UNISYS CORP
Form DEF 14A
March 20, 2014
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

(Amendment No.)

Filed by the Registrant x Filed by a Party other than the Registrant ¨

Check the appropriate box:

¨ Preliminary Proxy Statement

¨ **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

x Definitive Proxy Statement

¨ Definitive Additional Materials

¨ Soliciting Material under Rule 14a-12

Unisys Corporation

(Name of registrant as specified in its charter)

(Name of person(s) filing proxy statement, if other than the registrant)

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(3) Filing Party:

(4) Date Filed:

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Unisys Corporation

801 Lakeview Drive, Suite 100

Blue Bell, PA 19422

March 20, 2014

Dear Fellow Stockholder:

It is my pleasure to invite you to the Unisys 2014 Annual Meeting of Stockholders. This year s meeting will be held on Thursday, May 1, 2014, at the company s offices at 801 Lakeview Drive, Blue Bell, Pennsylvania. The meeting will begin at 9:30 a.m.

For Unisys, 2013 was a challenging year, as lower demand for IT services projects and enterprise servers impacted our full-year results. Still, we were pleased to deliver our fifth consecutive year of profitability and free cash flow. With a strengthened financial profile and a range of exciting new products and services, we are focused on driving profitable growth in 2014.

We are pleased to continue our practice of making proxy materials available to our stockholders over the Internet. We believe that doing so allows us to provide our stockholders with the information they need, while reducing our printing and mailing costs and helping to conserve natural resources. Stockholders who continue to receive paper copies of proxy materials may help us to reduce costs further by opting to receive future proxy materials by email. You may register for electronic delivery of future proxy materials by following the instructions on either the enclosed proxy/voting instruction card or the Notice of Internet Availability of Proxy Materials that you received in the mail.

Your vote is important. Whether or not you plan to attend the annual meeting, I urge you to take a moment to vote on the items in this year s proxy statement. Voting takes only a few minutes, and it will ensure that your shares are represented at the meeting.

Sincerely,

J. Edward Coleman

Chairman and Chief Executive Officer

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NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

May 1, 2014

Unisys Corporation will hold its 2014 Annual Meeting of Stockholders at the Company s offices at 801 Lakeview Drive, Blue Bell, Pennsylvania, on Thursday, May 1, 2014, at 9:30 a.m., local time, to:

1. elect eight directors;
2. ratify the selection of the Company s independent registered public accounting firm for 2014;
3. hold an advisory vote on executive compensation; and
4. transact any other business properly brought before the meeting.

Only record holders of Unisys common stock at the close of business on March 3, 2014 will be entitled to vote at the annual meeting.

By Order of the Board of Directors,

Gerald P. Kenney

Senior Vice President, General Counsel

and Secretary

Blue Bell, Pennsylvania

March 20, 2014

Important Notice Regarding the Availability of Proxy Materials for the Stockholder Meeting to be Held on May 1, 2014:

The Company s proxy statement and annual report are available at

www.proxyvote.com

Your vote is important. Whether or not you plan to attend the annual meeting, please promptly submit your proxy or voting instructions by Internet, telephone, or mail. For specific instructions on how to vote your shares, please refer to the instructions found on the Notice of Internet Availability of Proxy Materials you received in the mail or, if you received a paper copy of the proxy materials, the enclosed proxy/voting instruction card.

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UNISYS CORPORATION

PROXY STATEMENT

ANNUAL MEETING OF STOCKHOLDERS

May 1, 2014

The Board of Directors of Unisys Corporation solicits your proxy for use at the 2014 Annual Meeting of Stockholders to be held on May 1, 2014 and at any adjournments or postponements thereof. At the annual meeting, stockholders will be asked to (1) elect directors, (2) ratify the selection of the Company s independent registered public accounting firm, (3) approve, on an advisory basis, the compensation of the Company s named executive officers, and (4) transact any other business properly brought before the meeting.

The record date for the annual meeting is March 3, 2014. Only holders of record of Unisys common stock as of the close of business on the record date are entitled to vote at the meeting. On the record date, 51,131,318 shares of common stock were outstanding. The presence, in person or by proxy, of a majority of those shares will constitute a quorum at the meeting.

This proxy statement, the proxy/voting instruction card and the annual report of Unisys, including the financial statements for 2013, are being sent or given to stockholders on or about March 20, 2014.

Internet Availability of Proxy Materials; Multiple Sets of Proxy Materials

Pursuant to the notice and access rules adopted by the Securities and Exchange Commission (the SEC), the Company has elected to provide stockholders access to its proxy materials over the Internet. Accordingly, the Company sent a Notice of Internet Availability of Proxy Materials (the Notice) to most stockholders (other than those who previously requested electronic or paper delivery of proxy materials). The Notice includes instructions on how to access the proxy materials over the Internet, how to vote online and how to request a printed copy of these materials. In addition, by following the instructions in the Notice, stockholders may request to receive proxy materials in printed form by mail or electronically by email on an ongoing basis.

Choosing to receive your future proxy materials by email will save the Company the cost of printing and mailing documents to you and will reduce the impact of the Company s annual meetings on the environment. If you choose to receive future proxy materials by email, you will receive an email next year with instructions containing a link to those materials and a link to the proxy voting site. Your election to receive proxy materials by email will remain in effect until you terminate it.

If you hold shares of Unisys common stock in more than one account, you may receive more than one Notice or more than one set of proxy materials. Please be sure to vote all the shares that you own.

Voting Procedures and Revocability of Proxies

Your vote is important. Shares may be voted at the annual meeting only if you are present in person or represented by proxy. You can vote by proxy over the Internet by following the instructions provided in the Notice, or, if you request printed copies of the proxy materials by mail, you can also vote by submitting a proxy by mail or by telephone by following the instructions provided on the proxy/voting instruction card. If you have

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previously elected to receive proxy materials over the Internet, you should have already received email instructions on how to vote electronically.

You may revoke your proxy at any time before it is exercised by writing to the Corporate Secretary of Unisys, by timely delivery of a properly executed later-dated proxy (including an Internet or telephone vote) or by voting in person at the meeting.

The method by which you vote will in no way limit your right to vote at the meeting if you later decide to attend in person. If you are the beneficial owner of shares held in street name by a bank, broker or other holder of record, you must obtain a proxy, executed in your favor, from the holder of record if you wish to vote in person at the meeting.

If you are a stockholder of record and you properly complete, sign and return your proxy, and do not revoke it, the proxy holders will vote your shares in accordance with your instructions. If your signed and returned proxy gives no instructions, the proxy holders will vote your shares (1) FOR the election of directors, (2) FOR the ratification of the selection of independent registered public accounting firm, (3) FOR the approval, on an advisory basis, of the compensation of the Company s named executive officers, and (4) in their discretion on any other matters that properly come before the annual meeting.

If you are a beneficial owner of shares held in street name and you do not provide specific voting instructions to the organization that holds your shares, the organization will be prohibited under the current rules of the New York Stock Exchange (the NYSE) from voting your shares on non-routine matters. This is commonly referred to as a broker non-vote . The election of directors and the resolution regarding the compensation of the Company s named executive officers are considered non-routine matters and therefore may not be voted on by your bank or broker absent specific instructions from you. The ratification of the selection of independent registered public accounting firm is considered routine and therefore may be voted on by your bank or broker without instructions from you. Please instruct your bank or broker so your vote can be counted.

If you are a participant in the Unisys Savings Plan, the proxy/voting instruction card will serve as voting instructions to the plan trustee for shares of Unisys common stock credited to your account as of March 3, 2014. The trustee will vote those shares in accordance with your instructions if it receives your completed proxy by April 28, 2014. If the proxy is not timely received, or if you give no instructions on a matter to be voted upon, the trustee will vote the shares credited to your account in the same proportion as it votes those shares for which it received timely instructions from other participants.

Required Vote

Each share of Unisys common stock outstanding on the record date is entitled to one vote on each matter to be voted upon.

Election of Directors (Item 1). Directors will be elected by the vote of a majority of the votes cast at the meeting. This means that a nominee will be elected if the number of votes cast For his or her election exceeds 50% of the total number of votes cast with respect to that nominee s election. Votes cast with respect to the election of directors include votes to Withhold authority but do not include abstentions and broker non-votes.

Independent Registered Public Accounting Firm (Item 2); Advisory Vote on Executive Compensation (Item 3). The proposal to ratify the selection of the Company s independent registered public accounting firm and the advisory resolution to approve executive compensation will each be approved if it receives the affirmative vote of a majority of shares

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present, in person or by proxy, and entitled to vote on the matter. Abstentions will be included in the vote totals for these matters and therefore will have the same effect as a negative vote; broker non-votes will not be included in the vote totals and therefore will have no effect on the vote.

The advisory vote on executive compensation (Item 3) is not binding on the Company. However, the Company will review and consider the results of this advisory vote when making future executive compensation decisions.

ELECTION OF DIRECTORS

(Item 1)

The Board of Directors currently consists of 10 members, each of whose term expires at the annual meeting. Henry C. Duques will retire from the board at the annual meeting because he has reached the mandatory retirement age of 70. Matthew J. Espe has decided not to stand for reelection. Each of the remaining eight directors has been nominated for reelection for a term expiring at the 2015 annual meeting. Each of the nominees has agreed to serve as a director if elected, and Unisys believes that each nominee will be available to serve. However, the proxy holders have discretionary authority to cast votes for the election of a substitute should any nominee not be available to serve as a director.

The Board of Directors recommends a vote FOR all nominees.

Information Regarding Nominees

The names and ages of the nominees, their principal occupations and employment during the past five years, and other information regarding them are as follows.

JARED L. COHON

Dr. Cohon, 66, is President Emeritus and Professor of Civil and Environmental Engineering and Engineering and Public Policy at Carnegie Mellon University. He served as president of Carnegie Mellon from 1997 until June 2013. During this period, he led the university s global expansion while enhancing programs in information technology, diversity, international education, economic development and other areas. Prior to joining Carnegie Mellon, Dr. Cohon served as dean of the school of forestry and environmental studies at Yale University. Before that, he was an associate dean of engineering and vice provost for research at Johns Hopkins University. Dr. Cohon currently serves as a director of Lexmark International, Inc. and of Ingersoll-Rand, plc. From 1999 to 2008, he served as a director of Trane, Inc. (formerly American Standard Companies, Inc.). He has served as a director of Unisys since July 2013 and is a member of the Compensation Committee.

Dr. Cohon brings to the board both the management expertise and the unique perspective on technological matters gained from serving as the president of a global research university known for its leadership in technology programs. This, combined with his distinguished academic career, his international experience and the experience he has gained from serving as a director of multiple publicly traded companies make him a valued contributor to the Board of Directors.

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J. EDWARD COLEMAN

Mr. Coleman, 62, is Chairman and Chief Executive Officer of Unisys. He has been with Unisys since 2008. Mr. Coleman has been in the information technology industry for more than 30 years, serving as chief executive officer of 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 a director of Gateway, Inc. from 2006 to 2007, as chairman of CompuCom from 2001 to 2004 and was a director of CompuCom from 2000 to 2004. Prior to that, he held various leadership and executive positions at Computer Sciences Corporation and IBM Corporation. Mr. Coleman currently serves as a director of Lexmark International, Inc. He has served as a director of Unisys since 2008 and is a member of the Finance Committee.

Under Mr. Coleman s leadership, Unisys has focused its resources and investments, introduced new and innovative products and services, streamlined operations and cut costs, which has resulted in significantly improved profitability and cash flow and in a significant reduction in debt. This, coupled with Mr. Coleman s extensive experience in the information technology business, positions him well to serve as the Company s chairman and chief executive officer.

ALISON DAVIS

Ms. Davis, 52, is the Managing Partner of Fifth Era, which invests in and incubates early stage technology-enabled companies. Prior to Fifth Era, Ms. Davis was the managing partner of Belvedere Capital Partners, Inc., a private equity firm serving the financial services sector, a position she held from 2004 to 2010. Prior to joining Belvedere, she served as chief financial officer and head of strategy and corporate development for Barclays Global Investors from 2000 to 2003 and as a senior partner at A.T. Kearney, Inc. from 1993 to 2000. Ms. Davis began her career as a consultant at McKinsey & Company. Ms. Davis is currently a director of the Royal Bank of Scotland Group plc., Diamond Foods, Inc., Xoom Corporation and several private companies. She also served as a director of First Data Corporation from 2002 to 2007, as a director of LECG Corporation from 2007 to 2011 and as a director of City National Bank from 2010 to 2011. Ms. Davis has served as a director of Unisys since 2011 and is a member of the Compensation Committee and the Finance Committee.

With her experience in global financial services and her roles as a senior executive and as a consultant, Ms. Davis brings valuable expertise in corporate strategy and financial management to our board. In addition, Ms. Davis years at Belvedere and Barclays, as well as her service as a director of City National Bank and Royal Bank of Scotland, have given her a deep understanding of the financial services market, a market that Unisys serves.

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NATHANIEL A. DAVIS

Mr. Davis, 60, is a director and Chairman and CEO of K12 Inc., a provider of proprietary curricula and online education programs for students in kindergarten through high school. Mr. Davis worked as managing director of the RANND Advisory Group, a business consulting group that advises software, technology, media and venture capital firms, before joining K12. From 2007 to 2008 he was president and CEO of XM Satellite Radio, a provider of direct satellite radio broadcasts in the U.S., and from 2006 to 2007, was its president and chief operating officer. He also was a member of the XM Satellite Radio board of directors from 1999 until 2008. From 2000 to 2003, he was president and chief operating officer and a member of the board of directors of XO Communications (formerly Nextlink Communications). He has also held senior management roles at Nextel Communications and MCI Communications. He began his career at AT&T. Mr. Davis also serves as a trustee of the RLJ Lodging Trust. Mr. Davis served as a director of Charter Communications, Inc. from 2005 to 2008 and as a director of EarthLink, Inc. in 2011. Mr. Davis has served as a director of Unisys since 2011 and is a member of the Finance Committee and the Nominating and Corporate Governance Committee.

Mr. Davis brings managerial and operational expertise to our board. This expertise, as well as his extensive experience in the communications industry, brings a valuable perspective to the board as Unisys continues its work to strengthen its competitive and financial profile in a changing IT industry.

DENISE K. FLETCHER

Ms. Fletcher, 65, is a former Executive Vice President, Finance of Vulcan Inc., an investment and project company, a position she held from 2005 to 2008. From 2004 to 2005, she served as chief financial officer of DaVita, Inc., a provider of dialysis services in the United States. From 2000 to 2003, she was executive vice president and chief financial officer of MasterCard International, an international payment solutions company. Before joining MasterCard, she served as chief financial officer of Bowne Inc., a global document management and information services provider. Ms. Fletcher is a director of Inovalon, Inc. and a member of the supervisory board of Mazars Group, an international organization that specializes in audit, accounting, tax, legal and advisory services. During 2004 and 2005 she served as a director of Sempra Energy and of Orbitz, Inc. She has served as a director of Unisys since 2001 and is chair of the Nominating and Corporate Governance Committee and a member of the Audit Committee.

Ms. Fletcher s experience in financial services, technology and a variety of other industries gives her a knowledge and understanding of the industries of the Company s clients and potential clients. As an experienced financial and operational leader, she brings a broad understanding of the strategic priorities of diverse industries, coupled with knowledge of financing, tax matters, financial reporting, investments and acquisitions. In addition, Ms. Fletcher s years at MasterCard and Bowne have given her an understanding of doing business globally, which is particularly important for Unisys, which receives more than half of its revenue from international operations.

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LESLIE F. KENNE

Ms. Kenne, 66, is a retired Lieutenant General of the United States Air Force. Prior to retiring from the Air Force in 2003 as Deputy Chief of Staff, Warfighting Integration, Pentagon, she had a 32-year military career including technical training, command experience and responsibility for large aircraft test, evaluation and acquisition programs. She is currently an independent consultant for various defense companies and/or agencies. Ms. Kenne served as a director of EDO Corporation from 2004 to 2007 and is currently a director of Harris Corporation and Oshkosh Corporation. She has served as a director of Unisys since 2006 and is a member of the Compensation Committee and the Nominating and Corporate Governance Committee.

As a retired Air Force lieutenant general, Ms. Kenne brings a unique perspective to our board. In addition to her successful record of leadership and military service, she has first-hand experience on large government projects and on the government procurement process, experience that is valuable given the Company s public sector business. Through her consultancy work, she also has knowledge of the security market, a market that Unisys serves.

LEE D. ROBERTS

Mr. Roberts, 61, is Chief Executive Officer and President of BlueWater Consulting, LLC. Prior to that, he was general manager and vice president for document, content and business process management at IBM Corporation. Mr. Roberts was with FileNET Corporation from 1997 until its acquisition by IBM in 2006, serving as chairman and CEO from 2000 to 2006, president and CEO from 1998 to 2000, and president and chief operating officer from 1997 to 1998. Prior to FileNET, Mr. Roberts spent twenty years at IBM, where he held numerous senior management, sales and marketing roles. He is a director of QAD Inc., Compuware Corporation and Inovalon, Inc. Mr. Roberts has served as a director of Unisys since 2011 and is chair of the Compensation Committee and a member of the Finance Committee.

Mr. Roberts brings a deep understanding of the IT industry, technology trends and customer requirements to the Unisys board. In addition, his extensive executive experience in our industry enables him to provide important strategic counsel to the board.

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PAUL E. WEAVER

Mr. Weaver, 68, has over 30 years of experience in providing accounting, audit and business advisory advice and services. He was with PricewaterhouseCoopers from 1972 to 2006, serving as the firm s vice chairman from 1994 to 1999 and as chairman of its Global Technology and Infocomm practice from 1999 to 2006. Mr. Weaver is currently a director of AMN Healthcare, Inc. and WellCare Health Plans, Inc. He also served as a director of Gateway, Inc. from 2006 to 2007 and as a director of Idearc Media from 2006 to 2009. Mr. Weaver has served as a director of Unisys since 2010 and is chair of the Audit Committee and a member of the Compensation Committee.

Mr. Weaver s experience in leadership and governance roles within PricewaterhouseCoopers, his position as head of the firm s global technology practice and his years of experience providing audit and advisory services to a number of the world s largest multinational companies make him particularly suited to be a director of Unisys and a member of the Audit and Compensation Committees. In addition, his service on other boards and committees, including as chairman of the audit committees of AMN Healthcare and WellCare, and as a member of the compensation committee of WellCare, gives him valuable knowledge and perspective.

Board Meetings; Attendance at Annual Meetings

The Board of Directors held six meetings in 2013. During 2013, all directors attended at least 75% of the total number of meetings of the Board of Directors and standing committees on which they served (held during the period when the director served).

It is the Company s policy that all directors should attend the annual meeting of stockholders. All of the Company s current directors who were directors at the time of the 2013 annual meeting attended that meeting except Mr. Davis.

Independence of Directors

All of the Company s directors other than Mr. Coleman meet the independence requirements prescribed by the NYSE and, in the case of members of the Audit Committee, also meet the audit committee independence requirements prescribed by the SEC. In assessing whether a director has a material relationship with Unisys (either directly or as a partner, stockholder or officer of an organization that has a relationship with Unisys), the board uses the criteria outlined below in paragraph 2 of Corporate Governance Guidelines . All non-employee directors met these criteria in 2013.

Committees

The Board of Directors has a standing Audit Committee, Compensation Committee, Finance Committee and Nominating and Corporate Governance Committee. The specific functions and responsibilities of each committee are set forth in its charter, which is available on the Company s web site at www.unisys.com/governance and is also available in print to any stockholder who requests it.

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Audit Committee

The Audit Committee assists the board in its oversight of (1) the integrity of the Company s financial statements and its financial reporting and disclosure practices, (2) the soundness of its systems of internal financial and accounting controls, (3) the independence and qualifications of its independent registered public accounting firm, (4) the performance of its internal auditors and independent registered public accounting firm, (5) the Company s compliance with legal and regulatory requirements and the soundness of its ethical and environmental compliance programs and (6) the Company s risk assessment and risk management policies. The Audit Committee held eight meetings in 2013. Its members are Mr. Duques, Mr. Espe, Ms. Fletcher and Mr. Weaver (chair). The board has determined that each of Mr. Duques, Mr. Espe, Ms. Fletcher and Mr. Weaver is an audit committee financial expert as defined by the SEC.

Compensation Committee

The Compensation Committee oversees the compensation of the Company s executives, the compensation-related policies and programs involving the Company s executive management and the level of benefits of officers and key employees. In this capacity, the committee regularly reviews and approves the Company s executive compensation strategy and principles to ensure that they are aligned with the Company s business strategy and objectives and with stockholder interests. Under its charter, the Compensation Committee annually reviews and approves goals and objectives relevant to the compensation of the chief executive officer, evaluates the performance of the chief executive officer in light of those goals and objectives and makes recommendations to the independent members of the board concerning the compensation level of the chief executive officer. The committee also annually reviews and approves compensation levels of the other elected officers. In this regard, the committee solicits input from the Company s chief executive officer regarding the compensation of those executives who report directly to him. The Compensation Committee also reviews and recommends to the board the adoption of director compensation programs. The Company s guidelines regarding the compensation of directors are described more fully in paragraph 11 of Corporate Governance Guidelines below. Under its charter, the Compensation Committee also annually reviews management s assessment of risk as it relates to the Company s compensation arrangements. As is discussed more fully below in Compensation Discussion and Analysis , the Compensation Committee regularly receives reports and recommendations from management and from the committee s outside compensation consultant to assist it in carrying out its responsibilities. In 2013, the outside compensation consultant engaged by the Compensation Committee was Pearl Meyer & Partners. During 2013, Pearl Meyer & Partners and its affiliates did not provide any additional services to the Company or its affiliates, and the work of Pearl Meyer & Partners has not raised any conflict of interest. Under its charter, the committee also may consult with legal, accounting or other advisors, as appropriate, and may form and delegate authority to subcommittees when appropriate. The Compensation Committee held seven meetings in 2013. Its members are Dr. Cohon, Ms. Davis, Ms. Kenne, Mr. Roberts (chair) and Mr. Weaver.

Finance Committee

The Finance Committee oversees the Company s financial affairs, including its capital structure, financial arrangements, capital spending and acquisition and disposition plans. It also oversees the management and investment of funds in the pension, savings and welfare

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benefit plans sponsored by the Company. The Finance Committee held four meetings in 2013. Its members are Mr. Coleman, Ms. Davis, Mr. Davis, Mr. Espe (chair) and Mr. Roberts.

Nominating and Corporate Governance Committee

The Nominating and Corporate Governance Committee identifies and reviews candidates and recommends to the Board of Directors nominees for membership on the Board of Directors. It also oversees the Company s corporate governance. The Nominating and Corporate Governance Committee held five meetings in 2013. Its members are Mr. Davis, Mr. Duques, Ms. Fletcher (chair) and Ms. Kenne.

Director Nomination Process

As part of the nomination process, the Nominating and Corporate Governance Committee is responsible for determining the appropriate skills and characteristics required of new board members in the context of the current make-up of the board and for identifying qualified candidates for board membership. In so doing, the Nominating and Corporate Governance Committee considers, with input from the board, those factors it deems appropriate, such as independence, experience, expertise, strength of character, mature judgment, leadership ability, technical skills, diversity, age and the extent to which the individual would fill a present need on the board. The aim is to assemble a board that is strong in its collective knowledge and that consists of individuals who bring a variety of complementary attributes and who, taken together, have the appropriate skills and experience to oversee the Company s business. In 2013, the Nominating and Corporate Governance Committee recommended, and the board elected, one new director. As part of the selection process, the committee looked for an individual with international experience or a technology background. As set forth above, the Nominating and Corporate Governance Committee considers diversity as one of a number of factors in identifying nominees for director. It does not, however, have a formal policy in this regard. The committee views diversity broadly to include diversity of experience, skills and viewpoint as well as traditional diversity concepts such as race and gender.

The Nominating and Corporate Governance Committee receives suggestions for new directors from a number of sources, including board members. It also may, in its discretion, employ a third-party search firm to assist in identifying candidates for director. The committee will also consider recommendations for board membership received from stockholders and other qualified sources. Recommendations on director candidates must be in writing and addressed to the Chairman of the Nominating and Corporate Governance Committee, c/o Corporate Secretary, Unisys Corporation, 801 Lakeview Drive, Suite 100, Blue Bell, Pennsylvania 19422.

The full board is responsible for final approval of new director candidates, as well as the nomination of existing directors for reelection. With respect to existing directors, prior to making its recommendation to the full board, the Nominating and Corporate Governance Committee, in consultation with the chairman and chief executive officer, reviews each director s continuation on the board as a regular part of the annual nominating process. Specific information on the qualifications of each of the Company s directors is included above in Item 1.

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Communications with Directors

Stockholders and other interested parties may send communications to the Board of Directors or to the non-management directors as a group by writing to them c/o Corporate Secretary, Unisys Corporation, 801 Lakeview Drive, Suite 100, Blue Bell, Pennsylvania 19422. All communications directed to board members will be delivered to them.

Board Leadership Structure

As set forth in paragraph 4 of Corporate Governance Guidelines below, the board believes that it should have the flexibility to make the selection of chairman of the board and chief executive officer in the way that it believes best to provide appropriate leadership for the Company at any given point in time. Therefore, the board does not have a policy, one way or the other, on whether the same person should serve as both the chief executive officer and chairman of the board or, if the roles are separate, whether the chairman should be selected from the non-employee directors or should be an employee. Over the last several years, the Company has had each of the following leadership structures, reflecting its circumstances at the time: separate chairman and chief executive officer, with the chairman being a member of the Company s management (2005); separate non-employee chairman and chief executive officer (2006-2008) and combined chairman and chief executive officer (October 2008 to present). The board believes that its current leadership structure, with Mr. Coleman serving as both chief executive officer and board chairman, is appropriate given Mr. Coleman s past experience serving in these roles, the efficiencies of having the chief executive officer also serve in the role of chairman and the Company s strong corporate governance structure. Pursuant to the Company s governance guidelines, whenever the chairman is an employee of the Company, the board elects a lead director from its independent directors. The lead director is currently Mr. Duques. The chairman and chief executive officer consults periodically with the lead director on board matters and on issues facing the Company. In addition, the lead director serves as the principal liaison between the chairman of the board and the independent directors and presides at an executive session of non-management directors at each regularly scheduled board meeting.

Risk Oversight

In its oversight role, the Board of Directors annually reviews the Company s strategic and operating plans, which address, among other things, the risks and opportunities facing the Company. The board also has overall responsibility for executive officer succession planning and reviews succession plans each year. The board has delegated certain risk management oversight responsibility to the board committees. As part of its responsibilities as set forth in its charter, the Audit Committee is responsible for discussing with management the Company s major financial risk exposures and the steps management has taken to monitor and control those exposures, including the Company s risk assessment and risk management policies. In this regard, the Company s chief audit executive prepares annually a comprehensive risk assessment report and reviews that report with the Audit Committee each year. This report identifies the material business risks (including strategic, operational, financial reporting and compliance risks) for the Company and identifies the controls and management initiatives that respond to and mitigate those risks. The Company s management regularly evaluates these controls, and the chief audit executive periodically reports to the Audit Committee regarding their design and effectiveness. The Audit Committee also receives annual reports from management on the Company s ethics

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program and on environmental compliance. As part of its responsibilities as set forth in its charter, the Compensation Committee annually reviews management s assessment of risk as it relates to the Company s compensation arrangements. The Finance Committee regularly reviews with management the Company s financial arrangements, capital structure and the Company s ability to access the capital markets. It also oversees the allocation policies with respect to the Company s pension assets, as well as the performance of pension plan investments. The Nominating and Corporate Governance Committee annually reviews the Company s corporate governance guidelines and their implementation. Each committee regularly reports to the full board.

Risk Assessment of Compensation Policies and Practices

The Company has conducted an internal risk assessment of its employee compensation policies and practices, including those relating to its employees who are not executive officers, and has concluded that these compensation policies and practices do not create risks that are reasonably likely to have a material adverse effect on it. In performing its assessment, the Company inventoried its compensation plans, with particular emphasis on incentive compensation plans, and assessed the risks, including financial and operational risks, of those plans. This assessment included an evaluation of the plans structure and philosophy, design characteristics and performance measurement features, including (a) compensation mix, (b) performance metrics and the relationship between those metrics and the Company s business strategy and the creation of long-term stockholder value, (c) whether caps and thresholds exist, (d) length of performance and vesting periods and (e) the existence of risk mitigating factors such as stock ownership guidelines. The Compensation Committee has reviewed this assessment.

Compensation of Directors

In 2013, the Company s non-employee directors received an annual retainer/attendance fee for regularly scheduled meetings of $60,000 and a meeting fee of $1,500 per meeting for attendance at certain additional board and committee meetings. In addition, Mr. Duques received a $25,000 annual retainer for serving as lead director; the chair of the Audit Committee received a $20,000 annual retainer; the chair of the Compensation Committee received a $10,000 annual retainer and chairs of the other committees each received a $5,000 annual retainer. In February 2013, the board approved an annual grant to each non-employee director of restricted stock units having a value of $150,000 (based on the fair market value of Unisys common stock on the date of grant). Accordingly, on February 6, 2013, each non-employee director received an annual grant of 6,328 restricted stock units that vested 100% on the date of grant. On September 26, 2013, Jared L. Cohon, who joined the board after the date of the annual grant, received a pro-rated grant of 2,964 restricted stock units, having a value of $75,000, that vested 100% on the date of grant. Directors may defer receipt of these restricted stock units until termination of service, or until a specified date, under the Company s deferred compensation plan for directors.

The annual retainers described above are paid in monthly installments in cash. However, directors may choose, on an annual basis, to receive these fees in the form of common stock equivalent units. The value of each stock unit at any point in time is equal to the value of one share of Unisys common stock. Stock units are recorded in a memorandum account maintained for each director. A director s stock unit account is payable in Unisys common stock, either upon termination of service or on a date specified by the director, at the

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director s option. Directors do not have the right to vote with respect to any stock units. Directors also may defer until termination of service, or until a specified date, all or a portion of their cash fees under the Company s deferred compensation plan for directors. Under this plan, any deferred cash amounts, and earnings or losses thereon (calculated by reference to investment options available under the Unisys Savings Plan and selected by the director), are recorded in a memorandum account maintained for each director. The right to receive future payments of deferred cash accounts is an unsecured claim against the Company s general assets. Directors who are employees of the Company do not receive any cash, stock units, stock options or restricted stock units for their services as directors. The table below provides a summary of the 2013 compensation of current non-employee directors.

Name	Fees Earned or Paid in Cash ($) (1)	Stock Awards ($) (2), (3)	Option Awards ($) (4)	Non-Equity Incentive Plan Compensation ($)	Change in Pension Value and Non-Qualified Deferred Compensation Earnings	All Other Compensation ($)	Total ($)
Jared L. Cohon	26,500	75,019					101,519
Alison Davis	60,000	150,005					210,005
Nathaniel A. Davis	60,000	150,005					210,005
Henry C. Duques Lead Director	85,000	150,005					235,005
Matthew J. Espe Chair, Finance Committee	71,000	150,005					221,005
Denise K. Fletcher Chair, Nominating and Corporate Governance Committee (5)	67,833	150,005					217,838
Leslie F. Kenne	60,000	150,005					210,005
Lee D. Roberts Chair, Compensation Committee	71,500	150,005					221,505
Paul E. Weaver Chair, Audit Committee	87,500	150,005					237,505

(1) Amounts shown are the annual retainer/meeting fee, annual fees for chairs of committees and the lead director, and meeting fees for attendance at additional meetings. Includes amounts that have been deferred under the deferred compensation plan for directors. Also includes the value of stock units received in lieu of cash payments of retainers and fees, as described above.

(2) Amounts shown are the aggregate grant date fair value of awards computed in accordance with FASB ASC Topic 718, excluding the effect of estimated forfeitures. For a discussion of the assumptions made in such valuation, see note 16 to the Company s 2013 financial statements. Amounts shown for directors other than Dr. Cohon are in respect of the 6,328 restricted stock units granted to directors on February 6, 2013. Amounts shown for Dr. Cohon are in respect of the 2,964 restricted stock units granted on September 26, 2013. Includes awards that have been deferred under the deferred compensation plan for directors.

(3) At December 31, 2013, directors had outstanding stock units in respect of directors fees as follows: Dr. Cohon 0; Ms. Davis 0; Mr. Davis 0; Mr. Duques 13,727.2; Mr. Espe 632.3; Ms. Fletcher 1,314.8; Ms. Kenne 0; Mr. Roberts 0; Mr. Weaver 0.

(4) At December 31, 2013, directors had outstanding stock options as follows: Dr. Cohon 0; Ms. Davis 0; Mr. Davis 0; Mr. Duques 1,200; Mr. Espe 1,200; Ms. Fletcher 1,200; Ms. Kenne 0; Mr. Roberts 0; Mr. Weaver 0.

(5) Ms. Fletcher was appointed chair of the Nominating and Corporate Governance Committee in May 2013.

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Under the Company s stock ownership guidelines, directors are expected to own Unisys stock or stock units having a value equal to five times their annual retainer by the later of February 2017 or five years after the director s date of election to the board. The number of shares owned by each director is set forth in the stock ownership table on page 21.

Code of Ethics and Business Conduct

Unisys has a code of ethics, the Unisys Code of Ethics and Business Conduct, that applies to all employees, officers (including the chief executive officer, chief financial officer and principal accounting officer or controller) and directors. The code is posted on the Company s web site at www.unisys.com/governance and is also available in print to any stockholder who requests it. The Company intends to post amendments to or waivers from the code (to the extent applicable to the Company s chief executive officer, chief financial officer or principal accounting officer or controller) at this location on its web site.

Corporate Governance Guidelines

The Board of Directors has adopted Guidelines on Significant Corporate Governance Issues. The full text of these guidelines is available on the Company s web site at www.unisys.com/governance and is also available in print to any stockholder who requests it. Among other matters, the guidelines cover the following:

1. A majority of the Board of Directors shall qualify as independent under the listing standards of the NYSE. Members of the Audit, Compensation, and Nominating and Corporate Governance Committees must also meet the NYSE independence criteria, as well as any applicable independence criteria prescribed by the SEC.

2. The Nominating and Corporate Governance Committee reviews annually with the board the independence of outside directors. Following this review, only those directors who meet the independence qualifications prescribed by the NYSE and who the board affirmatively determines have no material relationship with the Company will be considered independent. The board has determined that the following commercial or charitable relationships will not be considered to be material relationships that would impair independence: (a) if a director is an executive officer or partner of, or owns more than a ten percent equity interest in, a company that does business with Unisys, and sales to or purchases from Unisys are less than one percent of the annual revenues of that company and (b) if a director is an officer, director or trustee of a charitable organization, and Unisys contributions to that organization are less than one percent of its annual charitable receipts.

3. The Nominating and Corporate Governance Committee is responsible for determining the appropriate skills and characteristics required of board members in the context of its current make-up, and will consider factors such as independence, experience, expertise, strength of character, mature judgment, leadership ability, technical skills, diversity and age in its assessment of the needs of the board.

4. The board is free to make the selection of chairman of the board and chief executive officer any way that seems best to assure the success of the Company so as to provide appropriate leadership at a given point in time. Therefore, the board does not have a policy, one way or the other, on whether or not the role of the chief executive and chairman of the board should be separate and, if it is to be separate, whether the chairman should be selected from the non-employee directors or be an employee. If the

chairman of the board is not an employee of the Company, the chairman should qualify as independent under the listing standards of the New York Stock Exchange.

5. In accordance with the Company s bylaws, no director shall stand for re-election at any annual stockholders meeting following attainment of age 70 and no person shall be elected a director (as a result of an increase in the number of directors, to fill a vacancy or otherwise) if such person has attained the age of 70.

6. Directors should volunteer to resign from the board upon a change in primary job responsibility. The Nominating and Corporate Governance Committee will review the appropriateness of continued board membership under the circumstances and will recommend, and the board will determine, whether or not to accept the director s resignation. In addition, if the Company s chief executive officer resigns from that position, he is expected to offer his resignation from the board at the same time.

7. Non-management directors are encouraged to limit the number of public company boards on which they serve to no more than four in addition to the Company s and should advise the chairman of the board and the general counsel of the Company before accepting an invitation to serve on another board.

8. The non-management directors will meet in executive session at all regularly scheduled board meetings. They may also meet in executive session at any time upon request. If the chairman of the board is an employee of the Company, the board will elect from the independent directors a lead director who will preside at executive sessions. If the chairman is not an employee, the chairman will preside at executive sessions.

9. Board members have complete access to Unisys management. Members of senior management who are not board members regularly attend board meetings, and the board encourages senior management, from time to time, to bring into board meetings other managers who can provide additional insights into the matters under discussion.

10. The board and its committees have the right at any time to retain independent outside financial, legal or other advisors.

11. It is appropriate for the Company s staff to report once a year to the Compensation Committee on the status of board compensation in relation to other large U.S. companies. Changes in board compensation, if any, should come at the suggestion of the Compensation Committee, but with full discussion and concurrence by the board. Particular attention will be paid to structuring board compensation in a manner aligned with stockholder interests. In this regard, a meaningful portion of a director s compensation should be provided and held in stock options and/or stock units. Directors should not, except in rare circumstances approved by the board, draw any consulting, legal or other fees from the Company. In no event shall any member of the Audit Committee receive any compensation from the Company other than directors fees.

12. The Company will provide an orientation program for new directors. The Company will also provide directors with presentations from time to time on topics designed by the Company or third-party experts to assist directors in carrying out their responsibilities. Directors may also attend appropriate continuing education programs at the Company s expense.

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13. The board will conduct an annual self-evaluation to determine whether it and its committees are functioning effectively. In addition, each committee will conduct an annual self-evaluation of its performance and will make a report annually to the board.

14. The non-management directors will evaluate the performance of the chief executive officer annually and will meet in executive session, led by the chairperson of the Compensation Committee, to review this performance. The evaluation is based on objective criteria, including performance of the business, accomplishment of long-term strategic objectives and development of management. Based on this evaluation, the Compensation Committee will recommend, and the members of the board who meet the independence criteria of the NYSE will determine and approve, the compensation of the chief executive officer.

15. To assist the board in its planning for the succession to the position of chief executive officer, the chief executive officer is expected to provide an annual report on succession planning to the board.

16. Members of the board should at all times act in accordance with the Company s confidentiality policy for directors.

17. The Company s stockholder rights plan expired on March 17, 2006, and it has no present intention to adopt a new one. Subject to its continuing fiduciary duties, which may dictate otherwise depending on the circumstances, the board shall submit the adoption of any future stockholder rights plan to a vote of the stockholders. Any stockholder rights plan adopted or extended without stockholder approval shall be approved by a majority of the independent members of the board and shall be in response to specific, articulable circumstances that are deemed to warrant such action without the delay that might result from seeking prior stockholder approval. If the board adopts or extends a rights plan without prior stockholder approval, the board shall, within one year, either submit the plan to a vote of the stockholders or redeem the plan or cause it to expire.

Related Party Transactions

The Company is required to disclose any transactions since the beginning of 2013 (or any currently proposed transaction) in which the Company was a participant, the amount involved exceeds $120,000 and a director or executive officer, any immediate family member of a director or executive officer or any person or group beneficially owning more than 5% of the Company s common stock had a direct or indirect material interest. The Company does not have any such transactions to report.

Currently the Company has not adopted a policy specifically directed at the review, approval or ratification of related party transactions required to be disclosed. However, under the Unisys Code of Ethics and Business Conduct, all employees, officers and directors are required to avoid conflicts of interest. Employees (including officers) must review with, and obtain the approval of, their immediate supervisor and the Company s Corporate Ethics Office, any situation (without regard to dollar amount) that may involve a conflict of interest. Directors should raise possible conflicts of interest with the chief executive officer or the general counsel. The code of ethics defines a conflict of interest as any relationship, arrangement, investment or situation in which loyalties are divided between Unisys interests and personal interests and specifically notes involvement (either personally or through a family member) in a business that is a competitor, supplier or customer of the Company as a particularly sensitive area that requires careful review.

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Audit Committee Report

In performing its oversight responsibilities as defined in its charter, the Audit Committee has reviewed and discussed the audited financial statements and reporting process for 2013, including internal controls over financial reporting, with management and with KPMG LLP, the Company s independent registered public accounting firm. The committee has also discussed with KPMG LLP the matters required to be discussed by the Public Company Accounting Oversight Board (the PCAOB) Auditing Standard No. 16, *Communications with Audit Committees*. In addition, the committee has received from KPMG LLP the written disclosures and the letter required by applicable requirements of the PCAOB regarding KPMG LLP s communications with the committee concerning independence and has discussed with KPMG LLP their independence. The committee has also considered the compatibility of audit-related services, tax services and other non-audit services with KPMG LLP s independence.

Based on the reviews and discussions referred to above, the committee recommended to the Board of Directors that the audited financial statements be included in the Annual Report on Form 10-K for the year ended December 31, 2013 for filing with the SEC.

Audit Committee

Henry C. Duques

Matthew J. Espe

Denise K. Fletcher

Paul E. Weaver (Chair)

Independent Registered Public Accounting Firm Fees and Services

KPMG LLP was the Company s independent registered public accounting firm for the years ended December 31, 2013 and 2012. KPMG LLP has billed the Company the following fees for professional services rendered in respect of 2013 and 2012 (in millions of dollars):

	2013	2012
Audit Fees	$ 9.7	$ 9.6
Audit-Related Fees	1.7	1.7
Tax Fees	0.3	0.5
All Other Fees		

Audit fees consist of fees for the audit and review of the Company s financial statements, statutory audits, comfort letters, consents, assistance with and review of documents filed with the SEC and Section 404 attestation procedures. Audit-related fees consist of fees for SSAE No. 16 engagements, employee benefit plan audits, accounting advice regarding specific transactions and various attestation engagements. Tax fees principally represent fees for tax compliance services.

The Audit Committee annually reviews and pre-approves the services that may be provided by the independent registered public accounting firm. The committee has adopted an Audit and Non-Audit Services Pre-Approval Policy that contains a list of pre-approved services, which the committee may revise from time to time. In addition, the Audit Committee has delegated pre-approval authority, up to a fee limitation of $150,000 per service, to the chairman of the committee. The chairman of the committee reports any such pre-approval decision to the Audit Committee at its next scheduled meeting.

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RATIFICATION OF SELECTION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

(Item 2)

The Audit Committee has engaged the firm of KPMG LLP as the independent registered public accounting firm to audit the Company s financial statements for the year ending December 31, 2014. KPMG LLP has been the Company s independent registered public accounting firm since 2008. The Company expects that representatives of KPMG LLP will be present at the annual meeting and will have the opportunity to make a statement if they desire to do so and to respond to appropriate questions asked by stockholders. The Board of Directors considers KPMG LLP to be well qualified to serve as the independent registered public accounting firm for Unisys and recommends a vote for the proposal to ratify their selection.

The Board of Directors recommends a vote FOR the proposal to ratify the selection of KPMG LLP as the Company s independent registered public accounting firm for 2014.

ADVISORY VOTE ON EXECUTIVE COMPENSATION

(Item 3)

In accordance with Section 14A of the Securities Exchange Act of 1934, as amended (the Exchange Act), which was added under the Dodd-Frank Wall Street Reform and Consumer Protection Act, the Company is asking stockholders to approve an advisory resolution on compensation of its named executive officers, as described below in this proxy statement in Compensation Discussion and Analysis , Summary Compensation Table and the related compensation tables and narrative.

As described in detail in Compensation Discussion and Analysis beginning on page 22, the Company s executive compensation program is designed to attract, motivate and retain the executives who lead the Company s business, to reward them for achieving financial and strategic company goals and to align their interests with the interests of stockholders. The Company believes that the compensation of its named executive officers is reasonable, competitive and strongly focused on pay for performance principles, with a significant portion of target compensation at risk and performance based. The Company emphasizes compensation opportunities that appropriately reward executives for delivering financial results that meet or exceed pre-established goals, and executive compensation varies depending upon the achievement of those goals. Through stock ownership requirements and equity incentives, the Company also aligns the interests of its executive officers with those of stockholders and the long-term interests of the Company. The Company believes that the policies and procedures articulated in Compensation Discussion and Analysis are effective in achieving the Company s goals and that the executive compensation reported in this proxy statement was appropriate and aligned with 2013 results. Please read the Compensation Discussion and Analysis , as well as the compensation tables and narrative that follow it, for additional details about the Company s executive compensation programs and compensation of the named executive officers in 2013.

For the reasons set forth above, the Company is asking stockholders to approve the following advisory resolution at the annual meeting:

RESOLVED, that the stockholders of Unisys Corporation approve, on an advisory basis, the compensation of the Company s named executive officers set forth in the

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Compensation Discussion and Analysis, the Summary Compensation Table and the related compensation tables and narrative in the Proxy Statement for the Company s 2014 Annual Meeting of Stockholders.

This advisory resolution, commonly referred to as a say-on-pay resolution, is non-binding on the Company s Board of Directors. However, the board and the Compensation Committee will review and consider the vote when making future executive compensation decisions.

The Board of Directors recommends a vote FOR the advisory resolution approving the compensation of the Company s named executive officers as described in this proxy statement.

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EQUITY COMPENSATION PLAN INFORMATION

The following table sets forth information as of December 31, 2013 with respect to compensation plans under which Unisys common stock is authorized for issuance.

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	2.698 million[1]	$ 32.74	
	0.401 million[2]	$ 0	3.198 million[3]
Equity compensation plans not approved by security holders[4]	0.004 million[5]	$ 0	0
Total	3.103 million		3.198 million

(1) Represents stock options.

(2) Represents restricted share units and stock units. Assumes that unearned performance-based restricted stock units will vest at target.

(3) 362,869 shares are issuable under the Unisys Corporation 2003 Long-Term Incentive and Equity Compensation Plan (the 2003 Plan), 538,711 shares are issuable under the Unisys Corporation 2007 Long-Term Incentive and Equity Compensation Plan (the 2007 Plan) and 2,296,025 shares are issuable under the Unisys Corporation 2010 Long-Term Incentive and Equity Compensation Plan (the 2010 Plan). Assumes that outstanding unearned performance-based restricted stock units will vest at target.

(4) Represents the Unisys Corporation Director Stock Unit Plan (the Stock Unit Plan). Under the Stock Unit Plan, directors received a portion of their annual retainers and attendance fees in common stock equivalent units. The Stock Unit Plan was terminated in 2004, and stock units are now granted to directors under one of the 2003 Plan, the 2007 Plan or the 2010 Plan, all of which were approved by stockholders. No shares (other than shares subject to outstanding awards previously made) are available for future issuance under the Stock Unit Plan.

(5) Represents stock units granted under the Stock Unit Plan.

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SECURITY OWNERSHIP BY CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Shown below is information with respect to persons or groups that beneficially own more than 5% of Unisys common stock. This information is derived from Schedules 13G filed by such persons or groups.

Name and Address of Beneficial Owner	Number of Shares of Common Stock	Percent of Class
BlackRock, Inc. 40 East 52nd Street New York, NY 10022	3,341,699(1)	7.6
Fairpointe Capital LLC 1 N. Franklin Street Suite 3300 Chicago, IL 60606	4,567,779(2)	10.4
FMR LLC Edward C. Johnson 3d Fidelity Management & Research Company 245 Summer Street Boston, MA 02210	2,801,006(3)	6.33
JHL Capital Group LLC JHL Capital Group Master Fund L.P. JHL Capital Group Master Fund GP Ltd. James H. Litinsky 900 N. Michigan Avenue, Suite 1700 Chicago, IL 60611 P.O. Box 309, Ugland House Grand Cayman KY1-1104 Cayman Islands	2,280,000(4)	5.2
The Vanguard Group 100 Vanguard Blvd. Malvern, PA 19355	2,947,748(5)	6.71

(1) Sole dispositive power has been reported for all shares. Sole voting power has been reported for 3,187,837 shares.

(2) Sole dispositive power has been reported for 4,516,879 shares, and shared dispositive power has been reported for 50,900 shares. Sole voting power has been reported for 4,450,298 shares.

(3) Sole dispositive power has been reported for all shares. Sole voting power has been reported for 865,775 shares.

(4) Shared dispositive and shared voting power have been reported for all shares.

(5) Sole dispositive power has been reported for 2,881,786 shares, and shared dispositive power has been reported for 65,962 shares. Sole voting power has been reported for 66,832 shares.

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Shown below are the number of shares of Unisys common stock (or stock units) beneficially owned as of March 3, 2014 by all directors, each of the executive officers named on page 41, and all directors and current officers of Unisys as a group.

Beneficial Owner	Number of Shares of Common Stock (1)(2)	Additional Shares of Common Stock Deemed Beneficially Owned (1)(3)	Percent of Class
Dominick Cavuoto	1,616.1	57,560	*
Jared L. Cohon	7,710.0	0	*
J. Edward Coleman	235,463.0	405,868	*
Edward C. Davies	33,972.5	90,895	*
Alison Davis	22,726.0	0	*
Nathaniel A. Davis	20,187.0	0	*
Henry C. Duques	52,864.5	0	*
Matthew J. Espe	39,269.6	1,200	*
Denise K. Fletcher	40,032.1	0	*
Ronald S. Frankenfield	11,484.7	66,135	*
Janet B. Haugen	38,070.6	87,428	*
Leslie F. Kenne	38,637.3	0	*
Lee D. Roberts	11,074.0	0	*
Paul E. Weaver	31,549.0	0	*
All directors and current officers as a group	632,515.9	858,425	2.6

* Less than 1%

(1) Includes shares reported by directors and officers as held directly or in the names of spouses, children or trusts as to which beneficial ownership may have been disclaimed.

(2) Includes:

(a) Shares held under the Unisys Savings Plan, a qualified plan under Sections 401(a) and 401(k) of the Internal Revenue Code, as follows: Mr. Cavuoto, 1,616.1; Mr. Coleman, 1,152; Mr. Davies, 928.4; Mr. Frankenfield, 7,566.7; Ms. Haugen, 1,455.6; current officers as a group, 16,576.7. With respect to such shares, plan participants have authority to direct voting.

(b) Stock units, as described on page 11, for directors as follows: Mr. Duques, 13,727.2; Mr. Espe, 632.3; and Ms. Fletcher, 1,314.8. They may not be voted.

(c) Stock units deferred under the 2005 Deferred Compensation Plan for Directors as follows: Dr. Cohon, 7,710; Ms. Davis, 22,726; Mr. Duques, 22,763; Ms. Fletcher, 18,885; and Ms. Kenne, 22,763. Deferred stock units are distributed in shares of common stock upon the earlier of termination of service or on any date at least two years after the stock units are awarded, as previously elected by the director. They may not be voted.

(3) Shares shown are shares subject to options exercisable within 60 days following March 3, 2014.

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EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

The following provides information regarding the compensation and benefit programs in place during 2013 for the executive officers named in the Summary Compensation Table on page 41. These officers (collectively, the Named Officers) are J. Edward Coleman, Chairman and Chief Executive Officer; Janet B. Haugen, Senior Vice President and Chief Financial Officer; Dominick Cavuoto, Senior Vice President and President, Technology, Consulting and Integration Solutions; Edward C. Davies, Senior Vice President and President, Federal Systems; and Ronald S. Frankenfield, Senior Vice President and President, Global Managed Services.

Overview

The Company s executive compensation program is designed to attract, motivate and retain the executives who lead the Company s business, to reward them for achieving financial and strategic Company goals and to align their interests with the interests of stockholders. The program seeks to achieve these goals primarily through a combination of the following types of compensation: (a) base salary, (b) short-term, performance-based cash incentives (bonus) and (c) long-term incentives in the form of equity-based awards (stock options and performance-based restricted stock units (RSUs) in 2013). The following discussion of compensation focuses on these three types of compensation.

A Significant Portion of Executive Officer Target Compensation is At Risk and Performance Based

The Company s executive compensation program is strongly focused on pay-for-performance principles, with a significant portion of executive officer compensation at risk and dependent upon the Company s financial performance and/or an increase in the Company s stock price. Bonuses and the amount of performance-based RSUs that can be earned are dependent on the achievement of financial goals; the value of performance-based RSUs, once earned, increases and decreases based on the Company s stock price; and stock options have value only if and to the extent that the Company s stock price rises above the exercise price of the option.

As shown in the following charts, for 2013, approximately 80% of the total target compensation of J. Edward Coleman, the Company s chairman and chief executive officer, was at risk, with approximately 47% dependent on the achievement of performance metrics. In addition, approximately 55% of Mr. Coleman s total target compensation was in the form of equity-based awards.

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Components of CEO Target Compensation

CEO Compensation

Component	Target Amount	Percentage of Target Compensation *	Performance Measured
Fixed Compensation			
Base Salary	$ 972,000	20%	
Total Fixed Compensation	$ 972,000	20%	
At-Risk Compensation			
Bonus	$ 1,215,000	25%	Revenue, Pre-Tax Profit, Free Cash Flow
Performance-Based RSUs	$ 1,061,160	22%	Revenue, Pre-Tax Profit
Stock Options	$ 1,573,488	33%	
Total At-Risk Compensation	$ 3,849,648	80%	
Total Target Compensation	$ 4,821,648	100%	

* Rounded to the nearest whole percent

For the other Named Officers, at-risk compensation averaged 67% of total target compensation, with approximately 46% dependent on the achievement of performance metrics. Approximately 35% of the total target compensation of the other Named Officers was in the form of equity-based awards.

While the actual amount of total compensation earned will vary based on the Company s performance and its stock price, the Company s goal is for total target compensation, as well as each element of total target compensation, to be at or around the median target compensation for executives with similar positions at companies in the peer group, discussed below, against which the Company compares its executive compensation (the Benchmark Companies).

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Company Performance

After Mr. Coleman joined the Company as chairman and chief executive officer in October 2008, the Company began an aggressive turnaround program intended to enhance the Company s financial results and strengthen its balance sheet. The Company has strengthened its product and solutions portfolio with new and enhanced offerings, streamlined its operations, reduced costs, improved its profitability and reduced debt and interest expense. In the five years since this program began, the Company has had five consecutive years of profitability and positive cash flow, despite declining revenue, increased pension expense and increased pension contributions. In particular, the Company has:

- Improved from a net loss from continuing operations of $151 million in 2008 to net income of $92 million in 2013;
- Increased its operating profit from $2 million in 2008 to $220 million in 2013 including a $145 million increase in pre-tax pension expense from 2008 to 2013;
- Reduced its debt from over $1 billion at December 31, 2008 to $210 million at December 31, 2013; and
- Reduced interest expense from a high of $102 million in 2010 to $10 million in 2013.

For the five-year period 2009-2013, the Company has also had a cumulative total stockholder return (TSR) of 295%. The graph below compares the Company s TSR with the TSRs of the Benchmark Companies, the S&P 500 Stock Index and the S&P 500 IT Services Index for the period. The graph assumes $100 was invested on December 31, 2008 and assumes reinvestment of any dividends.

	2008	2009	2010	2011	2012	2013
Unisys Corporation	100	454	305	232	204	395
Benchmark Companies	100	145	183	155	175	244
S&P 500	100	126	146	149	172	228
S&P 500 IT Services index	100	143	157	190	223	282

Results for 2013 included:

- Net income of $92 million (which included $90 million of pension expense), compared to net income of $129 million (which included $105 million of pension expense and $31 million of debt reduction charges) in 2012;

- Revenue of $3.46 billion, compared to revenue of $3.71 billion in 2012;

- $187 million of cash generated from operations, which included $147 million of pension contributions. In 2012, cash generated from operations was $261 million including $202 million of pension contributions; and

- A cash balance of $640 million at year end, which was more than triple the Company s debt balance of $210 million.

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Some of these results were below the Company s targets, which influenced compensation paid for 2013, as discussed below.

Please see *Management s Discussion and Analysis of Financial Condition and Results of Operations* in the Company s Annual Report on Form 10-K for a more detailed description of the Company s financial results.

Over the next three years, the Company will be focusing on profitably growing revenue. The Company will be looking to grow its technology business and to achieve its services operating profit margin targets while maintaining cost discipline and strong cash generation.

Compensation Actions for 2013

Over the past five years, the Company s underlying compensation strategy has remained consistent with the Company s goals, and compensation in 2013 was reflective of the Company s financial performance. Key compensation decisions with respect to the Named Officers for 2013 included:

Base salaries The Named Officers did not receive base salary increases in 2013 given general economic conditions and the Company s on-going efforts to contain costs. The Named Officers generally have not received salary increases since 2008. The base salaries for the Named Officers were aligned with the median for persons holding comparable positions at the Benchmark Companies.

Short-term cash incentive awards The Named Officers were eligible to receive bonuses in the form of short-term cash incentive awards based on performance. Each Named Officer was assigned a target annual bonus amount that was aligned with the median for comparable positions at the Benchmark Companies. The extent to which these target amounts were actually earned depended entirely upon the performance of the Company and, for executives with responsibility for a business unit, also on the performance of that business unit, against quarterly and annual performance targets set by the Compensation Committee. Pre-tax profit, revenue and free cash flow targets were set as the three metrics for corporate performance. Pre-tax profit, revenue and orders targets were set as the three metrics for business unit performance. For executives with responsibility for a business unit, bonus payments were based 50% on the performance of the Company as a whole and 50% on the performance of the business unit. For 2013, the actual amount of short-term incentive compensation earned by the Named Officers ranged from 6.8% to 12.2% of their target bonus amount.

Long-term incentive awards Grants in 2013 were a mix of performance-based RSUs and stock options. In consideration of the Company s desire to achieve an appropriate balance between the goals of its long-term incentive program, its compensation expense and dilution to its stockholders, the grant date value of these long-term incentive awards to the Named Officers, as shown in the Summary Compensation Table on page 41, was below the median for awards granted by the Benchmark Companies. RSUs granted in 2013 were designed so that they would be earned only to the extent that the Company achieved revenue and/or pre-tax profit targets set for 2013, each of which was weighted 50%. For 2013, the Company met neither of these targets. As a result, no RSUs were earned. Stock option grants in 2013 had an exercise price equal to the fair market value of Unisys common stock on the date of grant and will vest one-third annually over a three-year period.

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Total target compensation for 2013 was below competitive levels primarily because long-term incentive awards were below the median for the Benchmark Companies.

Pay for Performance Alignment

As set forth above, the Company s executive compensation program is strongly focused on pay-for-performance principles and is designed to align the interests of executives with the interests of stockholders. The graphs that follow show the alignment between the Company s performance, as measured by total stockholder return, and the compensation earned by its chief executive officer.

The following graph shows the Company s TSR (based on its year-end stock price) for the five-year period that Mr. Coleman has been the Company s chairman and chief executive officer and Mr. Coleman s compensation (salary, bonus and equity-based awards) for each year in the period. The graph does not show Mr. Coleman s compensation for 2008 because he joined the Company in October of that year.

The graph shows both realizable compensation and compensation as set forth in the Summary Compensation Table of this and prior years proxy statements. Both realizable compensation and compensation set forth in the Summary Compensation Table show the actual amount of salary and bonus earned. Realizable compensation differs from compensation shown in the Summary Compensation Table in the way that equity-based awards are valued. As required by the SEC, the Summary Compensation Table shows the fair value of stock awards and option awards as of the date of grant, calculated in accordance with accounting rules. These amounts represent the Company s accounting expense for these grants. The amounts do not reflect the actual number of performance-based RSUs earned based on corporate performance and, for both RSUs and stock options, do not take into account changes in the Company s stock price after the date of grant, both of which factors affect actual compensation earned. Realizable compensation takes both of these factors into account.

For the realizable compensation shown in the graph below, the value of performance-based RSUs was calculated by multiplying the actual number of RSUs earned in respect of a year by the price of Unisys stock as of December 31 of that year, and stock options were valued at their in the money value at December 31 of the year in which they were granted. The Company believes that realizable compensation is more representative of compensation actually earned than is the compensation shown in the Summary Compensation Table and that realizable compensation is therefore the better measure of compensation to compare against corporate performance.

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CEO Compensation and Year-End Unisys Stock Price

CEO Compensation	2008	2009	2010	2011	2012	2013
SCT Compensation		$ 3,460,382	$ 5,533,299	$ 5,511,978	$ 4,554,343	$ 3,689,390
Realizable Compensation		$ 8,145,900	$ 4,502,822	$ 2,635,781	$ 2,683,440	$ 2,772,134
Year-End Unisys Stock Price	$ 8.50	$ 38.56	$ 25.89	$ 19.71	$ 17.30	$ 33.57

The following table shows the components of Mr. Coleman s compensation shown in the above graph.

	2009	2010	2011	2012	2013