
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported): October 30, 2008

MODUSLINK GLOBAL SOLUTIONS, INC.

(Exact name of registrant as specified in its charter)

Delaware
*(State or other jurisdiction
of incorporation)*

000-23262
(Commission File No.)

04-2921333
*(IRS Employer
Identification No.)*

1100 Winter Street
Waltham, Massachusetts
(Address of principal executive offices)

02451
(Zip Code)

(781) 663-5001
(Registrant's telephone number, including area code)

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

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01 Entry into a Material Definitive Agreement.

On October 31, 2008, ModusLink Corporation, SalesLink LLC and SalesLink Mexico Holdings Corp. (collectively, the "Borrowers"), each a direct or indirect wholly owned subsidiary of ModusLink Global Solutions, Inc. (the "Company"), entered into the Fourth Amendment (the "Amendment") to Second Amended and Restated Loan and Security Agreement with Bank of America, N.A. (as successor by merger to LaSalle Bank National Association) and RBS Citizens, National Association (f/k/a/ Citizens Bank of Massachusetts) (collectively, the "Lenders"), as amended to date (the "Loan Agreement").

The Amendment extends the term of the Loan Agreement from October 31, 2008 to October 31, 2009. In addition, the maximum amount that may be borrowed under the Loan Agreement, as amended by the Amendment, is \$45,000,000. Advances under the Loan Agreement may be in the form of loans or letters of credit.

Except as is modified by the Amendment, a description of the Loan Agreement is incorporated herein by reference to Item 1.01 of the Registrant's Current Report on Form 8-K dated October 31, 2005 (filed on November 3, 2005) (File No. 000-23262). The foregoing description is subject to, and qualified in its entirety by, the Amendment filed as an exhibit hereto and incorporated herein by reference.

Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

A description of the Amendment is contained in Item 1.01 above, which is incorporated herein by reference.

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

On October 30, 2008, the Human Resources and Compensation Committee (the "Compensation Committee") of the Board of Directors of the Company approved the ModusLink Global Solutions, Inc. FY 2009 Executive Management Incentive Plan (the "Bonus Plan"). The Bonus Plan is designed to recognize and reward the achievement of financial, business and management goals that are essential to the success of the Company and its subsidiaries. The Bonus Plan relates to the Company's fiscal year ending July 31, 2009. The Bonus Plan covers the executive officers of the Company among other individuals as determined by the Compensation Committee, and is funded based upon achievement of non-GAAP operating income ("NGOI") targets (subsidiary-specific and/or consolidated, depending on the participant's role), sales revenue targets (subsidiary-specific and/or consolidated, depending on the participant's role) and individual performance targets. If the Company does not achieve a threshold level of performance for consolidated NGOI, no payments will be made under the Bonus Plan, whether for NGOI, sales revenue or individual performance achievements. If the threshold NGOI level is met, cash payments under the Bonus Plan may range, subject to the terms of the Bonus Plan, from 0-200% of an individual's target bonus based on business and individual performance and the discretion of the Compensation Committee. Target bonus levels for participating executive officers were previously approved and reported by the Company on a Current Report on Form 8-K dated September 24, 2008.

The foregoing description is subject to, and qualified in its entirety by, the Bonus Plan filed as an exhibit hereto, which exhibit is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

The exhibits listed in the Exhibit Index below are filed with this report.

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

ModusLink Global Solutions, Inc.

Date: November 5, 2008

By: /s/ Steven G. Crane

Steven G. Crane
Chief Financial Officer

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
10.1	Fourth Amendment to Second Amended and Restated Loan and Security Agreement with Bank of America, N.A. (as successor by merger to LaSalle Bank National Association) and RBS Citizens, National Association (f/k/a/ Citizens Bank of Massachusetts) (collectively, the "Lenders"),
10.2	Replacement Second Amended and Restated Revolving Credit Note dated October 31, 2008 issued to Bank of America, N.A.
10.3	Replacement Second Amended and Restated Revolving Credit Note dated October 31, 2008 issued to RBS Citizens, National Association
10.4	ModusLink Global Solutions, Inc. FY2009 Executive Management Incentive Plan.
99.1	Description of Second Amended and Restated Loan and Security Agreement, dated October 31, 2005, is incorporated herein by reference to Item 1.01 of the Registrant's Current Report on Form 8-K dated October 31, 2005 (filed on November 3, 2005) (File No. 000-23262).

**FOURTH AMENDMENT
TO SECOND AMENDED AND RESTATED LOAN AND SECURITY AGREEMENT**

THIS FOURTH AMENDMENT TO SECOND AMENDED AND RESTATED LOAN AND SECURITY AGREEMENT (this “**Amendment**”) dated as of October 31, 2008, is entered into among MODUSLINK CORPORATION, a Delaware corporation (“**ModusLink**”), SALES LINK LLC, a Delaware limited liability company (“**SalesLink**”), SALES LINK MEXICO HOLDING CORP., a Delaware corporation (“**SalesLink Mexico**”) (each herein called a “**Borrower**” and collectively, the “**Borrowers**”), the lenders party hereto (herein collectively called the “**Lenders**” and each individually called a “**Lender**”) and BANK OF AMERICA, N.A. (as successor by merger to LaSalle Bank National Association), as a Lender and as Agent for the Lenders.

WITNESSETH:

WHEREAS, the Borrowers and the Lenders are parties to that certain Second Amended and Restated Loan and Security Agreement dated as of October 31, 2005 as amended by (i) that certain First Amendment to Second Amended and Restated Loan and Security Agreement dated as of October 29, 2006, (ii) that certain Second Amendment to Second Amended and Restated Loan and Security Agreement dated as of January 9, 2007 and (iii) that certain Third Amendment to Second Amended and Restated Loan and Security Agreement dated as of October 31, 2007 (the “**Existing Loan Agreement**” and as the Existing Loan Agreement is amended and modified by this Amendment, the “**Amended Loan Agreement**”);

WHEREAS, Borrowers have requested that the Lenders modify the Existing Loan Agreement in certain respects; and

WHEREAS, the Lenders are willing to modify the Existing Loan Agreement in certain respects subject to the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the premises contained herein and other good and valuable consideration, it is agreed that:

SECTION 1

DEFINED TERMS

Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Existing Loan Agreement.

SECTION 2

AMENDMENTS TO EXISTING LOAN AGREEMENT

2.1 Change to Agent's Name. All references in the Existing Loan Agreement to (i) "LaSalle Bank National Association" are hereby amended by deleting such references and substituting "Bank of America, N.A., as successor by merger to LaSalle Bank National Association" therefor and (ii) "LaSalle" are hereby amended by deleting such references and substituting "Bank of America" therefor.

2.2 Change to Parent's Name. All references to "CMGI" and "CMGI Notes" in the Existing Loan Agreement are hereby amended by deleting such references and substituting "Parent" or "Parent Notes", as applicable, therefor.

2.3 Amendment to Definitions.

(a) **Amended and Restated Definitions.** The following definitions contained in Section 1.1 of the Existing Loan Agreement are hereby amended and restated in their entirety:

"Aggregate Revolving Credit Commitment" shall mean the combined Revolving Credit Commitments of Lenders in effect at any time, which shall initially be \$45,000,000.

“**Applicable Margin**” shall mean the percentage interest rate per annum based upon the Senior Leverage Ratio set forth in the Compliance Certificate delivered by Borrowers to Lender pursuant to Section 7.2(C)(ii), as indicated in the following chart, it being understood that the Applicable Margin for (i) Prime Loans shall be the percentage set forth under the column “Prime Margin”, (ii) LIBOR Loans shall be the percentage set forth under the column “LIBOR Margin”, (iii) the Letter of Credit Fee shall be the percentage set forth under the column “Letter of Credit Margin” and (iv) the non-use fee described in Section 2.12 of this Agreement shall be the percentage set forth under the column “Non-Use Fee Margin”:

<u>Senior Leverage Ratio</u>	<u>Prime Margin</u>	<u>LIBOR Margin</u>	<u>Letter of Credit Margin</u>	<u>Non-Use Fee Margin</u>
Greater than or equal to 1.50:1.00	.50%	2.25%	2.25%	.40%
Greater than or equal to 1.00:1.00, but less than 1.50:1.00	.25%	1.75%	1.75%	.35%
Less than 1.00:1.00	0%	1.25%	1.25%	.30%

“**EBITDA**” shall mean with reference to any period (i) consolidated net income (or net deficit) of Borrowers and their respective Subsidiaries for such period as computed in accordance with generally accepted accounting principles consistently applied, plus (ii) the aggregate amount of (a) Interest Expense without duplication, it being understood that Interest Expense shall not include interest that is paid in kind for such period, (b) all amounts deducted in arriving at such net income (or net deficit) in respect of federal, state and local income taxes for such period, (c) all amounts properly charged for depreciation of fixed assets and amortization of intangible assets during such period on the books of such Persons, (d) all non-cash restructuring charges recognized by Borrowers during such period; *provided, however*, that the restructuring charges recognized by Borrowers for purposes of this definition shall be deemed to be the following amounts for the following fiscal quarters: (1) fiscal quarter ended January 31, 2008, \$745,330; (2) fiscal quarter ended April 30, 2008, \$973,501; and (3) fiscal quarter ended July 31, 2008, \$2,123,110 and (e) an amount equal to a one-time non-cash goodwill impairment recognized by Borrowers in the quarter ended July 31, 2008 related to Parent’s acquisition of Modus Media, Inc. of \$14,000,000.

For the avoidance of doubt, for the fiscal quarter ending October 31, 2008, the restructuring charges recognized by Borrowers for purposes of this definition shall equal \$3,841,941 plus the non-cash restructuring charge recognized by the Borrowers during such fiscal quarter.

For the avoidance of doubt, for the fiscal quarter ending January 31, 2009, the restructuring charges recognized by Borrowers for purposes of this definition shall equal \$3,096,611 plus the non-cash restructuring charge recognized by the Borrowers during such fiscal quarter plus the amounts recognized the prior fiscal quarter.

For the avoidance of doubt, for the fiscal quarter ending April 30, 2009, the restructuring charges recognized by Borrowers for purposes of this definition shall equal \$2,123,110 plus the non-cash restructuring charge recognized by the Borrowers during such fiscal quarter plus the amounts recognized the two prior fiscal quarters.

For the avoidance of doubt, for the fiscal quarter ending July 31, 2009, the restructuring charges recognized by Borrowers for purposes of this definition shall equal the non-cash restructuring charge recognized by the Borrowers during such fiscal quarter plus the amounts recognized the three prior fiscal quarters.

“Fixed Charge Coverage Ratio” shall mean for any period the ratio of (i) the aggregate amount of (a) EBITDA for such period minus (b) Capital Expenditures for such period minus (c) all amounts of federal, state and local income taxes actually paid during the fiscal quarter ended October 31, 2008 and any period thereafter to (ii) the aggregate amount of (x) Interest Expense for such period plus (y) payments made by Borrowers to Parent with respect to Subordinated Debt for such period plus (z) payments made by Borrowers in respect of Indebtedness permitted hereunder pursuant to subsection (iv) of the definition of “Permitted Debt” for such period.

“Permitted Debt” shall mean:

(i) the Liabilities;

(ii) current unsecured Indebtedness arising in the ordinary course of business of Borrowers and their respective Subsidiaries, including trade payables, utility costs, payroll and benefit obligations, accrued tax liabilities and other non-extraordinary accounts payable but excluding Indebtedness for Borrowed Money;

(iii) the Subordinated Debt;

(iv) other Indebtedness incurred by Borrowers to any Person at a time no Default or Event of Default exists which is described on Schedule 1.1.3 to this Agreement up to an aggregate amount of \$15,000,000, including, without limitation, Indebtedness constituting Capitalized Lease Obligations; provided, however, that the Borrowers shall not be required to describe Capitalized Lease Obligations on Schedule 1.1.3 for purposes of this subsection.

“Permitted Liens” shall mean:

(i) Liens and encumbrances in favor of Agent, whether granted under or established by this Agreement, the Ancillary Agreements or otherwise;

(ii) subject to Section 7.4, Liens for taxes, assessments or other governmental charges incurred by a Borrower or its Subsidiaries in the ordinary course of business and for which no interest, late charge or penalty is attaching or which are being contested in good faith by appropriate proceedings diligently pursued and for which adequate reserves in accordance with generally accepted accounting principles shall have been set aside on its books;

(iii) Liens, not delinquent, incurred by a Borrower or its Subsidiaries in the ordinary course of business created by statute in connection with worker’s compensation, unemployment insurance, social security, old age pensions (subject to the applicable provisions of this Agreement) and similar statutory obligations;

(iv) Liens incurred by a Borrower or its Subsidiaries in favor of mechanics, materialmen, carriers, warehousemen, landlords or repairmen or other like statutory or common law Liens securing obligations incurred in good faith in the ordinary course of business that are not overdue for a period of more than fifteen (15) days or which are being contested in good faith;

(v) pledges and deposits to secure the performance of bids, tenders, trade contracts (other than for borrowed money), leases (other than capital leases), utility purchase obligations, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature incurred in the ordinary course of business;

(vi) easements, rights-of-way, restrictions and other similar encumbrances incurred in the ordinary course of business and encumbrances consisting of zoning restrictions, easements, licenses, restrictions on the use of property or minor imperfections in title thereto which, in the aggregate, are not material in amount, and which do not, in the aggregate, materially detract from the value of the property of any Borrower or Subsidiary or materially interfere with the ordinary conduct of the business of any Borrower or Subsidiary;

(vii) subjection to the limitation set forth in subsection (iv) of the definition of Permitted Liens, Liens that constitute purchase money security interests on any property securing Indebtedness incurred for the purpose of financing all or any party of the cost of acquiring such property, provided, that any such Lien attaches to such property within (20) days of the acquisition therefore and attaches solely to the property so acquired;

(viii) any existing Liens and encumbrances identified in Schedule 1.1.4 hereto to secure Indebtedness outstanding as of the date hereof.

“Revolving Credit Commitment” shall mean with respect to each Lender, the amount set forth opposite such Lender’s name in Schedule 2.1 under the heading “Revolving Credit Commitments.”

“Revolving Credit Termination Date” shall mean October 31, 2009.

(b) **Additional Definitions.** Section 1.1 of the Existing Loan Agreement is hereby amended by adding the following definitions on proper alphabetical order:

“Bank of America” shall mean Bank of America, N.A., as successor by merger to LaSalle Bank National Association.

“Business” shall mean the provision to organizations, including in the high technology, communications and medical industries, of a broad and integrated portfolio of business process outsourcing and technology solutions delivered across four core competencies: supply chain, e-business, aftermarket and entitlement management.

“Parent” shall mean ModusLink Global Solutions, Inc., a Delaware corporation f/k/a CMGI, Inc.

“Parent Notes” shall mean (i) that certain Secured Demand Note dated as of August 2, 2004 executed by Obligor in favor of Creditor in the principal amount of \$25,000,000, (ii) that certain Secured Promissory Note dated as of December __, 2004 executed by Obligor in favor of Creditor in the principal amount of \$10,000,000 and (iii) that certain Secured Promissory Note dated as of December __, 2004 executed by Obligor in favor of Creditor in the principal amount of \$17,151,705 and (iv) any other promissory notes executed by any Borrower in favor of Parent.

“Permitted Acquisition” shall mean any transaction or series of related transactions for the (a) acquisition by a Borrower of the property of any Person, or of any business or division of any Person; (b) acquisition by a Borrower of an excess of 50% of the equity interests of any Person, and otherwise causing such Person to become a Subsidiary of such Borrower; or (c) merger or consolidation or any other combination of a Borrower with any Person, if each of the following conditions is met:

(i) Agent shall receive at least twenty (20) Business Days’ prior written notice of such proposed Permitted Acquisition, which notice shall include a reasonably detailed description of such proposed Permitted Acquisition;

(ii) such Permitted Acquisition shall only involve Persons and assets located in the United States (and, if such Permitted Acquisition is an acquisition of the equity interests of such Person, such Person shall be incorporated or organized under the laws of any State of the United States or the District of Columbia) and be comprised of a business, or those assets of a business, of the type of Business engaged in by the Borrowers as of the date hereof and which business would not subject the Agent or Lenders to regulatory or third party approvals in connection with the exercise of their rights and remedies under this Agreement or any other Ancillary Agreements;

(iii) no additional Indebtedness, or other liabilities shall be incurred, assumed or otherwise be reflected on the consolidated balance sheet of the Borrowers after giving effect to such Permitted Acquisition, except ordinary course trade payables, accrued expenses and other Indebtedness constituting Permitted Debt;

(iv) the business and assets acquired in such Permitted Acquisition shall be free and clear of all Liens (other than Permitted Liens);

(v) at or prior to the closing of any Permitted Acquisition, the Agent, for its benefit and the benefit of the Lenders, will be granted a first priority perfected Lien (subject to Permitted Liens) in all assets acquired pursuant thereto, and the Borrowers shall have executed such documents and taken such actions as may be reasonably required by the Agent in connection therewith;

(vi) both immediately before and immediately after giving effect to such transaction, no Default or Event of Default shall exist;

(vii) immediately after giving effect to such transaction on a pro forma basis, the Borrowers shall be in compliance with all of the financial covenants set forth in Section 7.1 hereof;

(viii) the Borrowers shall have delivered final copies of the applicable acquisition documents to Agent, such documents being reasonably acceptable to the Agent and including, without limitation, all necessary UCC, tax and judgment searches and, where applicable, evidence of lien terminations satisfactory to Agent such that Agent's Liens and Permitted Liens, are the only liens on the acquired assets;

(ix) such Permitted Acquisition shall be consensual and the Board of Directors or similar governing body of the Person of which the assets or business is to be acquired by the Borrowers shall have consented to and approved the Permitted Acquisition;

(x) if the equity interests of any Person are acquired by a Borrower, such Person shall become a "Borrower" hereunder and under the Ancillary Documents to which the Borrowers are party, and shall execute any Ancillary Document or other documentation in form and substance reasonably satisfactory to Agent, required by the Agent;

(xi) after giving effect to such Permitted Acquisition, the aggregate amount paid by the Borrowers in respect of Permitted Acquisitions during the then current fiscal year (whether in the form of purchase price, earnout payments, transaction costs or other related fees and expenses) shall not exceed \$15,000,000.

(c) Deleted Definitions. The following definitions of and contained in Section 1.1 of the Existing Loan Agreement are hereby deleted in their entirety.

"CMGI";

"CMGI Notes";

"Commitment Increase Option";

"Equipment Debt"; and

"LaSalle".

2.4 Deletion of Commitment Increase Option. Section 2.3 of the Existing Loan Agreement is hereby amended by deleting the Section in its entirety and substituting the following therefor:

"2.3 Loan Accounts; Amount and Maintenance of Loans; Interest Rate Not Determined.

(A) Loan Account. Agent, on behalf of Lenders, shall record on its books and records the amount of each Loan made, the interest rate applicable, all payments of principal and interest thereon and the principal balance thereof from time to time outstanding, and such record shall, absent demonstrable error be conclusive evidence of the amount of the Loans made by Lenders to Borrowers and the interest and payments thereon. Any failure to record or any error in doing so shall, however, limit or otherwise affect the obligation of Borrowers hereunder (and under any Note) to pay any amount owing with respect to the Loans.

(B) Intentionally Omitted.

(C) Amount and Maintenance of Loans. The Loans may be made and maintained as (i) Prime Rate Loans, (ii) LIBOR Loans, or (iii) a combination of Prime Rate Loans and LIBOR Loans. The aggregate principal amount of each LIBOR Loan, whether new, converted or continued, shall not be less than \$500,000. More than one borrowing may occur on the same date, but at no time shall there be outstanding more than five LIBOR Loans in the aggregate. The amount of any Loan is also subject to the limits contained in Section 2.1. No Loan shall be made at any time a Default or Event of Default shall exist.

(D) Inability to Determine Interest Rate. In the event, and on each occasion, that on the day two Business Days prior to the commencement of any Interest Period for a LIBOR Loan, Agent shall have determined in good faith (which determination shall be conclusive and binding upon Borrowers) that currency deposits in the amount of such LIBOR Loan are not generally available in the London Interbank market, or that the rate at which such currency deposits are being offered will not adequately and fairly reflect the cost to Agent of maintaining the principal amount of such LIBOR Loan during such Interest Period, Agent shall promptly, after such determination shall have been made, give facsimile notice of such determination to Borrowers and Lenders, and, until Agent shall notify Borrowers and Lenders that the circumstances giving rise to such notice no longer exist, any request by Borrowers for the making of, conversion to or continuation of a LIBOR Loan shall be deemed to be a request for a Prime Rate Loan. Agent shall use its reasonable efforts to notify Borrowers of a change in the circumstances causing the LIBOR Loan to be unavailable but shall not incur any liability for any failure so to notify Borrowers.”

2.5 Amendment to Non-Use Fee. Section 2.12 of the Existing Loan Agreement is hereby amended by deleting the Section in its entirety and substituting the following therefor:

“2.12 Non-Use Fee. Borrowers agree, jointly and severally, to pay to Agent, for the ratable benefit of Lenders, with respect to the Revolving Credit Facility, for the period commencing on the date hereof and continuing through the Revolving Credit Termination Date, an amount equal to the product of (i) the average daily unused portion of the Aggregate Revolving Credit Commitment and (ii) the Applicable Margin. Such non-use fee shall be payable by Borrowers, jointly and severally, in arrears on the last Business Day of each calendar quarter and on the Revolving Credit Termination Date. The non-use fee shall be computed on the basis of the actual number of days elapsed in a year of 360 days.”

2.6 Warranties and Representations.

Section 6.1(T) of the Existing Loan Agreement is hereby amended and restated by deleting the Section in its entirety and substituting the following therefor:

“(T) Other than (i) the sale by SalesLink, LLC of its “marketing distribution services” business and assets to ADP and (ii) the sale of Inventory in the Borrower’s ordinary course of business, none of such Borrower’s Collateral has been pledged or sold to any other Person or otherwise encumbered, such Borrower is the owner of its Collateral free of all Liens and encumbrances except those of Agent and except for the Permitted Liens and no financing statement has been filed concerning the Collateral, except any filed on behalf of Agent and those relating to Permitted Liens;”

2.7 Amendments to Negative Covenants.

(a) **Amendment to Merger/Consolidation Restriction.** Subsection (B) of Section 7.3 of the Existing Loan Agreement is hereby amended by deleting the subsection in its entirety and substituting the following therefor:

“(B) **Mergers and Acquisitions.** (i) Liquidate, dissolve or merge or consolidate with or acquire any Person, (ii) permit any Subsidiary to liquidate, dissolve or merge or consolidate with or acquire any Person or (iii) lose control (as such term is defined in the definition of “**Affiliate**”) of any Subsidiary, except that any Borrower may (y) merge or consolidate with any other Borrower or (z) consummate Permitted Acquisitions;”

(b) **Amendment to Investment Restriction.** Subsection (C) of Section 7.3 of the Existing Loan Agreement is hereby amended by deleting the subsection in its entirety and substituting the following therefor:

“(C) **Investments.** (i) Except in respect of other Borrowers, make any investment in the securities of any Person other than (x) to a Subsidiary as permitted under Section 7.2(H), (y) in connection with a Permitted Acquisition or (z) in the ordinary course of its business or (ii) use or permit any proceeds of the Loans to be used, either directly or

indirectly, for the purpose, whether immediate, incidental or ultimate, of “purchasing or carrying” any margin stock (such Borrower will furnish to Agent upon request, a statement in conformity with the requirements of Federal Reserve Form U-1 referred to in Regulation U of the Federal Reserve Board);”

(c) Subsection (D) of Section 7.3 of the Existing Loan Agreement is hereby amended by deleting the subsection in its entirety and substituting the following therefor:

“(D) Loans. Make any loans or other advances of money (other than salary) to any other Borrower, or any Affiliate, officers, directors, employees or agents of Affiliates or such Borrower or to any other Person, except for (i) such loans or advances to employees in the ordinary course of business consistent with past practice; (ii) loans or advances to any other Borrower that are subordinated to the Liabilities on terms satisfactory to Agent; or (iii) to a Subsidiary as permitted under Section 7.2(H);”

(d) Amendment to Restriction on Asset Purchases. Subsection (K) of Section 7.3 is hereby amended by deleting the subsection in its entirety and substituting the following therefor:

“(K) Asset Purchase. Collectively with the other Borrowers, make any purchase or otherwise acquire or permit any domestic Subsidiary to acquire all or substantially all or a substantial portion of the assets of any Person (or any division or line of business of any Person) other than Permitted Acquisitions;”

2.8 Replacement of Schedule 1.1.2. Schedule 1.1.2 to the Existing Loan Agreement is hereby amended by replacing Schedule 1.1.2 to the Existing Loan Agreement with the replacement Schedule 1.1.2 attached to this Amendment as Attachment I.

2.9 Replacement of Schedule 2.1. Schedule 2.1 to the Existing Loan Agreement is hereby amended by replacing Schedule 2.1 to the Existing Loan Agreement with the replacement Schedule 2.1 attached to this Amendment as Attachment II.

SECTION 3

REPRESENTATIONS AND WARRANTIES

Each Borrower hereby jointly and severally represents and warrants to Lenders that:

3.1 Due Authorization, etc. The execution and delivery of this Amendment and the performance of such Borrower’s obligations under the Amended Loan Agreement are duly authorized by all necessary corporate or company action, do not require any filing or registration with or approval or consent of any governmental agency or authority, do not and will not conflict with, result in any violation of or constitute any default under any provision of its certificate of

incorporation or organization, as applicable, or by-laws or limited liability company agreement, as applicable, or that of any of its Subsidiaries or any material agreement or other document binding upon or applicable to it or any of its Subsidiaries (or any of their respective properties) or any material law or governmental regulation or court decree or order applicable to it or any of its Subsidiaries, and will not result in or require the creation or imposition of any Lien in any of its properties or the properties of any of its Subsidiaries pursuant to the provisions of any agreement binding upon or applicable to it or any of its Subsidiaries.

3.2 Validity. This Amendment has been duly executed and delivered by such Borrower and, together with the Amended Loan Agreement, are the legal, valid and binding obligations of such Borrower to the extent such Borrower is a party thereto, enforceable against such Borrower in accordance with their respective terms subject, as to enforcement only, to bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforceability of the rights of creditors generally.

3.3 Representations and Warranties. The representations and warranties contained in Section 6 of the Existing Loan Agreement are true and correct on the date of this Amendment, except to the extent that such representations and warranties (a) solely relate to an earlier date or (b) have been changed by circumstances permitted by the Amended Loan Agreement.

SECTION 4

CONDITIONS PRECEDENT

The amendments set forth in Section 2 of this Amendment shall become effective upon satisfaction of all of the following conditions precedent:

4.1 Receipt of Documents. Agent shall have received all of the following, each in form and substance satisfactory to Agent:

(a) Amendment. A counterpart original of this Amendment duly executed by Borrowers.

(b) Secretary's Certificate. A certificate of the secretary of each Borrower dated the date of the execution of this Amendment substantially in the form of Exhibit A to this Amendment.

(c) Officer's Certificate. A certificate of the chief financial officer of each Borrower dated the date of the execution of this Amendment, substantially in the form of Exhibit B to this Amendment.

(d) Replacement Revolving Notes. A Replacement Revolving Note dated as of the date hereof executed by Borrower in favor of each of (i) Bank of America, N.A. (as successor by merger to LaSalle Bank National Association), in the form of Exhibit C-1 to this Amendment and (ii) RBS Citizens, National Association, in the form of Exhibit C-2 to this Amendment.

(e) Other. Such other documents as Agent may reasonably request.

4.2 Payment of Modification Fee. Agent shall have received a modification fee for the ratable benefit of the Lenders from Borrowers in the amount of \$33,750.00.

4.3 Other Conditions. No Event of Default or Default shall have occurred and be continuing.

SECTION 5

MISCELLANEOUS

5.1 Warranties and Absence of Defaults. In order to induce Lenders to enter into this Amendment, each Borrower jointly and severally hereby warrants to Lenders, as of the date of the actual execution of this Amendment, that (a) no Event of Default or Default has occurred which is continuing as of such date and (b) the representations and warranties in Section 3 of this Amendment are true and correct.

5.2 Documents Remain in Effect. Except as amended and modified by this Amendment, the Existing Loan Agreement and the other documents executed pursuant to the Existing Loan Agreement remain in full force and effect and each Borrower hereby ratifies, adopts and confirms its representations, warranties, agreements and covenants contained in, and obligations and liabilities under, the Existing Loan Agreement and the other documents executed pursuant to the Existing Loan Agreement.

5.3 Reference to Loan Agreement. On and after the effective date of this Amendment, each reference in the Amended Loan Agreement to “this Agreement,” “hereunder,” “hereof,” “herein” or words of like import, and each reference to the “Loan Agreement” in any Note and in any Ancillary Agreement, or other agreements, documents or other instruments executed and delivered pursuant to the Amended Loan Agreement, shall mean and be a reference to the Amended Loan Agreement.

5.4 Headings. Headings used in this Amendment are for convenience of reference only, and shall not affect the construction of this Amendment.

5.5 Counterparts. This Amendment may be executed in any number of counterparts, and by the parties hereto on the same or separate counterparts, and each such counterpart, when executed and delivered, shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Amendment.

5.6 Expenses. Borrowers agree to pay on demand all costs and expenses of Lenders (including reasonable fees, charges and disbursements of Lenders’ attorneys) in connection with the preparation, negotiation, execution, delivery and administration of this Amendment and all other instruments or documents provided for herein or delivered or to be delivered hereunder or in connection herewith. In addition, Borrowers agree to pay, and save Lenders harmless from all

liability for, any stamp or other taxes which may be payable in connection with the execution or delivery of this Amendment, the borrowings under the Amended Loan Agreement, and the execution and delivery of any instruments or documents provided for herein or delivered or to be delivered hereunder or in connection herewith. All obligations provided in this Section 5.6 shall survive any termination of this Amendment or the Amended Loan Agreement.

5.7 Governing Law. This Amendment shall be a contract made under and governed by the internal laws of the State of Illinois. Wherever possible, each provision of this Amendment shall be interpreted in such a manner as to be effective and valid under applicable laws, but if any provision of this Amendment shall be prohibited by or invalid under such laws, such provisions shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Amendment.

5.8 Successors. This Amendment shall be binding upon Borrowers, Lenders and their respective successors and assigns, and shall inure to the benefit of Borrowers, Lenders and the successors and assigns of Lenders.

[signature page attached]

IN WITNESS WHEREOF, this Amendment has been duly executed as of the day and year first written above.

BORROWERS:

MODUSLINK CORPORATION
a Delaware corporation

By: /s/ Steven G. Crane
Name: Steven G. Crane
Title: Chief Financial Officer

SALESLINK LLC
a Delaware limited liability company

By: /s/ Steven G. Crane
Name: Steven G. Crane
Title: Chief Financial Officer

SALESLINK MEXICO HOLDING CORP.
a Delaware corporation

By: /s/ Steven G. Crane
Name: Steven G. Crane
Title: Chief Financial Officer

Fourth Amendment to Second Amended and Restated Loan and Security Agreement

AGENT:

BANK OF AMERICA (as successor by merger to LaSalle Bank National Association), as Agent

By: /s/ Michael Brashler

Name: Michael Brashler

Title: Vice President

Address

Bank of America, N.A.

135 South LaSalle

Chicago, Illinois 60603

Attn: Michael Brashler

Fax: 877-207-0732

LENDERS:

BANK OF AMERICA (as successor by merger to LaSalle Bank National Association), as a Lender

By: /s/ David Bacon

Name: David Bacon

Title: First Vice President

Address

Bank of America, N.A.

135 South LaSalle

Chicago, Illinois 60603

Attn: David Bacon

Fax: (312) 904-0409

RBS CITIZENS, NATIONAL ASSOCIATION f/k/a CITIZENS BANK OF MASSACHUSETTS, as a Lender

By: /s/ Victoria P. Lazzell

Name: Victoria P. Lazzell

Title: Senior Vice President

Address

RBS Citizens, National Association

53 State Street

8th Floor

Boston, Massachusetts 02109

Attn: Victoria P. Lazzell, Senior Vice President

Fax: (617) 742-9548

Schedule 2.1

Revolving Credit Commitments:

<u>Lender</u>	<u>Revolving Credit Commitment</u>	<u>Percentage of Initial Revolving Credit Commitment</u>
Bank of America, N.A. (as successor by merger to LaSalle Bank National Association)	\$26,250,000.00	58.3333333333333%
RBS Citizens, National Association f/k/a Citizens Bank of Massachusetts	\$18,750,000.00	41.6666666666667%
Total	<u>\$45,000,000.00</u>	<u>100.00%</u>

**REPLACEMENT SECOND AMENDED AND
RESTATED REVOLVING CREDIT NOTE**

\$26,250,000.00

Chicago, Illinois
October 31, 2008

On or before the Revolving Credit Termination Date, **FOR VALUE RECEIVED**, the undersigned ("**Borrowers**") promise to pay to the order of **BANK OF AMERICA, N.A.** (as successor by merger to LaSalle Bank National Association) ("**Lender**") at the Agent's office at 135 South LaSalle Street, Chicago, Illinois 60603, or such other place as the Agent may designate from time to time hereafter, the principal sum of Twenty Six Million Two Hundred Fifty Thousand and 00/100 Dollars (\$26,250,000.00) or, if less, the aggregate unpaid principal amount of all Loans made by Lender under the Revolving Credit Facility pursuant to that certain Second Amended and Restated Loan and Security Agreement dated as of October 31, 2005 by and among Borrowers, Agent and the Lenders party thereto as amended by (i) that certain First Amendment to Second Amended and Restated Loan and Security Agreement dated as of October 29, 2006, (ii) that certain Second Amendment to Second Amended and Restated Loan and Security Agreement dated as of January 9, 2007 and (iii) that certain Third Amendment to Second Amended and Restated Loan and Security Agreement dated as of October 31, 2007 and (iv) that certain Fourth Amendment to Second Amended and Restated Loan and Security Agreement dated of even date herewith (herein as so amended, and as the same may be further amended, modified or supplemented from time to time, the "**Loan Agreement**") as shown on a schedule attached hereto or in the Agent's records. All capitalized terms used herein without definition shall have the same meanings ascribed to such terms in the Loan Agreement.

This Note evidences certain Loans under the Revolving Credit Facility made from time to time to Borrowers by the Lender under the Loan Agreement, and the Borrowers hereby promise to pay interest at the offices described above on the Loans evidenced hereby at the rates and at the times and in the manner specified therefor in the Loan Agreement.

Repayments of principal hereon, shall be recorded by the Agent on a schedule to this Note or recorded on the Agent's books and records. Borrowers agree that in any action or proceeding instituted to collect or enforce collection of this Note, the entries so recorded on a schedule to this Note or recorded on the books and records of the Agent shall, absent demonstrable error be conclusive evidence of the amount of the Loans made by Lender to Borrowers and the interest and payments thereon.

This Note is issued by the Borrowers under the terms and provisions of the Loan Agreement and is secured by, among other things, the Collateral, the Amended and Restated ModusLink Pledge Agreement and this Note and the holder hereof is entitled to all of the benefits and security provided for thereby or referred to therein, to which reference is hereby made for a statement thereof. This Note may be declared to be, or be and become, due prior to its expressed maturity on the terms set forth in the Loan Agreement. Voluntary prepayments may be made on this Note, and certain prepayments are required to be made hereon, all in the events, on the terms and with the effects provided in the Loan Agreement.

All of Lender's rights and remedies are cumulative and non-exclusive. The acceptance by Lender of any partial payment made hereunder after the time when any of the Liabilities hereunder become due and payable will not establish a custom, or waive any rights of Lender to enforce prompt payment thereof. Lender's failure to require strict performance by Borrowers of any provision of this Note shall not waive, affect or diminish any right of Lender thereafter to demand strict compliance and performance therewith. Any waiver of an Event of Default hereunder shall not suspend, waive or affect any other Event of Default hereunder. Borrowers and every endorser waive presentment, demand and protest and notice of presentment, protest, default, non-payment, maturity, release, compromise, settlement, extension or renewal of this Note. Borrowers further waive any and all notice or demand to which Borrowers might be entitled with respect to this Note by virtue of any applicable statute or law (to the extent permitted by law).

This Note is issued in replacement of that certain Second Amended and Restated Revolving Credit Note dated October 31, 2005 in the original principal amount of \$35,000,000.00 (the "**Prior Note**"). The Prior Note shall be deemed terminated and of no further force and effect by the acceptance by Lender of this Note.

THE LOANS EVIDENCED HEREBY HAVE BEEN MADE, AND THIS NOTE HAS BEEN DELIVERED, AT CHICAGO, ILLINOIS, AND SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS (WITHOUT REGARD TO THE CONFLICTS OF LAWS PROVISIONS) OF THE STATE OF ILLINOIS. BORROWERS (i) WAIVE ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION TO ENFORCE OR DEFEND ANY MATTER ARISING FROM OR RELATED TO THIS NOTE; (ii) IRREVOCABLY SUBMIT TO THE JURISDICTION OF ANY STATE OR FEDERAL COURT LOCATED IN COOK COUNTY, ILLINOIS, OVER ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY MATTER ARISING FROM OR RELATED TO THIS NOTE; (iii) IRREVOCABLY WAIVE, TO THE FULLEST EXTENT BORROWERS MAY EFFECTIVELY DO SO, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF ANY SUCH ACTION OR PROCEEDING; (iv) AGREE THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN ANY OTHER JURISDICTION BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW; AND (v) AGREE NOT TO INSTITUTE ANY LEGAL ACTION OR PROCEEDING AGAINST LENDER OR ANY OF LENDER'S DIRECTORS, OFFICERS, EMPLOYEES, AGENTS OR PROPERTY, CONCERNING ANY MATTER ARISING OUT OF OR RELATING TO THIS NOTE IN ANY COURT OTHER THAN ONE LOCATED IN COOK COUNTY, ILLINOIS.

[signature page attached]

IN WITNESS WHEREOF, this Replacement Second Amended and Restated Revolving Credit Note has been duly executed as of the day and year first written above.

MODUSLINK CORPORATION
a Delaware corporation

By: /s/ Steven G. Crane
Name: Steven G. Crane
Title: Chief Financial Officer

SALESLINK LLC
a Delaware limited liability company

By: /s/ Steven G. Crane
Name: Steven G. Crane
Title: Chief Financial Officer

SALESLINK MEXICO HOLDING CORP.
a Delaware corporation

By: /s/ Steven G. Crane
Name: Steven G. Crane
Title: Chief Financial Officer

**REPLACEMENT SECOND AMENDED AND
RESTATED REVOLVING CREDIT NOTE**

\$18,750,000.00

Chicago, Illinois
October 31, 2008

On or before the Revolving Credit Termination Date, **FOR VALUE RECEIVED**, the undersigned ("**Borrowers**") promise to pay to the order of **RBS CITIZENS, NATIONAL ASSOCIATION** f/k/a Citizens Bank of Massachusetts ("**Lender**") at the Agent's office at 135 South LaSalle Street, Chicago, Illinois 60603, or such other place as the Agent may designate from time to time hereafter, the principal sum of Eighteen Million Seven Hundred Fifty Thousand and 00/100 Dollars (\$18,750,000.00) or, if less, the aggregate unpaid principal amount of all Loans made by Lender under the Revolving Credit Facility pursuant to that certain Second Amended and Restated Loan and Security Agreement dated as of October 31, 2005 by and among Borrowers, Agent and the Lenders party thereto as amended by (i) that certain First Amendment to Second Amended and Restated Loan and Security Agreement dated as of October 29, 2006, (ii) that certain Second Amendment to Second Amended and Restated Loan and Security Agreement dated as of January 9, 2007 and (iii) that certain Third Amendment to Second Amended and Restated Loan and Security Agreement dated as of October 31, 2007 and (iv) that certain Fourth Amendment to Second Amended and Restated Loan and Security Agreement dated of even date herewith (herein as so amended, and as the same may be further amended, modified or supplemented from time to time, the "**Loan Agreement**") as shown on a schedule attached hereto or in the Agent's records. All capitalized terms used herein without definition shall have the same meanings ascribed to such terms in the Loan Agreement.

This Note evidences certain Loans under the Revolving Credit Facility made from time to time to Borrowers by the Lender under the Loan Agreement, and the Borrowers hereby promise to pay interest at the offices described above on the Loans evidenced hereby at the rates and at the times and in the manner specified therefor in the Loan Agreement.

Repayments of principal hereon, shall be recorded by the Agent on a schedule to this Note or recorded on the Agent's books and records. Borrowers agree that in any action or proceeding instituted to collect or enforce collection of this Note, the entries so recorded on a schedule to this Note or recorded on the books and records of the Agent shall, absent demonstrable error, be conclusive evidence of the amount of the Loans made by Lender to Borrowers and the interest and payments thereon.

This Note is issued by the Borrowers under the terms and provisions of the Loan Agreement and is secured by, among other things, the Collateral, the Amended and Restated ModusLink Pledge Agreement and this Note and the holder hereof is entitled to all of the benefits and security provided for thereby or referred to therein, to which reference is hereby made for a statement thereof. This Note may be declared to be, or be and become, due prior to its expressed maturity on the terms set forth in the Loan Agreement. Voluntary prepayments may be made on this Note, and certain prepayments are required to be made hereon, all in the events, on the terms and with the effects provided in the Loan Agreement.

All of Lender's rights and remedies are cumulative and non-exclusive. The acceptance by Lender of any partial payment made hereunder after the time when any of the Liabilities hereunder become due and payable will not establish a custom, or waive any rights of Lender to enforce prompt payment thereof. Lender's failure to require strict performance by Borrowers of any provision of this Note shall not waive, affect or diminish any right of Lender thereafter to demand strict compliance and performance therewith. Any waiver of an Event of Default hereunder shall not suspend, waive or affect any other Event of Default hereunder. Borrowers and every endorser waive presentment, demand and protest and notice of presentment, protest, default, non-payment, maturity, release, compromise, settlement, extension or renewal of this Note. Borrowers further waive any and all notice or demand to which Borrowers might be entitled with respect to this Note by virtue of any applicable statute or law (to the extent permitted by law).

This Note is issued in replacement of that certain Second Amended and Restated Revolving Credit Note dated October 31, 2005 in the original principal amount of \$25,000,000.00 (the "**Prior Note**"). The Prior Note shall be deemed terminated and of no further force and effect by the acceptance by Lender of this Note.

THE LOANS EVIDENCED HEREBY HAVE BEEN MADE, AND THIS NOTE HAS BEEN DELIVERED, AT CHICAGO, ILLINOIS, AND SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS (WITHOUT REGARD TO THE CONFLICTS OF LAWS PROVISIONS) OF THE STATE OF ILLINOIS. BORROWERS (i) WAIVE ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION TO ENFORCE OR DEFEND ANY MATTER ARISING FROM OR RELATED TO THIS NOTE; (ii) IRREVOCABLY SUBMIT TO THE JURISDICTION OF ANY STATE OR FEDERAL COURT LOCATED IN COOK COUNTY, ILLINOIS, OVER ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY MATTER ARISING FROM OR RELATED TO THIS NOTE; (iii) IRREVOCABLY WAIVE, TO THE FULLEST EXTENT BORROWERS MAY EFFECTIVELY DO SO, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF ANY SUCH ACTION OR PROCEEDING; (iv) AGREE THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN ANY OTHER JURISDICTION BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW; AND (v) AGREE NOT TO INSTITUTE ANY LEGAL ACTION OR PROCEEDING AGAINST LENDER OR ANY OF LENDER'S DIRECTORS, OFFICERS, EMPLOYEES, AGENTS OR PROPERTY, CONCERNING ANY MATTER ARISING OUT OF OR RELATING TO THIS NOTE IN ANY COURT OTHER THAN ONE LOCATED IN COOK COUNTY, ILLINOIS.

[signature page attached]

IN WITNESS WHEREOF, this Replacement Second Amended and Restated Revolving Credit Note has been duly executed as of the day and year first written above.

MODUSLINK CORPORATION
a Delaware corporation

By: /s/ Steven G. Crane
Name: Steven G. Crane
Title: Chief Financial Officer

SALESLINK LLC
a Delaware limited liability company

By: /s/ Steven G. Crane
Name: Steven G. Crane
Title: Chief Financial Officer

SALESLINK MEXICO HOLDING CORP.
a Delaware corporation

By: /s/ Steven G. Crane
Name: Steven G. Crane
Title: Chief Financial Officer

ModusLink Global Solutions, Inc.
FY 2009 Executive Management Incentive Plan

1. Purpose

The objective of the FY 2009 Executive Management Incentive Plan (“2009 EMIP Plan” or “Plan”) is to recognize and reward the achievement of financial, business and management goals that are essential to the success of ModusLink Global Solutions, Inc. and its subsidiaries (the “Company” or “ModusLink Global Solutions”).

2. Period of Effectiveness

This Plan relates to the 2009 fiscal year, August 1, 2008 to July 31, 2009.

3. Eligibility

Certain executive employees of ModusLink Global Solutions and its subsidiaries, as determined by the Human Resources and Compensation Committee of the Board of Directors of ModusLink Global Solutions (the “Committee”), are eligible for participation in the 2009 EMIP Plan. (Each such designated person is called a “Participant” in this Plan.)

The Company will issue all Participants a notice of their eligibility and their individual Plan components by providing a document in the form of Appendix B to each eligible Participant. Other eligibility requirements are listed in Section 9 below.

4. Target Payout Percentage

Participants will be assigned a target payout percentage for the 2009 EMIP Plan, expressed as a percentage of Base Salary (as defined herein). This percentage (the “Target Payout Percentage”) represents the potential bonus that will be earned at full achievement of goals for all Plan components at their “target” levels. The Target Payout Percentage will vary according to the Participant’s position. Actual payout percentage will vary based on the factors described in Section 5 below.

5. Plan Components and Targets

The Plan payout will be measured based upon achievement against “NGOI” (subsidiary-specific and/or consolidated, depending on the Participant’s role), Sales Revenue and Individual Performance, each as further described below. A percentage of each Participant’s Target Payout Percentage will be allocated to each of the relevant components for that Participant.

A. Non-GAAP Operating Income (Loss) (“NGOI”)

Non-GAAP Operating Income (Loss) (“NGOI”) is defined as operating income (Loss) of ModusLink Global Solutions, Inc. excluding net charges related to depreciation, amortization of intangible assets, stock-based compensation, restructuring and non-cash charges.

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Each Participant's Target Payout Percentage will include a component based on Consolidated NGOI targets. Some Participants will also have a component based on a subsidiary-specific NGOI target. Each Participant will be informed of (i) the relevant "Threshold Level" for Consolidated NGOI, (ii) the "Target Level" for Consolidated NGOI and, if applicable, for subsidiary-specific NGOI for the Participant's company, and (iii) a "Maximum Level" for Consolidated NGOI.

B. Sales Revenue

Each Participant's Target Payout Percentage will include a component based on a Sales Revenue target. For some Participants the Sales Revenue target will be based on Consolidated Sales Revenue and for some Participants the Sales Revenue target will be based on Subsidiary-specific Sales Revenue. Each Participant will be informed of (i) the "Threshold Level" for the relevant Sales Revenue, (ii) the "Target Level" for the relevant Sales Revenue, and (iii) a "Maximum Level" for relevant Sales Revenue.

C. Individual Performance

Each Participant's Target Payout Percentage will include a component based on achievement of individual goals and objectives. In order to be eligible for the individual performance component, all Participants must have clearly documented individual goals and objectives established in conjunction with and approved by the Chief Executive Officer (and in the case of the Chief Executive Officer, by the Committee). Achievement of these goals and objectives will be assessed by the Chief Executive Officer following the close of the fiscal year. In the event the Company realizes overachievement with regard to Consolidated NGOI and/or Sales Revenue, the actual payment made with respect to *individual performance* will be increased proportionally to reflect the amount of overachievement paid with respect to Consolidated NGOI and Sales Revenue (reflecting the relative weight of each component on the Target Payout Percentage).

6. Gates

If ModusLink Global Solutions does not achieve the Threshold Level for Consolidated NGOI, no payments whatsoever will be made under this Plan, whether for NGOI achievement (consolidated or regional), Sales Revenue or individual performance.

No payout will be made without approval from the Committee.

7. Calculation of Achievement and Overachievement Adjustments

Subject in each case to Section 6 above:

A. Consolidated NGOI

In the event that the Threshold Level for Consolidated NGOI is achieved, each Participant would be eligible to receive a portion of the Consolidated NGOI component of his or her

Target Payout Percentage based on a pro rata sliding scale running between 0% to 100% based on the spread between the Threshold Level and the Target Level. If the Consolidated NGOI exceeds the Target Level, the total payout made to the Participant for Consolidated NGOI will be based on a pro rata sliding scale running between 100% and 200% based on the spread between the Target Level and the Maximum Level.

B. Subsidiary NGOI

In the event that the relevant Threshold Level for Subsidiary NGOI (where relevant) is achieved, each Participant with a Subsidiary NGOI component would be eligible to receive a portion of the Subsidiary NGOI component of his or her Target Payout Percentage based on a pro rata sliding scale running between 0% to 100% based on the spread between the Threshold Level and the Target Level. If the Subsidiary NGOI exceeds the Target Level, the total payout made to the Participant for Subsidiary NGOI will be based on a pro rata sliding scale running between 100% and 200% based on the spread between the Target Level and the Maximum Target.

C. Sales Revenue

In the event that the Threshold Level for Sales Revenue is achieved, each Participant would be eligible to receive a portion of the Sales Revenue component of his or her Target Payout Percentage based on a pro rata sliding scale running between 0% to 100% based on the spread between the Threshold Level and the Target Level. If the Sales Revenue exceeds the Target Target, the total payout made to the Participant for Sales Revenue will be based on a pro rata sliding scale running between 100% and 200% based on the spread between the Target Level and the Maximum Level.

D. Individual Performance

For the individual performance metric, the Chief Executive Officer (and in the case of the Chief Executive Officer, the Committee) will assess each Participant's performance against pre-established goals and assign a percentage achievement for the Individual Performance Component. In the event there is overachievement with regard to Consolidated NGOI, Subsidiary NGOI and/or Sales Revenue, the actual payment made with respect to individual performance will be increased proportionally to reflect the amount of overachievement paid with respect to Consolidated NGOI, Subsidiary NGOI and Sales Revenue (reflecting the relative weight of each component on the Target Payout Percentage for a Participant).

8. Payout Calculations

- A. A Participant's payout under this EMIP (the "Payout Amount") will be calculated by multiplying (A) the Target Payout Percentage by (B) the weighted achievement levels computed in accordance with Section 7 above, by (C) the Participant's Base Salary. For purposes of this EMIP, "Base Salary" is the total actual amount of base salary earned by the Participant during the fiscal year with respect to the period during which the Participant was eligible for EMIP.
- B. If the employee's Target Payout Percentage changes during the fiscal year, the bonus payout will be pro-rated as follows: The new Target Payout Percentage will apply to the number of full months at the new target. The previous Target Payout Percentage will apply to the prior months.
- C. Results exceeding the Maximum Target will be eligible for additional payouts at the discretion of the Board.
- D. The payments will be made in accordance with the Company's normal payroll practices.

9. Specific Eligibility Requirements

- A. To be eligible for any payment under the Plan, a Participant must be an active executive of ModusLink Global Solutions or one of its subsidiaries (subject to Section 9B below) on the date actual Plan payments are made.
- B. Only those employees who become eligible prior to April 30, 2009 will participate in the Plan.

10. Administration of Plan; Miscellaneous Matters

- A. Payment on any particular occasion of any bonus amount in accordance with this Plan shall not create the presumption that any further bonus amount will be paid to the Participant thereafter under this Plan or otherwise.
- B. Participants who live and work in a non-United States location will have their Plan payout calculations performed (i.e., comparisons against metrics will be local currency denominated) and payouts issued in their local currency, unless a specific ex-patriate or other employment agreement specifically provides otherwise.
- C. The adoption of this Plan shall not be deemed to give any employee the right to be retained in the employ of ModusLink Global Solutions or its subsidiaries or to interfere with the right of the Company to dismiss any employee at any time, for any reason not prohibited by law nor shall it be deemed to give the Company the right to require any employee to remain in its employ.
- D. Payments under this Plan are not to be considered for any purpose as part of the Participant's base salary or wages.

- E. The financial targets assigned and recognized as goals on any of the performance factors may be removed, revised or otherwise modified by the Committee at any time for any reason or for no reason.
- F. The Committee's interpretation of the Plan is final and in the sole and absolute discretion of the Committee. The Committee reserves the right to make final and binding decisions regarding the amount of incentive, if any, to be paid to any Participant. The Committee also reserves the right to amend, terminate and modify this Plan at any time in its sole discretion with or without notice. Each Participant, by signing a Certificate of Acknowledgment, specifically acknowledges this right.
- G. No Participant or third party acting on behalf of or through a Participant shall have any power or right to transfer, assign, anticipate, hypothecate, mortgage, commute, modify or otherwise encumber in advance any amounts that may be payable hereunder, nor shall any of said amounts be subject to seizure for payment of debt, judgments, alimony or separate maintenance owed by a Participant, or be transferable by operation of law in the event of a bankruptcy, or otherwise.
- H. This Plan is administered by, and all decisions regarding any payments hereunder shall be made from, ModusLink Global Solutions, Inc. regardless of whether a Participant is employed by ModusLink Global Solutions or one of its subsidiaries.
- I. If any term or condition of this Plan is found to be in non-conformance with a given state or federal or other law, that term or condition will be non-enforceable but will not negate other terms and conditions of the Plan.
- J. The Plan shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts.

Appendix A

Certificate of Acknowledgement

I, _____, hereby certify that I have read the ModusLink Global Solutions, Inc. FY 2009 Executive Management Incentive Plan. I understand and agree with the terms of the Plan and agree to be bound thereby.

Participant Signature

Date

Printed Name

Witness Signature

Printed Name

Appendix B

FY 2009 Executive Management Incentive Plan

Participant Information Form

Participant Name: _____

Target Payout Percentage: _____

The Target Payout is allocated as follows:

Consolidated NGOI Achievement: _____ %

Subsidiary NGOI Achievement: _____ %

Sales Revenue Achievement: _____ %

Indicate Company (if applicable): _____

Individual Performance: _____ %

The relevant NGOI Targets for Participant are as follows:

Consolidated NGOI

Threshold Level: \$ _____ (per Section 6 of the Plan, no payout will be made unless the Threshold Level of Consolidated NGOI is met)

Target Level: \$ _____

Maximum Level: \$ _____

Subsidiary NGOI (if applicable)

Subsidiary: _____

Threshold Level: \$ _____

Target Level: \$ _____

Maximum Level: \$ _____

Sales Revenue

Consolidated:

Threshold Level: \$ _____

Target Level: \$ _____

Maximum Level: \$ _____

Subsidiary:

Threshold Level: \$ _____

Target Level: \$ _____

Maximum Level: \$ _____