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

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**FORM 8-K**

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**CURRENT REPORT**

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

**Date of report (Date of earliest event reported): June 11, 2012**

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**ModusLink Global Solutions, Inc.**

**(Exact name of registrant as specified in charter)**

**Delaware**  
**(State or other jurisdiction  
of incorporation)**

**000-23262**  
**(Commission  
File Number)**

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

**1601 Trapelo Road**  
**Waltham, Massachusetts 02451**  
**(Address of Principal Executive Offices)**

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**(781) 663-5000**  
**(Registrant's telephone number, including area code)**

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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 3.01. Notice of Delisting or Failure to Satisfy a Continued Listing Rule or Standard; Transfer of Listing.**

On June 15, 2012, ModusLink Global Solutions, Inc. (“ModusLink”) issued a press release regarding a notice of failure to satisfy a continued listing standard. The information required by this Item is incorporated into this Item 3.01 by reference to such press release, which is attached hereto as Exhibit 99.1.

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

*Departure of Joseph C. Lawler and William R. McLennan*

On June 11, 2012, ModusLink announced the retirement of Joseph C. Lawler, its President and Chief Executive Officer effective as described below and his resignation from the Board of Directors, effective immediately, and the mutual separation of William R. McLennan, President, Global Operations.

In order to insure an orderly transition of his duties, ModusLink and Mr. Lawler entered into a Separation and Release Agreement pursuant to which he agreed to remain as President and Chief Executive Officer until the earlier of the date ModusLink appoints a new President and Chief Executive Officer, October 1, 2012, or the date ModusLink terminates his employment, and in exchange therefor he will receive upon his termination:

- A lump sum payment equal to \$1,451,250 (which is equal to one year’s base salary and his target bonus for 2012)
- Reimbursement for the cost of continued COBRA coverage under the ModusLink health benefit plans for up to twelve months.
- Accelerated vesting in up to 66,010 options and 38,923 shares of restricted stock to the extent not otherwise vested upon his termination and he will have six months following his termination to exercise any vested options. However, he waived any other rights to accelerated vesting in his options or restricted stock in the event of a change in control of ModusLink.

In negotiating Mr. Lawler’s Separation Agreement, the Board used the amounts that would have been payable to Mr. Lawler under his Executive Severance Agreement as a reference point. Accordingly, these amounts and benefits are consistent with what he would otherwise have received, had the separation not been mutually agreed, except for the additional acceleration of vesting in 45,775 options and 25,433 shares of restricted stock and the extension of the exercise period on all his options.

Mr. Lawler’s receipt of these amounts and benefits are subject to his execution of and not revoking a release of claims and his not being terminated for cause.

ModusLink and Mr. McLennan also entered into a Separation and Release Agreement pursuant to which he will receive one year’s base salary payable in installments over 12 months. This is consistent with the amount he would have otherwise received under his Executive Severance Agreement, had the separation not been mutually agreed.

In the event that each of Messrs. Lawler or McLennan violate any of his non-compete, non-solicitation, confidential information covenants, or if ModusLink later learns of facts that would have allowed it to terminate such executive’s employment for cause, then such executive is required to repay all but \$100 of the benefits he received under their Separation and Release Agreements, and in Mr. Lawler’s case, he will forfeit all options and restricted stock the vesting of which was accelerated under his Separation and Release Agreement and he will not be entitled to any further benefits.

The foregoing description of the Separation and Release Agreements does not purport to be complete and is qualified in its entirety by reference to the terms of such Agreements, which are filed herewith as Exhibits 10.1 and 10.2 and are incorporated herein by reference.

*Compensatory Arrangements of Certain Officers*

On June 12, 2011, ModusLink entered into letter agreements (the "Retention Agreements") with each of Mr. Steven G. Crane, Chief Financial Officer and Mr. Peter L. Gray, Executive Vice President, General Counsel and Secretary pursuant to which the Company agreed to pay to each of Messrs. Crane and Gray retention bonuses of \$400,000 payable in two installments of \$160,000 on December 31, 2012 and \$240,000 on June 30, 2013 provided in each case such executive remains employed through such dates. However, if Messrs. Crane or Gray are terminated without "cause" or they terminate for "good reason" (each as defined in the Retention Agreements) then the bonus or any unpaid portion thereof will become payable if they sign and do not revoke a release of claims against ModusLink. No bonus is payable if they are terminated for cause or resign without good reason.

Additionally, the Retention Agreements provided that Mr. Crane's Executive Severance Agreement and Mr. Gray's Executive Retention Agreement would be amended to provide that any severance payable thereunder would include his target bonus for the year of termination.

Mr. Gray's Retention Agreement also increased his annual base salary to \$400,000 and changed his title to Executive Vice President, Chief Administrative Officer, General Counsel and Secretary.

The foregoing description of the Retention Agreements does not purport to be complete and is qualified in its entirety by reference to the terms of such Agreements, which are filed herewith as Exhibits 10.3 through 10.6 and are incorporated herein by reference.

**Item 9.01. Financial Statements and Exhibits.**

*(d) Exhibits.*

<u>Exhibit No.</u>	<u>Description</u>
10.1	Separation Agreement, dated June 11, 2012, between Joseph C. Lawler and ModusLink Global Solutions, Inc.
10.2	Separation Agreement, dated June 11, 2012, between William R. McLennan and ModusLink Global Solutions, Inc.
10.3	Changes in Compensation and Retention Bonus Letter Agreement, dated June 12, 2012, between ModusLink Global Solutions, Inc. and Peter L. Gray
10.4	Third Amendment to Executive Retention Agreement, dated June 12, 2012, between ModusLink Global Solutions, Inc. and Peter L. Gray
10.5	Retention Bonus Letter Agreement, dated June 12, 2012, between ModusLink Global Solutions, Inc. and Steven G. Crane
10.6	Second Amendment to Executive Retention Agreement, dated June 12, 2012, between ModusLink Global Solutions, Inc. and Steven G. Crane
99.1	Press Release dated June 15, 2012

**SIGNATURES**

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: June 15, 2012

By: /s/ Peter L. Gray

Name: Peter L. Gray

Title: Executive Vice President,  
Chief Administrative Officer,  
General Counsel and Secretary

**SEPARATION AND RELEASE AGREEMENT**

This Separation and Release Agreement ("Agreement"), dated June 11, 2012, is entered into by and between Joseph C. Lawler ("Executive") and ModusLink Global Solutions, Inc. (the "Company").

WHEREAS, the Executive and the Company have agreed that the Executive will voluntarily separate from employment with the Company on October 1, 2012 or such earlier date provided for herein;

WHEREAS, the Company desires to provide for an orderly transition of the Executive's duties and responsibilities and the Executive desires to assist the Company in realizing an orderly transition; and

WHEREAS, in furtherance of the foregoing, the Executive and the Company have negotiated and reached an agreement with respect to all rights, duties and obligations arising between them, including, but in no way limited to, any rights, duties and obligations that have arisen or might arise out of or are in any way related to the Executive's continued employment with the Company and the conclusion of that employment (other than as specifically provided in this Agreement).

NOW THEREFORE, in consideration of the covenants and mutual promises recited below, the parties agree as follows:

1. Transition and Resignation as a Director.

(a) From the date hereof until the first to occur of: (i) October 1, 2012, (ii) a date mutually agreed to by the Executive and the Company, (iii) the date on which another individual is appointed by the Company to serve as its President and Chief Executive Officer ("CEO") (or such later date as is determined by the Company as the effective date of such appointment for the purposes of this Agreement), and (iv) the date on which the Executive's employment is terminated by the Company with or without Cause (if any, as defined in the Executive Severance Agreement dated August 23, 2004, by and between Executive and the Company (as amended) (the "Severance Agreement"))(the first to occur of such dates, the "Termination Date"), the Executive shall continue to serve the Company as its CEO. The Company acknowledges that to its knowledge after reasonable diligence, no such grounds for a "Cause" termination currently exists.

(b) During the period from the date hereof until the Termination Date Executive shall continue to perform his normal duties consistent with his role as CEO.

(c) Effective the date hereof, Executive irrevocably resigns as a director of the Company and its direct and indirect subsidiaries and affiliates. Effective on the Termination Date, Executive shall thereupon be deemed to have irrevocably resigned all officer positions he holds in the Company and its direct and indirect subsidiaries and affiliates.

(d) In consideration of this Agreement, Executive hereby waives all rights under the Severance Agreement.

2. **Termination of Employment.** Executive and the Company agree that Executive's employment with the Company will terminate on the Termination Date. Executive shall be paid his regular base salary through the Termination Date. According to the Company's normal payroll practices the Executive shall be paid any vacation accrued but unused through the Termination Date. Upon expiration of the Termination Date, the Executive shall be eligible to elect continuation coverage under the Company's medical, dental and vision benefit plans to the extent required by the Consolidated Omnibus Budget Reconciliation Act, Section 4980B of the Internal Revenue Code and any similar state law ("COBRA").

3. **Severance Benefits.** Notwithstanding the provisions of the Severance Agreement, provided, that the Executive timely signs and returns this Agreement, complies with Sections 4 and 5 hereof, is not terminated for Cause, and subject to the provisions of Sections 7 and 8 of this Agreement, then the Company will provide Executive with the following compensation and benefits, less any tax or other legally required withholdings:

(a) \$1,451,250 payable within 10 days of the Termination Date, which Executive agrees is an amount equal to 12 months of his current base salary and his target annual bonus for 2012 ("Cash Severance");

(b) Following the Termination Date, each month the Company shall reimburse Executive the amount that Executive is required to pay for continuation coverage under the Company's group health plan COBRA until the earlier of (i) twelve months following the Termination Date, or (ii) the date Executive and his eligible dependents become covered under another employer's group health plan, or (iii) the date Executive no longer is a "Qualified Beneficiary" (as such term is defined in Section 4980B of the Code) (the "COBRA Benefit"); provided that Executive and his eligible dependents elect such continuation coverage within the time period required by COBRA; and

(c) In addition to any other stock option or restricted stock award that may vest in due course on or prior to the Termination Date in accordance with the terms thereof, as modified by this Section 3(c) below with respect to vesting treatment in the event of a Change in Control, the Executive shall become fully vested on the Termination Date in the stock options and restricted stock set forth on Exhibit A (the "Vesting Equity" and collectively with the Cash Severance and the COBRA Benefit, the "Severance"), with all other unvested stock options and restricted stock being forfeited and cancelled. Executive shall have six months following the Termination Date (but not to exceed the original term) in which to exercise all stock options previously granted to the Executive which are vested and outstanding on the Termination Date. Notwithstanding the foregoing, the Vesting Equity consisting of the stock options granted on September 30, 2011 and which would vest on September 30, 2012 and restricted stock which otherwise would have vested on October 1, 2012, Executive hereby agrees not to exercise such options or sell any such restricted stock until on or after October 1, 2012. Additionally, in the event a Change in Control (as defined in the Company's 2010 Incentive Award Plan) or Reorganization Event (as defined in the Company's 2000 and 2004 Stock Incentive Plans)

(collectively a "Change in Control Event") occurs between the date hereof and the Termination Date, Executive hereby waives all rights to any accelerated vesting (other than the acceleration of the Vesting Equity set forth in his Section 3(c) above and on Exhibit A) that could otherwise apply to any unvested stock options and restricted stock outstanding immediately prior to the Change in Control Event and consents to the cancellation of any such stock options and restricted stock (other than the Vesting Equity) upon the Change in Control Event without any payment thereon notwithstanding any provisions to the contrary regarding vesting upon a Change in Control Event contained in the 2010 Incentive Award Plan, 2002 Stock Incentive Plan or the 2004 Stock Incentive Plan, any award agreement or any other agreement entered into by the Company and a third party with respect to a Change in Control Event.

4. Cooperation. Following the Termination Date, at the request of the Company, and to the extent not requiring a time commitment that interferes with Executive's subsequent full-time business endeavors, Executive agrees to cooperate to the fullest extent possible with respect to legal and operational matters involving the Company about which Executive has or may have personal knowledge, including reasonable cooperation in the professional transition of those matters for which he was responsible and involved in during his employment with the Company and any such matters which may arise after the Termination Date. The Company shall reimburse Executive for reasonable expenses incurred in connection with such cooperation. Such reimbursement shall be made in accordance with the Company's normal business reimbursement policies upon presentation of proper documentation, but not later than December 31 of the year following the year in which the expense was incurred.

#### 5. Covenants

(a) Release. The payments and benefits to the Executive pursuant to Section 3 of this Agreement are contingent upon the Executive executing and delivering to the Company on the first business day following the Termination Date, a release of claims in substantially the same form as the release set forth in Section 6 as of that date (the "Release") and the Executive not revoking the Release.

(b) Non-Competition Agreement. Executive reaffirms and agrees to abide by all covenants and agreements set forth in the Non-Competition Agreement dated November 1, 2011 entered into by and between the Company and Executive (the "Non-Compete Agreement").

(c) No Disparagement/Communications. Executive will not disparage the Company, its subsidiaries and affiliates as well as their directors, officers, employees, or stockholders owning more than 1% of the Company's outstanding voting shares and their representatives. The Company's current officers and members of its current Board of Directors shall not, at any time following the date of this Agreement, disparage the Executive. Nothing in this Section shall be construed to limit the ability of Executive or the Company's officers or members of its Board of Directors to give truthful testimony pursuant to valid legal process, including but not limited to, a subpoena, court order or a government investigative matter.

(d) Return of Company Property. Executive understands and agrees that he will return all Company property, including but not limited to, all keys to Company property,



Company credit cards and access cards, any computers and related devices, all information contained on a Company computer or related device, and the originals and all copies (whether on paper, disk, tape, or in another form) of all information that Executive has about the Company's business, customers, suppliers, employees, and agents.

(e) Confidential Information. At all times Executive shall keep secret and retain in strictest confidence, and shall not use for his benefit or the benefit of others, all confidential matters relating to the Company's business and the business of any of its subsidiaries and affiliates, learned by the Executive during his employment with the Company (the "Confidential Company Information"), and shall not disclose such Confidential Company Information to anyone outside of the Company except with the Company's express written consent and except for Confidential Company Information which is at the time of receipt or thereafter becomes publicly known through no wrongful act of the Executive or is received from a third party not under an obligation to keep such information confidential and without breach of this Agreement.

#### 6. Release and Covenant not to Sue.

(a) In consideration of the promises made by the Company in this Agreement, Executive agrees that he, on behalf of himself and any past, present or future heirs, executors, administrators, or assigns, hereby irrevocably and unconditionally releases and holds harmless the Company and each of the Company's agents, directors, officers, partners, members, employees, representatives, attorneys and affiliated companies, divisions, subsidiaries and parents (and agents, directors, officers, partners, members, employees, representatives and attorneys of such affiliates), and its and their predecessors, successors, heirs, executors, administrators and assigns, and all persons acting by, through, under or in concert with any of them (collectively "Releasees"), or any of them, from any and all actions, causes of action, suits, debts, charges, complaints, promises, claims, demands, losses, liabilities and obligations of any nature whatsoever, in law or equity, known or unknown, suspected or unsuspected, fixed or contingent which Executive ever had, now has, or he or his heirs, executors, administrators or assigns hereafter may claim to have against each or any of the Releasees (hereinafter, the "Claims"), arising from or relating in any way to Executive's employment relationship with the Company or the separation of that employment relationship, whether the Claims arise from any alleged violation by the Company of any federal, state or local statutes, ordinances or common law, and whether based on contract, tort, or statute or any other legal or equitable theory of recovery. Such Claims include, without limitation, any Claims for severance or vacation or other benefits, unpaid wages, salary or incentive payment, breach of contract, tort, fraud, misrepresentation, defamation, libel, harassment, retaliation, violation of public policy, wrongful dismissal or discharge, breach of the implied covenant of good faith and fair dealing, and employment discrimination under any applicable federal, state or local statute, provision, order or regulation, including but not limited to, Claims arising under Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1866, the Equal Pay Act, the Americans with Disabilities Act, the Fair Labor Standards Act, the Employee Retirement Income Security Act, the Family Medical Leave Act, the Massachusetts Fair Employment Rights Act; (k) the Annotated Laws of Massachusetts at Part I, Title XXI, Chapter 149 and Claims for damages or other remedies of any sort, including, without limitation, compensatory damages, punitive damages, injunctive relief and attorneys' fees.

(b) Executive agrees not to sue, commence, assert, bring or file in any court or other tribunal, in any jurisdiction, any suit, action, litigation, complaint, cross-complaint, counterclaim, third-party complaint, petition or other pleading or proceeding, or otherwise seek affirmative relief against any Releasee on account of any and all Claims released pursuant to Section 6(a) hereof. Executive intends in granting this Release that it shall be effective as a bar to each and every such Claim, and expressly consents that this Release shall be given full force and effect according to its terms and provisions, including those relating to unknown and unsuspected Claims, if any (notwithstanding any federal, state or local law that expressly limits the effectiveness of a general release of unknown, unsuspected and unanticipated Claims), as well as those relating to any other Claims described or implied above. Executive further agrees that in the event any Releasing Party brings any Claim in which any Releasing Party seeks damages against any Releasee or in the event any Releasing Party seeks to recover against any Releasee in any Claim brought by a governmental agency on behalf of any Releasing Party, this Release shall serve as a complete defense to such Claims. Executive understands and agrees that this Release and the transactions contemplated hereby are not in any way to be interpreted as admissions by any Releasee that any Releasing Party has any viable Claims against any Releasee. Executive represents and warrants that there has been, and there will be, no assignment or other transfer of any right or interest in any Claims released pursuant to this Release, and Executive hereby agrees to indemnify and hold each Releasee harmless from and against any Claims, costs, expenses and attorney's fees directly or indirectly incurred by any of the Releasees as a result of any person or entity asserting any right or interest pursuant to Bishop's assignment or transfer of any such Claims.

(c) Executive understands and agrees that Executive's employment with the Company and the separation of that employment may have caused injuries or damages, or given rise to claims for damages, the existence of which and the consequences of which are now unknown but which may become known in the future. EXECUTIVE NEVERTHELESS INTENDS TO AND DOES HEREBY RELEASE ALL CLAIMS FOR ALL INJURIES, DAMAGES, OR CLAIMS OF WHATEVER TYPE OR NATURE, WHETHER NOW KNOWN OR UNKNOWN THAT AROSE OR MAY ARISE IN ANY WAY OR TO ANY DEGREE OUT OF ANY ACTIONS BY THE RELEASEES PRIOR TO THE EFFECTIVE DATE OF THIS AGREEMENT, IT BEING THE PARTIES' INTENT TO RELEASE THE RELEASEES FROM LIABILITY TO THE FULLEST EXTENT PERMITTED BY LAW.

(d) Notwithstanding anything else herein to the contrary, this Agreement shall not affect: (i) except as specifically provided in Section 3(c) (which terms shall govern in such case), the Company's obligations under any employee benefit plan, program or arrangement (including, without limitation, obligations to the Executive under any stock option, stock award or agreements or obligations under any retirement plan); (ii) rights to indemnification the Executive may have under any directors and officers liability insurance, the Company's Bylaws or Articles of Incorporation and the Indemnification Agreement between Executive and the Company dated August 23, 2004; (iii) rights Executive may have as a shareholder, of the

Company; (iv) claims for unemployment compensation pursuant to the terms of applicable state law; (v) Executive's right to bring to the attention of the Equal Employment Opportunity Commission or the Massachusetts Commission Against Discrimination claims of discrimination; provided, however, that Executive does release his right to secure any damages for alleged discriminatory treatment; or (vi) any claims that cannot be waived by law.

(e) Executive hereby waives any right to recover damages, costs, attorneys' fees, and any other relief in any proceeding or action brought against the Releasees by any other party, including without limitation the Equal Employment Opportunity Commission and the Massachusetts Commission Against Discrimination, or other administrative agency, on Executive's behalf asserting any claim, charge, demand, grievance, or cause of action released by Executive herein.

7. Should Executive attempt to challenge the enforceability of this Agreement, as a further limitation on any right to make such a challenge, Executive shall initially submit to the Company the full amount of the Severance previously provided to Executive in connection with this Agreement plus interest at the standard statutory rate, and invite the Company to retain such monies and agree with Executive to cancel this Agreement. In the event the Company accepts this offer, it shall retain such monies and this Agreement shall be canceled. In the event the Company does not accept such offer, it shall so notify Executive and shall place such monies into an interest-bearing escrow account pending resolution of the dispute between Executive and the Company as to whether this Agreement shall be set aside and/or otherwise rendered unenforceable.

8. In addition to all other available legal or equitable remedies, if (i) Executive is found to have breached the covenants contained in Sections 5(a), 5(b), 5(e) or 6 of this Agreement, or (ii) based on facts not known to the Company, and which the Company should not have known with reasonable diligence, on the Termination Date, the Company later discovers that it could have terminated the Executive for Cause (as defined in the Severance Agreement), then the Executive shall be obligated to return all but \$100 of the Cash Severance to the Company within five business days following written demand by the Company and all Vesting Equity that Executive holds on such date shall automatically be cancelled and become void, without any payment thereon. Nothing contained in this Agreement shall interfere with the Company's rights or obligations to recover amounts paid to the Executive under Section 304 of the Sarbanes-Oxley Act of 2002.

9. This written Agreement supersedes any prior written or verbal adjustment of this matter, including the Severance Agreement; provided, however, this Agreement does not supersede the Non-Compete Agreement, which is incorporated herein by reference. There may be no modification of this Agreement except in writing signed by all parties. If any of the provisions of this Agreement are found null, void, or inoperative, for any reason, the remaining provisions will remain in full force and effect. The prevailing party in any action or proceeding between the Company and Executive, whether by suit, arbitration, or otherwise, as to the rights or obligations under this Agreement shall be entitled to all costs incurred in connection therewith, including reasonable attorneys' fees and expert fees.

10. Except for an action seeking injunctive relief, all disputes, controversies, or claims based upon, relating to, or arising from Executive's employment by the Company or the terms, interpretation, performance, breach, or arbitrability of this Agreement (other than workers' compensation claims) shall be settled through final and binding arbitration. Unless Executive and the Company mutually agree otherwise, the arbitration shall be conducted by a single neutral arbitrator before the Judicial Arbitration and Mediation Service ("JAMS"), in accordance with its applicable rules. The arbitration shall be commenced by filing a demand for arbitration with JAMS within fourteen (14) days after the filing party has given notice of such breach to the other party. The Company shall pay all fees and expenses of the arbitrator. Judgment on the award the arbitrator renders may be entered in any court having jurisdiction over the parties. Arbitration may be compelled and enforced in accordance with the Federal Arbitration Act, 9 U.S.C. §1, et seq.

11. This Agreement and the rights and obligations hereunder shall be governed by, and construed and interpreted in all respects in accordance with, the laws of the Commonwealth of Massachusetts.

12. Executive agrees and understands that the execution of this Agreement shall not constitute or be construed as an admission by the Company of any liability to, or of the validity of any Claim whatsoever by Executive. Except as set forth herein, the Company specifically denies any liability to Executive on the part of itself, its directors, officers, agents, partners, members, employees and representatives.

13. Executive acknowledges that Executive has been advised by the Company to seek legal and financial advice regarding the effect of this Agreement, prior to signing it. By affixing his initials hereafter, Executive acknowledges that Executive has either:

(a) Knowingly waived Executive's right to seek legal advice and is signing this Agreement without obtaining such counsel; or

(b) Obtained legal advice and is signing this Agreement after consulting with independent counsel.

Executive further acknowledges that he has been given at least twenty-one (21) days to consider whether or not to sign this Agreement.

14. Executive has the right to revoke this Agreement within seven (7) days of signing it. To revoke the Agreement, Executive must both send a written letter by certified mail to ModusLink Global Solutions, Inc. 1601 Trapelo Road, Suite 170, Waltham, Mass. 02451, Attn: Peter L. Gray to inform the Company of the revocation. This Agreement shall be effective on the eighth (8<sup>th</sup>) day following Executive's execution of this Agreement, provided it has not been revoked as provided in this Section 14.

15. The Company will reimburse Executive up to a maximum of \$15,000 for legal fees actually incurred in connection with the preparation and review of this Agreement. Such reimbursement shall be made in accordance with the Company's normal business reimbursement policies upon presentation of proper documentation, but not later than December 31 of the year following the year in which the expense was incurred.

16. Executive and the Company acknowledge that they have read the above fifteen (15) Sections and this Section 16 and fully understand the terms, nature, and effect of this Separation and Release Agreement, which they voluntarily execute in good faith and deem to be fair and equitable.

Joseph C. Lawler  
("Executive")

ModusLink Global Solutions, Inc.

/s/ Joseph C. Lawler

/s/ Peter L. Gray

Date: June 12, 2012

By: Peter L. Gray

Its: Executive Vice President and General Counsel

Date: June 12, 2012

EXHIBIT A  
VESTING EQUITY

<u>Stock Options</u>	<u>Grant Date</u>	<u>Exercise Price (\$)</u>
6,745	8/23/07	16.10
6,745	8/23/08	11.81
6,745	8/23/09	7.28
45,775	9/30/11	3.49

  

<u>Restricted Stock</u>	<u>Vesting Date</u>
13,490	8/23/12
25,433	10/1/12

**SEPARATION AND RELEASE AGREEMENT**

This Separation and Release Agreement (“Agreement”), dated June 11, 2012, is entered into by and between William R. McLennan (“Executive”) and ModusLink Global Solutions, Inc. (the “Company”).

1. **Termination of Employment.** Executive and the Company agree that Executive’s employment with the Company was mutually terminated effective June 11, 2012 (the “Termination Date”). Effective as of the Termination Date, Executive irrevocably resigns all officer and director positions that he holds with the Company and its direct and indirect subsidiaries and affiliates.

2. **Severance Benefits.** Notwithstanding the provisions of the Executive Severance Agreement dated July 26, 2007, by and between Executive and the Company (as amended) (the “Severance Agreement”) and subject to compliance with Sections 3 and 4 of this Agreement and the provisions of Sections 5 and 6 of this Agreement, in consideration of Executive’s resignation from the officer and director positions that he holds with the Company and its direct and indirect subsidiaries effective as of the Termination Date, the Company shall continue to pay Executive’s bi-weekly salary in effect on the Termination Date (exclusive of bonus or any other compensation), less any tax or other legally required withholdings, for twelve (12) months following the Termination Date (the “Severance Payments”). Executive and the Company acknowledge and agree that Executive’s salary as of the Termination Date is equal to \$450,000 annually.

3. **Cooperation.** At the request of the Company, and to the extent not requiring a time commitment that interferes with Executive’s subsequent full-time business endeavors, Executive agrees to cooperate to the fullest extent possible with respect to legal and operational matters involving the Company about which Executive has or may have personal knowledge, including reasonable cooperation in the professional transition of those matters for which he was responsible and involved in during his employment with the Company and any such matters which may arise after the Termination Date. The Company shall reimburse Executive for reasonable expenses incurred in connection with such cooperation. Such reimbursement shall be made in accordance with the Company’s normal business reimbursement policies upon presentation of proper documentation, but not later than December 31 of the year following the year in which the expense was incurred.

4. **Covenants**

(a) **Non-Competition Agreement.** Executive reaffirms and agrees to abide by all covenants and agreements set forth in the Non-Competition Agreement dated November 1, 2011 entered into by and between the Company and Executive (the “Non-Compete Agreement”).

(b) **No Disparagement/Communications.** Executive will not disparage the Company, its subsidiaries and affiliates as well as their directors, officers, employees or

stockholders owning more than 1% of the Company's outstanding voting shares and their representatives. The Company's current officers and members of its current Board of Directors shall not, at any time following the date of this Agreement, disparage the Executive. Nothing in this Section shall be construed to limit the ability of Executive or the Company's officers or members of its Board of Directors to give truthful testimony pursuant to valid legal process, including but not limited to, a subpoena, court order or a government investigative matter.

(c) Return of Company Property. Executive understands and agrees that he will return all Company property, including but not limited to, all keys to Company property, Company credit cards and access cards, any computers and related devices, all information contained on a Company computer or related device, and the originals and all copies (whether on paper, disk, tape, or in another form) of all information that Executive has about the Company's business, customers, suppliers, employees, and agents.

(d) Confidential Information. At all times Executive shall keep secret and retain in strictest confidence, and shall not use for his benefit or the benefit of others, all confidential matters relating to the Company's business and the business of any of its subsidiaries and affiliates, learned by the Executive during his employment with the Company (the "Confidential Company Information"), and shall not disclose such Confidential Company Information to anyone outside of the Company except with the Company's express written consent and except for Confidential Company Information which is at the time of receipt or thereafter becomes publicly known through no wrongful act of the Executive or is received from a third party not under an obligation to keep such information confidential and without breach of this Agreement.

#### 5. Release and Covenant not to Sue.

(a) In consideration of the promises made by the Company in this Agreement, Executive agrees that he, on behalf of himself and any past, present or future heirs, executors, administrators, or assigns, hereby irrevocably and unconditionally releases and holds harmless the Company and each of the Company's agents, directors, officers, partners, members, employees, representatives, attorneys and affiliated companies, divisions, subsidiaries and parents (and agents, directors, officers, partners, members, employees, representatives and attorneys of such affiliates), and its and their predecessors, successors, heirs, executors, administrators and assigns, and all persons acting by, through, under or in concert with any of them (collectively "Releasees"), or any of them, from any and all actions, causes of action, suits, debts, charges, complaints, promises, claims, demands, losses, liabilities and obligations of any nature whatsoever, in law or equity, known or unknown, suspected or unsuspected, fixed or contingent which Executive ever had, now has, or he or his heirs, executors, administrators or assigns hereafter may claim to have against each or any of the Releasees (hereinafter, the "Claims"), arising from or relating in any way to Executive's employment relationship with the Company or the separation of that employment relationship, whether the Claims arise from any alleged violation by the Company of any federal, state or local statutes, ordinances or common law, and whether based on contract, tort, or statute or any other legal or equitable theory of recovery. Such Claims include, without limitation, any Claims for severance or vacation or other



benefits, unpaid wages, salary or incentive payment, breach of contract, tort, fraud, misrepresentation, defamation, libel, harassment, retaliation, violation of public policy, wrongful dismissal or discharge, breach of the implied covenant of good faith and fair dealing, and employment discrimination under any applicable federal, state or local statute, provision, order or regulation, including but not limited to, Claims arising under Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1866, the Equal Pay Act, the Americans with Disabilities Act, the Fair Labor Standards Act, the Employee Retirement Income Security Act, the Family Medical Leave Act, the Massachusetts Fair Employment Rights Act; (k) the Annotated Laws of Massachusetts at Part I, Title XXI, Chapter 149 and Claims for damages or other remedies of any sort, including, without limitation, compensatory damages, punitive damages, injunctive relief and attorneys' fees.

(b) Executive agrees not to sue, commence, assert, bring or file in any court or other tribunal, in any jurisdiction, any suit, action, litigation, complaint, cross-complaint, counterclaim, third-party complaint, petition or other pleading or proceeding, or otherwise seek affirmative relief against any Releasee on account of any and all Claims released pursuant to Section 5(a) hereof. Executive intends in granting this Release that it shall be effective as a bar to each and every such Claim, and expressly consents that this Release shall be given full force and effect according to its terms and provisions, including those relating to unknown and unsuspected Claims, if any (notwithstanding any federal, state or local law that expressly limits the effectiveness of a general release of unknown, unsuspected and unanticipated Claims), as well as those relating to any other Claims described or implied above. Executive further agrees that in the event any Releasing Party brings any Claim in which any Releasing Party seeks damages against any Releasee or in the event any Releasing Party seeks to recover against any Releasee in any Claim brought by a governmental agency on behalf of any Releasing Party, this Release shall serve as a complete defense to such Claims. Executive understands and agrees that this Release and the transactions contemplated hereby are not in any way to be interpreted as admissions by any Releasee that any Releasing Party has any viable Claims against any Releasee. Executive represents and warrants that there has been, and there will be, no assignment or other transfer of any right or interest in any Claims released pursuant to this Release, and Executive hereby agrees to indemnify and hold each Releasee harmless from and against any Claims, costs, expenses and attorney's fees directly or indirectly incurred by any of the Releasees as a result of any person or entity asserting any right or interest pursuant to Bishop's assignment or transfer of any such Claims.

(c) Executive understands and agrees that Executive's employment with the Company and the separation of that employment may have caused injuries or damages, or given rise to claims for damages, the existence of which and the consequences of which are now unknown but which may become known in the future. EXECUTIVE NEVERTHELESS INTENDS TO AND DOES HEREBY RELEASE ALL CLAIMS FOR ALL INJURIES, DAMAGES, OR CLAIMS OF WHATEVER TYPE OR NATURE, WHETHER NOW KNOWN OR UNKNOWN THAT AROSE OR MAY ARISE IN ANY WAY OR TO ANY DEGREE OUT OF ANY ACTIONS BY THE RELEASEES PRIOR TO THE EFFECTIVE DATE OF THIS AGREEMENT, IT BEING THE PARTIES' INTENT TO RELEASE THE RELEASEES FROM LIABILITY TO THE FULLEST EXTENT PERMITTED BY LAW.

(d) Notwithstanding anything else herein to the contrary, this Agreement shall not affect: (i) the Company's obligations under any employee benefit plan, program or arrangement (including, without limitation, obligations to the Executive under any stock option, stock award or agreements or obligations under any retirement plan); (ii) rights to indemnification the Executive may have under any directors and officers liability insurance, the Company's Bylaws or Articles of Incorporation and the Indemnification Agreement between the Executive and the Company; (iii) rights Executive may have as a shareholder, of the Company; (iv) claims for unemployment compensation pursuant to the terms of applicable state law; (v) Executive's right to bring to the attention of the Equal Employment Opportunity Commission or the Massachusetts Commission Against Discrimination claims of discrimination; provided, however, that Executive does release his right to secure any damages for alleged discriminatory treatment; or (vi) any claims that cannot be waived by law.

(e) Executive hereby waives any right to recover damages, costs, attorneys' fees, and any other relief in any proceeding or action brought against the Releasees by any other party, including without limitation the Equal Employment Opportunity Commission and the Massachusetts Commission Against Discrimination, or other administrative agency, on Executive's behalf asserting any claim, charge, demand, grievance, or cause of action released by Executive herein.

6. Should Executive attempt to challenge the enforceability of this Agreement, as a further limitation on any right to make such a challenge, Executive shall initially submit to the Company the full amount of any Severance Payments previously provided to Executive in connection with this Agreement plus interest at the standard statutory rate, and invite the Company to retain such monies and agree with Executive to cancel this Agreement. In the event the Company accepts this offer, it shall retain such monies and this Agreement shall be canceled. In the event the Company does not accept such offer, it shall so notify Executive and shall place such monies into an interest-bearing escrow account pending resolution of the dispute between Executive and the Company as to whether this Agreement shall be set aside and/or otherwise rendered unenforceable.

7. In addition to all other available legal or equitable remedies, if (i) Executive is found to have breached the covenants contained in Sections 4(a), 4(d) or 5 of this Agreement, or (ii) based on facts not known to the Company, and which the Company should not have known with reasonable diligence, on the Termination Date, the Company later discovers that it could have terminated the Executive for Cause (as defined in the Severance Agreement), then the Executive shall be obligated to return all but \$100 of the Severance Payments to the Company within five business days following written demand by the Company and all Vesting Equity that Executive holds on such date shall automatically be cancelled and become void, without any payment thereon. Nothing contained in this Agreement shall interfere with the Company's rights or obligations to recover amounts paid to the Executive under Section 304 of the Sarbanes-Oxley Act of 2002.

8. This written Agreement supersedes any prior written or verbal adjustment of this matter, including the Severance Agreement and constitutes a complete resolution of all Claims against the Releasees; provided, however, this Agreement does not supersede the Non-Compete Agreement, which is incorporated herein by reference. There may be no modification of this Agreement except in writing signed by all parties. If any of the provisions of this Agreement are found null, void, or inoperative, for any reason, the remaining provisions will remain in full force and effect. The prevailing party in any action or proceeding between the Company and Executive, whether by suit, arbitration, or otherwise, as to the rights or obligations under this Agreement shall be entitled to all costs incurred in connection therewith, including reasonable attorneys' fees and expert fees.

9. Except for an action seeking injunctive relief, all disputes, controversies, or claims based upon, relating to, or arising from Executive's employment by the Company or the terms, interpretation, performance, breach, or arbitrability of this Agreement (other than workers' compensation claims) shall be settled through final and binding arbitration. Unless Executive and the Company mutually agree otherwise, the arbitration shall be conducted by a single neutral arbitrator before the Judicial Arbitration and Mediation Service ("JAMS"), in accordance with its applicable rules. The arbitration shall be commenced by filing a demand for arbitration with JAMS within fourteen (14) days after the filing party has given notice of such breach to the other party. The Company shall pay all fees and expenses of the arbitrator. Judgment on the award the arbitrator renders may be entered in any court having jurisdiction over the parties. Arbitration may be compelled and enforced in accordance with the Federal Arbitration Act, 9 U.S.C. §1, et seq.

10. This Agreement and the rights and obligations hereunder shall be governed by, and construed and interpreted in all respects in accordance with, the laws of the Commonwealth of Massachusetts.

11. Executive agrees and understands that the execution of this Agreement shall not constitute or be construed as an admission by the Company of any liability to, or of the validity of any Claim whatsoever by Executive. Except as set forth herein, the Company specifically denies any liability to Executive on the part of itself, its directors, officers, agents, partners, members, employees and representatives.

12. Executive acknowledges that Executive has been advised by the Company to seek legal and financial advice regarding the effect of this Agreement, prior to signing it. By affixing his initials hereafter, Executive acknowledges that Executive has either:

- (a) Knowingly waived Executive's right to seek legal advice and is signing this Agreement without obtaining such counsel; or
- (b) Obtained legal advice and is signing this Agreement after consulting with independent counsel.

Executive further acknowledges that he has been given at least twenty-one (21) days to consider whether or not to sign this Agreement.

13. Executive has the right to revoke this Agreement within seven (7) days of signing it. To revoke the Agreement, Executive must both send a written letter by certified mail to Peter L. Gray at 1601 Trapelo Road, Suite 170, Waltham, Mass. 02451 to inform the Company of the revocation. This Agreement shall be effective on the eighth (8<sup>th</sup>) day following Executive's execution of this Agreement, provided it has not been revoked as provided in this Section 13 (the "Release Effective Date"). If Executive does not sign this Agreement within fifty (50) days of the Termination Date, or revokes this Agreement, he will not receive the Severance Payments described in Section 2 above.

14. Executive and the Company acknowledge that they have read the above thirteen (13) Sections and this Section 14 and fully understand the terms, nature, and effect of this Separation and Release Agreement, which they voluntarily execute in good faith and deem to be fair and equitable.

William R. McLennan  
("Executive")

ModusLink Global Solutions, Inc.

/s/ William R. McLennan

Date: June 13, 2012

By: /s/ Peter L. Gray

By: Peter L. Gray

Its: Executive Vice President and  
General Counsel

Date: June 14, 2012



1601 Trapelo Road  
Suite 170  
Waltham, MA 02451  
United States

June 12, 2012

**Tel:** 781.663.5001  
**Fax:** 781.663.5100

Mr. Peter L. Gray  
c/o ModusLink Global Solutions, Inc.  
Waltham, MA 02451

**Re: Changes in Compensation and Retention Bonus**

Dear Peter:

To incentivize you to remain with and committed to the success of ModusLink Global Solutions, Inc (the "**Company**") and its subsidiaries, the Company would like to (i) offer you a retention bonus subject to the conditions forth below in this letter agreement (this "**Agreement**"), (ii) increase your annual base salary to \$400,000, (iii) change your title to Executive Vice President, Chief Administrative Officer, General Counsel and Secretary and (iv) amend your Executive Retention Agreement dated August 28, 2002, as amended by the first and second amendments thereto (the "**Severance Agreement**") as provided in attached Third Amendment thereto.

(a) **Retention Bonus.** Subject to the conditions set forth below, you will be eligible to receive a cash bonus in an amount equal to \$400,000 (the "**Retention Bonus**") payable in two installments of \$160,000 on December 31, 2012 and \$240,000 on June 30, 2013 (each a "**Payment Date**") if you are actively employed by the Company on the Payment Date. The applicable portion of the Retention Bonus shall be paid on the applicable Payment Date. Notwithstanding the foregoing if your employment is terminated prior to the Payment Date (i) by the Company other than for Cause (as defined in the Severance Agreement) or (ii) by you following a Change in Control (as defined in the Severance Agreement) for Good Reason (as defined in the Severance Agreement), and subject to your execution and not revoking of a general release of claims within 50 days of the termination date, then the Company will pay you the Retention Bonus in full (or any unpaid installment thereof) on the 60th day following your termination.

(b) **Forfeiture of Retention Bonus.** In the event that your employment with the Company is terminated either by the Company for Cause or by you other than for Good Reason, prior to the Payment Date you shall forfeit all right, title and interest in and to the Retention Bonus.

(c) **No Right to Continued Employment.** Nothing contained in this Agreement conveys upon you the right to continue to be employed by the Company or any successor thereto, constitutes a contract or agreement of employment or restricts the Company's or any successor's right to terminate your employment at any time, with or without Cause.

(d) **Withholding.** All amounts payable will be less any legally required or voluntarily elected withholdings.

(e) **Successors and Assigns.** This Agreement shall be binding upon and inure to the benefit of the parties hereto and each of their respective successors, assigns, beneficiaries, heirs, and representatives, as applicable. You may not assign your rights under this Agreement (except by will or the laws of descent and distribution).

(f) **Governing Law.** This Agreement shall be construed and enforced in accordance with the laws of the Commonwealth of Massachusetts without regard to the conflicts of laws principles thereof.

Please confirm your agreement to the foregoing by signing and dating the enclosed duplicate original of this Agreement in the space provided below for your signature and returning it to me. Please retain one fully-executed original for your files.

Sincerely,

**ModusLink Global Solutions, Inc.,**  
a Delaware corporation

By: /s/ Frank J. Jules  
Name: Frank J. Jules  
Title: Chairman of the Board of Directors

Accepted and Agreed,  
this 12<sup>th</sup> day of June, 2012.

By: /s/ Peter L. Gray  
Peter L. Gray

### THIRD AMENDMENT TO EXECUTIVE RETENTION AGREEMENT

This Third Amendment to Executive Retention Agreement (the "Amendment") is entered into on this 12<sup>th</sup> day of June, 2012, by and between ModusLink Global Solutions, Inc. (formerly known as CMGI, Inc.), a Delaware corporation (the "Company") and Peter L. Gray ("Executive");

WHEREAS, the parties have entered into an Executive Retention Agreement dated as of August 28, 2002 (the "Agreement"); and

WHEREAS, the parties entered into Amendment No. 1 to Executive Retention Agreement on the 26<sup>th</sup> day of July, 2007 (the "First Amendment") and the Second Amendment to Executive Retention Agreement on September 28, 2010 (the "Second Amendment"); and

WHEREAS, the parties mutually desire to further amend the Agreement;

NOW, THEREFORE, the parties hereto agree as follows, effective on the date hereof:

Unless the context indicates otherwise, capitalized terms used but not defined in this Amendment shall have the respective meanings assigned to them in the Agreement (as amended by the First and Second Amendment);

1. Section 2(a) of the Agreement is amended to read as follows:

"(a) Severance Pay Following a Change in Control. In the event a Change in Control (as defined below) occurs and, within one (1) year thereafter, the employment of the Executive is terminated by the Company for a reason other than for Cause (as defined below) or by the Executive for Good Reason (as defined below), then the Executive shall be entitled to receive the following as severance (i) a lump sum payment equal to his then current base salary multiplied by two (2), and (ii) a lump sum payment equal to his target annual bonus for the year in which the Termination Date (as defined below) occurs. All amounts payable under (i) and (ii) above shall be paid within thirty (30) days of the Termination Date. In addition, all of the Executive's stock options, restricted stock or other outstanding and unvested equity compensation shall be immediately vested, such vested awards that were granted as restricted stock shall be free of restrictions and such vested awards that were granted as options shall remain exercisable for a period of 6 months following the Termination Date (but not to exceed the original term of such awards)."

2. Section 2(b) of the Agreement is amended to read as follows:

"(b) Severance Pay Absent a Change in Control. In the event the employment of the Executive is terminated by the Company for a reason other than for Cause, then the Executive shall be entitled to receive the following as severance (i) twelve (12) months of his current base salary, and (ii) an amount equal to his target annual bonus for the year in which the Termination Date (as defined below) occurs. All amounts payable under (i) and (ii) above shall be paid in installments over a period of twelve (12) months in accordance with the Company's normal payroll cycle. If in connection with such termination, the Executive receives WARN notice which entitles him to 60 days of salary continuance and benefits ("WARN Benefits") and the Company does not require the Executive to work during such 60 day time period, then the amount of severance under this Section 2(b)(i) and (ii) shall be reduced by the amount of WARN Benefits received."

The Agreement is affirmed, ratified and continued as amended by the First and Second Amendments and as further amended hereby.

IN WITNESS WHEREOF, the parties hereto have signed their names as of the day and year first written above.

MODUSLINK GLOBAL SOLUTIONS, INC.

EXECUTIVE

By: \_\_\_\_\_  
Its: Chairman of the Board of Directors

\_\_\_\_\_  
Peter L. Gray



THIRD AMENDMENT TO EXECUTIVE RETENTION AGREEMENT

This Third Amendment to Executive Retention Agreement (the "Amendment") is entered into on this 12<sup>th</sup> day of June, 2012, by and between ModusLink Global Solutions, Inc. (formerly known as CMGI, Inc.), a Delaware corporation (the "Company") and Peter L. Gray ("Executive");

WHEREAS, the parties have entered into an Executive Retention Agreement dated as of August 28, 2002 (the "Agreement"); and

WHEREAS, the parties entered into Amendment No. 1 to Executive Retention Agreement on the 26<sup>th</sup> day of July, 2007 (the "First Amendment") and the Second Amendment to Executive Retention Agreement on September 28, 2010 (the "Second Amendment"); and

WHEREAS, the parties mutually desire to further amend the Agreement;

NOW, THEREFORE, the parties hereto agree as follows, effective on the date hereof:

Unless the context indicates otherwise, capitalized terms used but not defined in this Amendment shall have the respective meanings assigned to them in the Agreement (as amended by the First and Second Amendment);

1. Section 2(a) of the Agreement is amended to read as follows:

"(a) Severance Pay Following a Change in Control. In the event a Change in Control (as defined below) occurs and, within one (1) year thereafter, the employment of the Executive is terminated by the Company for a reason other than for Cause (as defined below) or by the Executive for Good Reason (as defined below), then the Executive shall be entitled to receive the following as severance (i) a lump sum payment equal to his then current base salary multiplied by two (2), and (ii) a lump sum payment equal to his target annual bonus for the year in which the Termination Date (as defined below) occurs. All amounts payable under (i) and (ii) above shall be paid within thirty (30) days of the Termination Date. In addition, all of the Executive's stock options, restricted stock or other outstanding and unvested equity compensation shall be immediately vested, such vested awards that were granted as restricted stock shall be free of restrictions and such vested awards that were granted as options shall remain exercisable for a period of 6 months following the Termination Date (but not to exceed the original term of such awards)."

2. Section 2(b) of the Agreement is amended to read as follows:

"(b) Severance Pay Absent a Change in Control. In the event the employment of the Executive is terminated by the Company for a reason other than for Cause, then the Executive shall be entitled to receive the following as severance (i) twelve (12) months of his current base salary, and (ii) an amount equal to his target annual bonus for the year in which the Termination Date (as defined below) occurs. All amounts payable under (i) and (ii) above shall be paid in installments over a period of twelve (12) months in accordance with the Company's normal payroll cycle. If in connection with such termination, the Executive receives WARN notice which entitles him to 60 days of salary continuance and benefits ("WARN Benefits") and the Company does not require the Executive to work during such 60 day time period, then the amount of severance under this Section 2(b)(i) and (ii) shall be reduced by the amount of WARN Benefits received."

The Agreement is affirmed, ratified and continued as amended by the First and Second Amendments and as further amended hereby.

IN WITNESS WHEREOF, the parties hereto have signed their names as of the day and year first written above.

MODUSLINK GLOBAL SOLUTIONS, INC.

EXECUTIVE

By: /s/ Frank J. Jules

/s/ Peter L. Gray

Its: Chairman of the Board of Directors

Peter L. Gray



1601 Trapelo Road  
Suite 170  
Waltham, MA 02451  
United States

June 12, 2012

**Tel:** 781.663.5001  
**Fax:** 781.663.5100

Mr. Steven G. Crane  
c/o ModusLink Global Solutions, Inc.  
Waltham, MA 02451

**Re: Retention Bonus and Executive Severance Agreement**

Dear Steve:

To incentivize you to remain with and committed to the success of ModusLink Global Solutions, Inc (the "**Company**") and its subsidiaries, the Company would like to (i) offer you a retention bonus subject to the conditions forth below in this letter agreement (this "**Agreement**") and (ii) amend your Executive Severance Agreement dated July 26, 2007, as amended by the first amendment thereto (the "**Severance Agreement**") as provided in attached Third Amendment thereto.

(a) **Retention Bonus.** Subject to the conditions set forth below, you will be eligible to receive a cash bonus in an amount equal to \$400,000 (the "**Retention Bonus**") payable in two installments of \$160,000 on December 31, 2012 and \$240,000 on June 30, 2013 (each a "**Payment Date**") if you are actively employed by the Company on the Payment Date. The applicable portion of the Retention Bonus shall be paid on the applicable Payment Date. Notwithstanding the foregoing if your employment is terminated prior to the Payment Date (i) by the Company other than for Cause (as defined in the Severance Agreement) or (ii) by you following a Change in Control (as defined in the Severance Agreement) for Good Reason (as defined in the Severance Agreement), and subject to your execution and not revoking of a general release of claims within 50 days of the termination date, then the Company will pay you the Retention Bonus in full (or any unpaid installment thereof) on the 60th day following your termination.

(b) **Forfeiture of Retention Bonus.** In the event that your employment with the Company is terminated either by the Company for Cause or by you other than for Good Reason, prior to the Payment Date you shall forfeit all right, title and interest in and to the Retention Bonus.

(c) **No Right to Continued Employment.** Nothing contained in this Agreement conveys upon you the right to continue to be employed by the Company or any successor thereto, constitutes a contract or agreement of employment or restricts the Company's or any successor's right to terminate your employment at any time, with or without Cause.

(d) **Withholding.** All amounts payable will be less any legally required or voluntarily elected withholdings.

(e) **Successors and Assigns.** This Agreement shall be binding upon and inure to the benefit of the parties hereto and each of their respective successors, assigns, beneficiaries, heirs, and representatives, as applicable. You may not assign your rights under this Agreement (except by will or the laws of descent and distribution).

(f) **Governing Law.** This Agreement shall be construed and enforced in accordance with the laws of the Commonwealth of Massachusetts without regard to the conflicts of laws principles thereof.

Please confirm your agreement to the foregoing by signing and dating the enclosed duplicate original of this Agreement in the space provided below for your signature and returning it to me. Please retain one fully-executed original for your files.

Sincerely,

**ModusLink Global Solutions, Inc.,**  
a Delaware corporation

By:  /s/ Frank J. Jules  
Name: Frank J. Jules  
Title: Chairman of the Board of Directors

Accepted and Agreed,  
This 12th day of June, 2012.

By:  /s/ Steven G. Crane  
Steven G. Crane

SECOND AMENDMENT TO EXECUTIVE SEVERANCE AGREEMENT

This Second Amendment to Executive Severance Agreement (the "Amendment") is entered into on this 12th day of June, 2012, by and between ModusLink Global Solutions, Inc. (formerly known as CMGI, Inc.), a Delaware corporation (the "Company") and Steven G. Crane ("Executive");

WHEREAS, the parties have entered into an Executive Severance Agreement dated as of July 26, 2007 (the "Agreement"); and

WHEREAS, the parties entered into Amendment to Executive Severance Agreement on September 28, 2010 (the "Amendment"); and

WHEREAS, the parties mutually desire to further amend the Agreement;

NOW, THEREFORE, the parties hereto agree as follows, effective as of the date hereof:

Unless the context indicates otherwise, capitalized terms used but not defined in this Amendment shall have the respective meanings assigned to them in the Agreement (as amended by the First and Second Amendment);

Section 3(a) of the Agreement is amended to read as follows:

“(a) In the event the employment of the Executive is terminated by the Company for a reason other than for Cause (as defined below) then the Executive shall be entitled to receive the following as severance (i) his then current base salary, and (ii) his target annual bonus for the year in which the Termination Date occurs (the "Severance Pay"), payable in installments over a period of twelve (12) months following the Termination Date. In the event that the Executive is entitled to severance benefits under Section 3(b) below, this Section 3(a) shall not apply and shall have no further force or effect.”

The Agreement is affirmed, ratified and continued as amended by the Amendment and as further amended hereby.

IN WITNESS WHEREOF, the parties hereto have signed their names as of the day and year first written above.

MODUSLINK GLOBAL SOLUTIONS, INC.

EXECUTIVE

By: \_\_\_\_\_

\_\_\_\_\_

Its: Chairman of the Board of Directors

Steven G. Crane

SECOND AMENDMENT TO EXECUTIVE SEVERANCE AGREEMENT

This Second Amendment to Executive Severance Agreement (the "Amendment") is entered into on this 12th day of June, 2012, by and between ModusLink Global Solutions, Inc. (formerly known as CMGI, Inc.), a Delaware corporation (the "Company") and Steven G. Crane ("Executive");

WHEREAS, the parties have entered into an Executive Severance Agreement dated as of July 26, 2007 (the "Agreement"); and

WHEREAS, the parties entered into Amendment to Executive Severance Agreement on September 28, 2010 (the "Amendment"); and

WHEREAS, the parties mutually desire to further amend the Agreement;

NOW, THEREFORE, the parties hereto agree as follows, effective as of the date hereof:

Unless the context indicates otherwise, capitalized terms used but not defined in this Amendment shall have the respective meanings assigned to them in the Agreement (as amended by the First and Second Amendment);

Section 3(a) of the Agreement is amended to read as follows:

"(a) In the event the employment of the Executive is terminated by the Company for a reason other than for Cause (as defined below) then the Executive shall be entitled to receive the following as severance (i) his then current base salary, and (ii) his target annual bonus for the year in which the Termination Date occurs (the "Severance Pay"), payable in installments over a period of twelve (12) months following the Termination Date. In the event that the Executive is entitled to severance benefits under Section 3(b) below, this Section 3(a) shall not apply and shall have no further force or effect."

The Agreement is affirmed, ratified and continued as amended by the Amendment and as further amended hereby.

IN WITNESS WHEREOF, the parties hereto have signed their names as of the day and year first written above.

MODUSLINK GLOBAL SOLUTIONS, INC.

EXECUTIVE

By: /s/ Frank J. Jules

/s/ Steven G. Crane

Its: Chairman of the Board of Directors

Steven G. Crane

**MODUSLINK CONFIRMS RECEIPT OF ANTICIPATED NASDAQ NOTIFICATION LETTER**

WALTHAM, Mass., June 15, 2012 — ModusLink Global Solutions<sup>(TM)</sup>, Inc. (NASDAQ:MLNK) today confirmed that it received on June 13, 2012 the anticipated notification from the Listing Qualifications Department of The NASDAQ Stock Market LLC (“NASDAQ”) of ModusLink’s noncompliance with NASDAQ Listing Rule 5250(c)(1) due to the Company’s previously announced delay in filing its Form 10-Q for the period ended April 30, 2012.

As previously disclosed on June 11, 2012, the Company expected that NASDAQ would provide this notice. The NASDAQ notification letter indicates that the Company has 60 days to submit a plan to regain compliance. The Company intends to submit a plan to NASDAQ in accordance with the notification.

If NASDAQ accepts the plan, it can grant an exception of up to 180 calendar days from the filing’s due date, or until December 10, 2012, to regain compliance. If NASDAQ does not accept the Company’s plan, NASDAQ will provide notice that the Company’s common stock will be subject to delisting. ModusLink has the right to appeal a determination to delist its common stock, and the common stock would remain listed on the NASDAQ Global Market until the completion of the appeal process.

**About ModusLink**

ModusLink Global Solutions, Inc. designs and executes global value chain strategies to solve clients’ cost, time-to-market, customer satisfaction and revenue objectives. Our supply chain, aftermarket, e-Business and entitlement management solutions support the end-to-end product lifecycles of the world’s leading technology and consumer goods companies. ModusLink has more than 25 years of experience executing complex supply chain processes such as sourcing, configuration and fulfillment. We can manage these critical functions seamlessly with a client’s global e-Business initiative or an integrated aftermarket program, including alternative channel recovery for at-risk inventory. Backed by a footprint of more than 25 solution centers in 15 countries, ModusLink clients can react quickly to shifting market dynamics impacting value chain performance and revenues. For more information about ModusLink’s flexible, scalable and sustainable solutions, visit [www.moduslink.com](http://www.moduslink.com) or [www.valueunchained.com](http://www.valueunchained.com), the blog for value chain professionals.

ModusLink Global Solutions is a trademark of ModusLink Global Solutions, Inc. All other company names and products are trademarks or registered trademarks of their respective companies.

**Safe Harbor**

This news release contains forward-looking statements (within the meaning of the Private Securities Litigation Reform Act of 1995) that involve risks and uncertainty. All statements other than statements of historical fact, including without limitation, those with respect to the Company’s goals, plans, expectations and strategies set forth herein are forward looking statements. The following important factors and uncertainties, among others, could cause actual results to differ materially from those described in these forward looking statements: unanticipated issues relating to the Company’s continued listing on NASDAQ; unanticipated accounting issues or audit issues regarding the financial data for the periods to be restated or adjusted; inability of the Company or its independent registered public accounting firm to confirm relevant information or data; unanticipated issues that prevent or delay the Company’s independent registered public accounting firm from concluding the audit or that require additional efforts, procedures or review; the Company’s inability to design or improve internal controls to address identified issues; the impact upon operations of legal compliance matters or internal controls review, improvement and remediation, including the detection of wrongdoing, improper activities or circumvention of internal controls; difficulties in controlling expenses, including costs of legal

compliance matters or internal controls review, improvement and remediation; the Company's success, including its ability to meet its revenue, operating income and cost savings targets, maintain and improve its cash position, expand its operations and revenue, lower its costs, improve its gross margins, reach and sustain profitability, reach its long-term objectives and operate optimally, depends on its ability to execute on its business strategy, including the announced investment and costs savings plan and the continued and increased demand for and market acceptance of its services; global economic conditions, especially in the technology sector are uncertain and subject to volatility; demand for our clients' products may decline or may not achieve the levels anticipated by our clients; the Company's management may face strain on managerial and operational resources as they try to oversee the expanded operations; the Company may not realize the expected benefits of its restructuring and cost cutting actions; the Company may not be able to expand its operations in accordance with its business strategy; the Company's cash balances may not be sufficient to allow the Company to meet all of its business and investment goals; the Company may experience difficulties integrating technologies, operations and personnel in accordance with its business strategy; the Company derives a significant portion of its revenue from a small number of customers and the loss of any of those customers could significantly damage the Company's financial condition and results of operations; the Company frequently sells to its supply chain management clients on a purchase order basis rather than pursuant to contracts with minimum purchase requirements, and therefore its sales and the amount of projected revenue that is actually realized are subject to demand variability; the Company's pipeline of sales opportunities represents potential sales transactions and estimated annual revenue therefrom and there can be no assurance that such sales efforts will be successful or that the potential revenue will be realized; risks inherent with conducting international operations; tax rate expectations are based on current tax law and current expected income and may be affected by the jurisdictions in which profits are determined to be earned and taxed, changes in estimates of credits, benefits and deductions, the resolution of issues arising from tax audits with various tax authorities, including payment of interest and penalties and the ability to realize deferred tax assets; the mergers and acquisitions and IPO markets are inherently unpredictable and liquidity events for companies in the Company's venture capital portfolio may not occur; increased competition and technological changes in the markets in which the Company competes; and the potential outcome and impact of the Company's ongoing review of strategic alternatives. There can be no assurance that the Company's review of strategic alternatives will lead to any transaction, result in increased value to its stockholders or the realization of long-term value by stockholders. For a detailed discussion of cautionary statements that may affect the Company's future results of operations and financial results, please refer to the Company's filings with the Securities and Exchange Commission, including the Company's most recent Annual Report on Form 10-K and Quarterly Reports on Form 10-Q. Forward-looking statements represent management's current expectations and are inherently uncertain. We do not undertake any obligation to update our forward-looking statements except as required by law.

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