity, prior experience, the interplay of the nominee's experience with the experience of other Board members, the extent to which the nominee would be desirable as a member of any committees of the Board, and the candidate's willingness to devote substantial time and effort to Board responsibilities.

In addition, the Board has determined that it is important to have individuals with the following skills and experiences:

Technology expertise, including a deep understanding of the information technology industry and the disruptive impact of new technology, to assess EMC's strategy and long-term business plan which may include the acquisition of businesses that have complementary and/or game-changing technologies, products or services.

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

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

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

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

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

In identifying director candidates, the Governance Committee may establish other specific skills and experience that it believes the Board should seek in order to maintain a balanced and effective Board.

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At least once a year, the Governance Committee evaluates the size and composition of the Board to assess the skills and experience of Board members, and compares them with those skills that might prove valuable in the future, giving consideration to the changing circumstances of the Company and the then current Board membership. This assessment enables the Board to consider whether the skills and experience described above continue to be appropriate as the Company's needs evolve over time.

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Proposal 1 Election of Directors (continued)

Identifying Potential Director Candidates. The Governance Committee identifies Board candidates through numerous sources, including recommendations from directors, executive officers and shareholders of EMC as well as professional search firms. The Governance Committee seeks to identify those individuals most qualified to serve as Board members and considers many factors with regard to each candidate, including those described above. New candidates are interviewed by members of the Governance Committee and other Board members.