

IN THE MATTER OF THE SECURITIES LEGISLATION
OF BRITISH COLUMBIA, ALBERTA,
SASKATCHEWAN, MANITOBA,
NEW BRUNSWICK, NOVA SCOTIA,
PRINCE EDWARD ISLAND, AND NEWFOUNDLAND

IN THE MATTER OF THE MUTUAL RELIANCE
SYSTEM FOR EXEMPTIVE RELIEF APPLICATIONS

AND

IN THE MATTER OF UNISYS CORPORATION

MRRS DECISION DOCUMENT

WHEREAS the Canadian Securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Saskatchewan, Manitoba, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland (the "Jurisdictions") have received an application from Unisys Corporation (the "Filer"), which affects as relevant parties Unisys Canada Inc. ("Unisys Canada"), certain employees of Unisys Canada and Salomon Smith Barney Inc., for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that the requirements (the "registration requirements") to be registered to trade in a security contained in the Legislation and the requirements (the "prospectus requirements") to file a preliminary prospectus and a prospectus, and receive receipts therefor, contained in the Legislation, shall not apply to certain trades in: (i) shares of common stock ("Shares") of the Filer issued in accordance with the Filer's 1990 Unisys Long-Term Incentive Plan (the "Plan"); (ii) options to purchase Shares issued in accordance with the Plan ("Options"); or (iii) any combination of Shares and Options (collectively, items (i) through (iii) above being, "Plan Securities"), pursuant to the terms of the Plan as follows:

(i) trades in Plan Securities to or for the account of eligible employees of Unisys Canada who elect to participate in the Plan, including, for the purposes of this decision document, their personal representatives, legal successors or administrators ("Participating Canadian Employees") shall not be subject to the registration requirements or the prospectus requirements; and

(ii) first trades ("First Trades") by or for the account of Participating Canadian Employees in Shares acquired pursuant to the Plan shall not be subject to the prospectus requirements of the Legislation.

AND WHEREAS pursuant to the Mutual Reliance Review System for Exemptive Relief (the "System"), the Manitoba Securities Commission is the principal regulator for this application;

AND WHEREAS the Filer has represented to the Decision Makers that:

The Filer was incorporated under the laws of Delaware and is, along with its subsidiaries, engaged in the business of providing customers with integrated information services and systems.

The Filer is subject to the requirements of the *Securities Exchange Act of 1934* of the United States of America (the "1934 Act"), and is not exempt from the reporting requirements of the 1934 Act pursuant to Rule 12g 3-2 made under the 1934 Act. The Filer is currently in full compliance with all applicable filing requirements of the 1934 Act.

Unisys Canada is a wholly-owned subsidiary of the Filer. Unisys Canada was incorporated under the laws of Canada. Its principal and executive office is located in North York, Ontario. In addition, Unisys Canada has offices in Halifax, Fredericton, Quebec City, Montreal, Pickering, Toronto, London, Winnipeg, Calgary and Vancouver. Unisys Canada also employs a number of persons who work out of their homes in various other locations throughout Canada.

Neither the Filer nor Unisys Canada is a reporting issuer or equivalent under the securities legislation of any of the provinces of Canada and no securities of either the Filer or Unisys Canada are currently listed for trading on any Canadian stock exchange.

The authorized capital of the Filer consists of 720,000,000 shares of common stock and 40,000,000 shares of preferred stock issuable in series. As of January 31, 1999, the issued and outstanding share capital of the Filer consisted of 260,626,662 shares of common stock and 26,156,922 shares of series A cumulative convertible preferred stock. The total number of Shares initially authorized to be issued under the Plan is 5,400,000.

The Filer's common stock is widely held and are listed on the New York, Amsterdam, Antwerp, Basal, Brussels, Geneva, Lausanne, London and Zurich stock exchanges (collectively, the "Exchanges"), which are the principal trading markets for the Shares. There is presently no market in Canada for any securities of the Filer, including, those securities which comprise the Plan Securities and no such market is expected to develop.

On January 1, 1990, the Plan was approved by the Filer's Board of Directors (the "Board"). In accordance with the Filer's charter documents, shareholder approval was required in order to establish the Plan and such approval was received on April 23, 1990. The Filer has established the Plan as a means to attract and retain highly competent employees and to act as an incentive in motivating selected officers and other key employees of Unisys and its subsidiaries to achieve long-term corporate objectives. Participants in the Plan include such officers and other key employees of the Filer and its subsidiaries, as the Corporate Governance and Compensation Committee of the Board (the "Committee"), in its sole discretion, may determine from time to time.

As of March 18, 1999, there were thirty-eight (38) eligible Canadian employees across Canada, of which 12 are residents of the Jurisdictions.

If at any time the aggregate number of Participating Canadian Employees in any one jurisdiction who acquire Shares under the Plan exceeds 10% of the total number of the holders of Shares, or

if the Participating Canadian Employees in any one Jurisdiction hold, in the aggregate, in excess of 10% of the total number of issued and outstanding Shares, the Filer will apply to the relevant Decision Maker for an order with respect to further trades by the Participating Canadian Employees in that Jurisdiction in Shares acquired under the Plan.

Participation in the Plan by eligible Canadian employees of Unisys Canada is entirely voluntary. Eligible Canadian employees of Unisys Canada will not be induced to participate in the Plan by expectation of employment or continued employment with Unisys Canada or the Filer.

Once a Participating Canadian Employee obtains Shares by virtue of the operation of the Plan, he or she will receive, all materials which are distributed to the Filer's shareholders.

The Plan has been and will continue to be administered by the Filer through the Committee. However, on October 15, 1998, the Committee, in accordance with the terms of the Plan, appointed Salomon Smith Barney Inc. (the "Administrator") to assist in the administration and execution of all transactions (as described more fully below) in connection with Options granted under the Plan.

The Administrator is registered as a broker-dealer under securities laws of the United States and is not otherwise registered under any of the Legislation.

The Plan provides that the following awards ("Awards") may be made to Participating Canadian Employees: (i) awards of Options; (ii) awards of stock appreciation rights ("SAR's"); (iii) awards of Shares which are subject to restrictions ("Restricted Shares"); (iv) awards of performance units ("Performance Units"); and (v) awards of performance awards ("Performance Awards").

Certain of the Awards described above provide for potential trades in Plan Securities by the Filer to Participating Canadian Employees beyond the initial grant of the Award. However, all such potential trades would be made only at the discretion of the Filer.

The Plan provides the Committee with the authority to grant options to Participating Canadian Employees, for no consideration, which entitle the holders to purchase Shares in accordance with terms established by the Committee. In addition to being governed by the Plan, the terms of any Option granted under the Plan are set forth in an option agreement ("Option Agreement").

The Administrator has been appointed by the Committee to assist in the administration and execution of all transactions in connection with Options granted under the Plan. The Administrator is a member of the Securities Investor Protection Corporation ("SIPC") and cash and Shares held by the Administrator in accounts maintained on behalf of Participating Canadian Employees will be subject to the coverages afforded by SIPC membership.

Upon being granted Options and completing a new account information form and submitting same to the Administrator, Participating Canadian Employees who wish to exercise Options granted to them under the Plan may do so by one of three methods which, along with the activities of the Administrator associated therewith, are described below:

(a) *Exercise and Hold* - the Participating Canadian Employee instructs the Administrator to exercise all or a number of his or her Options. Under this exercise method the Participating Canadian Employee is required to pay the exercise price of the Options being exercised and all applicable taxes and fees to the Administrator prior to the exercise. Upon the exercise of such Options, the Administrator will deposit the Shares issued upon such exercise into the Participating Canadian Employee's account with the Administrator or transfer them in accordance with instructions provided by the Participating Canadian Employee.

(b) *Exercise and Sell to Cover* - the Participating Canadian Employee instructs the Administrator to exercise all or a number of his or her Options and to sell only enough Shares to cover the exercise price of the Options being exercised and all applicable taxes and fees. The Administrator will then deposit the remaining Shares into the Participating Canadian Employee's account with the Administrator or transfer them in accordance with instructions provided by the Participating Canadian Employee.

(c) *Exercise and Sell All* - the Participating Canadian Employee instructs the Administrator to exercise all or a number of his or her Options and sell all Shares acquired on the same day at current market prices. The Administrator will then sell all of the acquired Shares and deduct the exercised price of the Options, and all applicable taxes and fees from the sale proceeds. The Administrator will then forward the net proceeds to the Participating Canadian Employee.

In all of the cases set out above, the exercise price of the Options shall be determined by the Committee and set out explicitly in the applicable Option Agreement.

The Committee may also grant SAR's to Participating Canadian Employees. The exercise price of any SAR awarded pursuant to the Plan shall be determined by the Committee. Pursuant to the Plan, SAR's are exercised by Participating Canadian Employees by way of a written notice to be provided directly to the Filer. The Plan contemplates that any payments which may become due to a Participating Canadian Employee from the Filer upon the exercise of SAR's may be made to Participating Canadian Employees at the election of the Filer in, (i) cash, (ii) Shares, or (iii) a combination of cash and Shares.

Under the Plan, awards of Shares may be made to Participating Canadian Employees, subject to certain restriction which the Committee shall establish (the "Restricted Shares"). Any Restricted Shares granted in accordance with the Plan will be forfeited by a Participating Canadian Employee and must be returned to the Filer (at no cost to the Filer) upon a breach by the applicable Participating Canadian Employee of the restrictions attaching to his or her Restricted Shares.

Beginning on the date upon which the Restricted Shares are granted to Participating Canadian Employees, such Participating Canadian Employees will become shareholders of the Filer and will have all rights of a shareholder of the Filer (including, but not limited to, the right to vote and the right to receive dividends). However, any Shares received by such Participating Canadian Employees by way of stock dividends paid by the Filer to the holders of the Restricted Shares will be subject to the same restrictions which apply to the Restricted Shares held by such Participating Canadian Employee.

Under the Plan, Performance Units may be granted to Participating Canadian Employees. The exact method of valuation of Performance Units, as well as the terms and conditions attaching to the Performance Units, are to be established by the Committee but in all cases shall be related to the value of or the appreciation in the value of the Shares. The value of Performance Units will become payable to Participating Canadian Employees upon the expiry of a specified period of time or upon the occurrence of a specified event, such as death, disability or retirement. Once a Performance Unit becomes Payable, the Filer will make a payment to Participating Canadian Employees who are holding such Performance Units which may be made at the election of the Filer in (i) cash, (ii) Shares, (iii) a combination of cash and Shares, or (iv) in such other form as the Committee shall establish.

Under the Plan, Performance Awards may be granted to Participating Canadian Employees which consist of the right to receive a payment (the amount of which is determined by the Committee), which is contingent upon the attainment of certain performance targets and which may be earned by a Participating Canadian Employee during a specified period (the "Award Period"). Payments by the Filer of Performance Awards which have been earned are made, at the discretion of the Committee, in (i) cash, (ii) Shares, (iii) a combination of cash and Shares, or (iv) in such other form as the Committee shall establish. If a Participating Canadian Employee's employment is terminated due to death or disability, the Committee, in its discretion, may make a pro-rata payment of the Performance Award as earned during the relevant Award Period by such employee prior to his or her termination. Such payment may be made to the Participating Canadian Employee or, as appropriate, to his or her beneficiary.

With respect to Participating Canadian Employees who are resident in New Brunswick only, the Filer is not able to rely upon applicable exemptions from the registration requirements and the prospectus requirements with respect to trades in Plan Securities by the Filer which are made in accordance with the terms of the Plan, including, without limitation, the issuance of Plan Securities in connection with the Awards.

The Legislation does not provide exemptions from the registration requirements or the prospectus requirements upon which the Administrator can rely to the extent that activities which are undertaken by the Administrator in connection

with the Plan constitute trades (including acts in furtherance of a trade) in Plan Securities.

The Legislation of certain Jurisdictions does not currently provide an exemption from the prospectus requirements which apply in respect of First Trades in Shares (all of which shall be completed outside of Canada) acquired by Participating Canadian Employees in connection with the Plan.

Because there is no market for the Plan Securities in Canada and none is expected to develop, any First Trade by Participating Canadian Employees pursuant to the Plan would only occur outside of Canada, and through and in accordance with the rules of one of the Exchanges.

AND WHEREAS pursuant to the System this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the "Decision");

AND WHEREAS each of the Decision Maker is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the Decision has been met;

The Decision of the Decision Makers pursuant to the Legislation is that:

A. Trades by the Administrator and the Filer under the Plan in Plan Securities to or for the account of Participating Canadian Employees shall be exempt from the registration requirements and the prospectus requirements; and

B. First Trades by or for the account of Participating Canadian Employees in Shares acquired under the Plan shall be a distribution or primary distribution to the public unless such First Trade by or for the account of a Participating Canadian Employee is executed on or through the facilities of one of the Exchanges in accordance with all laws and rules applicable to such Exchange, which trade shall not be subject to the registration requirement.

DATED at Winnipeg, Manitoba this 2nd day of November, 1999.

Director - Legal