
**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 31, 2010

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)

Not Applicable
(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 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

(d)

On November 1, 2010, Joseph M. O'Donnell was appointed to the Board of Directors of ModusLink Global Solutions, Inc. (the "Company") as a Class II director. There are no arrangements or understandings between Mr. O'Donnell and any other persons pursuant to which Mr. O'Donnell was appointed as a director.

Also on November 1, 2010, Jeffrey J. Fenton was appointed to the Board of Directors of the Company as a Class III director. On October 20, 2010, the Company, LCV Capital Management, LLC, Raging Capital Management, LLC and certain of their affiliates (the "Investor Group") entered into an agreement (the "Agreement") pursuant to which the Company agreed, among other things, to appoint Mr. Fenton to the Board on November 1, 2010 as a Class III director. Pursuant to the Agreement, Mr. Fenton (or such director that shall have been appointed to replace Mr. Fenton pursuant to the Agreement) is required to resign from the Board of Directors (i) upon a material breach of the Agreement by the Investor Group or (ii) if the Investor Group's aggregate beneficial ownership of the Company's common stock, at any time prior to the date of the 2011 Annual Meeting of Stockholders, shall be less than 50% of the aggregate beneficial ownership of the Company's common stock by the Investor Group, as a whole, on the date of the Agreement. The Agreement was previously filed as an exhibit to the Company's Current Report on Form 8-K dated October 20, 2010.

Pursuant to the Agreement, the Company also agreed to establish an interim committee of the Board of Directors to evaluate the most appropriate method and timing of the capital distribution described in the Agreement and to appoint Mr. Fenton as chairman of such interim committee. At the time of this filing, other than the appointment of Mr. Fenton to the interim committee, no determination has been made as to other committees of the Board of Directors to which Mr. Fenton and Mr. O'Donnell may be appointed.

There have been no transactions and are no currently proposed transactions to which the Company or any of its subsidiaries was or is a party in which Mr. Fenton or Mr. O'Donnell has a material interest, which are required to be disclosed under Item 404(a) of Regulation S-K.

Pursuant to the Company's 2005 Non-Employee Director Plan, as amended, on November 1, 2010, each of Mr. Fenton and Mr. O'Donnell received an option to purchase 20,000 shares of the Company's common stock at an exercise price equal to the closing price of the Company's common stock as reported on The NASDAQ Stock Market on the date of grant. Each option vests and becomes exercisable as to 1/36th of the number of shares subject to the option on each monthly anniversary of the date of grant, provided that, in each case, Mr. Fenton or Mr. O'Donnell serves as a director on each such monthly anniversary date. The options expire on the tenth anniversary of the date of grant.

Each of Mr. Fenton and Mr. O'Donnell will also receive cash and equity compensation pursuant to the Company's Amended and Restated Director Compensation Plan, as described in the Company's definitive proxy statement filed with the Securities and Exchange Commission on October 26, 2010.

(e)

On October 31, 2010, the Human Resources and Compensation Committee (the "Compensation Committee") of the Board of Directors of the Company approved the ModusLink Global Solutions, Inc. FY 2011 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, 2011. The Bonus Plan covers the executive officers of the Company among other individuals as determined by the Compensation Committee. Target bonus percentages for participating executive officers were previously approved and reported by the Company on a Current Report on Form 8-K dated September 22, 2010.

Performance under the Bonus Plan will be measured based upon the Company's fiscal 2011 results for revenue ("Revenue"), operating income ("Operating Income") and free cash flow from operations

("Free Cash Flow"), each as defined in the Bonus Plan filed as an exhibit hereto. A portion of each participant's target bonus percentage will be allocated to each of the components on a 40%, 40% and 20% basis among Revenue, Operating Income and Free Cash Flow, respectively.

As to each component, performance is measured relative to threshold, target and maximum levels. Cash payments under the Bonus Plan may range, subject to the terms of the Bonus Plan, from 25% at threshold performance to 100% at target performance, to 200% at maximum performance (with a sliding scale applying between levels).

A participant's payout under the Bonus Plan will be calculated by multiplying for each component (A) the participant's target bonus percentage, by (B) the weight percentage associated with the component, by (C) the achievement level for such component, by (D) the participant's base salary; and then adding the three resulting amounts.

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 exhibit listed in the Exhibit Index below is filed with this report.

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
10.1	ModusLink Global Solutions, Inc. FY 2011 Executive Management Incentive Plan.

ModusLink Global Solutions, Inc.
FY 2011 Executive Management Incentive Plan

1. Purpose

The objective of the FY 2011 Executive Management Incentive Plan (“2011 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.

2. Period of Effectiveness

This Plan relates to the 2011 fiscal year, August 1, 2010 to July 31, 2011.

3. Eligibility

- A. Certain executive employees of the Company, as determined by the Committee, are eligible to be Participants. 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 A to each eligible Participant.
- B. To be eligible for any payment under the Plan, a Participant must be an active employee of the Company on the date actual Plan payments are made, provided, however, that a Participant will remain eligible for a payment under the Plan to the extent such Participant (i) was employed by the Company for the Plan Period and (ii) has his or her employment with the Company involuntarily terminated by the Company without Cause after the Plan Period but prior to the date Plan payments are made.

4. Definitions

As used herein, the following capitalized terms shall have the following definitions:

- A. “Base Salary” is the total actual amount of base salary earned by the Participant during the Plan Period (or portion thereof) during which the Participant was a Participant.
- B. “Cause” means a good faith finding by a majority of the members of the Board of Directors of the Company, after giving the Participant an opportunity to be heard, of: (i) grossly negligent or willful misconduct by the Participant in connection with his or her employment duties, (ii) failure by the Participant (other than due to disability) to perform his or her duties or responsibilities required pursuant to his or her employment, after written notice and an opportunity to cure, (iii) misappropriation by the Participant of the assets or business opportunities of the Company, or its affiliates, (iv) embezzlement or other financial or other fraud committed by the Participant, (v) the Participant knowingly allowing any third party to commit any of the acts

described in any of the preceding clauses (iii) or (iv), or (vi) the Participant's indictment for, conviction of, or entry of a plea of no contest with respect to, any felony or any crime involving moral turpitude.

- C. "Committee" means the Human Resources and Compensation Committee of the Board of Directors of ModusLink Global Solutions, Inc.
- D. "Free Cash Flow," as used herein, means "Net cash (used in) provided by operating activities of continuing operations" minus "Additions to property and equipment" as each such line item appears and is reported in the Company's publicly filed financial statements, excluding the impact of (i) any acquisitions or divestitures, (ii) any goodwill impairment, (iii) any change to @Ventures budgeted expenses and (iv) any expenses related to the Company's 2010 director nomination process and the resolution thereof.
- E. "ModusLink" or the "Company" means ModusLink Global Solutions, Inc. and its subsidiaries.
- F. "Operating Income," as used herein, means operating income as reported in the Company's publicly filed financial statements, excluding the impact of (i) any acquisitions or divestitures, (ii) any goodwill impairment, (iii) any change to @Ventures budgeted expenses and (iv) any expenses related to the Company's 2010 director nomination process and the resolution thereof.
- G. "Participants" mean those certain designated executive ModusLink employees whose roles and responsibilities are deemed by the Committee to be critical to operations and who have direct responsibility for or impact on achieving the financial results of the Company.
- H. "Payout Amount" means any payout made under this Plan.
- I. "Plan Period" or "Fiscal Year" means the time period from August 1, 2010 through July 31, 2011.
- J. "Revenue," means revenue as reported in the Company's publicly filed financial statements, excluding the impact of any acquisitions or divestitures.
- K. "Target Payout Percentage" as used herein, means the bonus percentage that will be earned at full achievement of goals for all Plan components at their "target" levels in each of the Plan Periods.

5. Target Payout Percentage

Participants will be assigned a Target Payout Percentage for the 2011 EMIP Plan, expressed as a percentage of Base Salary. The Target Payout Percentage will vary according to the Participant's position. Actual payout percentage will vary based on the factors described in Section 6 below.

6. **Components and Targets**

The Payout Amounts will be determined based upon achievement against Revenue, Operating Income, and Free Cash Flow targets. A percentage of each Participant's Target Payout Percentage will be allocated to each of the relevant components for that Participant on a 40%, 40% and 20% basis among Revenue, Operating Income and Free Cash Flow, respectively.

A. **Revenue**

Each Participant's Target Payout Percentage will include a component based on a Revenue target. Each Participant will be informed of the "Threshold Level," the "Target Level" and the "Maximum Level" for Revenue for the Plan Period.

B. **Operating Income**

Each Participant's Target Payout Percentage will include a component based on an Operating Income target. Each Participant will be informed of the "Threshold Level," the "Target Level" and the "Maximum Level" for Operating Income for the Plan Period.

C. **Free Cash Flow**

Each Participant's Target Payout Percentage will include a component based on a Free Cash Flow target. Each Participant will be informed of the "Threshold Level," the "Target Level" and the "Maximum Level" for Free Cash Flow for the Plan Period.

7. **No Gate**

Each component (Revenue, Operating Income, and Free Cash Flow) will be separately considered in calculating performance against targets and therefore no "gate" will apply to payouts under this Plan.

No payout will be made without approval from the Committee.

8. **Calculation of Achievement and Overachievement Adjustments**

A. **Revenue**

In the event that the Threshold Level for Revenue is achieved, each Participant would be eligible to receive a portion of the Revenue component of his or her Target Payout Percentage based on a pro rata sliding scale running between 25% to 100% based on the spread between the Threshold Level and the Target Level. If Revenue exceeds the Target Level, the total payout made to the Participant for 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.

B. Operating Income

In the event that the Threshold Level for Operating Income is achieved, each Participant would be eligible to receive a portion of the Operating Income component of his or her Target Payout Percentage based on a pro rata sliding scale running between 25% to 100% based on the spread between the Threshold Level and the Target Level. If Operating Income exceeds the Target Level, the total payout made to the Participant for Operating Income 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.

C. Free Cash Flow

In the event that the Threshold Level for Free Cash Flow is achieved, each Participant would be eligible to receive a portion of the Free Cash Flow component of his or her Target Payout Percentage based on a pro rata sliding scale running between 25% to 100% based on the spread between the Threshold Level and the Target Level. If Free Cash Flow exceeds the Target Level, the total payout made to the Participant for 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.

9. Payout Calculations

- A. A Participant's Payout Amount will be calculated by multiplying for each component (A) the Target Payout Percentage, by (B) the weight percentage associated with the component per Section 6 above, by (C) the achievement level for such component computed in accordance with Section 8 above, by (D) the Participant's Base Salary; and then adding the three resulting amounts.
- 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 Level 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.

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 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 is in the sole and absolute discretion of the Committee. The Committee shall define and interpret the Plan components in their sole discretion. 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 attached hereto as Appendix B, specifically acknowledges this right and agrees to be bound by the terms of the Plan.
- 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. Any legal actions arising out of or relating to this Plan shall be brought exclusively in the state and federal courts located in Middlesex or Suffolk County, Massachusetts.

Appendix A

FY 2011 Executive Management Incentive Plan

Participant Information Form

Participant Name: _____

Target Payout Percentage: _____

The Target Payout is allocated as follows:

Revenue: 40%

Operating Income: 40%

Free Cash Flow: 20%

The relevant Targets for Participant are as follows:

Revenue

Threshold Level: \$ _____

Target Level: \$ _____

Maximum Level: \$ _____

Operating Income

Threshold Level: \$ _____

Target Level: \$ _____

Maximum Level: \$ _____

Free Cash Flow

Threshold Level: \$ _____

Target Level: \$ _____

Maximum Level: \$ _____

Appendix B

Certificate of Acknowledgement

I, _____, hereby certify that I have read the ModusLink Global Solutions, Inc. FY 2011 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