

3COM CORP  
Form PRE 14A  
July 27, 2009

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**UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
SCHEDULE 14A  
(RULE 14a-101)  
SCHEDULE 14A INFORMATION  
Proxy Statement Pursuant to Section 14(a)  
of the Securities Exchange Act of 1934**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary  
Proxy Statement
- Definitive Proxy  
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- Definitive  
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Pursuant to §  
240.14a-12

**3COM CORPORATION**

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

No fee required.

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(1) Title of each class of securities to which transaction applies:

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(1) Amount Previously Paid:

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**350 Campus Drive, Marlborough, Massachusetts 01752, U.S.A.**

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS  
To Be Held September 23, 2009**

Dear Stockholder:

We cordially invite you to attend our Annual Meeting of Stockholders, which will be held on Wednesday, September 23, 2009 at 8:00 a.m. local time at the Company's headquarters at 350 Campus Drive, Marlborough, Massachusetts, U.S.A. The purpose of the meeting is to:

1. Elect five directors, each to hold office for a two-year term (or a one-year term if Proposal No. 2 is approved at the meeting);
2. Approve the amendment and restatement of the Company's Certificate of Incorporation to de-classify the Board of Directors so that all directors will be elected annually and to make additional changes to ensure consistency with the Bylaws;
3. Ratify the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for the fiscal year ending May 2010; and
4. Transact such other business as may properly come before the meeting in accordance with 3Com's Bylaws.

We are pleased to be furnishing proxy materials to stockholders primarily over the Internet. We believe that this process expedites stockholders' receipt of proxy materials, significantly lowers the costs of our annual meeting and conserves natural resources. On August 7, 2009, we mailed our stockholders a notice containing instructions on how to access our 2009 Proxy Statement, Notice of Annual Meeting and Annual Report on Form 10-K for the fiscal year ended May 29, 2009. The notice also includes instructions on how you can receive a paper copy of your annual meeting materials, including a proxy card, and explains how to vote. If you received your annual meeting materials by mail, the Notice of Annual Meeting, Proxy Statement, Annual Report and proxy card from our Board of Directors were enclosed. If you received your annual meeting materials via e-mail, the e-mail contained voting instructions and links to the proxy materials on the Internet, both of which are available at [www.proxyvote.com](http://www.proxyvote.com).

You are entitled to vote your 3Com common stock if our records showed that you held your shares as of the close of business on July 27, 2009. For ten days before the meeting you can examine a list of the stockholders entitled to vote at the meeting for any purpose germane to the meeting during regular business hours at our headquarters, 350 Campus Drive, Marlborough, Massachusetts.

By Order of the Board of Directors,

Neal D. Goldman, *Secretary*  
August 7, 2009  
Marlborough, MA, U.S.A.

**YOUR VOTE IS IMPORTANT**

**Please vote as soon as possible to record your vote promptly, even if you plan to attend the annual meeting in person. You have three options for submitting your vote before the annual meeting: internet, phone or mail.**

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**350 Campus Drive  
Marlborough, Massachusetts 01752, U.S.A.**

**PROXY STATEMENT**

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**INTERNET AVAILABILITY OF PROXY MATERIALS**

We are furnishing proxy materials to our stockholders primarily via the Internet. On August 7, 2009, we mailed to our stockholders a Notice of Internet Availability containing instructions on how to access our proxy materials, including our Proxy Statement and our Annual Report. The Notice of Internet Availability also instructs you on how to access your proxy material to be able to vote through the Internet or by telephone. Other stockholders, in accordance with their prior requests, have received e-mail notification of how to access our proxy materials and vote via the Internet, or have been mailed paper copies of our proxy materials and a proxy card.

Internet distribution of our proxy materials is designed to expedite receipt by stockholders, lower the cost of the annual meeting and conserve natural resources. If you would prefer to receive printed proxy materials, including a proxy card (which you can complete, date, sign and mail in order to have your vote represented at the meeting), please follow the instructions included in the Notice of Internet Availability. If you have previously elected to receive our proxy materials electronically, you will continue to receive these materials via e-mail unless you elect otherwise.

**Important Notice Regarding Internet Availability of Proxy Materials for the Annual Meeting of Stockholders to be held on September 23, 2009. The Proxy Statement is available at [www.proxyvote.com](http://www.proxyvote.com).**

**GENERAL INFORMATION**

Your vote is very important. For this reason, our Board of Directors is requesting that you allow your common stock to be voted at the annual meeting by the proxies designated by the Board of Directors. This solicitation is being made in connection with the Board's request. These materials have been prepared for the Board of Directors by our management.

The annual meeting of stockholders will be held on Wednesday, September 23, 2009 at 8:00 a.m. local time at the Company's headquarters, 350 Campus Drive, Marlborough, Massachusetts, U.S.A. For directions to the annual meeting, please visit our website at [www.3Com.com](http://www.3Com.com) or call (508) 323-1198.

Our principal executive offices are located at 350 Campus Drive, Marlborough, Massachusetts 01752, U.S.A. and our telephone number is (508) 323-1000. We made this proxy statement available to stockholders beginning on August 7, 2009.

*Our Financial Information.* Our financial statements and related information are included in our Annual Report on Form 10-K. The Notice of Internet Availability contains instructions on how to access our proxy materials, including the Annual Report. For holders receiving a paper copy of our proxy materials, the Annual Report is enclosed with the proxy statement.

*Who Can Vote.* You are entitled to vote your 3Com common stock if our records showed that you held your shares as of the close of business on July 27, 2009. We refer to this date as the Record Date. At the close of business on the Record Date, a total of \_\_\_\_\_ shares of common stock were issued and outstanding (excluding treasury shares which

will not be voted). You may vote in person or by proxy. Each

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share of 3Com common stock is entitled to one vote. There is no cumulative voting in the election of our directors.

*Cost of this Proxy Solicitation.* We will pay the cost of soliciting proxies. We intend to solicit stockholders (1) by making proxy materials available over the Internet and through the mail, (2) through our regular employees and (3) by requesting that banks, brokers and other nominees solicit their customers who hold our stock in street name (and will reimburse them for their reasonable, out-of-pocket costs in such efforts). We may also ask our employees, officers, directors and others to solicit proxies, personally or by telephone, facsimile or electronic mail. None of these individuals will receive any additional or special compensation for soliciting proxies. We may retain a proxy solicitation firm or firms to assist in the solicitation. If we do so, we will pay those firms their fees plus reasonable out-of-pocket expenses. In addition, we generally will indemnify such firms against any losses arising out of the proxy soliciting services they perform on our behalf.

*Voting Your Proxy.* If you hold your common stock in street name through a bank, broker or other nominee, you will receive instructions from your bank, broker or other nominee that you must follow to vote your shares. If you hold your shares in your own name as a holder of record, the Notice of Internet Availability instructs you on how to access your proxy material to be able to vote through the Internet or by telephone. If you have received, or have requested to receive, a paper copy of the proxy materials, you may vote by completing, signing, dating and mailing the proxy card in the postage-paid envelope that will be provided to you with the proxy statement, or you can also submit your proxy by telephone or the Internet. If you attend the meeting, you may revoke your proxy and vote in person if you are a record holder or a beneficial holder with an acceptable omnibus proxy from the record holder. The proxy holders will vote your shares as you instruct. If you submit a proxy without specific voting instructions, your shares will be voted as recommended by our Board of Directors on all proposals described in this proxy statement and in the discretion of the proxy holders as to any other matters that may properly come before the annual meeting. **The Board of Directors recommends that you vote FOR the election of Messrs. Ho, Mao, Sherman and Trempont and Ms. Cote, FOR the amendment and restatement of our Certification of Incorporation and FOR the appointment of Deloitte & Touche LLP as the Company's independent registered public accounting firm for the fiscal year ending May, 2010.**

*Revoking Your Proxy.* To revoke your proxy if you are a holder of record, you must advise our Secretary in writing before the meeting, deliver a validly executed proxy with a later date that we receive prior to the meeting, or attend the meeting and vote your shares in person. You may revoke your proxy at any time before your shares are voted. **If you attend the meeting, you may revoke your proxy and vote in person if you are a record holder or a beneficial holder with an acceptable omnibus proxy from the record holder. If you hold your common stock in street name through a bank, broker or other nominee, please follow the instructions provided by your bank, broker or other nominee to revoke your voting instructions.**

*Quorum and Vote Required.* The annual meeting will be held if a majority of the outstanding common stock entitled to vote is represented at the meeting (a quorum). Shares that are voted FOR, AGAINST, ABSTAIN or WITHHELD on a matter, and broker non-votes, are treated as being present at the meeting for purposes of establishing a quorum.

The approval of Proposal one (election of directors) shall require the vote of a plurality of the shares of common stock represented at the meeting either in person or by proxy and entitled to vote on the election of directors. The approval of Proposal two (amendment and restatement of the Certificate of Incorporation) shall require the affirmative vote of 662/3rds of the voting power of the capital stock of the Company outstanding on the record date and entitled to vote generally in the election of directors, voting together as a single class. The approval of Proposal three (ratification of independent registered public accounting firm) shall require the affirmative vote of a majority of the shares of common stock represented at the meeting either in person or by proxy and entitled to vote on such matter.

*Abstentions and Broker Non-Votes.* Except in the case of Proposal one (election of directors), shares may be voted ABSTAIN ( abstentions ). A broker non-vote occurs when a broker submits a proxy card with respect to shares of common stock held in a fiduciary capacity (typically referred to as being held in

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street name ), but cannot vote on a particular matter because the broker has not received voting instructions from the beneficial owner. Under the rules that govern brokers who are voting with respect to shares held in street name, brokers have the discretion to vote such shares on routine matters, such as the proposals for the uncontested election of directors and ratification of independent auditors, but not on non-routine matters, such as the proposal to amend and restate the Certificate of Incorporation.

Abstentions and broker non-votes are considered present for determining whether a quorum exists.

Abstentions and broker non-votes have the effect of a vote AGAINST Proposal two (amendment and restatement of the Certificate of Incorporation). Abstentions and broker non-votes have no impact on Proposal one (election of directors) and Proposal three (ratification of independent registered public accounting firm).

*Householding of Proxy Materials.* In an effort to reduce printing costs and postage fees, we have adopted a practice approved by the Securities and Exchange Commission called householding. Under this practice, stockholders who have the same address and last name and have requested to receive a paper copy will receive only one copy of our proxy materials, unless one or more of these stockholders notifies us that he or she wishes to continue receiving individual copies. Stockholders who participate in householding and request a paper copy will continue to receive separate proxy cards.

If you share an address with another stockholder and requested and received only one set of proxy materials and would like to request a separate copy of these materials, please (1) mail your request to 3Com, 350 Campus Drive, Marlborough, MA 01752, Attn: Investor Relations, or (2) call our Investor Relations department at (508) 323-1198. Similarly, you may contact us if you received multiple copies of the proxy materials and would prefer to receive a single copy in the future.

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**PROPOSAL 1:**

**ELECTION OF DIRECTORS**

Our Bylaws authorize the Board of Directors to fix the number of directors at no less than 6 and no more than 12 members. The exact number of directors is currently fixed at nine (9). Our Board of Directors is divided into two classes (five members in Class I and four members in Class II), with the classes serving for staggered two-year terms. Proposal two set forth in this Proxy Statement is a proposal to amend and restate our Certificate of Incorporation to, among other things, de-classify the Board of Directors so that each member is up for election annually.

You may not vote for more than five (5) nominees at the annual meeting. Each of the five Class I directors to be elected at the 2009 annual meeting is to be elected to hold office until the 2011 annual meeting (or, if Proposal two passes, until the 2010 annual meeting) and until his or her successor has been duly elected and qualified or his or her earlier death, resignation or removal.

The Board of Directors' nominees as Class I directors are Messrs. Ho, Mao, Sherman and Trempont and Ms. Cote. If a nominee declines to serve or becomes unavailable for any reason, the proxies may be voted for such substitute nominee as the Board of Directors may designate. The Board of Directors believes that all nominees are willing and able to serve if elected.

**VOTE REQUIRED**

Directors will be elected by a plurality of the shares of common stock represented at the meeting either in person or by proxy and entitled to vote on the election of directors. Votes withheld will not have an effect on this proposal. This means that the five nominees receiving the highest number of votes will be elected as directors. Assuming a quorum is present, abstentions and broker non-votes will have no effect on the election of directors. **THE BOARD UNANIMOUSLY RECOMMENDS THAT YOU VOTE FOR MESSRS. HO, MAO, SHERMAN AND TREMPONT AND MS. COTE.**

**Table of Contents****NOMINEES AND OTHER DIRECTORS**

The following table sets forth the name, age, principal occupation during the past five years and the period of service as a director of 3Com Corporation (the Company or 3Com ) of each (1) nominee and (2) director whose term of office will continue after the annual meeting. Each nominee currently serves as a director. There are no family relationships among any directors or executive officers.

*Nominees for Election*

**Kathleen A. Cote**  
Director since 2008  
Age 60

Ms. Cote is a private investor and advisor providing strategic and operational expertise to technology companies. From May 2001 through June 2003, she was Chief Executive Officer of Worldport Communications, Inc., a provider of internet managed services to the European market. In January 1998, Ms. Cote founded Seagrass Partners, a provider of expertise in business planning and strategic development, and served as its President until May 2001. From November 1996 to January 1998, Ms. Cote served as Chief Executive Officer of Computervision Corporation, an international provider of software for data management and product development software and services. From November 1986 to November 1996, she held various senior management positions with Computervision Corporation. In January 1998, Computervision Corporation was acquired by Parametric Technology Corporation. Ms. Cote is also a director of Western Digital Corporation and VeriSign, Inc. Since November 2008, Mr. Ho has been the Chairman of Kiina Group, a China-based group of private companies engaged in investment in start-up Internet, communications and technology companies; consulting services for multi-national companies in the Greater China market; and investment in real estate properties. From April 2007 to November 2008, Mr. Ho served as the Chairman of the Greater China Region for Nokia Siemens Networks, a telecommunications infrastructure company that is a joint venture between Finland-based Nokia Corporation and Germany-based Siemens AG. Between April 2004 and March 2007, Mr. Ho served as the President of Nokia China Investment Limited, the Chinese operating subsidiary of Nokia Corporation, a multinational telecommunications company. From January 2002 to March 2007, Mr. Ho also served as Nokia China Investment Limited's Senior Vice President, Networks Greater China. Between 2000 and August 2001, Mr. Ho was the Senior Vice President and Chief Operating Officer of Nortel Networks China Limited, the Chinese operating subsidiary of Canada-based Nortel Networks Corporation, a multinational telecommunications company. Between 1998 and 1999, Mr. Ho was the Vice President and General Manager of Nortel Networks China Limited's Greater China Wireless Solutions division. Prior to joining Nortel Networks China Limited, Mr. Ho spent 15 years working in the Chinese operating subsidiaries of multinational telecommunications companies in roles of increasing responsibility. Mr. Ho serves on the board of directors of Pentair, Inc., Owens-Illinois, Inc. and Sinosteel Corp.

**David H. Y. Ho**  
Director since 2008  
Age 50



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Director since 2007

Age 65

Mr. Mao has been our Chief Executive Officer since April 2008 and a member of our Board of Directors since March 2007. Prior to his appointment as Chief Executive Officer, Mr. Mao was most recently our Executive Vice President, Corporate Development from August 2006 to March 2007. Mr. Mao has over 30 years of experience in the telecommunications and IT industries. Before joining 3Com, Mr. Mao was President and Chief Executive Officer of Greater China for Nortel Networks from September 1997 to May 2006 and Regional President of Greater China for Alcatel from September 1995 to September 1997. Nortel and Alcatel are global suppliers of communication equipment serving both service provider and enterprise customers. At these positions, Mr. Mao managed operations in the People's Republic of China, Taiwan, Hong Kong and Macao. Mr. Mao also held senior managerial and technical positions at Alcatel and ITT in Asia and the U.S. Mr. Mao holds a Master's degree from Cornell University in Material Science and Metallurgical Engineering and earned a Master's degree in Management from MIT. Mr. Mao is the past Vice Chairman of the Board of Governors of the Pacific Telecommunication Council (from 2003 to 2005). Mr. Mao serves on the Board of Hurray! Holding Co., Ltd., a wireless value-added services provider.

**J. Donald Sherman**

Director since 2009

Age 44

Mr. Sherman is the Chief Financial Officer of Akamai Technologies, Inc., a leading provider of managed services for powering rich media, dynamic transactions and enterprise applications online. Mr. Sherman has been Akamai's Chief Financial Officer since March 2006 and was its Senior Vice President and CFO-Elect from November 2005 to March 2006. Prior to joining Akamai, Mr. Sherman was employed by IBM for fifteen years (1990-2005). At IBM, Mr. Sherman served in a variety of finance roles including Vice President, Finance, Systems and Technology Group from January 2005 to October 2005 and Vice President, Finance of IBM's zSeries Server Division from 2002-2004. Mr. Sherman has an MBA from the University of Chicago and a BA in Economics from Emory University.

**Dominique Trempont**

Director since 2006

Age 55

Mr. Trempont is currently a member of the Board of Directors and Audit Committee of Finisar Corporation, a position he has held since September 2005. Finisar develops and markets optical components and modules for network equipment vendors, instruments and software for communications designers and products and services for large enterprise storage networks. Mr. Trempont also serves on the Board of Directors, and Chairs the Audit Committee, of Energy Recovery, Inc., a company that helps water desalination plants recycle energy used in the desalination process. Mr. Trempont was CEO-in-Residence at Battery Ventures, a venture capital firm, from September 2003 to September 2005. Prior to Battery Ventures, Mr. Trempont was Chairman, President and Chief Executive Officer of Kanisa, Inc., a software company focused on customer self-service, contact center and peer support applications, from May 1999 to November 2002. Mr. Trempont has served as Chief Executive Officer of Gemplus Corporation, a smart card application company, and Chief Financial Officer at NeXT Software. Mr. Trempont

began his career at Raychem Corporation, a high-tech material science company focused on the telecommunication, electronics and automotive industries, including holding the position of Chief Audit Officer. Mr. Trempont received an undergraduate degree in Economics from College St. Louis (Belgium), a bachelor's in Business Administration and Computer Sciences from IAG at the University of Louvain (Belgium) and a master's in Business Administration from INSEAD.



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***Continuing Directors***

**Eric A. Benhamou**  
 Director since 1990  
 Age 53

Mr. Benhamou has been our Chairman of the Board since July 1994. Since June 2005, this position has been in a non-employee capacity. Mr. Benhamou is currently Chairman and Chief Executive Officer of Benhamou Global Ventures, LLC, an investment vehicle he formed in 2004. Mr. Benhamou served as Chief Executive Officer of Palm, Inc. from October 2001 to October 2003. Mr. Benhamou served as our Chief Executive Officer from September 1990 to January 2001 and President from April 1990 through August 1998. Mr. Benhamou is also Chairman of the Board of Cypress Semiconductor Corporation, and a director of RealNetworks, Inc., SVB Financial Group and Voltaire, Inc. Mr. Benhamou also serves on the Executive Committee of TechNet.

**Gary T. DiCamillo**  
 Director since 2000  
 Age 58

Mr. DiCamillo is the former President and Chief Executive Officer of RADIA International<sup>sm</sup>, a group of technical, professional and commercial staffing companies headquartered in Dedham, Massachusetts. In this position from September, 2005 to July, 2009, Mr. DiCamillo was responsible for seven staffing companies in the United States and Europe with revenues of nearly \$1.6 billion. Prior to joining RADIA International, Mr. DiCamillo was President and Chief Executive Officer of Technical Aid Corporation<sup>®</sup>, a large privately held technical and professional staffing company based in Dedham, Massachusetts from 2002 to 2005. Previously, he was Chairman and Chief Executive Officer at the Polaroid Corporation for nearly seven years. He also has served as President of Worldwide Power Tools and Accessories at Black & Decker Corporation and VP/General Manager for Culligan U.S.A., a division of Beatrice Corporation. He began his career in Brand Management at Procter & Gamble Co., followed by several years as a manager at McKinsey & Company. He presently is a board member of the Whirlpool Corporation and the Sheridan Group. He also serves on the Boards of Directors of the Massachusetts Business Roundtable and the Museum of Science and is a Trustee of Rensselaer Polytechnic Institute and Babson College.

**James R. Long**  
 Director since 2000  
 Age 66

Mr. Long is the former Executive Vice President of Nortel Networks, a global leader in telephony, data, wireless and wireline solutions for the Internet, a position he held from 1994 to his retirement in 1999. Mr. Long also served as President of Enterprise Solutions of Nortel Networks from 1997 through 1999, President of Nortel World Trade, based in London and Hong Kong, from 1994 through 1997, and Senior Vice President of Nortel's Asia Pacific Division from 1992 to 1994. Mr. Long is a director of Cypress Semiconductor Corporation.

**Ronald A. Sege**  
 Director since 2008  
 Age 52

Mr. Sege has been our President and Chief Operating Officer and a member of our Board of Directors since April 2008. Prior to re-joining 3Com, Mr. Sege served as President and Chief Executive Officer of Tropos Networks, Inc., a provider of wireless broadband networks, from 2004 to 2008. Prior to Tropos, Mr. Sege was President and Chief Executive Officer of Ellacoya Networks, Inc., a provider of broadband service optimization solutions based on deep packet inspection technology, from 2001 to 2004. Prior to Ellacoya, Mr. Sege was Executive Vice President of Lycos, Inc., an internet search engine, from 1998 to

2001. Prior to Lycos, Mr. Sege spent nine years at 3Com Corporation, from 1989 to 1998, serving in a variety of senior management roles including Executive Vice President, Global Systems Business Unit. Mr. Sege holds an MBA from Harvard University and a BA from Pomona College.

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**PROPOSAL 2:**

**TO AMEND AND RESTATE OUR CERTIFICATE OF INCORPORATION TO DE-CLASSIFY OUR BOARD OF DIRECTORS AND ENSURE CONSISTENCY WITH OUR BYLAWS**

Our Board of Directors recommends that stockholders approve a proposed amendment and restatement of the Certificate of Incorporation of 3Com Corporation to de-classify our Board of Directors so that all directors are elected annually. The full text of the proposed amendment and restatement proposed to be filed with the Secretary of State of the State of Delaware, if stockholders approve Proposal two, is attached as *Appendix A* to this Proxy Statement.

**Current Board Structure and Proposed De-classification**

Our Board of Directors is currently divided into two classes. One class is elected each year, and members of each class hold office for two-year terms. Currently, the term of five directors expires at the 2009 annual meeting and the term of the other four directors expires at the 2010 annual meeting.

If stockholders approve Proposal two, the Board of Directors will be de-classified, stockholders will elect the directors up for election at the 2009 annual meeting for a one-year term and our entire Board of Directors will be up for election at the 2010 annual meeting for a one-year term. Thereafter, at each annual meeting of stockholders, the terms of all directors will expire and their successors will be elected for a one-year term that will expire at the next year's annual meeting.

**Reasons for the Proposed De-classification**

Classified boards have been widely adopted and accepted, and they have a long history in corporate law. Proponents of classified boards assert they provide continuity and stability in the management of the business and affairs of a company because a majority of directors always have prior experience as directors of the company. Proponents further assert that classified boards may enhance stockholder value by forcing a potential acquirer to negotiate directly with the board of a target company because the acquirer is unable to replace the entire board in a single election.

Many investors and others have, however, begun to view classified boards as having the effect of reducing the accountability of directors. They argue that the election of directors is the primary means for stockholders to influence corporate governance policies and that a classified board structure reduces the accountability of directors because stockholders are unable to evaluate and elect all directors on an annual basis.

At our 2008 annual meeting of stockholders in September 2008, a non-binding stockholder proposal requesting that the Board of Directors be de-classified passed by a majority of shares cast and a majority of the shares outstanding.

Our Board of Directors has considered the advantages and disadvantages of its classified board structure, and the passage of the non-binding proposal at the 2008 annual meeting, and determined that the de-classification of our Board is in the best interests of the Company and our stockholders. Accordingly, the Board of Directors has recommended to our stockholders that they approve the amendment and restatement of our Certificate of Incorporation as contemplated by Proposal two. Should the stockholders approve Proposal two, the Amended and Restated Certificate of Incorporation will become effective upon filing with the Secretary of State of the State of Delaware, which filing will be made promptly following the stockholders' meeting.

**Additional Changes to the Certificate of Incorporation**

In addition to the amendment to the certificate of incorporation to de-classify the Board, if Proposal two is approved, 3Com's current Certificate of Incorporation will also be amended and restated to conform certain sections of the Amended and Restated Certificate of Incorporation to 3Com's Bylaws and make other technical changes. We are not asking for separate approval of these additional amendments to our Certificate of Incorporation because these changes do not represent material changes in the rights of 3Com stockholders.

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According to applicable SEC rules, corporations are only required to seek separate stockholder approval for amendments to their charter documents that materially affect the rights of their stockholders. We are not required to obtain separate stockholder approval for these additional amendments to the Certificate of Incorporation, but these amendments are part of the changes that are proposed to be made to 3Com's Amended and Restated Certificate of Incorporation under Proposal two.

**VOTE REQUIRED**

The affirmative vote of 662/3rds of the voting power of the capital stock of the Company outstanding on the record date and entitled to vote generally in the election of directors, voting together as a single class, will be required to approve Proposal two. Assuming a quorum is present, abstentions and broker non-votes will have the effect of a vote AGAINST this proposal.

**THE BOARD UNANIMOUSLY RECOMMENDS THAT YOU VOTE FOR APPROVAL OF THE AMENDMENT AND RESTATEMENT OF THE CERTIFICATE OF INCORPORATION.**

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**CORPORATE GOVERNANCE**

**Board Independence**

Our Board of Directors (the Board) has determined that each of Messrs. Benhamou, DiCamillo, Ho, Long, Sherman and Trempont and Ms. Cote is independent within the meaning of the listing standards of The NASDAQ Global Select Market (NASDAQ). Messrs. Mao and Sege do not qualify as independent directors because they are 3Com employees. The NASDAQ rules have both objective tests and a subjective test for determining who is an independent director. None of the directors was disqualified from independent status under the objective tests other than those individuals who are employees of 3Com. In assessing independence under the subjective test, the Board took into account the standards in the objective tests, and reviewed and discussed additional information provided by the directors and the Company with regard to each director's business and personal activities as they may relate to 3Com and 3Com's management. Based on the foregoing, as required by NASDAQ rules, the Board made a subjective determination as to each independent director that no relationship exists which, in the opinion of the Board, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. The Board has not established categorical standards or guidelines to make these subjective determinations, but considers all relevant facts and circumstances. In addition to the board-level standards for director independence, the directors who serve on the Audit and Finance Committee each satisfy additional standards established by the Securities and Exchange Commission (SEC).

In making its independence determinations, the Board considered transactions occurring since the beginning of fiscal 2007 between 3Com and organizations with which one or more of our independent directors is affiliated. In making its subjective determination, the Board considered the transactions in the context of the NASDAQ objective standards, the special standards established by the SEC for members of audit committees, and the SEC and Internal Revenue Service (IRS) standards for compensation committee members. In each case, the Board determined that, because of the nature of the director's relationship with the entity and/or the amount involved, the relationship did not impair the director's independence. The Board's independence determinations included reviewing transactions with four 3Com suppliers and vendors. Messrs. Benhamou, Long and Trempont and Ms. Cote each serve on the board of directors of one of these suppliers, and Mr. Sherman is an executive officer of a vendor. In each instance, however, the transaction levels were below the limits established by the objective tests. Each director confirmed he or she did not participate in these business dealings or receive compensation based on them. Further, each director agreed to recuse him or herself from any future involvement in such transactions, and, other than Mr. Sherman, confirmed he or she was not employed by such supplier or vendor and had only minimal equity ownership in the supplier or vendor.

***Board Meetings***

During fiscal year 2009, our Board held nine (9) meetings of which four (4) were regularly scheduled quarterly meetings, one (1) was a regularly scheduled strategy meeting and four (4) were special meetings. Each director attended at least 75% of the total meetings of the Board and the committees on which he or she served.

***Committees of the Board***

The Board of Directors has established an Audit and Finance Committee, a Compensation Committee and a Nominating and Governance Committee. In addition, from time to time, the Board designates temporary committees to serve specific functions.

The Audit and Finance, Compensation, and Nominating and Governance committees are separately-designated standing committees and each committee consists of only independent directors (as independence is defined under

applicable standards, including those of NASDAQ). In addition to being independent under NASDAQ's general independence standards, the Board has determined that each member of the Audit and

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Finance Committee meets the additional independence standards set forth by SEC rules. Current membership of each committee is listed below.

<b>Audit and Finance +</b>	<b>Compensation</b>	<b>Nominating and Governance</b>
Dominique Trempont*	Gary T. DiCamillo*	James R. Long *
Kathleen A. Cote	Eric A. Benhamou	Eric A. Benhamou
Gary T. DiCamillo	David H. Y. Ho	Kathleen A. Cote
J. Donald Sherman	Dominique Trempont	

\* Current Chair

+ Mr. Sherman joined, and Mr. Long exited, the Audit and Finance Committee on July 31, 2009.

*Audit and Finance Committee.* Our Audit and Finance Committee met thirteen (13) times in fiscal year 2009. The Audit and Finance Committee provides oversight over our accounting and financial reporting and audit process, internal control over financial reporting, disclosure controls and procedures and process for monitoring compliance with applicable laws and regulations and the Code of Ethics and Business Conduct. The Audit and Finance Committee reviews general accounting and financial matters, including press releases and SEC filings for quarterly and annual financial results, the annual audit, expense authorizations, capital structure and investments. The Audit and Finance Committee engages, approves services rendered by and oversees our independent registered public accounting firm. The Audit & Finance Committee establishes procedures for accounting-related complaints and reviews the activities and recommendations of our internal audit department. The Audit and Finance Committee also meets regularly with our independent registered public accounting firm and our director of internal audit without management present. The Board has determined that Messrs. Trempont, DiCamillo, Long and Sherman and Ms. Cote, independent members of our Board, is each an Audit Committee Financial Expert, as defined by Item 407(d)(5) of Regulation S-K of the Securities Exchange Act of 1934. The Board has determined that each member of the Audit and Finance Committee meets the required NASDAQ standards for membership on such committee. Our Audit and Finance Committee operates under a written charter, a copy of which is available on our website at [http://www.3com.com/corpinfo/en\\_US/investor/audit\\_finance.html](http://www.3com.com/corpinfo/en_US/investor/audit_finance.html). The Audit and Finance Committee makes reports to the Board of Directors on a regular basis. Mr. Sherman joined, and Mr. Long exited, the Audit and Finance Committee on July 31, 2009.

*Compensation Committee.* Our Compensation Committee met thirteen (13) times in fiscal year 2009. The Compensation Committee determines the total annual compensation arrangements for the Company's Section 16 officers and directors, approves and administers our equity compensation and stock purchase plans, makes grants of equity awards and determines equity grant guidelines, approves and administers our cash incentive plans and reviews the Company's overall compensation and benefit policies and programs. The Compensation Committee also evaluates the performance of our Chief Executive Officer and reports the results of such evaluation to the Board. Our Compensation Committee operates under a written charter which is available on our website at [http://www.3com.com/corpinfo/en\\_US/investor/comp\\_com.html](http://www.3com.com/corpinfo/en_US/investor/comp_com.html). The Compensation Committee makes reports to the Board on a regular basis.

*Nominating and Governance Committee.* Our Nominating and Governance Committee met four (4) times in fiscal year 2009. The Nominating and Governance Committee focuses on the issues surrounding the size, composition and operation of the Board and the evaluation of the Company's corporate governance. The Nominating and Governance Committee reviews and evaluates all candidates for nomination to the Board, whether submitted by stockholders or



recommended by Board members, executives or outside advisors, and makes recommendations to the Board regarding all nominees for Board membership, including filling vacancies. The Nominating and Governance Committee makes recommendations to the Board concerning committee structure, appointment of directors to committees and committee chair positions. The Nominating and Governance Committee reviews issues and developments relating to corporate governance and makes recommendations to the Board for changes to the Company's corporate governance principles. The Nominating and Governance Committee operates under a written charter which is available on our website at [http://www.3com.com/corpinfo/en\\_US/investor/nom\\_gov.html](http://www.3com.com/corpinfo/en_US/investor/nom_gov.html). The Nominating and Governance Committee makes reports to the Board of Directors on a regular basis.

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***Code of Ethics and Business Conduct and Complaint Procedures***

Our Code of Ethics and Business Conduct, which is available on our website at [www.3com.com](http://www.3com.com), complies with the rules of the SEC and the listing standards of NASDAQ.

The Audit and Finance Committee has adopted procedures for the receipt, treatment and retention of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, including the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters. These procedures are in compliance with the rules of The NASDAQ Global Select Market and the SEC. Employees may submit complaints to the Company or directly to the Audit and Finance Committee by placing a phone call to a designated phone number referred to as the Ethics and Compliance Line or via the web-based alternative method provided by the Company. Our Code of Ethics and Business Conduct, and our internal and external web sites, provide phone numbers and other information on these methods, such as the toll-free phone number to call to make a complaint. Complaints may also be submitted to any member of our senior management team (in person, by email or by telephone) or directly to the Chair of our Audit and Finance Committee. Complaints may be made on an anonymous and confidential basis, if desired. Concerns relating to accounting, internal controls or auditing matters are brought to the attention of a member of our senior management, reviewed by the Audit and Finance Committee or one or more of its representatives, evaluated and (where appropriate) investigated. The Committee will determine what actions to take, if any. We will not retaliate against any person for making a complaint in good faith.

***Nomination of Director Candidates***

The Nominating and Governance Committee makes recommendations to the Board regarding director nominees. The Nominating and Governance Committee identifies potential director candidates from any outside advisors it may retain, as well as from members of the Board, executive officers and other contacts.

The Nominating and Governance Committee will also consider nominees recommended by any stockholder entitled to vote in the election of directors. The Nominating and Governance Committee uses the same criteria for stockholder-nominated candidates as for other candidates. Any stockholder wishing to nominate an individual for election to the Board must comply with our Bylaws, including the advance notice procedures described at the end of this Proxy Statement, and applicable laws, rules and regulations. A notice containing specified information must be delivered to our Secretary under the timelines specified in the Bylaws. The nomination notice must contain the following information about the nominee, as further set forth in the Bylaws: name; age; business and residence addresses; principal occupation or employment; number of 3Com shares held (including derivative positions); information concerning hedging, short sale or other risk mitigation measures taken with respect to 3Com stock; information concerning transfer of effective voting power (increase or decrease) in respect of 3Com stock; the information that would be required under SEC rules in a proxy statement soliciting proxies for the election of such nominee as a director; a description of all arrangements or understandings between the stockholder and each nominee and any other person pursuant to which the nominations are to be made by the stockholder; a written statement executed by the nominee acknowledging that as a director of the Company, the nominee will owe a fiduciary duty under Delaware law with respect to the Company and its stockholders; and a signed consent of the nominee to serve as a director of 3Com, if elected. At the request of the Board, any person nominated by a stockholder for election as a director must furnish to our Secretary updates to the information contained in the original notice and information reasonably required to determine eligibility to serve as an independent director. The stockholder giving notice also must provide certain specified information in the notice, as further set forth in the Bylaws. Without exception, no person shall be eligible for election or re-election as a director at a meeting of stockholders unless nominated in accordance with the provisions set forth in the Bylaws.

The Nominating and Governance Committee has not specified any minimum qualifications or specific qualities or skills necessary for serving on the Board. However, in its assessment of potential candidates, the Nominating and Governance Committee will review the candidate's character, business experiences and understanding of the Company's business environment, and ability to devote the time and effort necessary to fulfill his or her responsibilities, all in the context of the perceived needs of the Board at that time.

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In fiscal 2009, the Nominating and Governance Committee retained a consulting firm to assist it in identifying and evaluating potential nominees for board membership. The function of this advisor is to meet with the Nominating and Governance Committee to discuss board needs in respect of new members, identify possible board candidates, screen, interview and evaluate the qualifications of these candidates and make presentations to the Nominating and Governance Committee regarding candidates under consideration. From time to time, the advisor also attends Nominating and Governance Committee meetings at which candidates are discussed and assists the Nominating and Governance Committee in its consideration of these possible nominees. During fiscal 2009, the advisor recommended both Mr. Ho and Ms. Cote as director nominees to be considered by the Nominating and Governance Committee and the full Board. During fiscal 2010, the advisor recommended Mr. Sherman as a director nominee to be considered by the Nominating and Governance Committee and the full Board.

### ***Delegation to Committees***

It is our general policy that all Board decisions should be approved by the Board as a whole, unless delegated to a committee. Currently the Board has delegated authority to three standing committees as follows: the Audit and Finance Committee, the Compensation Committee and the Nominating and Governance Committee. All members of the Audit and Finance Committee, Compensation Committee and Nominating and Governance Committee are independent within the meaning of the independence standards of NASDAQ, including, in the case of the Audit and Finance Committee, the heightened independence standards required for such committee members under NASDAQ and SEC rules and regulations. Each of these committees has adopted a written charter that is available on our website.

### ***Stockholder Communication with the Board of Directors***

Stockholders who wish to communicate with our Board, or with any individual member of the Board, may do so by sending such communication in writing to the attention of the Secretary at the address of our principal executive office with a request to forward the communication to the intended recipient. Stockholder communications must include confirmation that the sender is a stockholder of the Company. All such communications will be reviewed by the Company's Secretary or Chief Financial Officer, as appropriate, in order to maintain a record of the communication, to assure director privacy and to determine whether the communication relates to matters that are appropriate for review by our Board or by any individual director. Communications will not be forwarded to Board members if they do not relate to the Company's business, contain material that is not appropriate for review by the Board based upon the established practice and procedure of the Board or contain other improper or immaterial information.

### ***Board Attendance at the Annual Meeting***

Although we do not have a formal policy regarding attendance by members of the Board at our annual meetings of stockholders, directors are encouraged to attend annual meetings. In an effort to maximize director attendance at our annual meetings of stockholders, we attempt to schedule a meeting of the Board on the same day as the annual meeting of stockholders. All of our directors in office at the time (except Dr. Raj Reddy whose term ended at such meeting and did not continue after the meeting) attended the 2008 annual meeting of stockholders.

### ***Audit and Finance Committee Pre-Approval Policies***

The Audit and Finance Committee's policy is to pre-approve all audit and permissible non-audit services provided by the independent registered public accounting firm. These services may include audit services, audit-related services, tax services and other services. Pre-approval is generally detailed as to the particular services or category of services and is generally subject to a specific budget. The independent registered public accounting firm and management periodically report to the Audit and Finance Committee regarding the extent of services provided by the independent

registered public accounting firm in accordance with this pre-approval, and its fees for the services performed to date. The Audit and Finance Committee also pre-approves the provision of particular services on a case-by-case basis.

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***Compensation Committee Interlocks and Insider Participation***

The Compensation Committee during fiscal year 2009 consisted of Messrs. DiCamillo (Chair), Benhamou, Ho and Trempont. None of these members is or has been an officer or employee of 3Com or any of our subsidiaries except Mr. Benhamou, who joined the Compensation Committee during the 2009 fiscal year, was our Chief Executive Officer from 1990-2001 and was employed as Chairman from 2001-2005. No interlocking relationship existed during fiscal year 2009 between our Board or Compensation Committee and the board of directors or compensation committee of any other company.

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***Board Guidelines on Corporate Governance Issues***

Our corporate governance principles are set forth in our Board Guidelines on Corporate Governance Issues, which is available on our website at <http://www.3com.com>. These guidelines cover the following topics, each of which is summarized below:

- Primary functions of the Board of Directors;
- CEO and executive officer selection, evaluation and succession planning;
- Authorization guidelines;
- Board access to senior management;
- Leadership of the Board;
- Charters of standing committees;
- Board selection process; Committee membership and rotation;
- Director's term of office, other activities and retirement;
- Director orientation and continuing education;
- Board and committee meetings; and
- Stock ownership guidelines for non-employee directors.

***Primary Functions of the Board of Directors***

The Board, which is elected by our stockholders, oversees the conduct of our business by management and reviews our financial objectives and major corporate plans, strategies, actions and capital expenditures. Our directors are expected to promote the best interests of our stockholders in terms of corporate governance, fiduciary responsibilities, compliance with laws and regulations and maintenance of accounting and financial controls.

***CEO and Executive Officer Selection, Evaluation and Succession Planning***

Our directors participate in the selection and, where appropriate, replacement of our Chief Executive Officer, and regularly approve a succession plan for our Chief Executive Officer and review a succession plan for other senior executives.

Led by the Compensation Committee, the Board conducts an annual performance review of the Chief Executive Officer. Directors also provide input to our Chief Executive Officer for the evaluation and recruitment of our other principal senior executives.

***Authorization Guidelines***

Consistent with the Board's power to delegate management of the day-to-day operation of 3Com's business, the Board exercises business judgment in establishing and revising guidelines for authorization of expenditures or other corporate actions, and these guidelines are periodically reviewed with management.

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### ***Board Access to Senior Management***

Our directors have complete access to our senior executive officers. Our directors use their judgment to ensure that contact with our senior executive officers is not distracting to our business operation or management reporting structure. Our Board expects our Chief Executive Officer to bring into Board meetings managers who can provide additional insight into the matters being discussed or who have future potential that our Chief Executive Officer believes should be made visible to the Board.

### ***Leadership of the Board***

The leadership of the Board includes a Chairman of the Board and a lead independent director. The Chairman chairs meetings of the Board, works with the Chief Executive Officer to set the agenda for Board meetings and coordinates with the Secretary to disseminate materials to Board members. The lead independent director serves as the focal point for independent directors regarding resolving conflicts with the Chief Executive Officer, or other independent directors, and coordinating feedback to the Chief Executive Officer on behalf of independent directors regarding business issues and Board management. The lead independent director also serves as a special counsel to the Chief Executive Officer.

The independent directors meet regularly in executive session without the Chief Executive Officer or other employee-directors present.

### ***Charters of Standing Committees***

The current committee structure of the Board includes the following standing committees: Audit and Finance, Compensation and Nominating and Governance. The charters of each standing committee are reviewed periodically with a view to delegating to the committees the authority of the Board concerning specified matters appropriate to such committee.

### ***Board Selection Process; Committee Membership and Rotation***

It is expected that all directors will be alert to potential Board candidates with appropriate skills and characteristics and communicate information regarding board selection matters to the Nominating and Governance Committee. The Nominating and Governance Committee evaluates candidates, including any stockholder-nominated candidates whose nomination is submitted under the Bylaw provisions described elsewhere in the proxy statement. The Nominating and Governance Committee recommends to the Board candidates for directorships. The Board endorses the value of seeking qualified directors from diverse backgrounds otherwise relevant to the Company's mission, strategy and business operations and perceived needs of the Board at a given time.

The Nominating and Governance Committee makes recommendations to the Board for Board committee assignments and committee chair positions. The Board endorses rotating members of the Committees periodically at a five-year interval, but the Board believes that such a rotation should not be mandated since there may be reasons to maintain an individual director's committee membership for a longer or shorter period.

### ***Director's Term of Office, Other Activities and Retirement***

As an alternative to term limits, the Chair of the Nominating and Governance Committee, in consultation with the Chair, will review each director's continuation on the board at the conclusion of each term. This will also allow each director the opportunity to confirm his or her desire to continue as a member of the Board.



Each director is required to submit a letter of resignation upon a job change. Such letter is to be accepted or rejected at the discretion of the Chair. 3Com values the experience directors bring from other boards on which they serve and other activities in which they participate, but recognizes that those boards and activities may also present potential conflicts of interest. Accordingly, directors are asked to advise the Chair of the Nominating and Governance Committee before accepting membership on other boards of directors or establishing other significant relationships, particularly those that may result in a change in the director s

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relationship to 3Com. Directors may not serve on the board of directors of more than five other public companies and directors that are employed by 3Com may not serve on the board of directors of more than two other public companies. Directors must retire from the Board at the conclusion of any term during which the director reaches the age of seventy years.

***Director Orientation and Continuing Education***

3Com maintains an orientation program for new directors and provides continuing education for directors on topics relevant to 3Com and its business. 3Com encourages directors to attend appropriate external continuing education programs, and will reimburse directors for the cost of these programs. During every three-year period of service on the board, each director shall attend at least one external continuing education program that is accredited by a recognized corporate governance ratings agency, university or comparable independent body, provided that the Nominating and Governance Committee shall be permitted to waive this requirement in appropriate circumstances.

***Board and Committee Meetings***

In preparation for meetings of the Board and its committees, the Chairman consults with the Chief Executive Officer regarding the agenda and content and, with support from the Secretary, disseminates to directors on a timely basis briefing materials regarding matters to be included in the meeting agenda, as well as minutes from prior meetings and any written reports by committees. Presentations to the Board may rely on directors having reviewed and digested information set forth in the briefing materials, thus allowing more time for discussion, clarification and feedback. The format of each quarterly Board meeting includes an executive session with the directors and Chairman. In addition, the independent directors meet in executive session on a regular basis. Adequate time is scheduled for completion of matters placed on the agenda of each meeting, including an annual off-site meeting of the Board to review long-term strategy. The Board has the authority to hire its own advisors and to have them present at meetings, as it deems necessary.

***Stock Ownership Guidelines for Non-Employee Directors***

To further align the inter