

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) October 7, 2008

UNISYS CORPORATION

(Exact Name of Registrant as Specified in its Charter)

Delaware

1-8729

38-0387840

(State or Other  
Jurisdiction of  
Incorporation)

(Commission File Number)

(IRS Employer  
Identification No.)

Unisys Way,  
Blue Bell, Pennsylvania 19424

(Address of Principal Executive Offices) (Zip Code)

(215) 986-4011

(Registrant's telephone number, including area code)

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 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers

The Board of Directors of Unisys Corporation has elected J. Edward Coleman as the company's Chairman of the Board and Chief Executive Officer, effective October 7, 2008. Mr. Coleman, age 57, has been in the information technology industry for more than 30 years, serving as chief executive officer at Gateway, Inc. from 2006 to 2008; as senior vice president and president of enterprise computing solutions at Arrow Electronics from 2005 to 2006 and as chief executive officer of CompuCom from 1999 to 2004. He also served as chairman of CompuCom from 2001 to 2004. Prior to that, he held various leadership and executive positions at Computer Sciences Corporation and IBM Corporation.

Mr. Coleman succeeds Joseph W. McGrath as the company's chief executive officer. Mr. McGrath resigned as President and Chief Executive Officer of Unisys and as a member of its Board of Directors effective October 7, 2008. He will remain with the company through December 31, 2008 to assist, as requested, with transitional matters and with the previously announced exploration of certain portfolio rationalization and other actions to enhance shareholder value.

Henry C. Duques, who had been the non-executive Chairman of the Board, has been elected lead director.

The company and Mr. Coleman have entered into an employment agreement covering the terms and conditions of Mr. Coleman's employment as Chairman of the Board and Chief Executive Officer. The agreement provides for a minimum base salary of \$972,000 per year, subject to periodic review by the Board of Directors after receiving a recommendation from the Compensation Committee of the Board. He is eligible to receive an annual bonus award at a target bonus level of not less than 125% of base salary. Except with respect to the first six months of his employment, the actual bonus payable, if any, will be determined by the Board in its sole discretion after receiving a recommendation from the Compensation Committee and will be based on Mr. Coleman's attainment of performance criteria to be determined annually by the Board and the Compensation Committee. For the first six months of his employment, Mr. Coleman is guaranteed a bonus of \$607,500 if he remains employed by the company on the applicable bonus payment date. Pursuant to the agreement, effective on October 8, 2009, Mr. Coleman will receive a stock option grant for 1,200,000 shares of Unisys common stock and a grant of 300,000 restricted stock units. The stock option will vest one-third per year beginning on the first anniversary of the date of grant and will have a five-year term. The restricted stock units will vest one-third per year beginning on the first anniversary of the date of grant. Pursuant to the agreement, he will also receive, within 120 days of October 7, 2008, a grant of 900,000 restricted stock units. These restricted stock units will vest one-third per year beginning on the first anniversary of the date of grant if and to the extent that performance criteria to be mutually agreed prior to the date of grant are met. Mr. Coleman is eligible to participate in the benefit programs generally made available to executive officers and is eligible to receive stock option and other long-term incentive awards under the company's long-term incentive plans. For so long as Mr. Coleman's primary residence is not in the Philadelphia metropolitan area, he will be provided with the use of a company-paid apartment in the Philadelphia metropolitan area for business purposes. Under the agreement, if Mr. Coleman's employment is terminated by the company without cause or by Mr. Coleman for good reason (defined generally as a reduction in aggregate compensation target, a reduction in duties or authority or removal as chief executive officer), Mr. Coleman will be entitled to receive an amount equal to two times (1) his base salary (at its then current rate) plus (2) his annual bonus (in an amount equal to the average percentage of target bonus paid to him for the three years preceding the employment termination date times the target bonus amount in effect on the termination date). This termination payment is to be paid in a lump sum in cash within 30 days of the date of termination. Mr. Coleman and his eligible dependents will also be entitled to continued medical and dental coverage, at the same costs applicable to active employees, for up to two years following termination of employment. Such coverage will cease if Mr. Coleman becomes employed during such two-year period. In the event of Mr. Coleman's disability or death, all compensation and benefits under the agreement will terminate except that he or his estate will receive benefits under the retirement, welfare, incentive, fringe and perquisite programs generally available to executive officers upon disability or death. If Mr. Coleman's employment is terminated for cause or by Mr. Coleman for other than good reason, he will be entitled only to the benefits provided to the company's executive employees upon a similar termination of employment. The agreement includes non-compete, non-solicitation and non-disparagement provisions effective for 12 months from the date of termination of employment. In the event Mr. Coleman breaches any of these provisions, he must repay any termination payments made to him upon termination of his employment without cause or for good reason. The foregoing description of the employment agreement is qualified in its entirety by reference to the full text of the agreement, which is filed as Exhibit 10.1 hereto.

The company and Mr. Coleman have also entered into a change in control employment agreement, as have the company and its other elected officers. These agreements are intended to retain the services of these executives and provide for continuity of management in the event of any actual or threatened change in control. A change in control is generally defined as (1) the acquisition of 20% or more of Unisys common stock, (2) a change in the majority of the Board of Directors unless approved by the incumbent directors (other than as a result of a contested election) and (3) certain reorganizations, mergers, consolidations, liquidations or dissolutions. The agreement has a term ending on the third anniversary of the date of the change in control and provides that in the event of a change in control Mr. Coleman will have specific rights and receive certain benefits. Those benefits include the right to continue in the company's employ during the term, performing comparable duties to those being performed immediately prior to the change in control and at compensation and benefit levels that are at least equal to the compensation and benefit levels in effect immediately prior to the change in control. For purposes of determining compensation levels, base salary must be at least equal to the highest salary paid to Mr. Coleman during the 12 months preceding the change in control, and bonus must be at least equal to the highest bonus paid to him for the three fiscal years preceding the change in control. If, following a change in

control, the Company terminates Mr. Coleman without cause or Mr. Coleman terminates employment for good reason (generally defined as a reduction in his compensation or responsibilities or a change in his job location), or if Mr. Coleman voluntarily terminates employment for any reason during the 30-day period following the first anniversary of the date of the change in control, he will be entitled to receive termination benefits as follows: a pro-rated bonus for the year in which the termination occurs (based on the highest bonus paid during the term of the agreement), a lump sum payment equal to two years base salary and bonus (based on the highest salary and bonus paid during the term of the agreement), outplacement services and, for two years following the termination of employment, continued benefits under the company's welfare benefit plans and programs. The agreement does not provide for any gross-up for any excise tax imposed on such payments by Section 4999 of the Internal Revenue Code. The payments will be reduced to avoid the imposition of the excise tax if doing so would result in greater after-tax benefits to Mr. Coleman. The foregoing description of the change in control employment agreement is qualified in its entirety by reference to the full text of the agreement, which is filed as Exhibit 10.2 hereto.

Mr. Coleman is not entitled to receive duplicate payments under the change in control agreement and the employment agreement described above. In the event of a conflict he will be allowed the greater entitlement.

ITEM 9.01. Financial Statements and Exhibits.

The following exhibits are being filed herewith:

- 10.1 Agreement, dated October 6, 2008, between Unisys Corporation and J. Edward Coleman
- 10.2 Executive Employment Agreement, dated October 7, 2008, between Unisys Corporation and J. Edward Coleman

SIGNATURE

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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.

UNISYS CORPORATION

Date: October 8, 2008

By: /s/ Nancy Straus Sundheim

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Nancy Straus Sundheim  
Senior Vice President,  
General Counsel and  
Secretary

EXHIBIT INDEX

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Exhibit  
No.  
- -----

- 10.1 Agreement, dated October 6, 2008, between Unisys Corporation and J. Edward Coleman
- 10.2 Executive Employment Agreement, dated October 7, 2008, between Unisys Corporation and J. Edward Coleman

October 6, 2008

Mr. J. Edward Coleman  
91 Bay Drive  
Annapolis, MD 21403

Dear Mr. Coleman:

I am pleased to offer you the position of Chairman of the Board and Chief Executive Officer of Unisys Corporation (the "Corporation" or "Unisys"). This letter (the "Agreement") describes the terms and conditions of your employment:

1. Base Salary. You will serve as Chairman of the Board and Chief Executive Officer of the Corporation with a base salary at the annual rate of not less than \$972,000. Your base salary level will be reviewed periodically by the Board of Directors after receiving a recommendation from the Compensation Committee (the "Committee").

2. Annual Bonus. (a) You will participate in the Corporation's Executive Variable Compensation ("EVC") Plan (or any successor bonus plan) and your target will not be less than 125% of your annual paid salary. Subject to subsection (b) below, the actual EVC paid to you, if any, will be determined by the Board of Directors in its sole discretion after receiving a recommendation from the Committee, and will be based on your attainment of performance criteria to be determined annually by the Board and the Committee. Your actual EVC payments, if any, will be made in cash at the time of the award, subject to your election to defer receipt of all or any portion of the EVC award in accordance with the terms of the Unisys Corporation Deferred Compensation Plan (or any successor deferred compensation program).

(b) For the first six months of your employment hereunder, you will be entitled to a guaranteed bonus of \$607,500. You will receive a portion of this amount at the time EVC payments are made in respect of the 2008 EVC award year, such amount to be pro-rated for the portion of such six-month period that you are employed by the Corporation in 2008. You will receive the remainder of such amount at the time EVC payments are made in respect of the 2009 EVC award year. Any additional EVC payments to you in respect of the 2009 EVC award year will be determined by the Board of Directors in its sole discretion as set forth in subsection (a) above. You must continue to be employed by Unisys through the applicable EVC payment date in order to receive a bonus.

3. Long-Term Incentive Awards. (a) Effective as of the business day following your first day of employment, you will receive: (1) a grant of 300,000 restricted stock units ("RSUs") under the terms of the Unisys Corporation 2003 Long-Term Incentive and Equity Compensation Plan ("2003 Plan"). These RSUs, which will be subject to the terms of the 2003 Plan and the standard terms of the Corporation's RSU award documents, will vest on a time basis in three equal annual installments starting on the first anniversary of the date of grant and be settled upon vesting in shares of common stock of the Corporation and (2) a stock option grant under the terms of the Unisys Corporation 2007 Long-Term Incentive and Equity Compensation Plan ("2007 Plan") for 1,200,000 shares of common stock of the Corporation. These stock options, which will be subject to the terms of the 2007 Plan and the standard terms of the Corporation's stock option award documents, will vest in three equal annual installments starting on the first anniversary of the date of grant and will have a term of five years. The option price for this grant will be the Fair Market Value (as defined in the 2007 Plan) of Unisys common stock on the date of grant.

(b) Within 120 days of your first day of employment, you will receive a grant of 900,000 RSUs under the 2003 Plan. These RSUs, which will be subject to the terms of the 2003 Plan and the standard terms of the Corporation's RSU award documents, will vest on a time and performance basis in three equal annual installments starting on the first anniversary of the date of grant if and to the extent that performance criteria to be mutually agreed prior to the date of grant are met and will be settled upon vesting in shares of common stock of the Corporation.

(c) You will be eligible to receive stock option awards, long-term performance awards, restricted share (or restricted share unit) awards and any other incentive award under the terms of the 2003 Plan, the 2007 Plan, or any successor thereto, in each year in which such awards are made to executive officers generally.

4. Benefit Programs; Housing. During your employment hereunder, you will participate in the retirement, welfare, incentive, fringe and perquisite

programs generally made available to executive officers of the Corporation and at such benefit levels appropriate for the Chairman and Chief Executive Officer of the Corporation. In addition, during your employment hereunder until such time as you relocate your primary residence to the Philadelphia metropolitan area, you will be provided with the use of a Corporation-paid apartment in the Philadelphia metropolitan area for business purposes. The annual expense of such apartment is subject to the approval of the Committee.

5. Service on Other Boards. During your employment with the Corporation, you shall render your full-time attention to the business affairs of the Corporation. You may serve on the board of directors of other entities only as expressly approved in advance by the Board of Directors of the Corporation in its discretion.

6. Termination of Employment.

(a) Your employment may be terminated by the Corporation at any time with or without "cause" (as defined below), and you may terminate your employment at any time with or without "good reason" (as defined below). In the event that you are terminated for cause or you terminate your employment for other than good reason, you shall be entitled only to the benefits provided to the Corporation's executive employees upon a similar termination of employment.

(b) In the event the Corporation terminates your employment for other than cause or you terminate your employment for good reason, you will be entitled to the following:

(1) An amount equal to two times (i) your base salary (at its then current rate on the date of termination) plus (ii) your annual bonus under the EVC Plan (in an amount equal to the average percentage of your target bonus paid for the three years preceding your date of termination (or, if you have been employed with the Corporation for fewer than three years, the average percentage paid for the number of years you were so employed) times your target bonus amount as in effect at your date of termination). Such termination payments shall be paid in a lump sum in cash within 30 days of the date of termination.

(2) Continued participation, at the same costs applicable to active employees, for a period of up to two years following termination of employment, in the Unisys Medical and Dental Plans for you and your eligible dependents, subject, however, to the generally applicable terms of such plans. These benefits shall be provided in such a manner that they are excluded from your income for federal income tax purposes. If you become employed during such two-year period, your right to such participation in the Unisys Medical and Dental Plans will cease. You will promptly advise the Senior Vice President, Worldwide Human Resources, if you become employed.

(3) You shall be entitled to all other benefits generally available to executive officers of Unisys upon termination of employment in accordance with their normal terms except that you shall not be entitled to receive payments under the Unisys Income Assistance Plan, the Unisys Supplemental Unemployment Benefits Plan or any other severance or income assistance plan generally applicable to employees of Unisys;

(4) Notwithstanding the foregoing provisions of this subsection (b), in the event that you are a "specified employee" within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code") (as determined in accordance with the methodology established by the Corporation as in effect on your date of termination) (a "Specified Employee"), amounts that would otherwise be payable and benefits that would otherwise be provided under this subsection (b) during the six-month period immediately following your date of termination shall instead be paid or provided on the first business day after the date that is six months following your "separation from service," within the meaning of Section 409A of the Code (the "Delayed Payment Date"), if and to the extent necessary to prevent accelerated or additional taxes from being imposed on you pursuant to Section 409A of the Code.

(5) At the time the parties enter into this Agreement, you and the Corporation will enter into an Executive Employment Agreement covering your benefits in the event of a change in control. In the event that you become entitled to termination payments under this Agreement and payments under such Executive Employment Agreement, you shall not receive duplicate payments under both agreements. Instead, if you are entitled to benefits under both agreements, the provisions of this agreement as to any matter or the corresponding provisions of the Executive Employment Agreement, whichever is more favorable to you or provide you with the greater benefit as determined by a nationally recognized accounting firm mutually agreed to by the Corporation and you, shall be used in determining your status, compensation and benefits, and other rights and obligations.

(c) For purposes of this Section 6, "cause" shall mean intentional dishonesty or gross neglect of your duties. "Good reason" shall mean (1) a reduction in

your aggregate compensation target (base salary plus bonus target), as such amounts may be increased during the term of this Agreement, unless such reduction is due to your continued failure to adequately perform your duties (provided that the Corporation has provided you notice identifying the manner in which the Corporation believes that you have failed to adequately perform your duties, and you have failed to discontinue your inadequate performance within 90 days of receiving such notice) or is due to a reduction in compensation generally applicable to executive officers or (2) a reduction in your duties or authority or your removal as Chairman and Chief Executive Officer of the Corporation or its successor, unless such reduction or removal is for cause, as defined above, or is on account of your inability to substantially perform your duties for an aggregate of 120 days within any consecutive 12 month period due to a mental or physical injury or illness, and provided that your resignation occurs within 120 after such reduction or removal.

(d) In the event your employment is terminated on account of your disability or death, all compensation and benefits under this agreement shall terminate, except that you or your estate shall receive benefits under the retirement, welfare, incentive, fringe and perquisite programs generally available to executive officers upon disability or death. For purposes of this Agreement, disability means a mental or physical injury or illness that renders you incapable of substantially performing your duties hereunder for a period of three consecutive months and shall commence for purposes of this agreement at the end of such three-month period. If such three-month period is shorter than the period of short-term disability provided for under the Corporation's short-term disability plan then in effect, the Corporation will, for the remainder of the short-term disability period provided for in such plan, pay you the amounts that you would have been entitled to under such plan if your employment had not been terminated. In the event of the termination of your employment on account of your disability or death, you will be entitled to the benefits described in this subsection (d), and not those described in section (b). If you become entitled to payments and benefits under this subsection (d) on account of your termination of employment due to a disability which does not meet the requirements set forth in Section 409A of the Code and the Treasury Regulations thereunder, and you are a Specified Employee at the time of such termination, amounts that would otherwise be payable and benefits that would otherwise be provided under this subsection (d) during the six-month period immediately following your date of termination shall instead be paid or provided on the Delayed Payment Date, if and to the extent necessary to prevent accelerated or additional taxes from being imposed on you pursuant to Section 409A of the Code.

7. Conduct after Termination. (a) For a period of 12 months from and after the termination of your employment for any reason:

(1) You shall not engage in or become employed as a business owner, employee, agent, representative or consultant in any activity which is in competition with any line of business of Unisys (or its subsidiaries or affiliates) existing as of your termination date, except with the express prior written consent of the Committee, provided, however, you shall be deemed not to be in competition for purposes of Section 7 of this Agreement (i) if you are an employee of or a consultant to an entity a unit of which is in competition with Unisys, provided that it can be demonstrated to the reasonable satisfaction of the Committee that procedures are in place to assure that any unit that is in competition with Unisys and any director, officer, employee, consultant or other representative of such unit cannot directly or indirectly avail itself or themselves of your services, (ii) if you are an employee of or a consultant to an entity that provides consulting services to other entities, one or more of which are in competition with Unisys, provided that it can be demonstrated to the reasonable satisfaction of the Committee that procedures are in place to assure that no entity that is in competition with Unisys nor any director, officer, employee, consultant or other representative of such unit can directly or indirectly avail itself or themselves of your services, (iii) if you invest in securities which are listed for trading on a national exchange or NASDAQ and your investment does not exceed 1% of the issued and outstanding shares of stock or (4) if you acquire an ownership interest in a non-public company, provided that such ownership represents a passive investment;

(2) You shall not negatively comment publicly or privately about Unisys (or its subsidiaries or affiliates), any of its products, services or other businesses, its present or past Board of Directors, its officers, or employees, nor shall you in any way discuss the circumstances of your termination of employment, except that (i) you may give truthful testimony before a court or governmental agency, (ii) you may make comments about the circumstances of your termination with the prior written approval of the Corporation, (iii) you may respond publicly to any untrue public comment made by the Corporation, (iv) you may discuss the circumstances of your termination with your attorneys, financial and tax advisers, members of your family and any prospective employer, provided that you take all necessary steps to assure that each such person does not, as a result of these discussions, make any such negative comment prohibited under this Agreement and (v) you may make comments to an arbitrator or court for the purpose of determining or enforcing your rights under this Agreement or any

entitlement under any agreement, plan, award, policy or program with or sponsored by Unisys (or any of its subsidiaries or affiliates);

(3) You shall not, directly or indirectly, induce or attempt to induce any employee of Unisys (or any of its subsidiaries or affiliates) to render services for any other person, firm or business entity, except that you will be permitted to give recommendations, if requested, for employees seeking employment outside of Unisys;

(4) Unisys (and its subsidiaries and affiliates) agrees not to negatively comment publicly or privately about you or the circumstances of your termination of employment, except (i) Unisys may give truthful testimony before a court or governmental agency, (ii) Unisys may make comments about the circumstances of your termination with your prior written approval, (iii) Unisys may respond publicly to any untrue public comment made by you, (iv) Unisys may discuss the circumstances of your termination with its attorneys and its financial and tax advisers, provided that it takes reasonable steps to assure that each such person does not, as a result of Unisys discussions with them, make any such negative comment prohibited under this Agreement, (v) Unisys may make comments to an arbitrator or court for the purpose of determining its rights under this Agreement or any agreement, plan, award, policy or program with or sponsored by Unisys (or any of its subsidiaries or affiliates) and (vi) Unisys may make such disclosures as are required by law or regulation.

(b) From and after the termination of your employment for any reason, you shall not use, furnish or divulge to any other person, firm or business entity any confidential information relating to Unisys business (or that of any of its subsidiaries or affiliates), or any trade secrets, processes, contracts or arrangements involved in any such business, except (1) when required to do so by a court of law, by any governmental agency having supervisory authority over the business of Unisys or by any administrative or legislative body (including a committee thereof) with apparent jurisdiction to order you to divulge, disclose or make accessible such information, in each case with advance written notice to Unisys in sufficient time to allow Unisys to challenge the disclosure of such information if it so chooses (2) to an attorney as necessary to enforce your rights under this Agreement, or any other agreement, plan, policy, award or program with or sponsored by Unisys or (3) after such information becomes known to the public or within the relevant industry to which such confidential information pertains.

(c) In the event that you should materially breach your obligations under Section 7(a)(2) or you should breach any other obligation described in this Section 7, (1) Unisys shall have the right, in addition to any other legal or equitable remedies, to terminate any payments due you under Section 6(b)(1); and (2) you agree that you shall repay to Unisys any payments previously made to you under Section 6(b)(1).

8. Plan Documents; Code of Ethical Conduct. Each of the above-described benefits which are more fully described in an applicable Unisys plan document (including, without limitation EVC, stock option and RSU award documents) are subject to the terms of such plan or award document (as may be amended by Unisys from time to time) and, except as expressly provided in this Agreement, each such plan document or award document will govern the benefit payable hereunder and thereunder. In addition, you agree that the Unisys policies and procedures applicable to all Unisys employees, including, without limitation, the Unisys Code of Ethics and Business Conduct, shall be applicable to you as in effect as of the date of this Agreement.

9. Successors. This agreement shall be binding upon Unisys and its successors and assigns.

10. Miscellaneous. Except as expressly set forth herein, this Agreement constitutes the entire agreement between the parties concerning the subject matter hereof. No provision of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing and signed by you and the Chairman of the Committee or his designee. The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the Commonwealth of Pennsylvania without giving effect to the provisions thereof relating to conflicts of laws.

11. Section 409A Compliance. This Agreement is intended to comply with the requirements of Section 409A of the Code or an exemption or exclusion therefrom and shall in all respects be administered in accordance with Section 409A of the Code. Each payment under this Agreement shall be treated as a separate payment for purposes of Section 409A of the Code. In no event may you, directly or indirectly, designate the calendar year of any payment to be made under this Agreement. If you die following your date of termination and prior to the payment of any amounts delayed on account of Section 409A of the Code, such amounts shall be paid to the personal representative of your estate within 30 days after the date of your death. All reimbursements and in-kind benefits provided under this Agreement shall be made or provided in accordance with the

requirements of Section 409A of the Code, including, without limitation, that (a) in no event shall reimbursements by the Corporation under this Agreement be made later than the end of the calendar year next following the calendar year in which the applicable fees and expenses were incurred, provided, that you shall have submitted an invoice for such fees and expenses at least 10 days before the end of the calendar year next following the calendar year in which such fees and expenses were incurred; (b) the amount of in-kind benefits that the Corporation is obligated to pay or provide in any given calendar year shall not affect the in-kind benefits that the Corporation is obligated to pay or provide in any other calendar year; (c) your right to have the Corporation pay or provide such reimbursements and in-kind benefits may not be liquidated or exchanged for any other benefit; and (d) in no event shall the Corporation's obligations to make such reimbursements or to provide such in-kind benefits apply later than your remaining lifetime (or if longer, through the 20th anniversary of the date of this Agreement). Within the time period permitted by the applicable Treasury Regulations, the Corporation may, in consultation with you, modify this Agreement, in the least restrictive manner necessary and without any diminution in the value of the payments to you, in order to cause the provisions of this Agreement to comply with the requirements of Section 409A of the Code, so as to avoid the imposition of taxes and penalties on you pursuant to Section 409A of the Code.

12. Validity. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect.

If the foregoing sets forth our agreement with you, please sign and return to us the enclosed copy of this Agreement.

Very truly yours,

UNISYS CORPORATION

The foregoing is accepted:

By:

/s/ Theodore E. Martin  
-----  
Theodore E. Martin, Chairman  
Compensation Committee  
Board of Directors

/s/ J. Edward Coleman  
-----  
J. Edward Coleman

Date: October 6, 2008

Date: October 6, 2008

AGREEMENT by and between Unisys Corporation, a Delaware corporation (the "Company") and J. Edward Coleman (the "Executive"), dated as of October 7, 2008.

The Board of Directors of the Company (the "Board"), has determined that it is in the best interests of the Company and its stockholders to assure that the Company will have the continued dedication of the Executive, notwithstanding the possibility, threat or occurrence of a Change of Control (as defined below) of the Company. The Board believes it is imperative to diminish the inevitable distraction of the Executive by virtue of the personal uncertainties and risks created by a pending or threatened Change of Control and to encourage the Executive's full attention and dedication to the Company currently and in the event of any threatened or pending Change of Control, and to provide the Executive with compensation and benefits arrangements upon a Change of Control which ensure that the compensation and benefits expectations of the Executive will be satisfied and which are competitive with those of other corporations. Therefore, in order to accomplish these objectives, the Board has caused the Company to enter into this Agreement.

NOW, THEREFORE, IT IS HEREBY AGREED AS FOLLOWS:

1. Certain Definitions. (a) The "Effective Date" shall mean the first date during the Change of Control Period (as defined in Section 1(b)) on which a Change of Control (as defined in Section 2) occurs. Anything in this Agreement to the contrary notwithstanding, if a Change of Control occurs and if the Executive's employment with the Company is terminated prior to the date on which the Change of Control occurs, and if it is reasonably demonstrated by the Executive that such termination of employment (i) was at the request of a third party who has taken steps reasonably calculated to effect a Change of Control or (ii) otherwise arose in connection with or anticipation of a Change of Control, then for all purposes of this Agreement the "Effective Date" shall mean the date immediately prior to the date of such termination of employment.

(b) The "Change of Control Period" shall mean the period commencing on the date hereof and ending on the third anniversary of the date hereof; provided, however, that commencing on the date one year after the date hereof, and on each annual anniversary of such date (such date and each annual anniversary thereof shall be hereinafter referred to as the "Renewal Date"), unless previously terminated, the Change of Control Period shall be automatically extended so as to terminate three years from such Renewal Date, unless at least 60 days prior to the Renewal Date the Company shall give notice to the Executive that the Change of Control Period shall not be so extended.

2. Change of Control. For the purpose of this Agreement, a "Change of Control" shall mean:

(a) The acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) (a "Person") of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 20% or more of either (i) the then outstanding shares of common stock of the Company (the "Outstanding Company Common Stock") or (ii) the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors (the "Outstanding Company Voting Securities"); provided, however, that for purposes of this subsection (a), the following acquisitions shall not constitute a Change of Control: (i) any acquisition directly from the Company, (ii) any acquisition by the Company, (iii) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company or (iv) any acquisition by any corporation pursuant to a transaction which complies with clauses (i), (ii) and (iii) of subsection (c) of this Section 2; or

(b) Individuals who, as of the date hereof, constitute the Board (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the date hereof whose election, or nomination for election by the Company's stockholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board; or

(c) Consummation of a reorganization, merger or consolidation or sale or other disposition of all or substantially all of the assets of the Company (a "Business Combination"), in each case, unless, following such Business Combination, (i) all or substantially all of the individuals and

entities who were the beneficial owners, respectively, of the Outstanding Company Common Stock and Outstanding Company Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 50% of, respectively, the then outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Business Combination (including, without limitation, a corporation which as a result of such transaction owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Business Combination of the Outstanding Company Common Stock and Outstanding Company Voting Securities, as the case may be, (ii) no Person (excluding any corporation resulting from such Business Combination or any employee benefit plan (or related trust) of the Company or such corporation resulting from such Business Combination) beneficially owns, directly or indirectly, 20% or more of, respectively, the then outstanding shares of common stock of the corporation resulting from such Business Combination or the combined voting power of the then outstanding voting securities of such corporation except to the extent that such ownership existed prior to the Business Combination and (iii) at least a majority of the members of the board of directors of the corporation resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement, or of the action of the Board, providing for such Business Combination; or

(d) Approval by the stockholders of the Company of a complete liquidation or dissolution of the Company.

3. Employment Period. The Company hereby agrees to continue the Executive in its employ, and the Executive hereby agrees to remain in the employ of the Company subject to the terms and conditions of this Agreement, for the period commencing on the Effective Date and ending on the third anniversary of such date (the "Employment Period").

4. Terms of Employment. (a) Position and Duties. (i) During the Employment Period, (A) the Executive's position (including status, offices, titles and reporting requirements), authority, duties and responsibilities shall be at least commensurate in all material respects with the most significant of those held, exercised and assigned at any time during the 120-day period immediately preceding the Effective Date and (B) the Executive's services shall be performed at the location where the Executive was employed immediately preceding the Effective Date or any office or location less than 35 miles from such location.

(ii) During the Employment Period, and excluding any periods of vacation and sick leave to which the Executive is entitled, the Executive agrees to devote reasonable attention and time during normal business hours to the business and affairs of the Company and, to the extent necessary to discharge the responsibilities assigned to the Executive hereunder, to use the Executive's reasonable best efforts to perform faithfully and efficiently such responsibilities. During the Employment Period it shall not be a violation of this Agreement for the Executive to (A) serve on corporate, civic or charitable boards or committees, (B) deliver lectures, fulfill speaking engagements or teach at educational institutions and (C) manage personal investments, so long as such activities do not significantly interfere with the performance of the Executive's responsibilities as an employee of the Company in accordance with this Agreement. It is expressly understood and agreed that to the extent that any such activities have been conducted by the Executive prior to the Effective Date, the continued conduct of such activities (or the conduct of activities similar in nature and scope thereto) subsequent to the Effective Date shall not thereafter be deemed to interfere with the performance of the Executive's responsibilities to the Company.

(b) Compensation. (i) Base Salary. During the Employment Period, the Executive shall receive an annual base salary ("Annual Base Salary"), which shall be paid at a monthly rate, at least equal to twelve times the highest monthly base salary paid or payable, including any base salary which has been earned but deferred, to the Executive by the Company and its affiliated companies in respect of the twelve-month period immediately preceding the month in which the Effective Date occurs. During the Employment Period, the Annual Base Salary shall be reviewed no more than 12 months after the last salary increase awarded to the Executive prior to the Effective Date and thereafter at least annually. Any increase in Annual Base Salary shall not serve to limit or reduce any other obligation to the Executive under this Agreement. Annual Base Salary shall not be reduced after any such increase and the term Annual Base Salary as utilized in this Agreement shall refer to Annual Base Salary as so increased. As used in this Agreement, the term "affiliated companies" shall include any company controlled by, controlling or under common control with the Company.

(ii) Annual Bonus. In addition to Annual Base Salary, the

Executive shall be awarded, for each fiscal year ending during the Employment Period, an annual bonus (the "Annual Bonus") in cash at least equal to the Executive's highest bonus under the Company's Executive Variable Compensation Plan, or any comparable bonus or retention amount under any predecessor or successor plan or retention agreement, for the last three full fiscal years prior to the Effective Date (annualized in the event that the Executive was not employed by the Company for the whole of such fiscal year) (the "Recent Annual Bonus"). Each such Annual Bonus shall be paid no later than the end of the third month of the fiscal year next following the fiscal year for which the Annual Bonus is awarded, unless the Executive shall elect to defer the receipt of such Annual Bonus.

(iii) Incentive, Savings and Retirement Plans. During the Employment Period, the Executive shall be entitled to participate in all incentive, savings and retirement plans, practices, policies and programs applicable generally to other peer executives of the Company and its affiliated companies, but in no event shall such plans, practices, policies and programs provide the Executive with incentive opportunities (measured with respect to both regular and special incentive opportunities, to the extent, if any, that such distinction is applicable), savings opportunities and retirement benefit opportunities, in each case, less favorable, in the aggregate, than the most favorable of those provided by the Company and its affiliated companies for the Executive under such plans, practices, policies and programs as in effect at any time during the 120-day period immediately preceding the Effective Date or if more favorable to the Executive, those provided generally at any time after the Effective Date to other peer executives of the Company and its affiliated companies.

(iv) Welfare Benefit Plans. During the Employment Period, the Executive and/or the Executive's family, as the case may be, shall be eligible for participation in and shall receive all benefits under welfare benefit plans, practices, policies and programs provided by the Company and its affiliated companies (including, without limitation, medical, prescription, dental, disability, employee life, group life, accidental death and travel accident insurance plans and programs) to the extent applicable generally to other peer executives of the Company and its affiliated companies, but in no event shall such plans, practices, policies and programs provide the Executive with benefits which are less favorable, in the aggregate, than the most favorable of such plans, practices, policies and programs in effect for the Executive at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Executive, those provided generally at any time after the Effective Date to other peer executives of the Company and its affiliated companies.

(v) Expenses. During the Employment Period, the Executive shall be entitled to receive prompt reimbursement for all reasonable expenses incurred by the Executive in accordance with the most favorable policies, practices and procedures of the Company and its affiliated companies in effect for the Executive at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Executive, as in effect generally at any time thereafter with respect to other peer executives of the Company and its affiliated companies.

(vi) Fringe Benefits. During the Employment Period, the Executive shall be entitled to fringe benefits, including, without limitation, tax and financial planning services, payment of club dues, and, if applicable, use of an automobile and payment of related expenses, in accordance with the most favorable plans, practices, programs and policies of the Company and its affiliated companies in effect for the Executive at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Executive, as in effect generally at any time thereafter with respect to other peer executives of the Company and its affiliated companies.

(vii) Office and Support Staff. During the Employment Period, the Executive shall be entitled to an office or offices of a size and with furnishings and other appointments, and to exclusive personal secretarial and other assistance, at least equal to the most favorable of the foregoing provided to the Executive by the Company and its affiliated companies at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Executive, as provided generally at any time thereafter with respect to other peer executives of the Company and its affiliated companies.

(viii) Vacation. During the Employment Period, the Executive shall be entitled to paid vacation in accordance with the most favorable plans, policies, programs and practices of the Company and its affiliated companies as in effect for the Executive at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Executive, as in effect generally at any time thereafter with respect to other peer executives of the Company and its affiliated companies.

5. Termination of Employment. (a) Death or Disability. The Executive's employment shall terminate automatically upon the Executive's death during the Employment Period. If the Company determines in good faith that the Disability of the Executive has occurred during the Employment Period (pursuant to the definition of Disability set forth below), it may give to the Executive written notice in accordance with Section 12(b) of this Agreement of its intention to terminate the Executive's employment. In such event, the Executive's employment with the Company shall terminate effective on the 30th day after receipt of such notice by the Executive (the "Disability Effective Date"), provided that, within the 30 days after such receipt, the Executive shall not have returned to full-time performance of the Executive's duties. For purposes of this Agreement, "Disability" shall mean the absence of the Executive from the Executive's duties with the Company on a full-time basis for 180 consecutive business days as a result of incapacity due to mental or physical illness which is determined to be total and permanent by a physician selected by the Company or its insurers and acceptable to the Executive or the Executive's legal representative.

(b) Cause. The Company may terminate the Executive's employment during the Employment Period for Cause. For purposes of this Agreement, "Cause" shall mean:

(i) the willful and continued failure of the Executive to perform substantially the Executive's duties with the Company or one of its affiliates (other than any such failure resulting from incapacity due to physical or mental illness), after a written demand for substantial performance is delivered to the Executive by the Board or the Chief Executive Officer of the Company which specifically identifies the manner in which the Board or Chief Executive Officer believes that the Executive has not substantially performed the Executive's duties, or

(ii) the willful engaging by the Executive in illegal conduct or gross misconduct which is materially and demonstrably injurious to the Company.

For purposes of this provision, no act or failure to act, on the part of the Executive, shall be considered "willful" unless it is done, or omitted to be done, by the Executive in bad faith or without reasonable belief that the Executive's action or omission was in the best interests of the Company. Any act, or failure to act, based upon authority given pursuant to a resolution duly adopted by the Board or upon the instructions of the Chief Executive Officer or a senior officer of the Company or based upon the advice of counsel for the Company shall be conclusively presumed to be done, or omitted to be done, by the Executive in good faith and in the best interests of the Company. The cessation of employment of the Executive shall not be deemed to be for Cause unless and until there shall have been delivered to the Executive a copy of a resolution duly adopted by the affirmative vote of not less than three-quarters of the entire membership of the Board at a meeting of the Board called and held for such purpose (after reasonable notice is provided to the Executive and the Executive is given an opportunity, together with counsel, to be heard before the Board), finding that, in the good faith opinion of the Board, the Executive is guilty of the conduct described in subparagraph (i) or (ii) above, and specifying the particulars thereof in detail.

(c) Good Reason. The Executive's employment may be terminated by the Executive for Good Reason. For purposes of this Agreement, "Good Reason" shall mean:

(i) the assignment to the Executive of any duties inconsistent in any respect with the Executive's position (including status, offices, titles and reporting requirements), authority, duties or responsibilities as contemplated by Section 4(a) of this Agreement, or any other action by the Company which results in a diminution in such position, authority, duties or responsibilities, excluding for this purpose an isolated, insubstantial and inadvertent action not taken in bad faith and which is remedied by the Company promptly after receipt of notice thereof given by the Executive;

(ii) any failure by the Company to comply with any of the provisions of Section 4(b) of this Agreement, other than an isolated, insubstantial and inadvertent failure not occurring in bad faith and which is remedied by the Company promptly after receipt of notice thereof given by the Executive;

(iii) the Company's requiring the Executive to be based at any office or location other than as provided in Section 4(a)(i)(B) hereof or the Company's requiring the Executive to travel on Company business to a substantially greater extent than required immediately prior to the Effective Date;

(iv) any purported termination by the Company of the Executive's employment otherwise than as expressly permitted by this Agreement;

or

(v) any failure by the Company to comply with and satisfy Section 11(c) of this Agreement.

For purposes of this Section 5(c), any good faith determination of "Good Reason" made by the Executive shall be conclusive. Anything in this Agreement to the contrary notwithstanding, a termination by the Executive for any reason during the 30-day period immediately following the first anniversary of the Effective Date shall be deemed to be a termination for Good Reason for all purposes of this Agreement.

(d) Notice of Termination. Any termination by the Company for Cause, or by the Executive for Good Reason, shall be communicated by Notice of Termination to the other party hereto given in accordance with Section 12(b) of this Agreement. For purposes of this Agreement, a "Notice of Termination" means a written notice which (i) indicates the specific termination provision in this Agreement relied upon, (ii) to the extent applicable, sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated and (iii) if the Date of Termination (as defined below) is other than the date of receipt of such notice, specifies the termination date (which date shall be not more than thirty days after the giving of such notice). The failure by the Executive or the Company to set forth in the Notice of Termination any fact or circumstance which contributes to a showing of Good Reason or Cause shall not waive any right of the Executive or the Company, respectively, hereunder or preclude the Executive or the Company, respectively, from asserting such fact or circumstance in enforcing the Executive's or the Company's rights hereunder.

(e) Date of Termination. "Date of Termination" means (i) if the Executive's employment is terminated by the Company for Cause, or by the Executive for Good Reason, the date of receipt of the Notice of Termination or any later date specified therein, as the case may be, (ii) if the Executive's employment is terminated by the Company other than for Cause or Disability, the Date of Termination shall be the date on which the Company notifies the Executive of such termination and (iii) if the Executive's employment is terminated by reason of death or Disability, the Date of Termination shall be the date of death of the Executive or the Disability Effective Date, as the case may be.

6. Obligations of the Company upon Termination. (a) Good Reason; Other Than for Cause, Death or Disability. If, during the Employment Period, the Company shall terminate the Executive's employment other than for Cause or Disability or the Executive shall terminate employment for Good Reason:

(i) the Company shall pay to the Executive in a lump sum in cash within 30 days after the Date of Termination the aggregate of the following amounts:

A. the sum of (1) the Executive's Annual Base Salary through the Date of Termination to the extent not theretofore paid, (2) the product of (x) the higher of (I) the Recent Annual Bonus and (II) the Annual Bonus paid or payable, including any bonus or portion thereof which has been earned but deferred (and annualized for any fiscal year consisting of less than twelve full months or during which the Executive was employed for less than twelve full months), for the most recently completed fiscal year during the Employment Period, if any (such higher amount being referred to as the "Highest Annual Bonus") and (y) a fraction, the numerator of which is the number of days in the current fiscal year through the Date of Termination, and the denominator of which is 365 and (3) any compensation previously deferred by the Executive (together with any accrued interest or earnings thereon) and any accrued vacation pay, in each case to the extent not theretofore paid (the sum of the amounts described in clauses (1), (2), and (3) shall be hereinafter referred to as the "Accrued Obligations"); and

B. the amount equal to the product of (1) two and (2) the sum of (x) the Executive's Annual Base Salary and (y) the Highest Annual Bonus; and

C. an amount equal to the excess of (a) the actuarial equivalent of the benefit under the Company's qualified defined benefit retirement plan (the "Retirement Plan") (utilizing actuarial assumptions no less favorable to the Executive than those in effect under the Company's Retirement Plan immediately prior to the Effective Date), and any excess or supplemental retirement plan in which the Executive participates (together, the "SERP") which the Executive would receive if the Executive's employment continued for three years after the Date of Termination assuming for this purpose that all accrued benefits are fully vested, and, assuming that the Executive's compensation in each of the three years is that required by Section 4(b)(i) and Section 4(b)(ii), over (b) the actuarial equivalent of the Executive's actual benefit (paid or payable), if any, under the Retirement Plan

and the SERP as of the Date of Termination;

(ii) for two years after the Executive's Date of Termination, or such longer period as may be provided by the terms of the appropriate plan, program, practice or policy, the Company shall continue benefits to the Executive and/or the Executive's family at least equal to those which would have been provided to them in accordance with the plans, programs, practices and policies described in Section 4(b)(iv) of this Agreement if the Executive's employment had not been terminated or, if more favorable to the Executive, as in effect generally at any time thereafter with respect to other peer executives of the Company and its affiliated companies and their families, provided, however, that if the Executive becomes reemployed with another employer and is eligible to receive medical or other welfare benefits under another employer provided plan, the medical and other welfare benefits described herein shall be secondary to those provided under such other plan during such applicable period of eligibility. For purposes of determining eligibility (but not the time of commencement of benefits) of the Executive for retiree benefits pursuant to such plans, practices, programs and policies, the Executive shall be considered to have remained employed until two years after the Date of Termination and to have retired on the last day of such period;

(iii) the Company shall, at its sole expense as incurred, provide the Executive with outplacement services the scope and provider of which shall be selected by the Executive in his sole discretion; and

(iv) to the extent not theretofore paid or provided, the Company shall timely pay or provide to the Executive any other amounts or benefits required to be paid or provided or which the Executive is eligible to receive under any plan, program, policy or practice or contract or agreement of the Company and its affiliated companies (such other amounts and benefits shall be hereinafter referred to as the "Other Benefits").

(b) Death. If the Executive's employment is terminated by reason of the Executive's death during the Employment Period, this Agreement shall terminate without further obligations to the Executive's legal representatives under this Agreement, other than for payment of Accrued Obligations and the timely payment or provision of Other Benefits. Accrued Obligations shall be paid to the Executive's estate or beneficiary, as applicable, in a lump sum in cash within 30 days of the Date of Termination. With respect to the provision of Other Benefits, the term Other Benefits as utilized in this Section 6(b) shall include, without limitation, and the Executive's estate and/or beneficiaries shall be entitled to receive, benefits at least equal to the most favorable benefits provided by the Company and affiliated companies to the estates and beneficiaries of peer executives of the Company and such affiliated companies under such plans, programs, practices and policies relating to death benefits, if any, as in effect with respect to other peer executives and their beneficiaries at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Executive's estate and/or the Executive's beneficiaries, as in effect on the date of the Executive's death with respect to other peer executives of the Company and its affiliated companies and their beneficiaries.

(c) Disability. If the Executive's employment is terminated by reason of the Executive's Disability during the Employment Period, this Agreement shall terminate without further obligations to the Executive, other than for payment of Accrued Obligations and the timely payment or provision of Other Benefits. Accrued Obligations shall be paid to the Executive in a lump sum in cash within 30 days of the Date of Termination. With respect to the provision of Other Benefits, the term Other Benefits as utilized in this Section 6(c) shall include, and the Executive shall be entitled after the Disability Effective Date to receive, disability and other benefits at least equal to the most favorable of those generally provided by the Company and its affiliated companies to disabled executives and/or their families in accordance with such plans, programs, practices and policies relating to disability, if any, as in effect generally with respect to other peer executives and their families at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Executive and/or the Executive's family, as in effect at any time thereafter generally with respect to other peer executives of the Company and its affiliated companies and their families.

(d) Cause; Other than for Good Reason. If the Executive's employment shall be terminated for Cause during the Employment Period, this Agreement shall terminate without further obligations to the Executive other than the obligation to pay to the Executive (x) his Annual Base Salary through the Date of Termination, (y) the amount of any compensation previously deferred by the Executive, and (z) Other Benefits, in each case to the extent theretofore unpaid. If the Executive voluntarily terminates employment during the Employment Period, excluding a termination for Good Reason, this Agreement shall terminate without further obligations to the Executive, other than for Accrued Obligations and the timely payment or provision of Other Benefits. In such case, all Accrued Obligations shall be paid to the Executive in a lump sum

in cash within 30 days of the Date of Termination.

7. Non-exclusivity of Rights. Nothing in this Agreement shall prevent or limit the Executive's continuing or future participation in any plan, program, policy or practice provided by the Company or any of its affiliated companies and for which the Executive may qualify, nor, subject to Section 12(f), shall anything herein limit or otherwise affect such rights as the Executive may have under any contract or agreement with the Company or any of its affiliated companies. Amounts which are vested benefits or which the Executive is otherwise entitled to receive under any plan, policy, practice or program of or any contract or agreement with the Company or any of its affiliated companies at or subsequent to the Date of Termination shall be payable in accordance with such plan, policy, practice or program or contract or agreement except as explicitly modified by this Agreement.

8. Full Settlement. The Company's obligation to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder shall not be affected by any set-off, counterclaim, recoupment, defense or other claim, right or action which the Company may have against the Executive or others. In no event shall the Executive be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to the Executive under any of the provisions of this Agreement and such amounts shall not be reduced whether or not the Executive obtains other employment. The Company agrees to pay as incurred, to the full extent permitted by law, all legal fees and expenses which the Executive may reasonably incur as a result of any contest (regardless of the outcome thereof) by the Company, the Executive or others of the validity or enforceability of, or liability under, any provision of this Agreement or any guarantee of performance thereof (including as a result of any contest by the Executive about the amount of any payment pursuant to this Agreement), plus in each case interest on any delayed payment at the applicable Federal rate provided for in Section 7872(f)(2)(A) of the Internal Revenue Code of 1986, as amended (the "Code").

9. Certain Reductions in Payments.

(a) Anything in this Agreement to the contrary notwithstanding, in the event KPMG LLP or such other accounting firm as shall be designated by the Company prior to the Effective Date (the "Accounting Firm") shall determine that receipt of all payments or distributions by the Company or its affiliated companies in the nature of compensation to or for the Executive's benefit, whether paid or payable pursuant to this Agreement or otherwise (a "Payment") would subject the Executive to the excise tax under Section 4999 of the Code, the Accounting Firm shall determine whether to reduce any of the Payments paid or payable pursuant to this Agreement (the "Agreement Payments") to the Reduced Amount (as defined below). The Agreement Payments shall be reduced to the Reduced Amount only if the Accounting Firm determines that the Executive would have a greater Net After-Tax Receipt (as defined below) of aggregate Payments if the Executive's Agreement Payments were reduced to the Reduced Amount. If such a determination is not made by the Accounting Firm, the Executive shall receive all Agreement Payments to which the Executive is entitled under this Agreement.

(b) If the Accounting Firm determines that aggregate Agreement Payments should be reduced to the Reduced Amount, the Company shall promptly give the Executive notice to that effect and a copy of the detailed calculation thereof. All determinations made by the Accounting Firm under this Section 9 shall be binding upon the Company and the Executive and shall be made within 60 days of a termination of the Executive's employment. The reduction of the amounts payable hereunder, if applicable, shall be made by reducing the payments and benefits under the following sections in the following order: Section 6(a)(i)(B); Section 6(a)(i)(C); Section 6(a)(iii); Section 6(a)(ii). As promptly as practicable following such determination, the Company shall pay to or distribute for the Executive's benefit such Agreement Payments as are then due to the Executive under this Agreement and shall promptly pay to or distribute for the Executive's benefit in the future such Agreement Payments as become due to the Executive under this Agreement. All fees and expenses of the Accounting Firm shall be borne solely by the Company.

(c) As a result of the uncertainty in the application of Section 4999 of the Code at the time of the initial determination by the Accounting Firm hereunder, it is possible that amounts will have been paid or distributed by the Company to or for the benefit of the Executive pursuant to this Agreement which should not have been so paid or distributed ("Overpayment") or that additional amounts which will have not been paid or distributed by the Company to or for the benefit of the Executive pursuant to this Agreement could have been so paid or distributed ("Underpayment"), in each case, consistent with the calculation of the Reduced Amount hereunder. In the event that the Accounting Firm, based upon the assertion of a deficiency by the Internal Revenue Service against either the Company or the Executive which the Accounting Firm believes has a high probability of success determines that an

Overpayment has been made, the Executive shall pay any such Overpayment to the Company together with interest at the applicable federal rate provided for in Section 7872(f)(2) of the Code; provided, however, that no amount shall be payable by the Executive to the Company if and to the extent such payment would not either reduce the amount on which the Executive is subject to tax under Section 1 and Section 4999 of the Code or generate a refund of such taxes. In the event that the Accounting Firm, based upon controlling precedent or substantial authority, determines that an Underpayment has occurred, any such Underpayment shall be promptly paid by the Company to or for the benefit of the Executive together with interest at the applicable federal rate provided for in Section 7872(f)(2) of the Code.

(d) For purposes hereof, the following terms have the meanings set forth below:

(i) "Reduced Amount" shall mean the greatest amount of Agreement Payments that can be paid that would not result in the imposition of the excise tax under Section 4999 of the Code if the Accounting Firm determines to reduce Agreement Payments pursuant to Section 9(a).

(ii) "Net After-Tax Receipt" shall mean the present value (as determined in accordance with Sections 280G(b)(2)(A)(ii) and 280G(d)(4) of the Code) of a Payment net of all taxes imposed on the Executive with respect thereto under Sections 1 and 4999 of the Code and under applicable state and local laws, determined by applying the highest marginal rate under Section 1 of the Code and under state and local laws which applied to the Executive's taxable income for the immediately preceding taxable year, or such other rate(s) as the Executive certifies, in the Executive's sole discretion, as likely to apply to him in the relevant tax year(s).

10. Confidential Information. The Executive shall hold in a fiduciary capacity for the benefit of the Company all secret or confidential information, knowledge or data relating to the Company or any of its affiliated companies, and their respective businesses, which shall have been obtained by the Executive during the Executive's employment by the Company or any of its affiliated companies and which shall not be or become public knowledge (other than by acts by the Executive or representatives of the Executive in violation of this Agreement). After termination of the Executive's employment with the Company, the Executive shall not, without the prior written consent of the Company or as may otherwise be required by law or legal process, communicate or divulge any such information, knowledge or data to anyone other than the Company and those designated by it. In no event shall an asserted violation of the provisions of this Section 10 constitute a basis for deferring or withholding any amounts otherwise payable to the Executive under this Agreement.

11. Successors. (a) This Agreement is personal to the Executive and without the prior written consent of the Company shall not be assignable by the Executive otherwise than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by the Executive's legal representatives.

(b) This Agreement shall inure to the benefit of and be binding upon the Company and its successors and assigns.

(c) The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to assume expressly and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. As used in this Agreement, "Company" shall mean the Company as hereinbefore defined and any successor to its business and/or assets as aforesaid which assumes and agrees to perform this Agreement by operation of law, or otherwise.

12. Miscellaneous. (a) This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, without reference to principles of conflict of laws. The captions of this Agreement are not part of the provisions hereof and shall have no force or effect. This Agreement may not be amended or modified otherwise than by a written agreement executed by the parties hereto or their respective successors and legal representatives; provided, however, that the Company may, without the consent of Executive, amend this Agreement in a manner consistent with the amendments made to the Executive Employment Agreements with other executives of the Company to conform to the provisions of Section 409A of the Internal Revenue Code, as amended from time to time.

(b) All notices and other communications hereunder shall be in writing and shall be given by hand delivery to the other party or by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to the Executive:

J. Edward Coleman  
91 Bay Drive  
Annapolis, MD 21403

If to the Company:

Unisys Way  
P.O. Box 500  
Blue Bell, Pennsylvania 19424  
Attention: General Counsel

or to such other address as either party shall have furnished to the other in writing in accordance herewith. Notice and communications shall be effective when actually received by the addressee.

(c) The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

(d) The Company may withhold from any amounts payable under this Agreement such Federal, state, local or foreign taxes as shall be required to be withheld pursuant to any applicable law or regulation.

(e) The Executive's or the Company's failure to insist upon strict compliance with any provision of this Agreement or the failure to assert any right the Executive or the Company may have hereunder, including, without limitation, the right of the Executive to terminate employment for Good Reason pursuant to Section 5(c)(i)-(v) of this Agreement, shall not be deemed to be a waiver of such provision or right or any other provision or right of this Agreement.

(f) The Executive and the Company acknowledge that, except as may otherwise be provided under any other written agreement between the Executive and the Company, the employment of the Executive by the Company is "at will" and, subject to Section 1(a) hereof, prior to the Effective Date, the Executive's employment and/or this Agreement may be terminated by either the Executive or the Company at any time prior to the Effective Date, in which case the Executive shall have no further rights under this Agreement. From and after the Effective Date this Agreement shall supersede any other agreement between the parties with respect to the subject matter hereof.

IN WITNESS WHEREOF, the Executive has hereunto set the Executive's hand and, pursuant to the authorization from its Board of Directors, the Company has caused these presents to be executed in its name on its behalf, all as of the day and year first above written.

/s/ J. Edward Coleman  
-----  
J. Edward Coleman

UNISYS CORPORATION

By: /s/ Theodore E. Martin  
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Theodore E. Martin, Chairman  
Compensation Committee  
Board of Directors