

3COM CORP  
Form 8-K  
August 11, 2006

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
FORM 8-K  
CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported):

**August 7, 2006**

**3COM CORPORATION**

(Exact name of registrant as specified in its charter)

**Delaware**

(State or other jurisdiction  
of incorporation)

**0-12867**

(Commission  
File Number)

**94-2605794**

(IRS Employer  
Identification No.)

**350 Campus Drive  
Marlborough, Massachusetts  
01752**

(Address of Principal Executive Offices)  
(Zip Code)

Registrant's telephone number, including area code: **(508) 323-1000**

(Former name or former address, if changed since last  
report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

**ITEM 1.01 Entry into a Material Definitive Agreement****Retention Grants**

On August 7 and 11, 2006, the Compensation Committee (the Committee) of the Board of Directors of 3Com Corporation (3Com) approved retention equity grants, transaction bonus incentives and a reward bonus for executives including 3Com's currently-employed named executive officers as follows:

<b>Officer</b>	<b>Title</b>	<b>Stock Options(1)</b>	<b>Restricted Stock(2)</b>	<b>Transaction Bonus - Restricted Stock(3)</b>	<b>Reward Bonus Payment(\$)</b>
Donald M. Halsted, III	Executive Vice President and Chief Financial Officer	475,000	225,000	125,000	
Neal D. Goldman	Senior Vice President Management Services, Secretary and General Counsel	475,000	225,000	125,000	\$ 50,000
Marc Willebeek-LeMair	Chief Technology Officer and Senior Vice President, Product Operations	475,000	225,000		

(1) Represents shares underlying stock options to purchase our common stock. These options vest ratably on an annual basis over a four-year period from the date of grant and have a term of 7 years. The exercise price was set at the closing price of our common stock on Nasdaq on the first Tuesday of the month immediately following the month in which the Committee's

action was taken (the First Tuesday Date ), or September 5, 2006. These options will be issued pursuant our standard form of option agreement time-based vesting previously filed with the Securities and Exchange Commission.

- (2) Represents restricted shares of our common stock that vest ratably on an annual basis over a three-year period from the date of grant, which will be the First Tuesday Date. These grants will be issued pursuant to our standard form of restricted stock agreement time-based vesting previously filed with the Securities and Exchange Commission.
- (3) Represents restricted shares of our common stock that vest solely upon consummation of a transaction

whereby we  
acquire  
additional  
interest in or  
recapitalize  
Huawei-3Com  
Co., Ltd.  
( H-3C ), a  
China-based  
joint venture we  
formed in  
November 2003  
with Huawei  
Technologies  
Co., Ltd.  
( Huawei ). Any  
such transaction  
must be  
approved by our  
Board of  
Directors. These  
executives may  
not dispose of  
vested shares for  
a period of  
one-year after  
they vest, except  
to pay for taxes  
required to be  
paid upon  
vesting.

**Anik Bose Consulting Agreement**

On August 8, 2006, we entered into a Consultant Services Agreement, effective on August 15, 2006, with Anik Bose, whose employment with us as Vice President, Business Development will, on August 14, 2006, be terminated. Under the agreement, Mr. Bose's consulting services to us are limited to using his reasonable best efforts to consummate a transaction whereby we acquire additional interest in or recapitalize H-3C. Services shall include but are not limited to conducting and reporting on due diligence, conducting negotiations, raising funds and coordinating all other necessary and/or appropriate activities, communications and documentation related to the transaction with our management team and advisors. As consideration for these services, Mr. Bose will receive \$75,000 per month during the term of the agreement, and a payment of \$1.25 million within thirty (30) days after the closing of a transaction (if a closing occurs). The initial term of the agreement is six months, and the agreement will be extended in subsequent 30-day increments if a transaction has not been closed prior to the end of the initial or any subsequent term. The contract is terminable by us for breach or failure to perform or, after the initial term, if the transaction has been abandoned (evidenced by cessation of good faith negotiations between us and Huawei for at least 3 weeks). The contract also provides that if a transaction other than the type anticipated results in significant value to us to which Mr. Bose has significantly contributed but which does not entitle him to the bonus payment, the parties will negotiate to consider an additional fee. As a result of the termination of Mr. Bose's status as employee, he will receive the severance benefits previously disclosed by us as applicable to senior officers and Section 16 officers.

The terms of the Agreement summarized above are qualified in their entirety by the actual terms of the agreement, which are attached to this Current Report on Form 8-K as Exhibit 10.1.

**ITEM 9.01 Financial Statements and Exhibits**

(c) Exhibits

**Exhibit Number    Description**

10.1	3Com Corporation Consultant Services Agreement made as of August 8, 2006 by and between 3Com Corporation and Anik Bose.
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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

3COM CORPORATION

Date: August 11, 2006

By: /s/ Neal D. Goldman  
Neal D. Goldman  
Senior Vice President Management  
Services, Secretary and General  
Counsel

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EXHIBIT INDEX

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