

CLASSIFIED BOARD

SHAREHOLDER PROPOSAL

REPEAL CLASSIFIED BOARD

*Submitted by William C. Thompson, Jr., Comptroller, City of New York, on behalf of
the Boards of Trustees of the New York City Pension Funds*

BE IT RESOLVED, that the stockholders of **3Com Corporation** request that the Board of Directors take the necessary steps to declassify the Board of Directors and establish annual elections of directors, whereby directors would be elected annually and not by classes. This policy would take effect immediately, and be applicable to the re-election of any incumbent director whose term, under the current classified system, subsequently expires.

SUPPORTING STATEMENT

We believe that the ability to elect directors is the single most important use of the shareholder franchise. Accordingly, directors should be accountable to shareholders on an annual basis. The election of directors by classes, in our opinion, minimizes accountability and precludes the full exercise of the rights of shareholders to approve or disapprove annually the performance of a director or directors.

In addition, since only a fraction of the Board of Directors is elected annually, we believe that classified boards could frustrate, to the detriment of long-term shareholder interest, the efforts of a bidder to acquire control or a challenger to engage successfully in a proxy contest.

We urge your support for the proposal to repeal the classified board and establish that all directors be elected annually.

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on behalf the Boards of Trustees of the New York City Pension Funds*

RESOLVED: That the shareholders of **3Com Corporation**, (the "Company") request the Board of Directors to adopt a policy requiring that stock options, which are granted to senior executives, as part of their compensation package, are performance-based. For the purposes of this proposal, performance-based stock options are defined as either of the following:

- (1) Performance Vesting Stock Options—grants which do not vest or become exercisable unless specific stock price or business performance goals are met.
- (2) Index Options—grants with a variable option exercise price geared to a relative external measure such as a comparable peer group or S&P industry index.
- (3) Performance Accelerated Stock Options—grants whose vesting is accelerated upon achievement of specific stock price or business performance goals.

Supporting Statement

Institutional investors increasingly are urging that, in order to align the interests of executives with the interests of stockholders, stock options which are granted as part of executive compensation packages are linked to goals of long-term growth and superior performance.

3Com Corporation's, executive compensation received an **F grade** for 2004-2007 from Glass Lewis & Co, a proxy service provider. According to Glass Lewis' 2007 proxy report, "The Company paid: more compensation to its top officers (as disclosed by the Company) than the median compensation for 50 similarly sized companies with an average enterprise value of \$2 billion; more than a sector group of 49 large information technology companies with enterprise values ranging from \$1.2 billion to \$1.8 billion; and more than a sub-industry group of 17 communications equipment companies. The CEO was paid above the median CEO in these peer groups. Overall, the Company paid significantly more than its peers, but performed worse than its peers."

For these reasons, we urge shareholders to vote **FOR** this proposal.