

Edgar Filing: 3COM CORP - Form DEFA14A

2) Aggregate number of securities to which transaction applies:

3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

4) Proposed maximum aggregate value of transaction:

5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

1) Amount Previously Paid:

2) Form, Schedule or Registration Statement No.:

3) Filing Party:

4) Date Filed:

[3COM LOGO]

5400 Bayfront Plaza
Santa Clara, California 95052-8145

SUPPLEMENT TO PROXY STATEMENT FOR
2002 ANNUAL MEETING OF STOCKHOLDERS

This supplements our proxy statement filed with the Securities and Exchange Commission on August 5, 2002, in connection with our 2002 Annual Meeting to be held on September 24, 2002.

Related-Party Transactions

Edgar Filing: 3COM CORP - Form DEFA14A

Eric A. Benhamou, our Chairman of the Board, has been a director of Legato Systems, Inc. since March 1993. 3Com and Legato entered into an Enterprise Software License Agreement, effective as of June 28, 1999. In exchange for an \$850,000 payment from 3Com, Legato granted 3Com a perpetual license to use certain Legato software. Pursuant to the License Agreement, 3Com was permitted to deploy unlimited copies of such software during a three-year period. 3Com also made three separate update and support payments of \$179,748 in each of 1999, 2000, and 2001. In 2002, 3Com decided not to renew the provision of support services for the Legato software. Subsequently, Legato performed an audit of 3Com's use of their software and has alleged that 3Com "over-deployed" the Legato software. Legato claims they are now owed an additional payment by 3Com in the amount of \$410,000. 3Com is evaluating this claim, which may be subject to dispute or negotiation.

Compensation of Directors

Mr. Benhamou served as Chief Executive Officer of 3Com until December 31, 2000. As CEO, Mr. Benhamou's salary on an annualized basis was set at \$750,000 and his target bonus opportunity was 100% of salary. On January 1, 2001, Mr. Benhamou transitioned to the role of employee Chairman of the Board. Effective January 1, 2001, Mr. Benhamou's annualized base salary was set at \$400,000 and his target bonus opportunity was set at 50% of salary. During the fiscal year ended May 31, 2002, Mr. Benhamou received \$451,500 from us in salary and bonus. Mr. Benhamou is also eligible for annual stock option grants at a level commensurate with his current duties. The compensation arrangement for Mr. Benhamou's service as employee Chairman of the Board was previously disclosed in the Report of the Compensation Committee of the Board of Directors on Executive Compensation in 3Com's Proxy Statement filed with the Securities and Exchange Commission on August 13, 2001.

Title of Security

- (Instr. 4) 2. Amount of Securities Beneficially Owned
- (Instr. 4) 3. Ownership Form: Direct (D) or Indirect (I)
- (Instr. 5) 4. Nature of Indirect Beneficial Ownership
- (Instr. 5) Common Stock 1,680

D

Â

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

SEC 1473 (7-02)

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)	3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)	4. Conversion or Exercise Price of Derivative Security	5. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 5)	6. Nature of Indirect Beneficial Ownership (Instr. 5)
	Date Exercisable Expiration Date	Title Amount or Number of Shares			

