

EMC CORP
Form DEF 14A
March 27, 2007
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SCHEDULE 14A

(Rule 14a-101)

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 Rule 14(a)-12

EMC Corporation

(Name of Registrant as Specified In Its Charter)

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March 27, 2007

Dear Shareholder:

We cordially invite you to attend our 2007 Annual Meeting of Shareholders, which will be held on Thursday, May 3, 2007, 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 (i) elect three Class II members to the Board of Directors for a three-year term, (ii) ratify the selection by the Audit Committee of the Board of Directors of EMC's independent auditors, (iii) approve an amended and restated EMC Corporation 2003 Stock Plan, (iv) approve an amendment to the EMC Corporation 1989 Employee Stock Purchase Plan and (v) approve a proposal to eliminate EMC's classified board structure and provide for the annual election of directors. Your Board of Directors recommends that you vote FOR each of these proposals. You are also being asked to act upon four shareholder proposals. Your Board of Directors recommends that you vote AGAINST each of such shareholder 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 electronically access the 2007 Proxy Statement and Annual Report on Form 10-K for 2006, you will not be receiving a proxy card and must vote electronically. The fact that you have returned your proxy card or voted electronically or by telephone 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 go to www.emc.com/annualmeeting2007 to complete your RSVP or complete and return the enclosed RSVP card. If you elected to electronically access the proxy materials, please go to www.emc.com/annualmeeting2007 to complete your RSVP. **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.** Registration will begin at 9:00 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 3rd.

Very truly yours,

JOSEPH M. TUCCI

Chairman, President and Chief Executive Officer

YOUR VOTE IS IMPORTANT

In order to assure representation of your shares at the meeting, please complete, sign, date 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 SHAREHOLDERS

MAY 3, 2007

To the Shareholders:

Notice is hereby given that the Annual Meeting of Shareholders of EMC Corporation, a Massachusetts corporation, will be held at EMC's facility at 21 Coslin Drive, Southborough, Massachusetts, on Thursday, May 3, 2007, 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 II Directors expiring at the 2010 Annual Meeting of Shareholders; provided, that if the proposal to eliminate EMC's classified board structure described below is approved, their term will expire at the 2008 Annual Meeting of Shareholders.
2. To ratify the selection by the Audit Committee of the Board of Directors of PricewaterhouseCoopers LLP as EMC's independent auditors for the fiscal year ending December 31, 2007.
3. To approve an amended and restated EMC Corporation 2003 Stock Plan.
4. To approve an amendment to the EMC Corporation 1989 Employee Stock Purchase Plan.
5. To approve a proposal to eliminate EMC's classified board structure and provide for the annual election of EMC's directors.
6. To act upon four shareholder proposals, if properly presented.
7. To transact any and all other business that may properly come before the meeting or any adjournments thereof.

All shareholders of record at the close of business on March 5, 2007 are entitled to notice of and to vote at this meeting and any adjournments thereof.

You 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 electronically access EMC's 2007 Proxy Statement and Annual Report on Form 10-K for 2006, 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.

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EMC's Annual Report on Form 10-K for 2006 is enclosed.

By order of the Board of Directors

PAUL T. DACIER

Executive Vice President,

General Counsel and Assistant Secretary

March 27, 2007

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**Proxy Statement for the
Annual Meeting of Shareholders of
EMC CORPORATION**

To Be Held on Thursday, May 3, 2007

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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. 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. Actual results may differ materially from those projected in the forward-looking statements due to various uncertainties and risks, including without limitation risks associated with the effects of general economic and market conditions, lessening demand in the information technology market, successful integration of acquisitions, difficulty managing operations and difficulty in keeping pace with rapid industry, technological and market changes, as well as those described in Item 1A of Part I (Risk Factors) of our Annual Report on Form 10-K. We disclaim any obligation to update any forward-looking statements contained herein after the date of this Proxy Statement.

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 (EMC or the Company), for the Annual Meeting of Shareholders of EMC to be held on May 3, 2007, and any adjournments thereof, for the purposes set forth in the attached Notice of the Annual Meeting of Shareholders (the Notice of Annual Meeting). EMC was incorporated in 1979, and its principal executive offices are located at 176 South Street, Hopkinton, Massachusetts 01748. This Proxy Statement, EMC s Annual Report on Form 10-K for the fiscal year ended December 31, 2006 and the accompanying proxy card are first being distributed to shareholders on or about March 27, 2007.

Voting Rights and Outstanding Shares

As of March 5, 2007, EMC had outstanding 2,099,052,990 shares of Common Stock. The Common Stock is the 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 5, 2007 to one vote on each of the matters to be voted upon at the Annual Meeting.

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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 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 shareholders. Also, EMC has retained Morrow & Co., Inc. to aid in the distribution and solicitation of proxies. Morrow & Co., Inc. will receive a fee of \$25,000 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 as specified in the Proxy. If you do not specify in the proxy how your shares are to be voted, the shares will be voted as recommended by the Board of Directors: FOR

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Proposals 1, 2, 3, 4 and 5 and AGAINST Proposals 6, 7, 8 and 9. If your shares are registered in the name of a bank or brokerage firm and the 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 and the ratification of auditors, the bank or brokerage firm that holds your shares may vote your shares in its discretion. For all other proposals, the bank or brokerage firm may not vote your shares at all. When that happens, it is called a broker non-vote. You have the right to revoke your proxy at any time before it is voted by attending the meeting and voting in person or filing with the Secretary or Assistant Secretary 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 proxies. Abstentions and broker non-votes are considered present for purposes of determining the presence of a quorum; however, 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 (other than Proposal 5) 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 such proposals. For Proposal 5, which requires the vote of two-thirds of our outstanding Common Stock, abstentions and broker non-votes have the same effect as a vote against the proposal. An automated system administered by EMC's transfer agent tabulates all votes cast at the Annual Meeting.

Recommendations of the Board of Directors

The Board of Directors recommends a vote:

- FOR** the three nominees listed under Election of Directors as Class II Directors, to serve until their successors are elected and qualified (Proposal 1);
- FOR** ratification of the selection by the Audit Committee of the Board of Directors of PricewaterhouseCoopers LLP as EMC's independent auditors for the fiscal year ending December 31, 2007 (Proposal 2);
- FOR** approval of the amended and restated EMC Corporation 2003 Stock Plan (Proposal 3);
- FOR** approval of an amendment to the EMC 1989 Employee Stock Purchase Plan (Proposal 4);
- FOR** approval of the proposal to eliminate EMC's classified board structure and provide for the annual election of directors (Proposal 5); and
- AGAINST** approval of each of the shareholder proposals (Proposals 6, 7, 8 and 9).

Should any nominee named in Proposal 1 be unable to serve or for good cause will not serve as director, the persons named in the enclosed form of proxy will vote for such other person as the Board of Directors may recommend.

Voting Electronically or by Telephone

If you have elected to electronically access the 2007 Proxy Statement and Annual Report on Form 10-K for 2006, you must vote electronically. If you have not elected to access such documents electronically, you may still be eligible to vote electronically or by telephone.

If your shares are registered in the name of a bank or brokerage firm and your bank or brokerage firm participates in a program offering electronic and telephonic voting options, then you should follow the instructions provided on the voting instruction form you receive to vote electronically at www.proxyvote.com or by telephone.

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If your shares are registered in your name, you should follow the instructions provided on the enclosed form of proxy to vote electronically at www.investorvote.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. You may vote using the Internet and telephone voting facilities until 11:59 p.m., E.S.T. on May 2, 2007.

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Annual Meeting Admission

If you plan to attend the Annual Meeting in person, please go to www.emc.com/annualmeeting2007 to complete your RSVP or complete and return the enclosed RSVP card. If you received your proxy materials electronically, please go to www.emc.com/annualmeeting2007 to complete your RSVP. Shareholders 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 shareholders who attend the meeting will be required to present a valid government-issued picture identification, such as a driver's license or passport. Registration will begin at 9:00 a.m.

Other Business

As of the date of this Proxy Statement, EMC 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. The deadline under EMC's By-laws for shareholders to notify EMC of any director nominations or proposals to be presented at the Annual Meeting has passed. 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.

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CORPORATE GOVERNANCE

The Board of Directors has adopted Corporate Governance Guidelines to provide a framework for the effective governance of EMC. The Corporate Governance and Nominating Committee reviews the Guidelines at least annually and recommends changes as appropriate to the Board of Directors for approval. The Board of Directors has also adopted written charters for its standing committees (Audit, Compensation, Corporate Governance and Nominating, 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 www.emc.com/about/governance. 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 intends to post additional information on this website from time to time as the Board makes changes to EMC's corporate governance practices.

EMC's Board of Directors has adopted corporate governance practices that the Board believes are in the best interests of EMC and its shareholders as well as compliant with SEC rules and regulations and the listing standards of the NYSE. Highlights include:

The Board submitted to shareholders for approval a proposal to require each Director to stand for election annually (see Proposal 5). Proposal 5, if approved, would provide that all Directors will be elected annually beginning with our 2008 Annual Meeting of Shareholders.

EMC has an independent director who has been designated as the Lead Director. 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 Compensation Committee, approving Chief Executive Officer (CEO) goals, evaluating CEO performance, setting CEO compensation levels and reviewing CEO succession planning;

In collaboration with the Corporate Governance and Nominating 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

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.

EMC has adopted a majority voting policy for the election of Directors. The policy, which is incorporated in EMC's Corporate Governance Guidelines, requires any director who receives a majority of votes withheld to promptly tender his or her resignation. The policy provides that the Corporate Governance and Nominating Committee will assess the appropriateness of such director continuing to serve and recommend to the Board the action to be taken with respect to such tendered resignation. Set forth below are procedures of the Board and Corporate Governance and Nominating Committee to be used if such majority voting policy is triggered:

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In considering the appropriateness of a nominee continuing to serve as a Director, the Corporate Governance and Nominating Committee will act promptly and consider all factors deemed relevant, including any known reasons why shareholders withheld votes from the Director, the length of

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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 Corporate Governance and Nominating Committee's recommendation promptly, but in any event not later than 90 days from the date of the annual or special meeting of shareholders at which the vote occurred. The Board will consider the factors considered by the Corporate Governance and Nominating Committee and any other factors it deems relevant. Such Board action may include acceptance of the tendered resignation, adoption of measures designed to address the issues underlying the withheld 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 Securities and Exchange Commission;

To the extent that one or more Director's resignation is accepted by the Board, the Board will determine whether to fill such vacancy or vacancies or to reduce the size of the Board;

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 voting policy will not participate in the Corporate Governance and Nominating Committee recommendation or Board consideration regarding whether or not to accept the tendered resignation. If a majority of the members of the Corporate Governance and Nominating Committee receive a greater number of votes withheld 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; and

In order to strengthen the director election process, the Board required each nominee for election at this Annual Meeting to submit a conditional resignation that will only become effective if the nominee does not receive the requisite number of votes at this meeting in accordance with the majority voting policy of the Board and after following the procedures described above, the Board accepts the resignation.

The Board believes that periodic rotation of members and chairs of its committees is a good corporate governance practice. In this regard, the Board rotated the members and chairs of committees in 2006. Our current committee membership is set forth in this Proxy Statement under the heading Board Independence and Committees.

In 2007, the Board increased the stock ownership guidelines requiring non-employee directors to own shares of Common Stock from a value of three to a value of five times the director's annual Board retainer. In addition, the Board amended the stock ownership guidelines for senior management to specify that restricted stock held by such individuals is not included for purposes of calculating stock ownership under the guidelines.

The Corporate Governance and Nominating Committee, together with the Lead Director, oversees an evaluation process as follows:

each Director annually evaluates the Board as a whole;

each member of the Audit Committee, Compensation Committee, Corporate Governance and Nominating Committee, Finance Committee and Mergers and Acquisitions Committee annually evaluates the committees on which he or she serves;

each Director annually prepares an individual self evaluation; and

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the Board, each of the above committees and each individual Director will develop action plans, if appropriate, based on their evaluations.

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To enable open communications with shareholders and other interested parties, EMC provides various means for them to contact the non-management Directors and the Audit Committee (see Communications with the Board and Communications with the Audit Committee below). The Board strives to provide clear, candid and timely responses to any substantive communication from such persons. During 2006, EMC management dialogued and met with shareholders on a variety of topics, including executive compensation, corporate social responsibility and other relevant governance topics. As appropriate, certain Directors participated.

EMC listens to and is responsive to shareholders. In addition to the communications above, EMC's Corporate Governance Guidelines state that it is the Board's policy to provide a response to any shareholder proposal that receives a majority vote. In the last several years, EMC has also provided formal responses to proposals that received less than a majority vote.

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.

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

Communications with the Board

The Board of Directors provides a process for EMC shareholders and other interested parties to send communications directly to the non-management Directors. Any person who desires to contact the non-management Directors may do so by either:

writing to EMC Non-Management Directors, c/o Alertline, PMB 3767, 13950 Ballantyne Corporate Place, Charlotte, NC 28277; or

sending an e-mail to *nonmngtdirectors@emc.com*.

Communications received electronically will be accessed directly by, and communications received by mail will be forwarded directly to, the Corporate Governance and Nominating Committee. The Committee will forward such communications to other Directors, members of EMC management or such other persons as it deems appropriate. The Committee or, if appropriate, EMC management, will respond in a timely manner to any substantive communications from a shareholder or an interested party.

Communications with the Audit Committee

EMC's Audit Committee also provides a process to send communications directly to the committee about EMC's accounting, internal accounting controls or auditing matters. Any person who desires to contact the Audit Committee regarding such matters may do so by either:

writing to EMC Audit Committee, c/o Alertline, PMB 3767, 13950 Ballantyne Corporate Place, Charlotte, NC 28277; or

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sending an e-mail to *AuditCommitteeChairman@emc.com*.

Communications received electronically will be accessed directly by, and communications received by mail will be forwarded directly to, the Audit Committee. The Committee, in its discretion, will forward such communications to other Directors, members of EMC management or such other persons as it deems appropriate. The Committee or, if appropriate, EMC management, will respond in a timely manner to any substantive communications from a shareholder or an interested party.

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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.

Under EMC's categorical standards of independence, which are available on our website at www.emc.com/about/governance and are also attached as **Exhibit A** to this Proxy Statement, 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 none of the following Directors has a material relationship with the Company (either directly or as a partner, shareholder or officer of an organization that has a relationship with EMC): Michael W. Brown, Michael J. Cronin, Gail Deegan, W. Paul Fitzgerald, Olli-Pekka Kallasvuo, Windle B. Priem, David N. Strohm and Alfred M. Zeien. The Directors referred to above currently meet the Categorical Standards of Independence. Therefore, in accordance with the Corporate Governance Listing Standards of the NYSE and the Categorical Standards of Independence, the above-referenced Directors are independent.

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 |
| Michael J. Cronin | Yes | Business relationships, charitable organization relationships |
| Gail Deegan | Yes | Business relationships, charitable organization relationships |
| W. Paul Fitzgerald | Yes | Family relationships, employment relationships |
| Olli-Pekka Kallasvuo | Yes | Business relationships |
| Windle B. Priem | Yes | Business relationships, charitable organization relationships |
| David N. Strohm | Yes | Business relationships |
| Alfred M. Zeien | Yes | N/A |

Board Meetings

During the fiscal year ended December 31, 2006, EMC's Board of Directors held ten meetings. Each Director attended at least 93% of the Board meetings and committee meetings which were held 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, except Olli-Pekka Kallasvuo, who attended 80% of the Board meetings and 56% of the applicable committee meetings. Mr. Kallasvuo is President and Chief Executive Officer of Nokia Corporation, which is headquartered in Finland. He was unable to participate in certain Board and committee meetings due to business conflicts.

Attendance at Annual Meeting of Shareholders

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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 2006 Annual Meeting of Shareholders.

Committees of the Board

The Board of Directors has established five standing committees: the Audit Committee, the Compensation Committee, the Corporate Governance and Nominating Committee, the Finance Committee and the Mergers and Acquisitions Committee. The Audit, Compensation and Corporate Governance and Nominating Committees consist entirely of independent directors, and members of the Audit Committee meet additional, heightened

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independence criteria applicable to audit committee members under the Sarbanes-Oxley Act of 2002 and SEC implementing rules. Each committee operates pursuant to a written charter that is available on our website at www.emc.com/about/governance. The membership of each is listed below.

| Audit | Compensation | Corporate Governance and Nominating | Finance | Mergers and Acquisitions |
|---|--|---|--|--|
| Gail Deegan ^{1, 2} Michael J. Cronin Olli-Pekka Kallasvuo Alfred M. Zeien | Windle B. Priem ¹ Michael W. Brown David N. Strohm Alfred M. Zeien | David N. Strohm ^{1, 3} Gail Deegan W. Paul Fitzgerald Olli-Pekka Kallasvuo Windle B. Priem | Michael W. Brown ^{1, 4} John R. Egan ⁵ W. Paul Fitzgerald Joseph M. Tucci | John R. Egan ¹ Michael W. Brown Michael J. Cronin David N. Strohm Joseph M. Tucci |

1 Chair.

2 Ms. Deegan was elected chair of the Audit Committee in October 2006.

3 Mr. Strohm was elected chair of the Corporate Governance and Nominating Committee in October 2006.

4 Mr. Brown was elected chair of the Finance Committee in February 2006.

5 Mr. Egan was elected to the Finance Committee in August 2006.

Audit Committee: The Audit Committee held ten meetings in 2006. 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 comments made by the auditors on EMC's financial statements and its accounting controls and procedures, 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, as adopted by the Board of Directors, 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, Mr. Cronin and Mr. Kallasvuo is an audit committee financial expert.

Compensation Committee: The Compensation Committee held thirteen meetings in 2006. 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 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 and monitors all general compensation programs. The Compensation Committee approves transactions under EMC's equity plans and has the authority to administer and interpret the provisions of the Company's equity, deferred compensation 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.

In determining the compensation of executive officers, the Compensation Committee may use certain metrics which are part of EMC's operating plan. Accordingly, since the Board of Directors is including in setting EMC's operating plan, the Board also plays a role in setting executive compensation.

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The Compensation Committee has retained Watson Wyatt Worldwide (Watson Wyatt) as its compensation consultant. Watson Wyatt is engaged directly by the Compensation Committee and works at the direction of the Compensation Committee under an engagement agreement in which Watson Wyatt, among other things, assists the Compensation Committee in reviewing executive and director compensation, compensation

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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 for executive officers. 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 goals under our MBO plans for our executive officers. 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.

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.

In February 2006, EMC acquired all of the outstanding capital stock of Authentica, Inc. David N. Strohm, a member of the Compensation Committee, is a general partner in Greylock IX Limited Partnership, which was a shareholder of Authentica. Of the total cash paid to Authentica's stockholders of approximately \$16 million, proceeds to Greylock IX Limited Partnership as a result of this acquisition were approximately \$2.7 million. Mr. Strohm did not participate in any Board or committee approval of this acquisition, and EMC believes that the terms of the transaction were fair and negotiated at arms' length.

Corporate Governance and Nominating Committee: The Corporate Governance and Nominating Committee held six meetings in 2006. This committee oversees and advises the Board of Directors with respect to 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 regarding the size and composition of the Board and with respect to assignments to committees of the Board. The committee oversees the evaluation of the Board, the committees and individual Directors and monitors possible conflicts of interest of Directors and senior executives.

The Corporate Governance and Nominating Committee continuously 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 engagements with 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 Corporate Governance and Nominating Committee evaluates identified Board candidates based on the criteria established by and periodically reviewed by the committee. 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 Corporate Governance and Nominating Committee makes recommendations to the Board with respect to Director nominees.

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EMC shareholders may recommend individuals to the Corporate Governance and Nominating Committee for consideration as potential director candidates by submitting their names and appropriate background and

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biographical information to the EMC Corporate Governance and Nominating 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 also have the right to nominate director candidates without any action on the part of the Corporate Governance and Nominating Committee or the Board, by following the advance notice provisions of EMC's By-laws as described under "Advance Notice Procedures" on page 72 of this Proxy Statement.

Finance Committee: The Finance Committee held seven meetings in 2006. This committee oversees and reviews with management matters related to the capital structure of the Company, including the issuance and restructuring of the Company's equity and debt and the redemption of 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 twelve meetings in 2006. This committee reviews with EMC management potential acquisitions, divestitures and investments.

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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.*

Pursuant to Section 8.06(b) of Chapter 156D of the Massachusetts General Laws, the Board of Directors is currently divided into three classes, having staggered terms of three years each. Under Section 8.06(b) 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 shareholders or special meeting in lieu thereof. The Board of Directors has fixed at eleven the total number of directors and has fixed at three the number of Class II Directors to be elected at the 2007 Annual Meeting. We currently have one vacancy on the Board of Directors. Of the current total of ten directors, three Class II Directors have terms expiring at the 2007 Annual Meeting; three Class III Directors have terms expiring at the 2008 Annual Meeting and four Class I Directors have terms expiring at the 2009 Annual Meeting. The three directors whose terms expire at the 2007 Annual Meeting have been nominated by the Board of Directors for election at such meeting. All of the nominees for director are now Class II members of the Board of Directors. *The three nominees who receive the greatest number of votes properly cast on this proposal will be elected as Class II Directors.*

Each Class II Director elected at the 2007 Annual Meeting will serve until the 2010 Annual Meeting or special meeting in lieu thereof, and until that director's successor is elected and qualified. However, if the proposal to eliminate EMC's classified board structure is approved, as more fully described in Proposal 5 below, then the terms of all directors, including those elected at the 2007 Annual Meeting, will end at the 2008 Annual Meeting, and all directors will thereafter be elected for one-year terms.

Information With Respect to Nominees

Set forth below is information with respect to each nominee for Class II Director to be elected at the 2007 Annual Meeting, and for each Class III and Class I Director. All of the directors were previously elected by the shareholders except for Michael W. Brown, who was elected by the Board of Directors effective as of August 2005. Mr. Brown was identified as a potential Director by our Chief Executive Officer.

NOMINEES TO SERVE AS CLASS II DIRECTORS

Michael W. Brown

Michael W. Brown, age 61, has been a Director of EMC since August 2005. From August 1994 to July 1997, Mr. Brown served as Vice President and Chief Financial Officer of Microsoft Corporation, a manufacturer of software products for computing devices. He was Vice President, Finance of Microsoft from April 1993 to August 1994. He joined Microsoft in December 1989 and served as Treasurer from January 1990 to April 1993. Prior to joining Microsoft, Mr. Brown spent 18 years with Deloitte & Touche LLP in various positions. Mr. Brown is also a

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Director of Administaff, Inc., a professional employer organization providing services such as payroll and benefits administration. Mr. Brown is the Chair of the Finance Committee and a member of the Compensation Committee and the Mergers and Acquisitions Committee of EMC.

John R. Egan

Mr. Egan, age 49, has been a Director of EMC since May 1992. Mr. Egan has been a managing partner and general partner in Egan-Managed Capital, a venture capital firm, since October 1998. From May 1997 to

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September 1998, Mr. Egan served as Executive Vice President, Products and Offerings of EMC. From January 1992 to June 1996, he served as Executive Vice President, Sales and Marketing of EMC. From October 1986 to January 1992, he served in a number of executive positions with EMC, including Executive Vice President, Operations and Executive Vice President, International Sales. Mr. Egan resigned as an executive officer of EMC in September 1998 and as an employee of EMC in July 2002. Mr. Egan is also a Director of NetScout Systems, Inc., a provider of network and application performance management solutions. Mr. Egan is the Chair of the Mergers and Acquisitions Committee and a member of the Finance Committee of EMC.

David N. Strohm

Mr. Strohm, age 58, has been a Director of EMC since October 2003, and Lead Director since January 2006. He has been a Venture Partner of Greylock Partners, a venture capital firm, since January 2001, and was a General Partner of Greylock from 1980 to 2001. He is also a General Partner of several partnerships formed by Greylock. Mr. Strohm was a Director of LEGATO Systems, Inc. from its founding in 1988 until its acquisition by EMC in October 2003. Mr. Strohm is the Chair of the Corporate Governance and Nominating Committee and is a member of the Compensation Committee and the Mergers and Acquisitions Committee of EMC.

CLASS I DIRECTORS

Gail Deegan

Ms. Deegan, age 60, has been a Director of EMC since July 2002. From February 1996 to September 2001, Ms. Deegan served as Executive Vice President and Chief Financial Officer of Houghton Mifflin Company, a publishing company. From February 1995 to February 1996, Ms. Deegan was Senior Vice President of Regulatory and Government Affairs for NYNEX New England, and from November 1991 to January 1995, was Vice President and Chief Financial Officer of New England Telephone. From 1988 to January 1990, Ms. Deegan was Senior Vice President, Chief Financial Officer and Treasurer of Eastern Enterprises, and from February 1990 to May 1991, she was Senior Vice President, Chief Financial Officer and Chief Administrative Officer. Ms. Deegan is a Director of TJX Companies, Inc., a retailer of discounted apparel and home goods. Ms. Deegan is the Chair of the Audit Committee and a member of the Corporate Governance and Nominating Committee of EMC.

Olli-Pekka Kallasvuo

Mr. Kallasvuo, age 53, has been a Director of EMC since August 2004. He has been the President and Chief Executive Officer of Nokia Corporation, a provider of mobile communications solutions, since June 2006. Mr. Kallasvuo was President and Chief Operating Officer of Nokia Corporation from October 2005 to May 2006. He was Executive Vice President and General Manager of Mobile Phones for Nokia Corporation from January 2004 to September 2005. Mr. Kallasvuo joined Nokia in 1980 and has held various positions with Nokia, including Executive Vice President and Chief Financial Officer of Nokia Group from March 1992 to December 1996, Executive Vice President of Nokia Americas and President of Nokia Inc. from January 1997 to December 1998 and Executive Vice President and Chief Financial Officer of Nokia Corporation from January 1999 to December 2003. He has been a member of the Nokia Group Executive Board since 1990. Mr. Kallasvuo is a member of the Audit Committee and the Corporate Governance and Nominating Committee of EMC.

Windle B. Priem

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Mr. Priem, age 69, has been a Director of EMC since December 2001. From July 2001 to December 2003, Mr. Priem served as a Vice Chairman of Korn/Ferry International, a global executive recruiting company,

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and from December 1998 to June 2001, he served as President and Chief Executive Officer of Korn/Ferry. He joined Korn/Ferry in 1976 and held various positions with Korn/Ferry, including Chief Operating Officer from May 1997 to December 1998 and President of the North American region from January 1996 to June 1998. Mr. Priem retired from Korn/Ferry in December 2003. He was also a Director of Korn/Ferry from June 1992 to November 2002. Mr. Priem is the Chair of the Compensation Committee and a member of the Corporate Governance and Nominating Committee of EMC.

Alfred M. Zeien