EMC CORP
Form DEF 14A
March 21, 2003

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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 ý

Filed by a Party other than the Registrant o

Check the appropriate box:
o Preliminary Proxy Statement
o **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
ý Definitive Proxy Statement
o Definitive Additional Materials
o Soliciting Material Pursuant to §240.14a-12

EMC Corporation

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):
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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

March 21, 2003

Dear Stockholder:

We cordially invite you to attend our 2003 Annual Meeting of Stockholders, which will be held on Wednesday, May 7, 2003, 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 I members to the Board of Directors for a three-year term, to approve the adoption of a new stock plan, including the allocation of 50,000,000 shares of common stock thereunder, to approve an amendment to EMC's 1989 Employee Stock Purchase Plan to increase by 15,000,000 the number of shares of common stock available for grant under such plan, and to ratify the appointment of EMC's independent auditors. Your Board of Directors recommends that you vote in FAVOR of each of these proposals. You are also being asked to act upon a stockholder proposal. Your Board of Directors recommends that you vote AGAINST such stockholder proposal. 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 2003 Proxy Statement and Annual Report on Form 10-K for 2002, 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 or go to *www.emc.com/annualmeeting* to complete your RSVP. If you elected to electronically access the proxy materials, please go to *www.emc.com/annualmeeting* to complete your RSVP. **All stockholders 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 7th.

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, 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.

EMC CORPORATION

NOTICE OF THE ANNUAL MEETING OF STOCKHOLDERS

MAY 7, 2003

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 7, 2003, 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 I Directors.
2. To approve the EMC Corporation 2003 Stock Plan, including the allocation of 50,000,000 shares of common stock available for grant thereunder.
3. To approve an amendment to the EMC Corporation 1989 Employee Stock Purchase Plan to increase by 15,000,000 the number of shares of common stock available for grant under such plan.
4. To ratify the appointment of PricewaterhouseCoopers LLP as EMC's independent auditors for the fiscal year ending December 31, 2003.
5. To act upon a stockholder proposal relating to indexed options.
6. 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 10, 2003 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 electronically access EMC's 2003 Proxy Statement and Annual Report on Form 10-K for 2002, 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 2002 is enclosed.

By order of the Board of Directors

PAUL T. DACIER
Senior Vice President,
General Counsel and Assistant Clerk

March 21, 2003

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 Stockholders of EMC to be held on May 7, 2003, 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 176 South Street, Hopkinton, Massachusetts 01748. This Proxy Statement, EMC's Annual Report on Form 10-K for the fiscal year ended December 31, 2002 and the accompanying proxy card are first being distributed to stockholders on or about March 21, 2003.

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 10, 2003, EMC had outstanding 2,185,985,227 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 10, 2003 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 Georgeson Shareholder Communications Inc. to aid in the distribution and solicitation of proxies. Georgeson Shareholder Communications 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. 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 or Assistant 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.*

Recommendations of the Board of Directors

The Board of Directors recommends a vote FOR the three persons listed under "Election of Directors" as Class I Directors, to serve until their successors are elected and qualified (Proposal 1), FOR approval of EMC's 2003 Stock Plan (Proposal 2), FOR approval of an amendment to EMC's 1989 Employee Stock Purchase Plan (Proposal 3), FOR ratification of the appointment of PricewaterhouseCoopers LLP as the Company's independent auditors for the fiscal year ending December 31, 2003 (Proposal 4), and AGAINST approval of the stockholder proposal (Proposal 5).

Should any person so 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 intend to vote for such other person as management may recommend.

Voting Electronically or by Telephone

If your shares are registered in the name of a bank or brokerage firm and you have elected to electronically access the 2003 Proxy Statement and Annual Report on Form 10-K for 2002, 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. 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. You may vote using the Internet and telephone voting facilities until 11:59 p.m., E.S.T. on May 6, 2003.

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 or go to *www.emc.com/annualmeeting*, to complete your RSVP. 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 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'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.

ADVANCE NOTICE PROCEDURES

Under EMC's By-laws, nominations for a director may be made only by the Board of Directors, a nominating committee of the Board of Directors, a person appointed by the Board of Directors or by a stockholder entitled to vote who has delivered notice to the principal executive offices of EMC (containing certain information specified in the By-laws) (i) not less than 95 days nor more than 125 days prior to the anniversary date of the preceding year's annual meeting, or (ii) if the meeting is called for a date not within thirty days before or after such anniversary date, not later than the close of business on the tenth day following the date notice of such meeting is mailed or made public, whichever is earlier.

The By-laws also provide that no business may be brought before an annual meeting except as specified in the notice of the meeting or as otherwise brought before the meeting by or at the direction of the Board of Directors, the presiding officer or by a stockholder entitled to vote at such annual meeting who has delivered notice to the principal executive offices of EMC (containing certain information specified in the By-laws) (i) not less than 95 days nor more than 125 days prior to the anniversary date of the preceding year's annual meeting, or (ii) for a special meeting or an annual meeting called for a date not

within thirty days before or after such anniversary date, not later than the close of business on the tenth day following the date notice of such meeting is mailed or made public, whichever is earlier.

These requirements are separate and apart from and in addition to the requirements that a stockholder must meet in order to have a stockholder proposal included in EMC's Proxy Statement under Rule 14a-8 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). A copy of the full text of the By-laws provisions discussed above may be obtained by writing to the Clerk or Assistant Clerk of EMC at 176 South Street, Hopkinton, Massachusetts 01748.

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 I Directors to be elected at the 2003 Annual Meeting. Of the current total of eight directors, three Class I Directors have terms expiring at the 2003 Annual Meeting, two Class II Directors have terms expiring at the 2004 Annual Meeting and three Class III Directors have terms expiring at the 2005 Annual Meeting. The three directors whose terms expire at the 2003 Annual Meeting have been nominated by the Board of Directors for election at such meeting. All of the nominees for director are now Class I members of the Board of Directors. *The three nominees who receive the greatest number of votes properly cast will be elected as Class I Directors.* Each Class I Director elected at the 2003 Annual Meeting will serve until the 2006 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 I Director to be elected at the 2003 Annual Meeting, and for each Class II and Class III 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, and Gail Deegan, who was elected by the Board of Directors in July 2002.

NOMINEES TO SERVE AS CLASS I DIRECTORS SERVING A TERM EXPIRING AT THE 2006 ANNUAL MEETING

Gail Deegan

Ms. Deegan, age 56, 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 publisher of textbooks, reference books and other materials. 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 May 1991, Ms. Deegan was Senior Vice President, Chief Financial Officer and Chief Administrative Officer of Eastern Enterprises, the parent company of Boston Gas Company. Ms. Deegan is also a Director of TJX Companies, Inc., a retailer of discounted apparel and home goods. Ms. Deegan is a member of the Audit Committee of EMC.

Windle B. Priem

Mr. Priem, age 65, has been a Director of EMC since December 2001. He has been a Vice Chairman of Korn/Ferry International, a global executive recruiting company, since July 2001. From December 1998 to June 2001, Mr. Priem 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 is a member of the Audit Committee and the Executive Compensation and Stock Option Committee of EMC.

Alfred M. Zeien

Mr. Zeien, age 73, 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 Inverness Medical Innovations, Inc., a manufacturer of 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 45, has been a Director of EMC since May 1992. From May 1997 to 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 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 60, 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 and Chief Operating Officer of EMC. He also served as 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.

CLASS III DIRECTORS SERVING A TERM EXPIRING AT THE 2005 ANNUAL MEETING

Michael J. Cronin

Mr. Cronin, age 64, has been a Director of EMC since May 1990. He has been Chief Executive Officer of Cognition Corporation, an engineering knowledge management company, from 1993 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 and robotics 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 62, has been a Director of EMC since March 1991. 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 also Treasurer of EMC. From January 1985 to January 1988, he was Vice President, Finance 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 55, 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.

PROPOSAL 2

APPROVAL OF THE EMC CORPORATION 2003 STOCK PLAN

THE BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR" PROPOSAL 2

On January 29, 2003, the Board of Directors voted to approve and recommended that the EMC stockholders approve the adoption of the EMC Corporation 2003 Stock Plan (the "2003 Stock Plan"). *The affirmative vote of a majority of the votes properly cast at the Annual Meeting is required to approve the adoption of the 2003 Stock Plan.*

A total of 50,000,000 shares of Common Stock will be reserved under the 2003 Stock Plan. No more than 20% of the authorized shares may be issued pursuant to awards of restricted stock or restricted stock units granted under the 2003 Stock Plan.

Without the 2003 Stock Plan, EMC believes that the number of shares available under its current stock option plans will not be sufficient to cover projected option grants in 2003. EMC believes that the 50,000,000 shares of Common Stock under the 2003 Stock Plan, together with the existing shares available under EMC's current stock option plans, will be sufficient to cover the stock awards it anticipates granting to employees for approximately one year. If the 2003 Stock Plan is not approved, EMC will not be able to grant any options to employees under its current stock option plans once all the shares reserved under such plans have been used.

EMC believes that equity is a key element of EMC's compensation package because equity awards encourage employee loyalty to EMC and align employee interests directly with those of EMC stockholders. The 2003 Stock Plan will allow EMC to provide these individuals with equity incentives that are competitive with those of companies with which EMC competes for talent. EMC's existing plans provide for the grant of stock options only. The 2003 Stock Plan will also allow for awards of restricted stock and restricted stock units. EMC believes that the 2003 Stock Plan will therefore enable it to design and grant different types of stock awards that may be more effective in attracting, motivating and retaining key individuals essential for EMC's success. A broader plan such as the 2003 Stock Plan will also give EMC greater flexibility to design and manage equity-based compensation to meet the changing needs of its business over an extended period of time.

As of December 31, 2002, EMC and its subsidiaries had approximately 17,400 employees worldwide, all of whom would be eligible to be considered for stock awards under the 2003 Stock Plan. As of such date, an aggregate of 176,701,838 shares of Common Stock were issuable pursuant to outstanding stock options granted under EMC's current stock option plans available to employees, non-plan options and options assumed by EMC in connection with acquisitions, and an aggregate of 22,381,774 shares of Common Stock were available for future grant under such plans.

The following is a summary of the material terms and conditions of the 2003 Stock Plan. The full text of the 2003 Stock Plan is attached as *Exhibit A* to this Proxy Statement.

The closing price of a share of Common Stock on the New York Stock Exchange (the "NYSE") on March 10, 2003 was $6.96. The proceeds received by EMC upon exercise of the awards by participants in the 2003 Stock Plan will be used for the general corporate purposes of EMC.

Summary of the 2003 Stock Plan

Administration. The Executive Compensation and Stock Option Committee of the Board of Directors (the "Compensation Committee") and/or the Board of Directors will administer the 2003 Plan, which includes approving:

- the individuals to receive awards;
- the types of awards to be granted;

- the terms and conditions of the awards, including the number of shares and exercise price of the awards;
- the time when the awards become exercisable, will vest or the restrictions to which an award is subject will lapse; and

whether options will be incentive stock options.

The Compensation Committee has full authority to interpret the terms of the 2003 Stock Plan and awards granted under the 2003 Stock Plan, to adopt, amend and rescind rules and guidelines for the administration of the 2003 Stock Plan and for its own acts and proceedings and to decide all questions and settle all controversies and disputes which may arise in connection with the 2003 Stock Plan.

Authorized Shares. The 50,000,000 shares reserved under the 2003 Stock Plan will be subject to adjustment in the event of a stock dividend, stock split or other change in corporate structure or capitalization affecting the Common Stock. The Common Stock delivered to participants under the 2003 Stock Plan may be either authorized but unissued shares of Common Stock or shares of Common Stock held by EMC in its treasury. The number of shares delivered upon exercise of an award will be determined net of any shares actually or constructively transferred by the participant to EMC (including through the holding back of shares that would otherwise have been deliverable upon exercise) in payment of the exercise price or tax withholding.

Eligibility. All employees of, or consultants or advisors to, EMC or any of its subsidiaries will be eligible to participate in the 2003 Stock Plan.

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

Stock Options. Stock options represent the right to purchase shares of Common Stock within a specified period of time at a specified price. *The exercise price for a stock option will be not less than 100% (110% for an incentive stock option granted to a 10% or more stockholder) of the fair market value of Common Stock on the date of grant*. The aggregate fair market value, determined on the date the option is granted, of the stock for which any person may be granted incentive stock options which become exercisable for the first time by such person in any calendar year cannot exceed the sum of $100,000 (determined on the date such option is granted). No incentive stock option will be granted to a person who is not an "employee" as defined in the applicable provisions of the Code and regulations issued thereunder. An incentive stock option shall expire in ten years (five years in the case of an incentive stock option granted to a 10% or more stockholder) after the date of grant. No incentive stock options can be granted under the 2003 Stock Plan after January 29, 2013, but options granted before that date may be exercised thereafter.

Awards of Restricted Stock and Restricted Stock Units. Restricted stock is Common Stock that is subject to a risk of forfeiture or other restrictions that will lapse upon satisfaction of specified conditions. Restricted stock units represent the right to receive shares of Common Stock in the future, with the right to future delivery of the shares subject to a risk of forfeiture or other restrictions that will lapse upon satisfaction of specified conditions. Subject to any restrictions applicable to the award, a participant holding restricted stock, whether vested or unvested, will be entitled to enjoy all rights of a stockholder with respect to such restricted stock, including the right to receive dividends and to vote the shares. Awards of restricted stock or restricted stock units that vest by the passage of time only will not vest fully in less than three years after the date of grant.

The Compensation Committee may grant awards under the 2003 Stock Plan subject to the satisfaction of performance goals. In the case of awards intended to qualify for exemption under Section 162(m) of the Internal Revenue Code of 1986, as amended (the "Code"), the Compensation Committee will use one or

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more objectively determinable performance goals that relate to one or more Performance Criteria (as defined in the 2003 Stock Plan). The Compensation Committee will determine whether the performance goals for a Performance Award (as defined in the 2003 Stock Plan) have been met. *No more than 2,000,000 shares will be allocated to Performance Awards granted to any participant during any 12-month period.*

Transferability. Under the 2003 Stock Plan, awards are generally non-transferable other than by will or by the laws of descent and distribution. Awards may be exercised by a person other than the participant only in the circumstances outlined below; provided, that the Compensation Committee may allow for transferability of awards to immediate family members of the participant or to trusts, partnerships or other entities controlled by and of which the beneficiaries are immediate family members of the participant.

Termination of Service Relationship. Under the 2003 Stock Plan, except as set forth below or as otherwise provided by the Compensation Committee, all previously unexercised awards terminate and are forfeited automatically upon the termination of the participant's service relationship with EMC. If a participant's service relationship is terminated by reason of death or Disability (as defined in the 2003 Stock Plan), except as otherwise provided by the Compensation Committee, all stock options held by the participant will vest fully on the date that the service relationship terminates by reason of death or Disability and all awards of restricted stock or restricted stock units held by the participant will vest fully and/or all restrictions will fully lapse on the date that the service relationship terminates by reason of death or Disability. All such awards may be exercised by the participant's executor or administrator, or by the person to whom the award is transferred under the applicable laws of descent or distribution, within three years after the date that the participant's service relationship terminates by reason of death or Disability. If a participant's service relationship is terminated by reason of Retirement (as defined in the 2003 Stock Plan), except as otherwise provided by the Compensation Committee, all stock options held by the participant will continue to vest and be exercisable as if the service relationship had not terminated and all awards of restricted stock or restricted stock units held by the participant will continue to vest and/or be subject to applicable restrictions as if the service relationship had not terminated. Notwithstanding the foregoing, if a stock option provides for vesting or exercisability upon the fulfillment or satisfaction of certain goals or conditions (other than time-based vesting), or an award of restricted stock or restricted stock units provides for vesting or lapse of restrictions based upon the fulfillment or satisfaction of certain goals or conditions (other than time-based vesting or restrictions), then, except as otherwise provided by the Compensation Committee, subsequent to the date of Retirement, the unvested or restricted portion of an award shall no longer be subject to such vesting or lapse of restrictions based on the satisfaction or fulfillment of certain goals or conditions and instead will be subject only to the time-based vesting or restrictions set forth in the award. Such awards may be exercised by the participant in accordance with the terms and conditions of the award (including the applicable vesting schedule or restrictions). Incentive stock options that are not exercised within (a) twelve months after the date a participant's service relationship is terminated by reason of Disability or (b) three months after the date a participant's service relationship is terminated by reason of Retirement, will be treated as non-qualified stock options. All stock options outstanding after a participant's death or Disability expire at the end of the three-year period after the date a participant's service relationship is terminated by reason of death or Disability. Notwithstanding the foregoing, in no event shall (i) any award be exercised beyond the date on which such award would otherwise expire pursuant to the terms thereof or (ii) any incentive stock option be exercised after the expiration of ten years (five years in the case of an incentive stock option granted to a 10% or more stockholder) from the date the incentive stock option was granted. Shares of Common Stock which are not delivered because of termination of awards may be reused for other awards.

With respect to awards held by officers or certain other persons, the Compensation Committee may cancel, suspend or otherwise limit any unexpired award and rescind the exercise of an award if such participant engages in certain detrimental activity.

Amendments. The Compensation Committee may at any time discontinue granting awards under the 2003 Stock Plan. The Compensation Committee may amend the 2003 Stock Plan, except that no

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

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

Federal Income Tax Consequences

Stock Options. The 2003 Stock Plan is not qualified under Section 401(a) of the Code. In general, neither the grant nor the exercise of an incentive stock option granted under the 2003 Stock Plan will result in taxable income to the option holder or a deduction to EMC. If the option holder does not dispose of stock received upon exercise of an incentive stock option within two years after the date the option is granted and within one year after the date of exercise, any later sale of such stock will result in a capital gain or loss.

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

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

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

entitled to a deduction for Federal income tax purposes equal to the amount of ordinary income realized by the option holder, subject to certain withholding and reporting requirements.

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

Restricted Stock Units. Generally, the participant will not be subject to tax upon the grant of an award of restricted stock units but will recognize ordinary income in an amount equal to the fair market value of any shares received on the date of delivery of the underlying shares of Common Stock. EMC will be entitled to a corresponding tax deduction.

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

New Incentive Plan Benefits

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

PROPOSAL 3

APPROVAL OF AMENDMENT TO THE COMPANY'S 1989 EMPLOYEE STOCK PURCHASE PLAN

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

On May 10, 1989, EMC'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, May 5, 1999 and

May 8, 2002, the 1989 Plan was amended to include an additional 14,400,000, 9,600,000, 8,000,000, 8,800,000 and 10,000,000 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 58,000,000. As of February 28, 2003, 5,139,332 shares remained available for future purchases under this plan. The full text of the 1989 Plan is attached as *Exhibit B* to this Proxy Statement.

On January 29, 2003, the Board of Directors approved an amendment to the 1989 Plan to increase the number of shares available under such plan by 15,000,000 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 EMC's current stock price and historical rates of employee participation in the 1989 Plan, the Company's forecast indicates that there may not be enough shares available for purchase for the current six-month purchase period. Additional shares are needed for use in the 1989 Plan so that the 1989 Plan can continue to be used as a benefit plan to attract and retain employees of EMC and its subsidiaries. The Company's forecast indicates that the addition of 15,000,000 shares will allow continued employee participation for approximately one year. 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 EMC 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 29, 2003 amendment adding 15,000,000 shares is approved by EMC's stockholders, a total of not more than 73,000,000 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 EMC's authorized but unissued Common Stock or from EMC's treasury. The 1989 Plan provides for the granting of six-month options to participating employees to purchase shares of Common Stock. Each employee of EMC or a subsidiary of EMC 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 Code to own 5% or more of the outstanding Common Stock would not be eligible to receive such an option. Furthermore, the 1989 Plan provides that 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 EMC may not participate in the 1989 Plan. As of January 1, 2003, there were approximately 17,400 employees of EMC and its subsidiaries eligible to participate in the 1989 Plan and approximately 8,780 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 EMC.

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. EMC 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 number of shares available under the 1989 Plan or the option price without the approval of EMC's stockholders. EMC 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.

PROPOSAL 4

RATIFICATION OF SELECTION OF INDEPENDENT AUDITORS

THE BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR" PROPOSAL 4

EMC is asking the stockholders to ratify the appointment of PricewaterhouseCoopers LLP ("PWC") as the Company's independent auditors for the fiscal year ending December 31, 2003. PWC was appointed by the Audit Committee, which appointment was ratified by EMC's Board of Directors. *The affirmative vote of a majority of votes properly cast at the Annual Meeting is required to ratify such appointment.*

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

PROPOSAL 5

STOCKHOLDER PROPOSAL

An EMC stockholder has notified the Company that a representative on its behalf intends to present the following proposal at the Annual Meeting. The name, address and number of shares of Common Stock held by such stockholder is available from EMC upon request to the Clerk or Assistant Clerk of EMC. *If properly presented at the meeting, the affirmative vote of a majority of the votes properly cast at the Annual Meeting is required to approve this proposal.*

INDEXED OPTIONS PROPOSAL

Resolved, that the shareholders of EMC Corporation (the "Company") request that the Board of Directors adopt an executive compensation policy that all future stock option grants to senior executives shall be performance-based. For the purposes of this resolution, a stock option is performance-based if the option exercise price is indexed or linked to an industry peer group stock performance index so that the options have value only to the extent that the Company's stock price performance exceeds the peer group performance level.

Statement of Support: As long-term shareholders of the Company, we support executive compensation policies and practices that provide challenging performance objectives and serve to motivate executives to achieve long-term corporate value maximization goals. While salaries and bonuses compensate management for short-term results, the grant of stock and stock options has become the primary vehicle for focusing management on achieving long-term results. Unfortunately, stock option grants can and do often provide levels of compensation well beyond those merited. It has become abundantly clear that stock option grants without specific performance-based targets often reward executives for stock price increases due solely to a general stock market rise, rather than to extraordinary company performance.

Indexed stock options are options whose exercise price moves with an appropriate peer group index composed of a company's primary competitors. The resolution requests that the Company's Board ensure that future senior executive stock option plans link the options exercise price to an industry performance index associated with a peer group of companies selected by the Board, such as those companies used in the Company's proxy statement to compare 5 year stock price performance.

Implementing an indexed stock option plan would mean that our Company's participating executives would receive payouts only if the Company's stock price performance was better than that of the peer group average. By tying the exercise price to a market index, indexed options reward participating executives for outperforming the competition. Indexed options would have value when our Company's stock price rises in excess of its peer group average or declines less than its peer group average stock price decline. By downwardly adjusting the exercise price of the option during a downturn in the industry, indexed options remove pressure to reprice stock options. In short, superior performance would be rewarded.

At present, stock options granted by the Company are not indexed to peer group performance standards. As long-term owners, we feel strongly that our Company would benefit from the implementation of a stock option program that rewarded superior long-term corporate performance. In response to strong negative public and shareholder reactions to the excessive financial rewards provided executives by non-performance based option plans, a growing number of shareholder organizations, executive compensation experts, and companies are supporting the implementation of performance- based stock option plans such as that advocated in this resolution. We urge your support for this important governance reform.

EMC'S STATEMENT IN OPPOSITION TO
STOCKHOLDER PROPOSAL

THE BOARD OF DIRECTORS RECOMMENDS A VOTE "AGAINST" PROPOSAL 5

Your Board of Directors opposes this proposal because it is unnecessary and not in the best interests of EMC or its stockholders.

The Board of Directors believes that this proposal would limit the flexibility of the Compensation Committee with respect to stock option compensation for senior executives, an important component of such executives' long-term incentive compensation. The Compensation Committee, which is comprised entirely of independent directors, should have the flexibility to design and tailor stock option compensation based on a number of different measures and incentives, including specific financial and non-financial performance results, rather than based entirely on a rigid measure of EMC stock price relative to an indexed stock price of an artificially-created peer group.

As discussed more fully in the Compensation Committee report on page 20, the Board of Directors believes that a significant portion of EMC executive compensation, including stock option compensation, is performance-based and effectively aligns executive incentives with the long-term interests of EMC stockholders. EMC stock options are designed to motivate the Company's senior executives to increase the long-term value of EMC because the value of the options is directly tied to the price of EMC stock and such options typically vest over several years. Furthermore, a senior executive's cash bonus, a significant component of his or her compensation, is tied to EMC performance.

The Board of Directors believes that this proposal would place EMC at a competitive disadvantage in recruiting and retaining executives. In order to attract and retain exceptional executive talent, EMC must offer a competitive compensation program, including equity-based programs. EMC believes that nearly all the companies with which EMC competes for executive talent offer senior executives stock options that generally have a fixed exercise price, as is currently the case at EMC. During conversations with the EMC stockholder who submitted this proposal, the stockholder did not provide the names of any companies that

had implemented an indexed stock option program. EMC is aware of just four companies that have done so, none of which are comparable to EMC.

The Board of Directors believes that indexed stock options would be less effective than EMC's existing fixed exercise price stock options for motivating and retaining key executives. The value of indexed options would be potentially more volatile than stock options with a fixed exercise price, and therefore less effective as a retention device. In addition, under this proposal the exercise price of indexed stock options would be tied to the stock performance of a peer group of companies that represents EMC's competitors and its industry. Because high technology industries and companies change rapidly, the peer group companies may during the 10-year period of the indexed option cease to be a competitor or may no longer be in the same industry as EMC. As a result, the indexed options may subsequently have only a marginal connection with EMC's actual competitors and its industry and therefore may not appropriately motivate and incentivize the holders of the options. Accordingly, if EMC implemented an indexed stock option program, as called for by this proposal, its stock option program and its overall executive compensation would compare less favorably to those of comparable companies, and EMC would be at a competitive disadvantage in attracting, retaining and motivating the most qualified executives.

This proposal could also have adverse consequences on EMC's financial results. If EMC were to grant indexed stock options, it would be required to expense these options using variable accounting. The Company would re-measure the compensation cost related to such options at each quarterly financial reporting period and recognize that expense over the vesting period of the options. This compensation cost will likely be different from quarter to quarter. As a result, the use of indexed stock options could add volatility to EMC's earnings and stock price. Such volatility may not encourage long term investing in EMC common stock, and therefore is not in the best interests of EMC or its stockholders.

Finally, the Board of Directors finds this proposal impracticable and believes that EMC would need to incur significant costs and utilize valuable resources in administering an indexed stock option program.

FOR THESE REASONS, YOUR BOARD OF DIRECTORS BELIEVES THAT THIS PROPOSAL IS NOT IN THE BEST INTERESTS OF EMC OR ITS STOCKHOLDERS AND RECOMMENDS THAT YOU VOTE AGAINST THIS PROPOSAL.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth certain information regarding Common Stock owned on February 28, 2003 (i) by each of EMC's directors and nominees for director, (ii) by each of the Named Executive Officers (as defined below) and (iii) by all directors and executive officers of EMC as a group. The Company does not know of any beneficial owners of 5% or more of the outstanding Common Stock as of such date.

Name of Beneficial Owner	**Number of Shares Beneficially Owned(1)**	**Percent of Outstanding Shares**
Michael J. Cronin(2)	115,001	**
Gail Deegan*	6,000	**
John R. Egan	3,320,653	**
W. Paul Fitzgerald(3)	619,209	**
Mark S. Lewis	24	**
Erez Ofer(4)	458,233	**

Name of Beneficial Owner	Number of Shares Beneficially Owned(1)	Percent of Outstanding Shares
Windle B. Priem(5)*	73,334	**
Michael C. Ruettgers(6)	6,659,440	**
William J. Teuber, Jr.(7)	424,231	**
Joseph M. Tucci(8)	1,038,776	**
Alfred M. Zeien(9)*	106,667	**
All directors and executive officers as a group (15 persons)(10)	14,377,267	**

* 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. Fitzgerald is deemed to own 448,001 of these shares by virtue of options to purchase these shares.

(4) Mr. Ofer is deemed to own 409,840 of these shares by virtue of options to purchase these shares.

(5) Mr. Priem is deemed to own 13,334 of these shares by virtue of options to purchase these shares.

(6) Mr. Ruettgers is deemed to own 3,471,212 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.

(7) Mr. Teuber is deemed to own 286,000 of these shares by virtue of options to purchase these shares.

(8) Mr. Tucci is deemed to own 960,000 of these shares by virtue of options to purchase these shares.

(9) Mr. Zeien is deemed to own 101,667 of these shares by virtue of options to purchase these shares.

(10) Includes 7,078,607 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, 176 South Street, Hopkinton, Massachusetts 01748.

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 2002 (collectively, the "Named Executive Officers") for the three fiscal years ended December 31, 2002, 2001 and 2000.

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	2002	1,000,000	675,000		2,000,000	3,000(2)
President, Chief Executive	2001	1,000,000	700,000		3,400,000	1,500(2)
Officer and Director	2000(3)	600,000	1,212,400		800,000	
Michael C. Ruettgers	2002	1,000,000	650,000	62,448(4)	1,000,000	4,260(5)
Executive Chairman of the	2001	1,000,000	700,000	92,785(4)	3,000,000	4,416(5)
Board of Directors	2000	1,000,000	1,809,880	87,216(4)	250,000	4,416(5)
Mark S. Lewis(6)	2002	221,150	1,004,620(7)	95,979(8)	1,000,000	
Executive Vice President,	2001					
New Ventures and Chief	2000					
Technology Officer						
Erez Ofer	2002	600,000	307,277		550,000	3,000(2)
Executive Vice President,	2001	530,000	537,948		950,000	3,000(2)
Open Software Operations	2000	204,613	430,839		120,000	3,000(2)
William J. Teuber, Jr.	2002	600,000	211,666		650,000	3,000(2)
Executive Vice President and	2001	600,000	186,000		800,000	3,000(2)
Chief Financial Officer	2000	400,773	293,254		155,000	3,000(2)

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

(2) Represents the amount paid to such executive's account in the EMC Corporation 401(k) Plan (the "401(k) Plan").

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

(4) Includes the amounts of $40,248 in 2002, $48,616 in 2001 and $63,629 in 2000 for personal use of EMC-owned transportation. Also includes the amounts of $15,000 in 2002, $19,140 in 2001 and $12,144 in 2000 for tax planning advice.

(5) Includes the amounts of $3,000 for each of 2002, 2001 and 2000 paid to Mr. Ruettgers' account in the 401(k) Plan, and $1,260 for 2002 and $1,416 for each of 2001 and 2000 paid to Mr. Ruettgers' account in the EMC Corporation Supplemental Retirement Program.

(6) Mr. Lewis joined EMC on July 15, 2002.

(7) A portion of this amount represents a one-time sign-on bonus.

(8) Includes $32,803 for relocation benefits and $54,895, which represents imputed income on a loan. In connection with relocating to the Hopkinton, Massachusetts area, on July 22, 2002, EMC loaned Mr. Lewis $1,200,000, all of which is currently outstanding, for the

purchase of a home. The loan bears interest at the rate of 5% per year. On each successive anniversary date of the loan over a three year period, the loan will be forgiven in increments of one-third so long as Mr. Lewis remains an employee of EMC on or prior to such respective anniversary date.

OPTION GRANTS IN LAST FISCAL YEAR

The following table provides information on option grants in the fiscal year ended December 31, 2002 to the Named Executive Officers.

	Individual Grants					Grant Date Value
Name	**Number of Options Granted in 2002(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)	2,000,000(4)(5)	3.82%	$ 5.42	$ 5.42	10/25/12	$ 5,464,000
Michael C. Ruettgers(3)	1,000,000(4)(5)	1.91%	$ 5.42	$ 5.42	10/25/12	$ 2,732,000
Mark S. Lewis	1,000,000(4)(6)	1.91%	$ 7.70	$ 7.70	07/24/12	$ 3,928,000
Erez Ofer	550,000(4)(5)	1.05%	$ 5.42	$ 5.42	10/25/12	$ 1,502,600
William J. Teuber, Jr.	650,000(4)(5)	1.24%	$ 5.42	$ 5.42	10/25/12	$ 1,775,800

(1) EMC granted options representing an aggregate of 52,293,714 shares of Common Stock to approximately 9,430 employees of EMC and its subsidiaries in fiscal 2002 under the Company's 1985 Stock Option Plan (the "1985 Plan"), 1993 Stock Option Plan (the "1993 Plan") and 2001 Stock Option Plan (the "2001 Plan").

(2) The estimated grant date present value has been calculated using a Black-Scholes option-pricing model with the following material assumptions: (i) a risk-free interest rate of 3.61% (at July 24, 2002) and 3.17% (at October 25, 2002), (ii) expected volatility of 55%, (iii) an expected life of 5 years and (iv) no dividend yield.

(3) Certain of the options granted to Mr. Ruettgers and Mr. Tucci are transferable to "immediate family members," as defined in, and pursuant to the terms and conditions of, the grants of such options.

(4) The options are exercisable in annual increments of 20% over a five-year period.

(5) The term of such option grant is ten years from the date of grant, which was October 25, 2002.

(6) The term of such option grant is ten years from the date of grant, which was July 24, 2002.

AGGREGATED FISCAL YEAR-END OPTION VALUES

The following table provides information on the value of unexercised options held by the Named Executive Officers at December 31, 2002. No Named Executive Officer exercised any options in 2002.

	Number of Unexercised Options at Fiscal Year End		Value of Unexercised In-the-Money Options at Fiscal Year End(1)	
Name	**Exercisable**	**Unexercisable**	**Exercisable**	**Unexercisable**
Joseph M. Tucci	800,000	5,400,000	$	$ 1,440,000
Michael C. Ruettgers	3,471,212	4,074,400	5,240,829	720,000
Mark S. Lewis	0	1,000,000		
Erez Ofer	389,840	1,544,000	30,620	396,000
William J. Teuber, Jr.	270,000	1,423,000	180,820	468,000

(1) In accordance with the rules of the Securities and Exchange Commission (the "SEC"), values are calculated by subtracting the exercise price from the fair market value of the underlying Common Stock. For purposes of this table, fair market value is deemed to be $6.14 per share, the closing price of the Common Stock as reported on the NYSE on December 31, 2002.

CHANGE IN CONTROL ARRANGEMENTS

EMC has entered into agreements with each Named Executive Officer providing for certain benefits in the event that such executive's employment is terminated (1) within 24 months after a change in control of EMC or (2) during a "potential change in control period" (as defined in the agreement), in either case, by EMC (or any successor) without "cause" (as defined in the agreement) or by such executive for "good reason" (as defined in the agreement). A "change in control" includes, among other events and subject to certain exceptions, the acquisition by any person of beneficial ownership of 25% or more of the outstanding Common Stock.

Subject to the terms and conditions of the agreement, each executive is entitled to: (i) an amount equal to three times the sum of the executive's then current annualized base salary and target annual bonus, (ii) the executive's prorated bonus for the year, (iii) the continuation of life, disability, accident and health insurance benefits for the executive and his dependents for up to 36 months following such termination, and (iv) the acceleration of vesting for all options and other equity awards held by the executive. In addition, EMC will make "gross up" payments to the executive if any payments or benefits to be made under the agreement are subject to excise tax.

Each agreement continues in effect through June 30, 2004, subject to automatic one-year extensions thereafter unless notice is given of EMC's or the executive's intention not to extend the term of the agreement on or by September 30 of the preceding year; provided, however, that the agreement continues in effect for 24 months following a change in control that occurs during the term of the agreement. Except as otherwise provided in the agreement, either EMC or the executive may terminate such executive's employment at any time. Each agreement terminates if either party terminates the executive's employment before a change in control.

EQUITY COMPENSATION PLAN INFORMATION

The following table sets forth certain information regarding EMC's equity compensation plans as of December 31, 2002.

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 column (a))
	(a)		(b)	(c)
Equity compensation plans approved by security holders	176,437,110	$	22.62	28,647,775(2)
Equity compensation plans not approved by security holders	277,200		12.60	0
Total:	176,714,310	$	22.60	28,647,775

(1) Does not include an aggregate of 885,528 shares of Common Stock to be issued (subject to vesting) upon the exercise of outstanding option grants, with a weighted exercise price of $13.59 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) Includes 5,139,332 shares of Common Stock available for future issuance under our employee stock purchase plan.

In April 1998, in connection with the acquisition of an information storage services business, EMC entered into Stock Option Agreements with certain employees of such business (the "Employees"), pursuant to which EMC granted to the Employees non-qualified options (the "Options") to purchase shares of Common Stock. Such option grants did not receive stockholder approval. Each 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 Employee with EMC or an EMC subsidiary is terminated for any reason, then such Employee's 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 Option with respect to any shares vested on the date of such termination