OFFICE DEPOT INC
Form PRER14A
April 27, 2015
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

(Amendment No. 1)

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

Check the appropriate box:

x Preliminary Proxy Statement

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

¨ Definitive Proxy Statement

¨ Definitive Additional Materials

¨ Soliciting Material Pursuant to §240.14a-12

OFFICE DEPOT, INC.

(Name of Registrant as Specified In Its Charter)

N/A

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

¨ No fee required.

¨ Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

(1) Title of each class of securities to which transaction applies:

Common Stock, par value $0.01 per share, of Office Depot, Inc.

(2) Aggregate number of securities to which transaction applies:

584,886,129 shares of Office Depot common stock, which includes (i) the number of shares of Office Depot common stock outstanding as of February 21, 2015, plus (ii) the number of shares of Office Depot common stock reserved for issuance under various equity plans in respect of outstanding equity awards as of February 21, 2015 that may be issued in the future pursuant to the terms of the merger agreement described herein

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):

Solely for purposes of calculating the fee, the maximum aggregate value of the transaction was calculated as the product of 584,886,129 shares of Office Depot common stock multiplied by $1.99 per share

(4) Proposed maximum aggregate value of transaction:

$1,163,923,396.71

(5) Total fee paid:

$135,248

x Fee paid previously with preliminary materials.

x Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

$135,248

(2) Form, Schedule or Registration Statement No.:

Form S-4 (No. 333-202909)

(3) Filing Party:

Staples, Inc.

(4) Date Filed:

March 20, 2015

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The information in this proxy statement/prospectus is subject to completion and amendment. A registration statement relating to the securities described in this proxy statement/prospectus has been filed with the Securities and Exchange Commission. These securities may not be sold nor may offers to buy these securities be accepted prior to the time the registration statement becomes effective. This proxy statement/prospectus shall not constitute an offer to sell or the solicitation of any offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration under the securities laws of any such jurisdiction.

PRELIMINARY SUBJECT TO COMPLETION, DATED APRIL 24, 2015

Dear Office Depot, Inc. Stockholder:

You are cordially invited to attend Office Depot s upcoming annual meeting of stockholders of Office Depot, Inc. (referred to as Office Depot) to be held on [ ], 2015, beginning at 8:00 a.m., local time, at the Renaissance Boca Raton Hotel, 2000 NW 19th Street, Boca Raton, Florida 33431.

As Office Depot previously announced, on February 4, 2015, Office Depot, Staples, Inc. (referred to as Staples) and Staples AMS, Inc., a wholly owned subsidiary of Staples (referred to as Merger Sub), entered into an Agreement and Plan of Merger that provides for the acquisition of Office Depot by Staples (such agreement, as it may be amended from time to time, is referred to as the merger agreement). Upon the terms and subject to the conditions of the merger agreement, Merger Sub will merge with and into Office Depot (referred to as the merger), with Office Depot surviving the merger as a wholly owned subsidiary of Staples. If the merger is completed, you will be entitled to receive, for each share of Office Depot common stock that you own immediately prior to the merger, $7.25 in cash, without interest, plus 0.2188 shares of Staples common stock.

Based on the closing stock price of Staples common stock on February 2, 2015, the last full trading day before the publication of press reports that Staples and Office Depot were in advanced negotiations regarding a potential business combination transaction, the per share value of Office Depot common stock implied by the per share merger consideration is $11.00. Based on the closing stock price of Staples common stock on [ ], 2015, the most recent practicable date prior to the date of the accompanying proxy statement/prospectus, the per share value implied by the per share merger consideration is $[ ]. The implied value of the per share merger consideration will fluctuate, however, as the market price of Staples common stock fluctuates, because a portion of the per share merger consideration is payable in a fixed number of shares of Staples common stock. As a result, the value of the per share merger consideration that Office Depot stockholders will receive upon completion of the merger could be greater than, less than or the same as the value of the merger consideration on the date of this proxy statement/prospectus or at the time of the Office Depot annual meeting. Accordingly, Office Depot encourages you to obtain current stock price quotations for Staples common stock and Office Depot common stock before deciding how to vote with respect to the adoption of the merger agreement. Staples common stock and Office Depot common stock trade on The Nasdaq Global Select Market under the symbols SPLS and ODP, respectively.

The Office Depot board of directors unanimously determined that the merger, the terms of the merger agreement and the other transactions contemplated by the merger agreement are advisable, fair to, and in the best interests of, Office Depot and its stockholders and approved and declared advisable the merger agreement, the merger and the other transactions contemplated by the merger agreement.

At the annual meeting, you will be asked to adopt the merger agreement, to vote on the election of Office Depot directors and to vote on other merger-related and annual meeting matters. **The Office Depot board of directors unanimously recommends that Office Depot stockholders vote FOR the adoption of the merger agreement and FOR each of the other proposals described in the accompanying proxy statement/prospectus.**

Your vote is very important. Staples and Office Depot cannot complete the merger without the adoption of the merger agreement by Office Depot stockholders. It is important that your shares of Office Depot common stock be represented and voted regardless of the size of your holdings. Whether or not you plan to attend the annual meeting, Office Depot urges you to submit a proxy in advance of the annual meeting to have your shares voted by using one of the methods described in the accompanying proxy statement/prospectus.

More information about Staples, Office Depot, the annual meeting, the merger and the other proposals for consideration at the annual meeting is contained in the accompanying proxy statement/prospectus. **Please carefully read the entire proxy statement/prospectus, including the section entitled Risk Factors beginning on page [ ], for a discussion of the risks relating to the proposed merger, and the Annexes and documents incorporated by reference.**

On behalf of the Office Depot board of directors, thank you for your continued support.

Sincerely,

Roland C. Smith

Chairman and Chief Executive Officer

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED THE MERGER OR OTHER TRANSACTIONS DESCRIBED IN THE ACCOMPANYING PROXY STATEMENT/PROSPECTUS OR THE SECURITIES TO BE ISSUED PURSUANT TO THE MERGER UNDER THE ACCOMPANYING PROXY STATEMENT/PROSPECTUS NOR HAVE THEY DETERMINED IF THE ACCOMPANYING PROXY STATEMENT/PROSPECTUS IS ACCURATE OR ADEQUATE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The accompanying proxy statement/prospectus is dated [ ], 2015 and is first being mailed to Office Depot stockholders on or about [ ], 2015.

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OFFICE DEPOT, INC.

6600 North Military Trail

Boca Raton, Florida 33496

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON [ ], 2015

This is a notice that the annual meeting of stockholders of Office Depot, Inc. (referred to as Office Depot) will be held on [ ], 2015, beginning at 8:00 a.m., local time, at the Renaissance Boca Raton Hotel, 2000 NW 19th Street, Boca Raton, Florida 33431, unless postponed to a later date. The annual meeting will be held for the following purposes:

1. to adopt the Agreement and Plan of Merger, dated as of February 4, 2015 (such agreement, as it may be amended from time to time, is referred to as the merger agreement), by and among Office Depot, Staples, Inc. (referred to as Staples) and Staples AMS, Inc., a wholly owned subsidiary of Staples (referred to as Merger Sub), pursuant to which, upon the terms and subject to the conditions of the merger agreement, Merger Sub will merge with and into Office Depot (referred to as the merger), with Office Depot surviving the merger as a wholly owned subsidiary of Staples;

2. to approve on an advisory (non-binding) basis the compensation that may be paid or become payable to Office Depot s named executive officers that is based on or otherwise relates to the merger;

3. to approve the adjournment of the annual meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to adopt the merger agreement;

4. to elect ten (10) members of the Office Depot board of directors named in, and for the term described in, this proxy statement/prospectus;

5. to approve the 2015 Long-Term Incentive Plan;

6. to approve the Office Depot Corporate Annual Bonus Plan;

7. to ratify the appointment by Office Depot s audit committee of Deloitte & Touche LLP as Office Depot s independent registered public accounting firm for the current year;

8. to approve on an advisory (non-binding) basis the compensation of Office Depot s named executive officers; and

9. to transact any other business that may properly come before the annual meeting and any adjournment or postponement thereof.

The accompanying proxy statement/prospectus describes the proposals listed above in more detail. Please refer to the accompanying proxy statement/prospectus, including the merger agreement and all other annexes and including any documents incorporated by reference, for further information with respect to the business to be transacted at the annual meeting. You are encouraged to read the entire proxy statement/prospectus carefully before voting. **In particular, see the section entitled Risk Factors beginning on page [ ].**

The Office Depot board of directors recommends that Office Depot stockholders vote FOR the adoption of the merger agreement; FOR the election of each of the director nominees named in Proposal 4 of your proxy card; and FOR each of the other proposals listed above and described in more detail in the accompanying proxy statement/prospectus.

Under Delaware law, holders of record of Office Depot common stock who do not vote in favor of adoption of the merger agreement have the right to seek appraisal of the fair value of their shares of Office Depot common stock if the merger is completed, but only if they follow the procedures and satisfy the conditions prescribed by Delaware law. To exercise appraisal rights, holders of record of Office Depot common stock must strictly follow the procedures and satisfy the conditions prescribed by Delaware law, including, among other things, submitting

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a written demand for appraisal to Office Depot before the vote is taken on the adoption of the merger agreement and not voting in favor of adoption of the merger agreement. These procedures are summarized in this proxy statement/prospectus in the section entitled Appraisal Rights of Office Depot Stockholders beginning on page [ ], and the text of the applicable provisions of Delaware law is included as Annex C to this proxy statement/prospectus.

The Office Depot board of directors has fixed the close of business on [ ], 2015 as the record date for determination of Office Depot stockholders entitled to receive notice of, and to vote at, the annual meeting or any adjournments or postponements thereof. Only holders of record of Office Depot common stock as of the close of business on the record date are entitled to receive notice of, and to vote at, the annual meeting.

YOUR VOTE IS VERY IMPORTANT REGARDLESS OF THE NUMBER OF SHARES THAT YOU OWN.

The merger cannot be completed unless the merger agreement is adopted by the affirmative vote, in person or by proxy, of holders of a majority of the outstanding shares of Office Depot common stock entitled to vote thereon as of the close of business on the record date for the annual meeting.

Whether or not you expect to attend the annual meeting in person, Office Depot urges you to submit a proxy to have your shares voted as promptly as possible by either: (1) logging onto the website shown on your proxy card and following the instructions to submit a proxy online; (2) dialing the toll-free number shown on your proxy card and following the instructions to submit a proxy by phone; or (3) signing and returning the enclosed proxy card in the postage-paid envelope provided, so that your shares may be represented and voted at the annual meeting. If your shares are held in the name of a bank, brokerage firm or other nominee, please follow the instructions on the voting instruction card furnished by such bank, brokerage firm or other nominee.

If you have any questions concerning the merger, the other meeting matters or this proxy statement/prospectus, would like additional copies of this proxy statement/prospectus or need help voting your shares of Office Depot common stock, please contact Office Depot s proxy solicitor:

Innisfree M&A Incorporated

501 Madison Avenue

New York, NY 10022

Stockholders may call toll-free: (887) 825-8621

Banks and brokers may call collect: (212) 750-5833

By order of the Board of Directors

Elisa D. Garcia C.

Executive Vice President, Chief Legal Officer & Corporate Secretary

Dated: [ ], 2015

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ADDITIONAL INFORMATION

This proxy statement/prospectus incorporates important business and financial information about Staples and Office Depot from other documents that Staples and Office Depot have filed with the U.S. Securities and Exchange Commission (referred to in this proxy statement/prospectus as the SEC) and that are contained in or incorporated by reference into this proxy statement/prospectus. For a listing of documents incorporated by reference into this proxy statement/prospectus, please see the section entitled Where You Can Find More Information beginning on page [ ] of this proxy statement/prospectus. This information is available for you to review at the SEC s public reference room located at 100 F Street, N.E., Room 1580, Washington, DC 20549, and through the SEC s website at www.sec.gov.

You can obtain copies of this proxy statement/prospectus and the documents incorporated by reference into this proxy statement/prospectus free of charge by requesting them in writing or by telephone at the following addresses and telephone numbers:

For Information Regarding Staples:	For Information Regarding Office Depot:
Staples, Inc.	**Office Depot, Inc.**
Five Hundred Staples Drive	**6600 North Military Trail**
Framingham, Massachusetts 01702	**Boca Raton, Florida 33496**
(508) 253-5000	**(561) 438-7878**
Attention: Investor Relations	**Attention: Investor Relations**

In addition, if you have questions about the merger, the other proposals or this proxy statement/prospectus, would like additional copies of the proxy statement/prospectus or need to obtain proxy cards or other information related to the proxy solicitation, you may contact Innisfree M&A Incorporated, Office Depot s proxy solicitor, at the address and telephone number listed below. You will not be charged for any of these documents that you request.

Innisfree M&A Incorporated

501 Madison Avenue

New York, NY 10022

Stockholders may call toll-free: (877) 825-8621

Banks and brokers may call collect: (212) 750-5833

If you would like to request any documents, please do so by [ ], 2015, which is five business days prior to the date of the annual meeting, in order to receive them before the annual meeting.

ABOUT THIS PROXY STATEMENT/PROSPECTUS

This proxy statement/prospectus, which forms part of a registration statement on Form S-4 (Registration No. 333-202909) filed with the SEC by Staples, constitutes a prospectus of Staples under the Securities Act of 1933, as amended (referred to in this proxy statement/prospectus as the Securities Act), with respect to the Staples common stock to be issued to Office Depot stockholders pursuant to the merger. This proxy statement/prospectus also constitutes a proxy statement for Office Depot under the Securities Exchange Act of 1934, as amended (referred to in this proxy statement/prospectus as the Exchange Act), and a notice of meeting with respect to the annual meeting of Office Depot stockholders.

You should rely only on the information contained in or incorporated by reference into this proxy statement/prospectus. No one has been authorized to provide you with information that is different from that contained in, or incorporated by reference into, this proxy statement/prospectus. This proxy statement/prospectus is dated [ ], 2015, and you should assume that the information contained in this proxy statement/prospectus is accurate only as of such date. You should also assume that the information incorporated by reference into this proxy statement/prospectus is only accurate as of the date of such information.

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This proxy statement/prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, any securities, or the solicitation of a proxy in any jurisdiction to or from any person to whom it is unlawful to make any such offer or solicitation in such jurisdiction. Information contained in this proxy statement/prospectus regarding Staples has been provided by Staples and information contained in this proxy statement/prospectus regarding Office Depot has been provided by Office Depot.

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QUESTIONS AND ANSWERS

The following questions and answers are intended to briefly address some commonly asked questions regarding the merger, the merger agreement and the annual meeting. These questions and answers may not address all questions that may be important to you as an Office Depot stockholder. Please refer to the section entitled Summary beginning on page [ ] of this proxy statement/prospectus and the more detailed information contained elsewhere in this proxy statement/prospectus, the annexes to this proxy statement/prospectus and the documents referred to in this proxy statement/prospectus, which you should read carefully and in their entirety. You may obtain the information incorporated by reference into this proxy statement/prospectus without charge by following the instructions under the section entitled Where You Can Find More Information beginning on page [ ] of this proxy statement/prospectus.

Q: Why am I receiving this proxy statement/prospectus?

A: Staples, Inc. (referred to in this proxy statement/prospectus as Staples) and Office Depot, Inc. (referred to in this proxy statement/prospectus as Office Depot) are sending these materials to Office Depot stockholders to help them decide how to vote their shares of Office Depot common stock with respect to the proposed merger of Staples and Office Depot and the other matters to be considered at the annual meeting.

This document constitutes both a proxy statement of Office Depot and a prospectus of Staples. It is a proxy statement because Office Depot is soliciting proxies from its stockholders. It is a prospectus because Staples will issue shares of its common stock in exchange for shares of Office Depot common stock in the merger if the merger is completed.

Q: What is the merger?

A: Office Depot has agreed to be acquired by Staples under the terms of the merger agreement that is described in this proxy statement/prospectus. If the merger agreement is adopted by Office Depot stockholders and the other conditions to closing under the merger agreement are satisfied or waived, Staples AMS, Inc., a Delaware corporation and a wholly owned subsidiary of Staples (referred to in this proxy statement/prospectus as Merger Sub), will merge with and into Office Depot (referred to as the merger), with Office Depot surviving the merger as a wholly owned subsidiary of Staples, which is sometimes referred to in this proxy statement/prospectus as the surviving company.

The merger cannot be completed unless the merger agreement is adopted by Office Depot stockholders. Your failing to submit a proxy or vote in person at the annual meeting, or your abstaining from voting or your failing to provide your bank, brokerage firm or other nominee with instructions, as applicable, will have the same effect as a vote **AGAINST** the adoption of the merger agreement. The Office Depot board of directors unanimously recommends that stockholders vote **FOR** the adoption of the merger agreement. This proxy statement/prospectus includes important information about the merger and the merger agreement, a copy of which is attached as **Annex A** to this proxy statement/prospectus. Office Depot stockholders should read this information carefully and in its entirety.

Q: Are there any risks that I should consider in deciding whether to vote for the adoption of the merger agreement?

A: Yes. You should read and carefully consider the risk factors set forth in the section entitled Risk Factors beginning on page [ ]. You also should read and carefully consider the risk factors of Staples and Office Depot contained in the documents that are incorporated by reference into this proxy statement/prospectus.

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Q: What will Office Depot stockholders receive for their shares if the merger is completed?

A: If the merger is completed, you will be entitled to receive, for each share of Office Depot common stock that you hold, merger consideration equal to $7.25 in cash, without interest, plus 0.2188 shares of Staples common stock. Based on the closing stock price of Staples common stock on February 2, 2015, the last full trading day before the publication of press reports that Staples and Office Depot were in advanced negotiations regarding a potential business combination transaction, the per share value of Office Depot common stock implied by the per share merger consideration is $11.00. Based on the closing stock price of Staples common stock on [ ], 2015, the most recent practicable date prior to the date of this proxy statement/prospectus, the per share value of Office Depot common stock implied by the per share merger consideration is $[ ]. The implied value of the per share merger consideration will fluctuate, however, as the market price of Staples common stock fluctuates, because a portion of the per share merger consideration is payable in a fixed number of shares of Staples common stock. As a result, the value of the per share merger consideration that Office Depot stockholders will receive upon completion of the merger could be greater than, less than or the same as the value of the merger consideration on the date of this proxy statement/prospectus or at the time of the Office Depot annual meeting. Accordingly, Office Depot encourages you to obtain current stock price quotations for Staples common stock and Office Depot common stock before deciding how to vote with respect to the adoption of the merger agreement. Staples common stock and Office Depot common stock trade on The Nasdaq Global Select Market under the symbols SPLS and ODP, respectively.

For additional information regarding the consideration to be received in the merger, see the section entitled Proposal I: Adoption of the Merger Agreement Per Share Merger Consideration beginning on page [ ].

Q: What happens if I am eligible to receive a fraction of a share of Staples common stock as part of the per share merger consideration?

A: If the aggregate number of shares of Staples common stock that you are entitled to receive as part of the per share merger consideration otherwise would include a fraction of a share of Staples common stock, you will receive cash in lieu of that fractional share. See the section entitled Proposal I: Adoption of the Merger Agreement Exchange of Shares beginning on page [ ].

Q: What will holders of Office Depot equity awards receive in the merger?

A: Each option to purchase Office Depot common stock that was outstanding as of the date of the merger agreement and remains outstanding as of the completion of the merger will, as of the completion of the merger, fully vest and entitle the holder to receive the per share merger consideration for each net option share underlying such stock option. For this purpose, the number of net option shares of Office Depot common stock will equal the number of shares of Office Depot common stock underlying such option minus a number of shares with a fair market value equal to the aggregate exercise price of such stock option, based on the per share merger consideration, the stock consideration component of which will be deemed to be an amount equal to the Staples trading price, as described in The Merger Agreement Closing; Effective Time; Effects of the Merger on Capital Stock below, multiplied by 0.2188 for each such share of Office Depot common stock.

Each award of restricted Office Depot common stock that was outstanding as of the date of the merger agreement and which remains outstanding as of the completion of the merger will, immediately prior to the completion of the merger, fully vest and entitle the holder to receive the per share merger consideration for each share of Office Depot common stock subject to such award.

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Each award of restricted stock units (including restricted stock units that are subject to performance-based vesting conditions) and each award of performance shares, in each case that was outstanding as of the date of the merger agreement or that has been granted to a non-employee director and remains outstanding as of the completion of the merger, will, immediately prior to the completion of the merger, fully vest with respect to time-based vesting. Performance-based restricted stock unit awards granted with a performance period commencing as of December 29, 2013 and ending December 31, 2016 will fully vest with respect to 133.3% of the target number of shares subject to each such award. Performance-based restricted stock unit awards for which the performance period concluded prior to the date of the merger agreement will vest based on actual performance results. Each holder of a restricted stock unit award will be entitled to receive the merger consideration with respect to each share of Office Depot common stock subject to the vested restricted stock units.

The merger agreement permits, to a limited extent, awards to be made in 2015, after the date of the merger agreement. Any such award made in 2015 that remains outstanding as of the completion of the merger will be converted into an award representing a contingent right, subject to meeting vesting requirements, to receive the merger consideration for each share of Office Depot common stock underlying such award; provided, however, instead of receiving the portion of the merger consideration otherwise payable in Staples common stock, each holder of an award made in 2015 will receive a cash payment, without interest, for each share of Office Depot common stock underlying such award equal to the Staples trading price, as described in The Merger Agreement Closing; Effective Time; Effects of the Merger on Capital Stock below, multiplied by 0.2188.

See The Merger Agreement Treatment of Office Depot Equity Awards beginning on page [ ].

Q: How will I receive the merger consideration to which I am entitled?

A: After receiving the proper documentation from you, following completion of the merger, the exchange agent for the merger will forward to you the Staples common stock and cash to which you are entitled. More information on the documentation you are required to deliver to the exchange agent may be found in the section entitled The Merger Agreement Exchange and Payment Procedures beginning on page [ ].

Q: What will happen to Office Depot as a result of the merger?

A: If the merger is completed, Merger Sub will be merged with and into Office Depot, with Office Depot continuing as the surviving company and a wholly owned subsidiary of Staples. As a result of the merger, Office Depot will no longer be a publicly held company. Following the merger, Office Depot common stock will be delisted from The Nasdaq Global Select Market and deregistered under the Exchange Act.

Q: Will the Staples common stock received at the time of completion of the merger be traded on an exchange?

A: It is a condition to the consummation of the merger that the shares of Staples common stock to be issued to Office Depot stockholders in the merger be approved for listing on The Nasdaq Global Select Market, subject to official notice of issuance.

Q: When is the merger expected to be completed?

A: Staples and Office Depot currently expect the merger to be completed by the end of calendar year 2015, subject to receipt of required approval from Office Depot s stockholders and regulatory approvals and subject to the satisfaction or waiver of the other conditions contained in the merger agreement. However, Staples and Office Depot cannot predict the actual date on which the merger will be completed because completion is subject to conditions beyond their control. See the sections entitled Proposal I: Adoption of

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the Merger Agreement Regulatory Approvals beginning on page [ ] and The Merger Agreement Conditions to Completion of the Merger beginning on page [ ].

Q: What am I being asked to vote on?

A: Office Depot stockholders are being asked to vote upon the following proposals:

1. to adopt the merger agreement, which is further described in the sections entitled Proposal I: Adoption of the Merger Agreement beginning on page [ ] and The Merger Agreement beginning on page [ ] and a copy of which is attached to this proxy statement/prospectus as **Annex A**;

2. to approve on an advisory (non-binding) basis the compensation that may be paid or become payable to Office Depot s named executive officers that is based on or otherwise relates to the merger;

3. to approve the adjournment of the annual meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to adopt the merger agreement;

4. to elect the ten (10) members of the Office Depot board of directors named in, and for the term described in, this proxy statement/prospectus;

5. to approve Office Depot s 2015 Long-Term Incentive Plan, a copy of which is attached to this proxy statement/prospectus as **Annex D**;

6. to approve the Office Depot Corporate Annual Bonus Plan, a copy of which is attached to this proxy statement/prospectus as **Annex E**;

7. to ratify the appointment by Office Depot s audit committee of Deloitte & Touche LLP as Office Depot s independent registered public accounting firm for the current year;

8. to approve on an advisory (non-binding) basis the compensation of Office Depot s named executive officers; and

9. to transact any other business that may properly come before the annual meeting and any adjournment or postponement thereof.

Q: Are there any other matters to be addressed at the annual meeting?

A: At this time, Office Depot does not know of any other matters to be brought before the annual meeting, but if other matters are properly brought before such meeting or at any adjournment or postponement of such meeting, the persons who the Office Depot board of directors has appointed to vote proxies will vote on such matters in their discretion.

Q: How does the Office Depot board of directors recommend that I vote at the annual meeting?

A: The Office Depot board of directors unanimously recommends that Office Depot stockholders vote **FOR** the adoption of the merger agreement, **FOR** each of the director nominees and **FOR** each of the other proposals described in this proxy statement/prospectus.

Q: What do I need to do now?

A: After carefully reading and considering the information contained in this proxy statement/prospectus, please submit your proxy as soon as possible so that your shares of Office Depot common stock will be represented at the annual meeting. Please follow the instructions set forth on the proxy card or on the voting instruction form provided by the record holder if your shares are held in street name by your bank, brokerage firm or other nominee.

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Q: Should I send in my Office Depot stock certificates now?

A: No. Please DO NOT send your Office Depot stock certificates with your proxy card. If the merger is completed, you will receive shortly after the time the merger is completed written instructions for exchanging your stock certificates for merger consideration.

Q: When and where is the annual meeting of the Office Depot stockholders?

A: The annual meeting will be held on [ ], 2015, beginning at 8:00 a.m., local time, at the Renaissance Boca Raton Hotel, 2000 NW 19th Street, Boca Raton, Florida 33431, unless postponed to a later date.

Q: Who can vote at the annual meeting?

A: Only Office Depot stockholders who held shares of record as of the close of business on [ ], 2015, the record date for the annual meeting, are entitled to receive notice of and to vote at the annual meeting. Office Depot s official stock ownership records will conclusively determine whether a stockholder is a holder of record as of the record date.

Q: How many votes do I have?

A: Each Office Depot stockholder is entitled to one vote on each matter properly brought before the annual meeting for each share of Office Depot common stock held of record as of the close of business on the record date. As of the close of business on the record date, there were [ ] shares of Office Depot common stock outstanding and owned by stockholders (i.e., excluding shares of Office Depot common stock held in treasury by Office Depot), held by [ ] holders of record.

Q: What constitutes a quorum for the annual meeting?

A: The presence in person or represented by proxy of holders of a majority of the outstanding shares of Office Depot common stock entitled to vote constitutes a quorum for the purposes of the annual meeting. Abstentions are considered present for purposes of establishing a quorum, but will not be counted as votes cast FOR any matter. When a bank, brokerage firm or other nominee does not receive instructions from a holder holding shares in street name through a bank, brokerage firm or other nominee (such holder is referred to in this proxy statement/prospectus as a non-record owner) on how to vote shares with respect to a non-routine matter, a broker non-vote occurs. Broker non-votes will be treated as present for purposes of determining whether a quorum is present, but will not be counted as votes cast FOR or AGAINST any matter.

Q: What vote is required to approve each proposal to be considered at the Office Depot annual meeting?

A: The votes required for each proposal are as follows:

1. *Adoption of the Merger Agreement*: The affirmative vote, in person or by proxy, of holders of a majority of the outstanding shares of Office Depot common stock entitled to vote thereon is required to adopt the merger agreement.

2. *Advisory (Non-Binding) Vote on Merger-Related Compensation*: The affirmative vote of holders of a majority of the shares of Office Depot common stock present in person or represented by proxy (as counted for purposes of determining the existence of a quorum) and entitled to vote at the annual meeting is required to approve, on an advisory (non-binding) basis, the merger-related compensation payments.

3. *Adjournment of the Annual Meeting*: The affirmative vote of holders of a majority of the shares of Office Depot common stock present in person or represented by proxy (as counted for purposes of determining the existence of a quorum) and entitled to vote at the annual meeting is required to approve the adjournment of the annual meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to adopt the merger agreement.

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4. *Election* of *Directors*: Each nominee must be elected by a majority of the votes cast.

5. *Approval of Office Depot s 2015 Long-Term Incentive Plan*: The affirmative vote of holders of a majority of the shares of Office Depot common stock present in person or represented by proxy (as counted for purposes of determining the existence of a quorum) and entitled to vote at the annual meeting is required to approve Office Depot s 2015 Long-Term Incentive Plan.

6. *Approval of the Office Depot Corporate Annual Bonus Plan*: The affirmative vote of holders of a majority of the shares of Office Depot common stock present in person or represented by proxy (as counted for purposes of determining the existence of a quorum) and entitled to vote at the annual meeting is required to approve the Office Depot Corporate Annual Bonus Plan.

7. *Appointment of Office Depot s Independent Public Accountant*: A majority of the votes cast on the matter is required to ratify the appointment of Office Depot s independent public accountant.

8. *Advisory (Non-Binding) Vote on Executive Compensation*: The affirmative vote of holders of a majority of the shares of Office Depot common stock present in person or represented by proxy (as counted for purposes of determining the existence of a quorum) and entitled to vote at the annual meeting is required to approve, on an advisory (non-binding) basis, the compensation of Office Depot s named executive officers.

9. *Other Proposals*: Approval of any other proposal to be voted upon at the annual meeting requires the affirmative vote of holders of a majority of the shares of Office Depot common stock present in person or represented by proxy (as counted for purposes of determining the existence of a quorum) and entitled to vote at the annual meeting.

Q: How do I vote or have my shares voted?

A: Office Depot stockholders of record may vote their shares of Office Depot common stock or have their shares of Office Depot common stock voted at the annual meeting in one of the following ways:

Internet: Office Depot stockholders may submit their proxy by using the Internet at www.proxyvote.com. Internet voting is available 24 hours a day and will be accessible until 11:59 p.m., local time, on [ ], 2015, the day before the annual meeting.

Telephone: Office Depot stockholders may submit their proxy by using a touch-tone telephone at (800) 690-6903. Telephone voting is available 24 hours a day and will be accessible until 11:59 p.m., local time, on [ ], 2015, the day before the annual meeting.

Mail: Office Depot stockholders may submit their proxy by properly completing, signing, dating and mailing their proxy card in the postage-paid envelope (if mailed in the United States) included with this proxy statement/prospectus. Office Depot stockholders who vote this way should mail the proxy card early enough so that it is received before the date of the annual meeting.

In Person: Office Depot stockholders may vote in person at the annual meeting or by sending a representative with an acceptable proxy that has been signed and dated. Attendance at the annual meeting will not, however, in and of itself constitute a vote.

If you are a non-record owner, please refer to the instructions provided by your bank, brokerage firm or other nominee to see which of the above choices are available to you. Please note that if you are a non-record owner and wish to vote in person at the annual meeting, you must obtain a legal proxy from your bank, brokerage firm or other nominee.

Q: How will my proxy be voted?

A: If you submit your proxy via the Internet, by telephone or by completing, signing, dating and returning the enclosed proxy card, your shares will be voted in accordance with your instructions contained in the proxy.

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If you submit your proxy without specifying how your shares should be voted in one or more matters, your shares will be voted on those matters as the Office Depot board of directors recommends.

Q: What must I bring to attend the annual meeting?

A: Only stockholders of record as of the record date, non-record owners as of the record date, holders of valid proxies for the annual meeting and invited guests of Office Depot may attend the annual meeting. All attendees should be prepared to present picture identification for admittance. The additional items, if any, that attendees must bring depend on whether they are stockholders of record, non-record owners or proxy holders.

Additional information on attending the annual meeting can be found under the section entitled Information About the Office Depot Annual Meeting beginning on page [ ]. Whether or not you plan to attend the annual meeting, Office Depot urges you to submit your proxy by completing and returning the proxy card as promptly as possible, or by submitting your proxy by telephone or via the Internet, prior to the annual meeting to ensure that your shares of Office Depot common stock will be represented and voted at the annual meeting if you are unable to attend. If you are a non-record owner, please refer to the instructions provided by your bank, brokerage firm or other nominee to see which of the above choices are available to you. Please note that if you are a non-record owner and wish to vote in person at the annual meeting, you must obtain a legal proxy from your bank, brokerage firm or other nominee.

Q: If my shares are held in street name by my bank, brokerage firm or other nominee, will my bank, brokerage firm or other nominee vote my shares for me?

A: No, except with respect to the proposal to ratify the appointment of Office Depot s independent public accountant. If your shares are held in street name by your bank, brokerage firm or other nominee, you must direct your bank, brokerage firm or other nominee on how to vote and you will receive instructions from your bank, brokerage firm or other nominee describing how to vote your shares of Office Depot common stock. The availability of Internet or telephonic voting will depend on the nominee s voting process. Please check with your bank, brokerage firm or other nominee and follow the voting procedures your bank, brokerage firm or other nominee provides.

If you are a non-record owner and do not provide your bank, brokerage firm or other nominee instructions on how to vote your shares of Office Depot common stock with respect to a non-routine matter, a broker non-vote occurs with respect to those matters. Under applicable stock exchange rules, the organization that holds your shares of Office Depot common stock (i.e., your bank, brokerage firm or other nominee) may generally vote on routine matters at its discretion but cannot vote on non-routine matters. If you are a non-record owner and the organization that holds your shares of Office Depot common stock does not receive instructions from you on how to vote your shares of Office Depot common stock on a non-routine matter, the organization that holds your shares of Office Depot common stock will inform the inspector of elections that it does not have the authority to vote your shares on such matters. The ratification of appointment of Office Depot s independent registered public accountant is a matter Office Depot believes will be designated routine. The adoption of the merger agreement, the advisory (non-binding) approval of Office Depot s merger-related executive compensation, the adjournment of the annual meeting, the election of directors, the approval of Office Depot s 2015 Long-Term Incentive Plan, the approval of the Office Depot Corporate Annual Bonus Plan and the advisory (non-binding) approval of the compensation of Office Depot s named executive officers will be considered non-routine. Accordingly, if you are a non-record owner and do not provide your bank, brokerage firm or other nominee instructions on how to vote your shares of Office Depot common stock, your bank, brokerage firm or other nominee generally will not be permitted to vote your shares on any of the proposals other than the ratification of appointment of Office Depot s independent registered public accountant. Office Depot strongly encourages you to provide voting instructions to your bank, brokerage firm or other nominee so that your vote will be counted on all matters.

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Q: What is the difference between holding shares as a stockholder of record and in street name ?

A: If your shares of Office Depot common stock are registered directly in your name with the transfer agent of Office Depot, Computershare Shareowner Services LLC, you are considered the stockholder of record with respect to those shares. As the stockholder of record, you have the right to vote or to grant a proxy for your vote directly to Office Depot or to a third party to vote at the annual meeting.

If your shares are held by a bank, brokerage firm or other nominee, you are considered the beneficial owner of shares held in street name, and, for the purposes of this proxy statement/prospectus, a non-record owner, and your bank, brokerage firm or other nominee is considered the stockholder of record with respect to those shares. If you are a non-record owner, you have a right to direct your bank, brokerage firm or other nominee on how to vote the shares held in your account. The availability of Internet or telephonic voting will depend on the nominee s voting process. Please check with your bank, brokerage firm or other nominee and follow the voting procedures your bank, brokerage firm or other nominee provides. You are invited to attend the annual meeting; however, you may not vote these shares in person at the annual meeting unless you obtain a legal proxy from your bank, brokerage firm or other nominee that holds your shares, giving you the right to vote the shares at the annual meeting.

Q: What should I do if I receive more than one set of voting materials for the annual meeting?

A: You may receive more than one set of voting materials for the annual meeting, including multiple copies of this proxy statement/prospectus and multiple proxy cards or voting instruction cards. For example, if you hold your Office Depot common stock in more than one brokerage account, you will receive a separate voting instruction card for each brokerage account in which you hold shares. If you are a holder of record and your shares are registered in more than one name, you will receive more than one proxy card. Please submit each separate proxy or voting instruction card that you receive by following the instructions set forth in each separate proxy or voting instruction card.

Q: What do I do if I am an Office Depot stockholder and I want to revoke my proxy?

A: Office Depot stockholders of record may revoke their proxies at any time prior to the voting at the annual meeting in any of the following ways:

- mailing a request to Office Depot s Corporate Secretary at Office Depot s corporate headquarters, at 6600 North Military Trail, Boca Raton, Florida 33496, so that it is received no later than 4:00 p.m., local time, on [ ], 2015;

- properly submitting a later-dated, new proxy card (in which case only the later-dated proxy is counted and the earlier proxy is revoked);

submitting a proxy via Internet or by telephone at a later date (in which case only the later-dated proxy is counted and the earlier proxy is revoked); or

attending the annual meeting and voting in person. Attendance at the annual meeting will not, however, in and of itself, constitute a vote or revocation of a prior proxy.

Office Depot non-record owners may change their voting instructions only by following the directions received from their bank, brokerage firm or other nominee for changing their voting instructions.

Q: What happens if I sell my shares of Office Depot common stock before the annual meeting?

A: The record date is earlier than both the date of the annual meeting and the closing of the merger. If you transfer your shares of Office Depot common stock after the record date but before the annual meeting, you will, unless the transferee requests a proxy from you, retain your right to vote at the annual meeting but will

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transfer the right to receive the per share merger consideration to the person to whom you transfer your shares. In order to receive the per share merger consideration, you must hold your shares upon completion of the merger.

Q: Do Office Depot stockholders have appraisal rights?

A: Yes. Office Depot stockholders are entitled to appraisal rights under Section 262 of the General Corporation Law of the State of Delaware (referred to in this proxy statement/prospectus as the DGCL), provided they follow the procedures and satisfy the conditions set forth in Section 262 of the DGCL. For more information regarding appraisal rights, see the section entitled Appraisal Rights of Office Depot Stockholders beginning on page [ ]. In addition, a copy of Section 262 of the DGCL is attached as **Annex C** to this proxy statement/prospectus. Failure to strictly comply with Section 262 of the DGCL may result in your waiver of, or inability to, exercise appraisal rights.

Q: Who will solicit and pay the cost of soliciting proxies?

A: Office Depot will pay for the proxy solicitation costs related to the annual meeting. Office Depot has engaged Innisfree M&A Incorporated to assist in the solicitation of proxies for the annual meeting. Office Depot estimates that it will pay Innisfree M&A Incorporated a fee of approximately $30,000, plus reasonable out-of-pocket expenses. Office Depot will also reimburse banks, brokerage firms, custodians, trustees, nominees and fiduciaries who hold shares for the benefit of another party for their expenses incurred in sending proxies and proxy materials to non-record owners of Office Depot common stock. Office Depot s directors, officers and employees also may solicit proxies in person, by telephone or over the Internet. They will not be paid any additional amounts for soliciting proxies.

Q: How can I find more information about Staples and Office Depot?

A: You can find more information about Staples and Office Depot from various sources described in the section entitled Where You Can Find More Information beginning on page [ ].

Q: Who can answer any questions I may have about the annual meeting or the proxy materials?

A: If you have any questions about the annual meeting, the proxy materials or how to submit your proxy, or if you need additional copies of this proxy statement/prospectus or documents incorporated by reference herein, the enclosed proxy card or voting instructions, you should contact:

Office Depot, Inc.

6600 North Military Trail

Boca Raton, Florida 33496

(561) 438-7878

Attention: Investor Relations

or

Innisfree M&A Incorporated

501 Madison Avenue

New York, NY 10022

Stockholders may call toll-free: (877) 825-8261

Banks and brokers may call collect: (212) 750-5833

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SUMMARY

The following summary highlights selected information described in more detail elsewhere in this proxy statement/prospectus and the documents incorporated by reference into this proxy statement/prospectus and may not contain all the information that may be important to you. To understand the merger and the matters being voted on by Office Depot stockholders at the annual meeting more fully, and to obtain a more complete description of the legal terms of the merger agreement, you should carefully read this entire proxy statement/prospectus, including the annexes, and the documents to which Staples and Office Depot refer you. Each item in this summary includes a page reference directing you to a more complete description of that topic. See Where You Can Find More Information beginning on page [ ].

The Parties

(see pages [ ] and [ ])

Office Depot, Inc.

Office Depot, Inc., referred to in this proxy statement/prospectus as Office Depot, together with its subsidiaries, is a global supplier of office products and services to consumers and businesses of all sizes. Office Depot was incorporated in Delaware in 1986 with the opening of its first retail store in Fort Lauderdale. On November 5, 2013, Office Depot merged with OfficeMax Incorporated (referred to in this proxy statement/prospectus as OfficeMax, and the merger of Office Depot and OfficeMax is referred to in this proxy statement/prospectus as the Office Depot/OfficeMax merger). Office Depot has decided to align its business along the three reportable segments (which are referred to in this proxy statement/prospectus as Divisions) historically utilized by Office Depot: North American Retail Division, North American Business Solutions Division and International Division. Following the date of the Office Depot/OfficeMax merger, the former OfficeMax U.S. retail business is included in the North American Retail Division. The former OfficeMax U.S. and Canada contract business is included in the North American Business Solutions Division. The former OfficeMax businesses in Australia and New Zealand are included in the International Division. The former OfficeMax business in Mexico is presented as an Other segment for the period from acquisition until sale in August 2014. Sales for these Divisions are processed through multiple channels, consisting of office supply stores, a contract sales force, an outbound telephone account management sales force, Internet sites, direct marketing catalogs and call centers, all supported by a network of supply chain facilities and delivery operations. Shares of Office Depot common stock are traded on The Nasdaq Global Select Market under the symbol ODP. The principal executive offices of Office Depot are located at 6600 North Military Trail, Boca Raton, Florida 33496, and its telephone number is (561) 438-4800.

Staples, Inc.

Staples, Inc., a Delaware corporation and referred to in this proxy statement/prospectus as Staples, is a world-class provider of products and services that serve the needs of business customers and consumers. Staples is committed to providing superior value to its customers through a broad selection of products, easy to use websites and mobile platforms, an integrated retail and online shopping experience and a wide range of copy, print and technology services. Staples opened its first office products superstore in Brighton, Massachusetts in 1986 to serve the needs of small businesses and consumers, and Staples currently serves businesses of all sizes and consumers in North America, Europe, Australia, South America and Asia. Staples delivery businesses account for a majority of its sales and many of its delivery customers place their orders online, making Staples one of the largest Internet resellers in the world. Shares of Staples common stock are traded on The Nasdaq Global Select Market under the symbol SPLS. The principal executive offices of Staples are located at Five Hundred Staples Drive, Framingham, Massachusetts 01702, and its telephone number is (508) 253-5000.

Staples AMS, Inc.

Staples AMS, Inc., a Delaware corporation and referred to in this proxy statement/prospectus as Merger Sub, is a wholly owned subsidiary of Staples. Merger Sub was formed by Staples solely in contemplation of the merger, has not conducted any business and has no assets, liabilities or obligations of any nature other than as set forth in the merger agreement. The principal executive offices of Merger Sub are located at c/o Staples, Inc., Five Hundred Staples Drive, Framingham, Massachusetts 01702, and its telephone number is (508) 253-5000.

The Merger and the Merger Agreement

(see pages [ ] and [ ])

The terms and conditions of the merger are contained in the merger agreement, a copy of which is attached as **Annex A** to this proxy statement/prospectus. Office Depot encourages you to read the merger agreement carefully and in its entirety, as it is the legal document that governs the merger.

The merger agreement provides that, subject to the terms and conditions of the merger agreement, Merger Sub will be merged with and into Office Depot, with Office Depot surviving the merger as a wholly owned subsidiary of Staples.

Per Share Merger Consideration

(see page [ ])

Upon completion of the merger, each issued and outstanding share of Office Depot common stock, other than shares held in treasury by Office Depot or owned by Staples, or any direct or indirect subsidiary of Staples or Office Depot, or by stockholders that have validly made a demand for appraisal and not validly withdrawn such demand or otherwise lost their rights of appraisal with respect to such shares pursuant to Section 262 of the DGCL, will be converted into the right to receive $7.25 in cash, without interest, plus 0.2188 shares of Staples common stock.

Based on the closing stock price of Staples common stock on [ ], 2015, the most recent practicable date prior to the date of this proxy statement/prospectus, the per share value of Office Depot common stock implied by the per share merger consideration is $[ ]. The implied value of the per share merger consideration will fluctuate, however, as the market price of Staples common stock fluctuates, because a portion of the per share merger consideration is payable in a fixed number of shares of Staples common stock. As a result, the value of the per share merger consideration that Office Depot stockholders will receive upon completion of the merger could be greater than, less than or the same as the value of the merger consideration on the date of this proxy statement/prospectus or at the time of the Office Depot annual meeting. Accordingly, Staples and Office Depot encourage you to obtain current stock price quotations for Staples common stock and Office Depot common stock before deciding how to vote with respect to the adoption of the merger agreement. Staples common stock and Office Depot common stock trade on The Nasdaq Global Select Market under the symbols SPLS and ODP, respectively.

Office Depot Annual Meeting

(see page [ ])

Purposes of the Annual Meeting

At the annual meeting, Office Depot stockholders will be asked to vote upon the following proposals:

to adopt the merger agreement;

to approve on an advisory (non-binding) basis the compensation that may be paid or become payable to Office Depot s named executive officers that is based on or otherwise relates to the merger;

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to approve the adjournment of the annual meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to adopt the merger agreement;

to elect the ten (10) members of the Office Depot board of directors named in, and for the term described in, this proxy statement/prospectus;

to approve the 2015 Long-Term Incentive Plan;

to approve the Office Depot Corporate Annual Bonus Plan;

to ratify the appointment by Office Depot s audit committee of Deloitte & Touche LLP as Office Depot s independent registered public accounting firm for the current year;

to approve on an advisory (non-binding) basis the compensation of Office Depot s named executive officers; and

to transact any other business that may properly come before the annual meeting and any adjournment or postponement thereof.

Record Date

The record date for the determination of stockholders entitled to notice of and to vote at the annual meeting is [ ], 2015. Only Office Depot stockholders who held shares of record as of the close of business on [ ], 2015 are entitled to receive notice of and vote at the annual meeting and any adjournment or postponement of the annual meeting, as long as such shares remain outstanding on the date of the annual meeting.

Required Vote

Adoption of the Merger Agreement: The affirmative vote, in person or by proxy, of holders of a majority of the outstanding shares of Office Depot common stock entitled to vote thereon is required to adopt the merger agreement.

Advisory (Non-Binding) Vote on Merger-Related Compensation: The affirmative vote of holders of a majority of the shares of Office Depot common stock present in person or represented by proxy (as counted for purposes of determining the existence of a quorum) and entitled to vote at the annual meeting is required to approve, on an advisory (non-binding) basis, the merger-related compensation payments.

Adjournment of the Annual Meeting: The affirmative vote of holders of a majority of the shares of Office Depot common stock present in person or represented by proxy (as counted for purposes of determining the existence of a quorum) and entitled to vote at the annual meeting is required to approve the adjournment of the annual meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to adopt the merger agreement.

Election of *Directors*: Each nominee must be elected by a majority of the votes cast.

Approval of Office Depot s 2015 Long-Term Incentive Plan: The affirmative vote of holders of a majority of the shares of Office Depot common stock present in person or represented by proxy (as counted for purposes of determining the existence of a quorum) and entitled to vote at the annual meeting is required to approve Office Depot s 2015 Long-Term Incentive Plan.

Approval of the Office Depot Corporate Annual Bonus Plan: The affirmative vote of holders of a majority of the shares of Office Depot common stock present in person or represented by proxy (as counted for purposes of determining the existence of a quorum) and entitled to vote at the annual meeting is required to approve the Office Depot Corporate Annual Bonus Plan.

Appointment of Office Depot s Independent Public Accountant: A majority of the votes cast on the matter is required to ratify the appointment of Office Depot s independent public accountant.

Advisory (Non-Binding) Vote on Executive Compensation: The affirmative vote of holders of a majority of the shares of Office Depot common stock present in person or represented by proxy (as counted for purposes of determining the existence of a quorum) and entitled to vote at the annual meeting is required to approve, on an advisory (non-binding) basis, the compensation of Office Depot s named executive officers.

Other Proposals: Approval of any other proposal to be voted upon at the annual meeting requires the affirmative vote of holders of a majority of the shares of Office Depot common stock present in person or represented by proxy (as counted for purposes of determining the existence of a quorum) and entitled to vote at the annual meeting.

As of the record date, Office Depot directors and executive officers, as a group, owned and were entitled to vote [ ] shares of Office Depot common stock, or approximately [ ]% of the outstanding shares of Office Depot common stock. Office Depot currently expects that these directors and executive officers will vote their shares in favor of the proposal to adopt the merger agreement and each of the other proposals described in this proxy statement/prospectus, although none of them has entered into any agreement obligating them to do so.

Office Depot s Reasons for the Merger; Recommendation of the Office Depot Board of Directors

(see page [ ])

After careful evaluation of the merger agreement and the transactions contemplated thereby, the Office Depot board of directors unanimously determined that the merger, the terms of the merger agreement and the other transactions contemplated by the merger agreement are advisable, fair to, and in the best interests of, Office Depot and its stockholders and approved and declared advisable the merger agreement, the merger and the other transactions contemplated by the merger agreement.

The Office Depot board of directors unanimously recommends that Office Depot stockholders vote FOR the adoption of the merger agreement, FOR each of the director nominees and FOR each of the other proposals described in this proxy statement/prospectus.

In the course of reaching its recommendation, the Office Depot board of directors consulted with Office Depot s senior management and financial advisor, Peter J. Solomon Company L.P. (referred to in this proxy statement/prospectus as PJSC), and outside legal counsel and considered a number of factors.

Opinion of Office Depot s Financial Advisor

(see page [ ])

In connection with the merger, PJSC rendered to the Office Depot board of directors its oral opinion on February 3, 2015, subsequently confirmed in writing, that as of such date, and based upon and subject to the various assumptions, considerations, qualifications and limitations set forth in its written opinion, the merger consideration to be received by the holders of Office Depot common stock in connection with the merger was fair from a financial point of view to the holders of Office Depot common stock.

The full text of PJSC s written opinion, dated February 3, 2015, is attached as Annex B to this proxy statement/prospectus. PJSC s opinion was directed only to the fairness of the merger consideration to be received by the holders of Office Depot common stock in connection with the merger from a financial point of view, was provided to the Office Depot board of directors in connection with its evaluation of the merger, did not address any other aspect or implication of the merger or any other agreement,

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arrangement or understanding entered into in connection with the merger, and did not, and does not, constitute a recommendation to any holder of Office Depot common stock as to how any such holder should vote on the merger or act on any matter relating to the merger.

Interests of Office Depot s Directors and Executive Officers in the Merger

(see page [ ])

When considering the recommendation of the Office Depot board of directors with respect to the merger, you should be aware that Office Depot s executive officers and directors may have interests in the merger that are different from, or in addition to, those of Office Depot s stockholders more generally. These interests may present such executive officers and directors with actual or potential conflicts of interest. The Office Depot board of directors was aware of these interests during its deliberations on the merits of the merger and in deciding to recommend that Office Depot stockholders vote in favor of the merger agreement. These interests generally include, among others, the special treatment of outstanding equity awards, described in more detail in the summary below, and the right to certain enhanced change in control severance compensation and benefits.

Board of Directors and Management of Staples Following Completion of the Merger

(see page [ ])

The merger agreement provides that upon completion of the merger, Staples board of directors will be expanded to 13 members to be comprised of the directors of Staples as of immediately prior to completion of the merger and two Office Depot directors selected by Staples no earlier than five business days prior to the completion of the merger. Under the merger agreement, the chief executive officer of Staples upon completion of the merger will be Ronald L. Sargent, unless Mr. Sargent is no longer the chief executive officer of Staples at such time, in which case the chief executive officer of Staples as of immediately prior to the completion of the merger will be the chief executive officer of Staples upon completion of the merger.

Material United States Federal Income Tax Consequences of the Merger

(see page [ ])

The receipt of the per share merger consideration pursuant to the merger will be a taxable transaction for U.S. federal income tax purposes. Generally, for U.S. federal income tax purposes, if a stockholder is a U.S. holder (as defined below in the section entitled Proposal I: Adoption of the Merger Agreement Material United States Federal Income Tax Consequences beginning on page [ ] of this proxy statement/prospectus), the stockholder will recognize gain or loss for U.S. federal income tax purposes equal to the difference, if any, between (i) the sum of cash received and the fair market value (as of the effective time) of the Staples common stock received and (ii) the stockholder s adjusted tax basis in the Office Depot common stock exchanged pursuant to the merger. Any such gain or loss recognized generally will be treated as capital gain or loss and will be long-term capital gain or loss if your holding period for your Office Depot common stock exceeds one year as of the date of the merger. If a stockholder is a non-U.S. holder (defined below in the section entitled Proposal I: Adoption of the Merger Agreement Material United States Federal Income Tax Consequences beginning on page [ ] of this proxy statement/prospectus), the merger will generally not result in tax to the stockholder under U.S. federal income tax laws unless the stockholder has certain connections to the United States, and Staples and Office Depot encourage stockholders to seek tax advice regarding such matters.

Accounting Treatment of the Merger

(see page [ ])

Staples prepares its financial statements in accordance with accounting principles generally accepted in the United States of America (referred to in this proxy statement/prospectus as GAAP). The merger will be accounted for using the acquisition method of accounting. Staples will be treated as the acquiror for accounting purposes.

Regulatory Approvals Required to Complete the Merger

(see pages [ ] and [ ])

Staples and Office Depot have each agreed to use their reasonable best efforts to obtain and maintain all regulatory approvals required to complete the merger and the other transactions contemplated by the merger agreement. The obligations of Staples and Office Depot to consummate the merger are subject to, among other matters, termination or expiration of any waiting period (and any extension thereof) applicable to the transactions contemplated by the merger agreement, and receipt of any approvals, consents or clearances required in connection with the transactions contemplated by the merger agreement under the HSR Act, the New Zealand Overseas Investment Act of 2005, as amended, and under the antitrust and competition laws of the European Union, China, Canada, Australia and New Zealand.

On February 26, 2015, Staples and Office Depot filed Notification and Report Forms with the Antitrust Division of the U.S. Department of Justice (referred to in this proxy statement/prospectus as the Antitrust Division) and the Federal Trade Commission (referred to in this proxy statement/prospectus as the FTC). On March 30, 2015, Staples and Office Depot each received a request for additional information and documentary material, often referred to as a second request, from the FTC in connection with the proposed acquisition of Office Depot by Staples. The effect of the second request is to extend the waiting period imposed by the HSR Act until 30 days after Staples and Office Depot have substantially complied with this request, unless that period is extended voluntarily by the parties or terminated sooner by the FTC. Staples and Office Depot intend to cooperate fully with this request.

Staples and Office Depot are in the process of filing notices and applications to satisfy the filing requirements and to obtain the necessary regulatory clearances in the other relevant jurisdictions. Staples and Office Depot submitted a draft notification to the relevant antitrust agency in the E.U. on April 7, 2015 and are currently engaged in prenotification proceedings. Staples and Office Depot also submitted notifications to the relevant antitrust agencies in Canada on March 10, 2015, Australia on April 7, 2015 and New Zealand on April 2, 2015, and to the New Zealand Overseas Investment Office on April 9, 2015. In China, Staples and Office Depot submitted a notification to the relevant antitrust agency on April 21, 2015, however the notification has not yet been formally accepted by that agency.

Treatment of Office Depot Equity Awards

(see pages [ ] and [ ])

Each option to purchase Office Depot common stock that was outstanding as of the date of the merger agreement and remains outstanding as of the completion of the merger will, as of the completion of the merger, fully vest and entitle the holder to receive the per share merger consideration for each net option share underlying such stock option. For this purpose, the number of net option shares of Office Depot common stock will equal the number of shares of Office Depot common stock underlying such option minus a number of shares with a fair market value equal to the aggregate exercise price of such stock option, based on the per share merger consideration, the stock consideration component of which will be deemed to be an amount equal to the Staples trading price, as described in The Merger Agreement Closing; Effective Time; Effects of the Merger on Capital Stock below, multiplied by 0.2188 for each such share of Office Depot common stock.

Each award of restricted Office Depot common stock that was outstanding as of the date of the merger agreement and which remains outstanding as of the completion of the merger will, immediately prior to the completion of the merger, fully vest and entitle the holder to receive the per share merger consideration for each share of Office Depot common stock subject to such award.

Each award of restricted stock units (including restricted stock units that are subject to performance-based vesting conditions) and each award of performance shares, in each case that was outstanding as of the date of the merger agreement or that has been granted to a non-employee director and remains outstanding as of the completion of the merger, will, immediately prior to the completion of the merger, fully vest with respect to time-based vesting. Performance-based restricted stock unit awards granted with a performance period commencing as of December 29, 2013 and ending December 31, 2016 will fully vest with respect to 133.3% of the target number of shares subject to each such award. Performance-based restricted stock unit awards for which the performance period concluded prior to the date of the merger agreement will vest based on actual performance results. Each holder of a restricted stock unit award will be entitled to receive the merger consideration with respect to each share of Office Depot common stock subject to the vested restricted stock units.

The merger agreement permits, to a limited extent, awards to be made in 2015, after the date of the merger agreement. Any such award made in 2015 that remains outstanding as of the completion of the merger will be converted into an award representing a contingent right, subject to meeting vesting requirements, to receive the merger consideration for each share of Office Depot common stock underlying such award; however, instead of receiving the portion of the merger consideration otherwise payable in Staples common stock, each holder of an award made in 2015 after the date of the merger agreement will receive a cash payment, without interest, for each share of Office Depot common stock underlying such award equal to the Staples trading price, as described in The Merger Agreement Closing; Effective Time; Effects of the Merger on Capital Stock below, multiplied by 0.2188.

Financing of the Merger

(see pages [ ] and [ ])

Staples anticipates that the funds needed to complete the merger will be derived from a combination of (i) available cash on hand of Staples and Office Depot and (ii) third-party debt financing, including the debt financing described below.

In connection with the execution of the merger agreement, Staples entered into a debt commitment letter, dated as of February 4, 2015, as amended and restated as of February 20, 2015 (referred to in this proxy statement/prospectus as the debt commitment letter), with Bank of America, N.A. (referred to in this proxy statement/prospectus as Bank of America), Merrill Lynch, Pierce, Fenner & Smith Incorporated (referred to in this proxy statement/prospectus as MLPFS), Barclays Bank PLC (referred to in this proxy statement/prospectus as Barclays), Wells Fargo Bank, National Association (referred to in this proxy statement/prospectus as Wells Fargo Bank), Wells Fargo Securities, LLC (referred to in this proxy statement/prospectus as Wells Fargo Securities) HSBC Bank USA, N.A. (referred to in this proxy statement/prospectus as HSBC Bank), HSBC Securities (USA) Inc. (referred to in this proxy statement/prospectus as HSBC Securities), PNC Bank, National Association (referred to in this proxy statement/prospectus as PNC Bank), PNC Capital Markets LLC (referred to in this proxy statement/prospectus as PNCCM), Toronto Dominion (Texas) LLC (referred to in this proxy statement/prospectus as TD Texas), TD Securities (USA) LLC (referred to in this proxy statement/prospectus as TD Securities), U.S. Bank National Association (referred to in this proxy statement/prospectus as U.S. Bank) and Guggenheim Securities Holdings, LLC (referred to in this proxy statement/prospectus as Guggenheim and, together with Bank of America, MLPFS, Barclays, Wells Fargo Bank, Wells Fargo Securities, HSBC Bank, HSBC Securities, PNC Bank, PNCCM, TD Texas, TD Securities and U.S. Bank, the commitment parties), pursuant to which, among other things, certain commitment parties have committed to provide Staples with a senior secured term loan facility in an aggregate principal amount of $2,750,000,000 (referred to in this proxy statement/prospectus as the term facility) and certain commitment parties have committed to provide Staples with an asset based revolving credit facility in an aggregate principal amount of up to $3,000,000,000 (referred to in this proxy statement/prospectus as the ABL facility) to finance, in part, the acquisition of Office Depot (referred to in this proxy statement/prospectus collectively as the debt financing).

The commitment parties commitment to provide the debt financing is subject to certain conditions, including consummation of the merger in accordance with the merger agreement; with respect to the ABL facility, a minimum excess availability threshold for the ABL facility after giving effect to the merger; the negotiation and execution of definitive documentation consistent with the debt commitment letter; delivery of certain audited, unaudited and pro forma financial statements; subject to certain limitations, the absence of a material adverse effect on Office Depot; the accuracy of certain representations and warranties of Office Depot in the merger agreement and certain representations and warranties of Staples and certain subsidiary guarantors to be set forth in the definitive loan documents; the repayment of certain outstanding debt of Office Depot; and other customary closing conditions. The debt financing would replace Staples and Office Depot s existing revolving credit facilities.

The definitive documentation governing the debt financing has not been finalized and, accordingly, the actual terms of the debt financing may differ from those described in this proxy statement/prospectus. Although the debt financing is not subject to due diligence or a market out, such financing may not be considered assured. The obligation of the commitment parties to provide debt financing under the debt commitment letter is subject to a number of conditions. There is a risk that these conditions will not be satisfied and the debt financing may not be available when required.

Under the merger agreement, Staples has agreed to use its reasonable best efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, advisable or proper to obtain the debt financing on or prior to the closing date of the merger on the terms and conditions described in the debt commitment letter. In addition, Office Depot has agreed that it will, and will cause its subsidiaries and their respective representatives to, use their reasonable best efforts to provide on a timely basis all cooperation reasonably requested by Staples that is necessary, proper or advisable in connection with any financing by Staples or any of its affiliates in connection with the merger, subject to customary limitations.

The receipt of financing for, or related to, any of the transactions contemplated by the merger agreement is not a condition to the closing of the merger and the other transactions contemplated by the merger agreement.

Listing of Staples Common Stock; Delisting of Office Depot Common Stock

(see page [ ])

It is a condition to the consummation of the merger that the shares of Staples common stock to be issued to Office Depot stockholders in the merger be approved for listing on The Nasdaq Global Select Market, subject to official notice of issuance. As a result of the merger, shares of Office Depot common stock will cease to be listed on The Nasdaq Global Select Market.

Appraisal Rights

(see page [ ])

Office Depot stockholders who do not vote in favor of the adoption of the merger agreement, who continuously hold their shares of Office Depot common stock through the effective time of the merger and who otherwise comply precisely with the applicable provisions of Section 262 of the DGCL will be entitled to seek appraisal of the fair value of their shares of Office Depot common stock, as determined by the Delaware Court of Chancery, if the merger is completed. The fair value of your shares of Office Depot common stock as determined by the Delaware Court of Chancery could be greater than, the same as, or less than the value of the merger consideration that you would otherwise be entitled to receive under the terms of the merger agreement.

Office Depot stockholders who wish to exercise the right to seek an appraisal of their shares must so advise Office Depot by submitting a written demand for appraisal in the form described in this proxy statement/prospectus prior to the vote to adopt the merger agreement, and must otherwise follow the procedures prescribed by Section 262 of the

DGCL. A person having a beneficial interest in shares of Office Depot common stock held of record in the name of another person, such as a nominee or intermediary, must act promptly to cause the record holder to follow the steps summarized in this proxy statement/prospectus and in a timely manner to perfect appraisal rights.

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The text of Section 262 of the DGCL is included as **Annex C** to this proxy statement/prospectus. You are encouraged to read these provisions carefully and in their entirety. Due to the complexity of the procedures for exercising appraisal rights, Office Depot stockholders who are considering exercising such rights are encouraged to seek the advice of legal counsel and their financial advisors. Failure to strictly comply with these provisions may result in the loss of appraisal rights.

Litigation Related to the Merger

(see page [ ])

In connection with the merger, purported stockholders of Office Depot have to date filed eleven putative stockholder class action lawsuits against Office Depot, Staples, the Office Depot board of directors, Merger Sub, and Starboard Value LP, among other defendants. Nine lawsuits have been filed in the Court of Chancery of the State of Delaware and have been consolidated by that court. Two lawsuits were filed in the Fifteenth Circuit Court of the State of Florida and have been consolidated by that court. The lawsuits generally allege, among other things, that the directors of Office Depot breached their fiduciary duties to Office Depot stockholders in connection with the merger, by, among other things, failing to fully inform themselves of the market value of Office Depot, maximize stockholder value, obtain the best financial and other terms, disclose material information in this proxy statement/prospectus and act in the best interests of public stockholders, and by seeking to benefit themselves improperly. The lawsuits further allege that Staples, Office Depot, and Starboard Value LP, among others, aided and abetted the Office Depot directors in the breach of their fiduciary duties. The lawsuits seek injunctive relief enjoining the consummation of the merger, rescission of the merger in the event it is consummated, damages, fees, costs and other remedies. In addition, the Florida lawsuits allege that the forum selection amendment to Office Depot s bylaws was adopted in breach of all defendants fiduciary duties, and seek a declaratory judgment invalidating it.

Staples, Office Depot and the Office Depot board of directors believe that the claims asserted in these suits are without merit and intend to defend against them vigorously.

No Solicitation of Acquisition Proposals

(see page [ ])

In the merger agreement, Office Depot agreed not to solicit proposals relating to certain alternative transactions or, except as described below, engage in discussions or negotiations with respect to, or provide nonpublic information to any person in connection with, any proposal for an alternative transaction. If Office Depot receives a written unsolicited bona fide proposal relating to an alternative transaction that the Office Depot board of directors has determined in good faith (after consultation with its outside legal counsel and financial advisors) constitutes a superior proposal or could reasonably be expected to result in a superior proposal, then Office Depot may, subject to certain conditions, furnish nonpublic information to the third party making the proposal for an alternative transaction and engage in discussions or negotiations with the third party with respect to the proposal for an alternative transaction.

Except in response to a superior acquisition proposal or to comply with the Office Depot directors fiduciary duties, Office Depot has also agreed that, prior to the closing, neither its board of directors nor any committee of its board of directors will, directly or indirectly:

withdraw, withhold, modify or qualify, or publicly propose to withdraw, withhold, modify or qualify, in a manner adverse to Staples, its recommendation that Office Depot stockholders adopt the merger agreement;

approve, adopt or recommend, or publicly propose to approve, adopt or recommend, any acquisition proposal;

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in the event of the commencement of a tender offer or exchange offer for any outstanding shares of Office Depot s capital stock, fail to recommend against acceptance of such tender offer or exchange offer by Office Depot s stockholders within ten business days of the commencement thereof (for the avoidance of doubt, the taking of no position or a neutral position by the Office Depot board of directors in respect of the acceptance of any tender offer or exchange offer by Office Depot s stockholders as of the end of the ten business day period will constitute a failure to recommend against any such offer); or

recommend that Office Depot stockholders not adopt the merger agreement or approve the merger.

Conditions to Completion of the Merger

(see page [ ])

The obligations of Staples and Office Depot to consummate the transactions contemplated by the merger agreement are subject to the satisfaction of the following conditions:

adoption of the merger agreement by the affirmative vote of holders of a majority of the outstanding shares of Office Depot common stock;

any waiting period (and any extension thereof) applicable to the transactions contemplated by the merger agreement has been terminated or has expired, and any approvals, consents or clearances required in connection with the transactions contemplated by the merger agreement have been obtained, in each case, under the HSR Act, the New Zealand Overseas Investment Act of 2005, as amended, and under the antitrust and competition laws of the European Union, China, Canada, Australia and New Zealand;

any agreement entered into with a governmental authority under any antitrust laws, which agreement provides that the parties to the merger agreement will not consummate the transactions contemplated by the merger agreement, has expired or been terminated;

no outstanding judgment, injunction, order or decree of a competent governmental authority has been entered and is in effect, and no law has been adopted or is effective, that prohibits, enjoins or makes illegal the consummation of the transactions contemplated by the merger agreement;

the SEC has declared the registration statement on Form S-4, of which this proxy statement/prospectus forms a part, effective under the Securities Act, and no stop order or similar restraining order by the SEC suspending the effectiveness of the registration statement is in effect and no proceedings for that purpose are pending before the SEC; and

the shares of Staples common stock to be issued in the merger have been approved for listing on The Nasdaq Global Select Market, subject to official notice of issuance.

In addition, each of Staples and Office Depot s obligations to consummate the transactions contemplated by the merger agreement are subject to the satisfaction or waiver of the following additional conditions:

the accuracy of the representations and warranties of the other party:

other than the representations relating to the organization and good standing of such other party, the power and authority of such parties to enter into and deliver the merger agreement, the capitalization of such other party, the absence of conflicts with such parties organizational documents, the absence of an event having a material adverse effect on such other party between September 27, 2014 (with respect to Office Depot) or November 1, 2014 (with respect to Staples) and the date of the merger agreement, and, in the case of Office Depot only, representations relating to brokerage and finder s fees and certain takeover laws, at and as of the date of the merger agreement and at and as of the closing as though made at and as of such times (without regard to materiality, material adverse effect and similar qualifiers contained in such representations and warranties), except for such failures to be true and correct as would not reasonably be expected to have, in the aggregate, a material adverse effect on such other party;

with respect to the capitalization of such other party, at and as of the date of the merger agreement and at and as of the closing as though made at and as of such times (without regard to materiality, material adverse effect and similar qualifiers contained in such representations and warranties), except for *de minimis* inaccuracies or issuances permitted pursuant to the merger agreement;

with respect to the organization and good standing of such other party, the power and authority of such parties to enter into and deliver the merger agreement, the absence of conflicts with such parties organizational documents and, in the case of Office Depot only, with respect to brokerage and finder s fees and certain takeover laws, in all material respects at and as of the date of the merger agreement and at and as of the closing as though made at and as of such times (without regard to materiality, material adverse effect and similar qualifiers contained in such representations and warranties), except for issuances permitted pursuant to the merger agreement;

relating to the absence of an event having a material adverse effect on such other party between September 27, 2014 (with respect to Office Depot) or November 1, 2014 (with respect to Staples) and the date of the merger agreement, at and as of the closing as though made at and as of such time,

except that representations and warranties made as of a particular date or period must be true and correct only as of such date or period and, with respect to the conditions described under the first, third and fourth sub-bullet points above, such condition will not apply to any failure to be true and correct arising from or relating to such other party failing to receive any approvals under any antitrust law or being subject to any action (or threatened action) challenging any transaction contemplated by the merger agreement as violative of any antitrust law or, in the case of Staples only, taking or agreeing to take any action in compliance with its obligations to seek regulatory approvals pursuant to the merger agreement (these circumstances are referred to in this proxy statement/prospectus as excluded events);

the other party having performed in all material respects the obligations and agreements in the merger agreement and having complied in all material respects with the covenants to be performed and complied with by it under the merger agreement at or prior to the closing (except, in the case of Office Depot, for its obligations and agreements in the merger agreement with respect to the treatment of its existing indebtedness, which must be performed and complied with in all respects at or prior to the closing);

the absence of any events (other than excluded events) that, individually or in the aggregate, have had or would reasonably be expected to have a material adverse effect on such other party since the date of the merger agreement; and the other party having furnished a certificate dated as of the closing date signed on its behalf by such other party s chief executive officer and chief financial officer to the effect that the conditions described under the preceding three bullet points have been satisfied.

Termination of the Merger Agreement

(see page [ ])

The merger agreement may be terminated and abandoned at any time prior to completion of the merger under the following circumstances:

by mutual written consent of Staples and Office Depot;

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by either Staples or Office Depot:

if there is any law or regulation that makes consummation of the merger illegal or otherwise prohibited, or if any judgment, injunction, order or decree of a competent governmental authority enjoining Staples or Office Depot from consummating the merger has become final and nonappealable (the party seeking to terminate the merger agreement must, however, have used its reasonable best efforts to render inapplicable such law or regulation or remove such judgment, injunction, order or decree);

if the merger has not been consummated by 5:00 p.m., Boston time, on November 4, 2015 (referred to in this proxy statement/prospectus, including any extension pursuant to the provision described below, as the end date), except that if, on such date the only conditions to closing that have not been satisfied or waived by that date (other than those conditions that by their nature cannot be satisfied until the closing date, but which would be capable of being satisfied if the closing date occurred on such date) are those related to antitrust approvals, consents or clearances or an outstanding judgment, injunction, order or decree of a competent governmental authority prohibiting or enjoining the consummation of the transactions contemplated by the merger agreement, then the initial end date will be automatically extended without further action of the parties to 5:00 p.m., Boston time, on February 4, 2016, but the right to terminate the merger agreement pursuant to the provision described in this sub-bullet point will not be available to any party whose material breach of any covenant or obligation under the merger agreement has been the cause of or resulted in the failure of the merger to occur on or before the end date;

if the Office Depot stockholders fail to adopt the merger agreement at the annual meeting (unless the meeting has been adjourned or postponed in accordance with the merger agreement, in which case at the adjourned or postponed annual meeting); or

if there was a breach by the other party of any of its representations, warranties, covenants or agreements contained in the merger agreement, or if any event, change or effect has occurred, which breach, event, change or effect would result in the failure of one of the closing conditions described under The Merger Agreement Conditions to Completion of the Merger on page [ ] to be satisfied on or prior to the end date, and such breach, event, change or effect is not capable of being cured or has not been cured before the earlier of the end date or thirty business days after detailed written notice has been received by such other party;

by Staples, if, prior to obtaining the requisite approval of Office Depot s stockholders, (i) the Office Depot board of directors withdraws, modifies or qualifies, in a manner adverse to Staples, its recommendation with respect to the merger or (ii) after the date of the merger agreement an acquisition proposal with respect to Office Depot is publicly announced or disclosed (or any person has publicly announced an intention (whether or not conditional) to make such acquisition proposal with respect to Office Depot) and the Office Depot board of directors fails to affirm its recommendation with respect to the merger within ten business days after receipt of a written request from Staples to do so; and by Office Depot, at any time prior to obtaining the requisite approval of its stockholders, in order to enter into a definitive written agreement with respect to a superior proposal it receives in accordance with the merger agreement.

Expenses and Termination Fees Relating to the Merger

(see page [ ])

Generally, all costs and expenses incurred in connection with the merger agreement and the transactions contemplated by the merger agreement will be paid by the party incurring those expenses, except that Staples and Office Depot will each pay one-half of all filing fees required under the HSR Act. Upon termination of the merger agreement, Office Depot is required to pay Staples a termination fee of $185 million if the merger agreement is terminated in certain circumstances relating to Office Depot s entry into an agreement for an alternative transaction or a change in the recommendation of the Office Depot board of directors with respect to the merger. In addition, Staples is required to pay Office Depot a termination fee of $250 million if the merger agreement is terminated in certain circumstances relating to the antitrust regulatory review process (referred to in this proxy statement/prospectus as the regulatory fee). If it is judicially determined that the termination of the merger agreement was caused by a willful or intentional breach of any covenant or agreement set forth in the merger agreement, then, in addition to other remedies for such willful or intentional breach, the breaching party will indemnify, hold harmless and reimburse the other parties to the merger agreement for their respective reasonable out-of-pocket costs, fees and expenses as well as fees and expenses incident to negotiation, preparation and execution of the merger agreement and related documentation and stockholders meetings and consents, except that, upon payment by Office Depot of the termination fee or by Staples of the regulatory fee, such party will no longer be required to so indemnify or hold harmless the other parties.

Comparison of Rights of Common Stockholders of Staples and Office Depot

(see page [ ])

Office Depot stockholders receiving shares of Staples common stock in the merger will have different rights once they become stockholders of Staples due to differences between the governing corporate documents of Office Depot and Staples.

Risk Factors

(see page [ ])

You should consider all the information contained in or incorporated by reference into this proxy statement/prospectus in deciding how to vote for the proposals presented in this proxy statement/prospectus.

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SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA

Selected Historical Consolidated Financial Data of Staples

The following selected historical consolidated financial data of Staples for each of the fiscal years during the three-year period ended January 31, 2015 and the selected historical consolidated balance sheet data as of January 31, 2015 and February 1, 2014 have been derived from Staples audited consolidated financial statements as of and for the fiscal year ended January 31, 2015 contained in its Annual Report on Form 10-K for the fiscal year ended January 31, 2015, which is incorporated by reference into this proxy statement/prospectus. The selected historical consolidated financial data for each of the fiscal years ended January 28, 2012 and January 29, 2011 and the selected balance sheet data as of February 2, 2013, January 28, 2012 and January 29, 2011 have been derived from Staples audited consolidated financial statements as of and for such years contained in Staples other reports filed with the SEC, which are not incorporated by reference into this proxy statement/prospectus.

The information set forth below is only a summary and is not necessarily indicative of the results of future operations of Staples, including following completion of the merger, and you should read the following information together with Staples consolidated financial statements, the related notes and the sections entitled Management s Discussion and Analysis of Financial Condition and Results of Operations contained in Staples Annual Report on Form 10-K for the fiscal year ended January 31, 2015, which is incorporated by reference into this proxy statement/prospectus, and in Staples other reports filed with the SEC. For more information, see the section entitled Where You Can Find More Information beginning on page [ ].

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Staples, Inc. and Subsidiaries

Selected Historical Consolidated Financial Data

(dollar amounts in thousands, except per share data)

	Fiscal Year Ended				
	January 31, 2015(1) (52 Weeks)	February 1, 2014(2) (52 Weeks)	February 2, 2013(4) (53 Weeks)	January 28, 2012(5) (52 Weeks)	January 29, 2011(6) (52 weeks)
Statement of Income Data:					
Sales	$ 22,492,360	$ 23,114,263	$ 24,380,510	$ 24,664,752	$ 24,135,253
Gross profit	5,801,036	6,032,285	6,491,261	6,689,868	6,535,247
Income (loss) from continuing operations, including the portion attributable to the noncontrolling interest	$ 134,526	$ 707,004	$ (160,847)	$ 987,397	$ 898,960
Amounts attributable to Staples, Inc.					
Income (loss) from continuing operations	$ 134,526	$ 707,004	$ (160,728)	$ 988,220	$ 892,339
Loss from discontinued operations		(86,935)	(49,978)	(3,564)	(10,391)
Net income (loss) attributed to Staples, Inc.	$ 134,526	$ 620,069	$ (210,706)	$ 984,656	$ 881,948
Basic earnings per common share:					
Continuing operations attributed to Staples, Inc.	$ 0.21	$ 1.08	$ (0.24)	$ 1.42	$ 1.24
Discontinued operations attributed to Staples, Inc.		(0.13)	(0.07)		(0.01)
Net income (loss) attributed to Staples, Inc.	$ 0.21	$ 0.95	$ (0.31)	$ 1.42	$ 1.23
Diluted earnings per common share:					
Continuing operations attributed to Staples, Inc.	$ 0.21	$ 1.07	$ (0.24)	$ 1.40	$ 1.22
Discontinued operations attributed to Staples, Inc.		(0.13)	(0.07)		(0.01)
Net income (loss) attributed to Staples, Inc.	$ 0.21	$ 0.94	$ (0.31)	$ 1.40	$ 1.21
Dividends	$ 0.48	$ 0.48	$ 0.44	$ 0.40	$ 0.36

Statistical Data:					
Stores open at end of period	1,983	2,169	2,215	2,295	2,281
Balance Sheet Data:					
Working capital[3]	$ 1,885,852	$ 1,871,108	$ 1,740,665	$ 2,216,542	$ 2,174,574
Total assets	10,313,728	11,174,876	12,280,005	13,430,622	13,911,667
Long-term debt, net of current maturities	1,023,997	1,000,205	1,001,943	1,599,037	2,014,407
Noncontrolling interests	8,306	8,572	7,941	7,062	7,471
Total stockholders equity	$ 5,313,365	$ 6,140,835	$ 6,136,094	$ 7,022,213	$ 6,951,181

Staples fiscal year is the 52 or 53 weeks ending the Saturday closest to January 31. Results of operations include the results of acquired businesses since the relevant acquisition date.

(1) Income from continuing operations for this period reflects $170.9 million of restructuring activities, a charge of $469.7 million for impairment of goodwill and long-lived assets, $9.4 million of accelerated depreciation, $26.3 million of inventory write-downs, and a net gain of $27.5 million related to the sale of businesses.

(2) Income from continuing operations for this period reflects $64.1 million for restructuring activities aimed at further streamlining Staples operations and general and administration functions. The loss from discontinued operations for this period reflects an $80.9 million preliminary loss on disposal related to the sale of Staples European Printing Systems Division business.

(3) Working capital in 2012 excludes the current assets and current liabilities of discontinued operations.

(4) Income from continuing operations for this period reflects pre-tax charges of $811.0 million for impairment of goodwill and long-lived assets, $207.0 million for restructuring activities related to a strategic plan announced in September 2012 aimed at accelerating growth, $57.0 million for a loss on early extinguishment of debt, $26.2 million related to the termination of Staples joint venture agreement in India, and $20.0 million for accelerated trade name amortization related to rebranding Staples business in Australia.

(5) Income from continuing operations for this period reflects the receipt of a $20.8 million tax benefit related to a refund due to Corporate Express N.V. (referred to in this proxy statement/prospectus as Corporate Express) from the Italian government that was previously deemed uncollectible.

(6) Results of operations for this period reflect $57.8 million of integration and restructuring costs associated with the acquisition of Corporate Express.

Selected Historical Consolidated Financial Data of Office Depot

The following selected historical consolidated financial data of Office Depot for each of the fiscal years during the three-year period ended December 27, 2014 and the selected historical consolidated balance sheet data as of December 27, 2014 and December 28, 2013 have been derived from Office Depot s audited consolidated financial statements contained in its Annual Report on Form 10-K for the fiscal year ended December 27, 2014, which is incorporated by reference into this proxy statement/prospectus. The selected historical consolidated financial data for each of the fiscal years ended December 31, 2011 and December 25, 2010 and the selected balance sheet data as of December 29, 2012, December 31, 2011 and December 25, 2010 have been derived from Office Depot s audited consolidated financial statements as of and for such years contained in Office Depot s other reports filed with the SEC, which are not incorporated by reference into this proxy statement/prospectus.

The information set forth below is only a summary and is not necessarily indicative of the results of future operations of Office Depot, and you should read the following information together with Office Depot s consolidated financial statements, the related notes and the sections entitled Management s Discussion and Analysis of Financial Condition and Results of Operations contained in Office Depot s Annual Report on Form 10-K for the fiscal year ended December 27, 2014, which is incorporated by reference into this proxy statement/prospectus, and in Office Depot s other reports filed with the SEC. For more information, see the section entitled Where You Can Find More Information beginning on page [ ].

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Office Depot, Inc. and Subsidiaries

Selected Historical Consolidated Financial Data

(dollar amounts in millions, except per share and statistical data)

	Fiscal Year Ended				
	December 27, 2014	**December 28, 2013(1)**	**December 29, 2012**	**December 31, 2011(2)**	**December 25, 2010**
Statements of Operations Data:					
Sales	$ 16,096	$ 11,242	$ 10,696	$ 11,489	$ 11,633
Net income (loss)(3)(4)(5)(6)	$ (352)	$ (20)	$ (77)	$ 96	$ (46)
Net income (loss) attributable to Office Depot, Inc.(3)(4)(5)(6)	$ (354)	$ (20)	$ (77)	$ 96	$ (45)
Net income (loss) available to common stockholders(3)(4)(5)(6)	$ (354)	$ (93)	$ (110)	$ 60	$ (82)
Net earnings (loss) per share:					
Basic	$ (0.66)	$ (0.29)	$ (0.39)	$ 0.22	$ (0.30)
Diluted	$ (0.66)	$ (0.29)	$ (0.39)	$ 0.22	$ (0.30)
Statistical Data:					
Facilities open at end of period:					
United States:					
Office supply stores	1,745	1,912	1,112	1,131	1,147
Distribution centers and crossdock facilities	66	81	15	15	16
International(7):					
Office supply stores	146	163	123	131	97
Distribution centers and crossdock facilities	43	46	23	27	26
Call centers	14	19	21	22	25
Total square footage North American Retail Division	39,614,909	43,642,514	25,518,027	26,556,126	27,559,184
Percentage of sales by segment:					
North American Retail Division	40.6%	41.0%	41.7%	42.4%	42.7%
North American Business Solutions Division	37.4%	31.8%	30.0%	28.4%	28.3%
International Division	21.1%	26.8%	28.3%	29.2%	29.0%
Balance Sheet Data:					
Total assets	$ 6,844	$ 7,477	$ 4,011	$ 4,251	$ 4,569

Long-term recourse debt, excluding current maturities	674	696	485	648	660
Redeemable preferred stock, net			386	364	356

(1) On November 5, 2013, Office Depot merged with OfficeMax. Statement of operations data and percentage of sales by segment include OfficeMax s results from the date of the Office Depot/OfficeMax merger through December 28, 2013. Balance sheet and facilities data include OfficeMax data as of December 28, 2013. Sales in 2013 include $939 million from OfficeMax operations. Additionally, fiscal year net income

(loss), net income attributable to Office Depot, and net income available to common stockholders of Office Depot include a $382 million pre-tax gain on sale of investment, $70 million of asset impairment charges, and $201 million of Office Depot/OfficeMax merger-related, restructuring, and other operating expenses. Net income (loss) available to common stockholders of Office Depot includes $45 million of dividends related to the redemption of the redeemable preferred stock.

(2) Includes 53 weeks in accordance with Office Depot s 52 53 week reporting convention.

(3) Fiscal year 2014 net income (loss), net income attributable to Office Depot, and net income available to common stockholders of Office Depot include $88 million of asset impairment charges, $403 million of Office Depot/OfficeMax merger-related, restructuring, and other operating expenses, and $81 million of legal accrual.

(4) Fiscal year 2012 net income (loss), net income attributable to Office Depot, and net income available to common stockholders of Office Depot include approximately $139 million of asset impairment charges, $63 million net gain on purchase price recovery and $51 million of charges related to closure costs and process improvement activity.

(5) Fiscal year 2011 net income (loss), net income attributable to Office Depot, and net income available to common stockholders of Office Depot include approximately $58 million of charges relating to facility closure and process improvement activity. Additionally, approximately $123 million of tax and interest benefits were recognized associated with settlements and removal of contingencies and valuation allowances.

(6) Fiscal year 2010 net income (loss), net loss attributable to Office Depot, and net loss available to common stockholders of Office Depot include charges of approximately $87 million, including approximately $51 million for the write-off of construction in progress related to developed software. Additionally, tax benefits and interest reversals of approximately $41 million were recognized from settlements.

(7) Includes Canadian locations. Fiscal year 2013 includes 144 stores operated by Office Depot s International Division and 19 stores in Canada operated by Office Depot s North American Business Solutions Division. These Canadian stores were closed in 2014.

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SUMMARY UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

The following tables present unaudited pro forma condensed combined financial information about Staples consolidated balance sheet and statement of operations, after giving effect to the merger with Office Depot. The information under Unaudited Pro Forma Condensed Combined Statement of Income Data in the table below gives effect to the merger as if it had been consummated on February 2, 2014, the beginning of the earliest period presented. The information under Unaudited Pro Forma Condensed Combined Balance Sheet Data in the table below assumes the merger had been consummated on January 31, 2015. This unaudited pro forma condensed combined financial information was prepared using the acquisition method of accounting, with Staples considered the acquirer of Office Depot for accounting purposes. See the section entitled Proposal I: Adoption of the Merger Agreement Accounting Treatment of the Merger beginning on page [ ].

In addition, the unaudited pro forma condensed combined financial information includes adjustments which are preliminary and may be revised. There can be no assurance that such revisions will not result in material changes. The unaudited pro forma condensed combined financial information is presented for illustrative purposes only and is not necessarily indicative of results that actually would have occurred or that may occur in the future had the merger been completed on the dates indicated, nor is it necessarily indicative of the future operating results or financial position of Staples after the merger. Future results may vary significantly from the results reflected because of various factors, including those discussed in the section entitled Risk Factors beginning on page [ ].

The information presented below should be read in conjunction with the historical consolidated financial statements of Staples and Office Depot, including the related notes, filed by each of them with the SEC, and with the pro forma condensed combined financial information of Staples and Office Depot, including the related notes, appearing elsewhere in this proxy statement/prospectus. See the sections entitled Where You Can Find More Information and Unaudited Pro Forma Condensed Combined Financial Information beginning on pages [ ] and [ ], respectively.

Unaudited Pro Forma Condensed Combined Balance Sheet Data

As of January 31, 2015

(in millions)

	Historical Staples, Inc. (January 31, 2015)	Historical Office Depot, Inc. (December 27, 2014)	Pro Forma Adjustments for Reclassifications	Pro Forma Adjustments for Acquisition	Pro Forma Adjustments for Financing	Pro Forma Condensed Combined
Total assets	$ 10,313.7	$ 6,844.0	$	$ 457.0	$ 3,850.6	$ 21,465.3
Long-term debt, net of current maturities	1,024.0	674.0		15.0	3,934.8	5,647.8
Total liabilities	5,000.3	5,223.0		152.1	3,902.8	14,278.3
Total equity	5,313.4	1,621.0		304.9	(52.2)	7,187.1
Total liabilities and equity	$ 10,313.7	$ 6,844.0	$	$ 457.0	$ 3,850.6	$ 21,465.3

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Unaudited Pro Forma Condensed Combined Statement of Income Data

Twelve Months Ended January 31, 2015

(in millions, except per share data)

	Historical Staples, Inc. (January 31, 2015)	Historical Office Depot, Inc. (December 27, 2014)	Pro Forma Adjustments for Reclassifications	Pro Forma Adjustments for Acquisition	Pro Forma Adjustments for Financing	Pro Forma Condensed Combined
Sales	$ 22,492.4	$ 16,096.0	$	$	$	$ 38,588.4
Operating income (loss)	309.8	(275.0)		(212.2)		(177.4)
Net income (loss) attributable to controlling shareholders	$ 134.5	$ (354.0)	$	$ (25.5)	$ (72.5)	$ (317.5)
Net income (loss) per share:						
Basic	$ 0.21	$ (0.66)				$ (0.41)
Diluted	$ 0.21	$ (0.66)				$ (0.41)

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UNAUDITED COMPARATIVE PER SHARE INFORMATION

The following tables summarize unaudited per share data for (i) Staples on a historical basis for the fiscal year ended January 31, 2015, (ii) Staples on a pro forma combined basis, assuming that the merger occurred on the dates indicated, (iii) Office Depot on a historical basis for the fiscal year ended December 27, 2014, and (iv) Office Depot on a pro forma equivalent basis, which was calculated by multiplying the corresponding pro forma combined data by the exchange ratio of 0.2188 shares of Staples common stock to 1.0 share of Office Depot common stock. It has been assumed for purposes of the pro forma combined financial information provided below that the pro forma events occurred on February 2, 2014 for earnings per share purposes and on January 31, 2015 for book value per share purposes.

The historical earnings per share information should be read in conjunction with the historical consolidated financial statements and notes thereto of Staples and Office Depot incorporated by reference into this proxy statement/prospectus. See Where You Can Find More Information on page [ ]. The unaudited pro forma combined earnings per share information is derived from, and should be read in conjunction with, the section entitled Unaudited Pro Forma Condensed Combined Financial Information and related notes included in this proxy statement/prospectus beginning on page [ ]. The pro forma information is presented for illustrative purposes only and is not necessarily indicative of the operating results or financial position of Staples following the merger.

	Staples Twelve Months Ended January 31, 2015		Office Depot Twelve Months Ended December 27, 2014	
	Historical	**Pro Forma Condensed Combined**	**Historical**	**Pro Forma Equivalent[1]**
Basic earnings (loss) per share[2]	$ 0.21	$ (0.41)	$ (0.66)	$ (0.09)
Diluted earnings (loss) per share[2]	$ 0.21	$ (0.41)	$ (0.66)	$ (0.09)
Book value per share[3]	$ 8.30	$ 9.40	$ 2.97	$ 2.06
Cash dividends per share[4]	$ 0.48	$ 0.48	$	$ 0.11

(1) The pro forma equivalent share amounts were calculated by multiplying the pro forma combined per share amounts by the exchange ratio of 0.2188 shares of Staples common stock per share of Office Depot common stock. This information shows how each share of Office Depot common stock would have participated in the combined company s earnings (loss) from continuing operations and book value if the pro forma events had occurred on the relevant dates.

(2) The pro forma earnings (loss) per share of the combined company are calculated by dividing the pro forma income (loss) by the pro forma weighted average number of shares outstanding.

(3) Historical book value per share is computed by dividing total stockholders equity by the number of shares of Staples common stock outstanding as of January 31, 2015 or Office Depot common stock outstanding as of December 27, 2014, as applicable. Pro forma combined book value per share is computed by dividing pro forma common stockholders equity by the pro forma number of shares of Staples common stock that would have been outstanding as of January 31, 2015.

(4)

In the last fiscal year, Staples paid a cash dividend of $0.48 per share to its stockholders. The pro forma dividends per share are based solely on Staples historical dividends.

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COMPARATIVE STOCK PRICE DATA AND DIVIDENDS

Stock Prices

Staples common stock is listed on The Nasdaq Global Select Market under the symbol SPLS. Office Depot s common stock is listed on The Nasdaq Global Select Market under the symbol ODP. Prior to September 26, 2014, Office Depot s common stock was listed on The New York Stock Exchange under the symbol ODP.

The following table sets forth the closing sales prices per share of Staples common stock and Office Depot common stock on The Nasdaq Global Select Market, and the implied value per share of one share of Office Depot common stock, on the following dates:

February 2, 2015, the last full trading day before the publication of press reports that Staples and Office Depot were in advanced negotiations regarding a potential business combination transaction,

February 3, 2015, the last full trading day before the public announcement of the merger by the parties, and

[ ], the last full trading day for which this information could be calculated before the date of this proxy statement/prospectus.

	Staples Common Stock	Office Depot Common Stock	Implied Value Per Share(1)
February 2, 2015	$ 17.14	$ 7.63	$ 11.00
February 3, 2015	$ 19.01	$ 9.28	$ 11.41
[ ]	$ [ ]	$ [ ]	$ [ ]

(1) The implied value per share, as of each date, is equal to (i) $7.25, the cash portion of the merger consideration, plus (ii) 0.2188, the exchange ratio for the merger, multiplied by the closing market price of one share of Staples common stock on such date.

The following table sets forth, for the periods indicated, the high and low sales prices per share of Staples common stock as reported on The Nasdaq Global Select Market and of Office Depot common stock as reported on The Nasdaq Global Select Market (for periods after September 25, 2014) or The New York Stock Exchange (for periods through September 25, 2014).

Staples Common Stock

	Price Range	
	High	Low

			Cash Dividends
Fiscal Year ending January 30, 2016			
First Quarter (through [ ], 2015)	$ [ ]	$ [ ]	$ [ ]
Fiscal Year ended January 31, 2015			
Fourth Quarter	$ 18.33	$ 12.55	$ 0.12
Third Quarter	$ 13.28	$ 10.82	$ 0.12
Second Quarter	$ 13.50	$ 10.70	$ 0.12
First Quarter	$ 13.78	$ 11.04	$ 0.12
Fiscal Year ended February 1, 2014			
Fourth Quarter	$ 16.34	$ 13.01	$ 0.12
Third Quarter	$ 17.30	$ 13.72	$ 0.12
Second Quarter	$ 17.22	$ 13.34	$ 0.12
First Quarter	$ 15.19	$ 12.08	$ 0.12

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Office Depot Common Stock

	Price Range		
	High	Low	Cash Dividends
Fiscal Year ending December 26, 2015			
Second Quarter (through [ ], 2015)	$ [ ]	$ [ ]	$
First Quarter	$ 9.77	$ 7.40	$
Fiscal Year ended December 27, 2014			
Fourth Quarter	$ 8.90	$ 4.26	$
Third Quarter	$ 5.91	$ 4.83	$
Second Quarter	$ 5.85	$ 3.84	$
First Quarter	$ 5.45	$ 3.97	$
Fiscal Year ended December 28, 2013			
Fourth Quarter	$ 5.85	$ 4.53	$
Third Quarter	$ 4.85	$ 3.86	$
Second Quarter	$ 4.51	$ 3.55	$
First Quarter	$ 6.10	$ 3.40	$

As of [ ], 2015, the last date before the date of this proxy statement/prospectus for which it was practicable to obtain this information, there were [ ] shares of Staples common stock outstanding and approximately [ ] holders of record of Staples common stock, and [ ] shares of Office Depot common stock outstanding and approximately [ ] holders of record of Office Depot common stock.

Because the number of shares of Staples common stock issuable for each share of Office Depot Common Stock in the merger will not be adjusted for changes in the market price of either Staples common stock or Office Depot common stock, the market value of the shares of Staples common stock that holders of Office Depot common stock will have the right to receive on the date the merger is completed may vary significantly from the market value of the shares of Staples common stock that holders of Office Depot common stock would receive if the merger were completed on the date of this proxy statement/prospectus. As a result, you should obtain recent market prices of Staples common stock and Office Depot common stock prior to voting your shares. See Risk Factors Risks Relating to the Merger beginning on page [ ].

Dividends

Staples currently pays regular quarterly cash dividends on its common stock. Staples most recently paid a cash dividend on April 16, 2015, of $0.12 per share. While Staples currently intends to continue to pay quarterly cash dividends for the remainder of 2015 and beyond, any decision to pay future cash dividends will be made by Staples board of directors and will depend upon Staples earnings, financial condition and other factors, including the terms of the definitive agreements that will govern the term facility and the ABL facility, which Staples expects will restrict it from paying dividends in certain circumstances and otherwise in an amount in excess of $0.15 per share per quarter, subject to certain exceptions. Any payment of dividends by Staples would require approval by Staples board of directors and its board of directors may change its dividend policy at any time.

Pursuant to an indenture, dated as of March 14, 2012, Office Depot is subject to restrictions on the amount of cash dividends it can pay. Office Depot has never declared or paid cash dividends on its common stock and does not anticipate declaring or paying any cash dividends on its common stock in the foreseeable future.

Under the terms of the merger agreement, during the period before the closing of the merger, Staples is not permitted to pay any dividends or make any distributions on its capital stock other than regular quarterly cash dividends not exceeding $0.12 per share and Office Depot is not permitted to pay any dividends or make any distributions on its capital stock.

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CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING STATEMENTS

This proxy statement/prospectus and the documents incorporated by reference into this proxy statement/prospectus contain forward-looking statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 that are not limited to historical facts but reflect Staples and Office Depot s current beliefs, expectations or intentions regarding future events. Words such as anticipate, believe, continue, could, estimate, expect, forecast, guidance, intend, may, plan, possible, potential, predict, project, p and other similar words, phrases or expressions are intended to identify such forward-looking statements. These forward-looking statements include, without limitation, Staples and Office Depot s expectations with respect to the synergies, costs and other anticipated financial impacts of the merger; future financial and operating results of the combined company; the combined company s plans, objectives, expectations and intentions with respect to future operations and services; required adoption of the merger agreement by Office Depot stockholders; required approvals of the merger by governmental regulatory authorities; the satisfaction of the closing conditions to the merger; and the timing of the completion of the merger.

All forward-looking statements involve significant risks and uncertainties that could cause actual results to differ materially from those expressed or implied in the forward-looking statements, many of which are generally outside the control of Staples and Office Depot and difficult to predict. These risks and uncertainties include, among others, those set forth under Risk Factors beginning on page [ ], as well as risks and uncertainties relating to:

- the occurrence of any event, change or other circumstances that could give rise to the termination of the merger agreement or the failure to satisfy the closing conditions;
- the risk that the financing required to complete the merger is not obtained or is obtained on terms other than those currently anticipated, including financing less favorable to Staples than its current commitments, due to the absence of a financing condition in connection with the merger;
- the possibility that the consummation of the merger is delayed or does not occur, including due to the failure of Office Depot stockholders to adopt the merger agreement;
- the ability to obtain the regulatory approvals required to complete the merger, and the timing and conditions for such approvals, including conditions that could reduce the expected synergies and other benefits of the merger, result in a material delay or the abandonment of the merger or otherwise have an adverse effect on Staples;
- the taking of governmental action (including the passage of legislation) to block the merger or otherwise adversely affecting Staples and Office Depot;
- the outcome of any legal proceedings that have been or may be instituted against Staples, Office Depot or others following announcement of the merger;

the possibility that the expected synergies from the merger will not be realized or will take longer to realize than expected;

the ability of Staples to successfully integrate the business of Office Depot;

unexpected costs or unexpected liabilities that may arise from the merger, whether or not consummated;

the uncertainty of the value of the merger consideration that Office Depot stockholders will receive in the merger due to a fixed exchange ratio and a potential fluctuation in the market price of Staples common stock;

the possibility of Office Depot s directors and officers having interests in the merger that are different from, or in addition to, the interests of Office Depot stockholders more generally;

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- the possibility of changes in circumstances between the date of the signing of the merger agreement and the closing of the merger that is not reflected in the fairness opinion obtained by the Office Depot board of directors;

- the effect of restrictions placed on Staples , Office Depot s or their respective subsidiaries business activities and the limitations put on Office Depot s ability to pursue alternatives to the merger pursuant to the merger agreement;

- the disruption from the merger making it more difficult for Staples and Office Depot to maintain relationships with their respective customers, employees or suppliers;

- the response of activist stockholders to the merger;

- the inability of Staples and Office Depot to retain key personnel;

- the effect of the substantial additional indebtedness that Staples will incur in connection with the merger;

- the possibility of actual results of operations, cash flows and financial position after the merger materially differing from the unaudited pro forma condensed combined financial information contained in this proxy statement/prospectus; and

- the impact of global economic conditions, fluctuations in exchange rates, labor relations, competitive actions taken by other office solutions businesses or other competitors, terrorist attacks or natural disasters.

Staples and Office Depot caution that the foregoing list of factors is not exhaustive. Additional information concerning these and other risk factors is contained in Staples and Office Depot s most recently filed Annual Reports on Form 10-K and subsequently filed Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and other SEC filings, as such filings may be amended from time to time. All of the forward-looking statements made by Staples or Office Depot contained or incorporated by reference in this proxy statement/prospectus and all subsequent written and oral forward-looking statements concerning Staples, Office Depot, the merger or other matters attributable to Staples or Office Depot or any person acting on either of their behalf are expressly qualified in their entirety by the cautionary statements above.

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date such statements were made. Neither Staples nor Office Depot undertakes any obligation to update or revise any of these forward-looking statements to reflect events or circumstances that may arise after the date hereof, even if experience or future changes make it clear that projected results expressed or implied in such statements will not be realized, except as may be required by applicable law. Neither Staples nor Office Depot intends to make any update or other revision to these forward-looking statements publicly available, except as may be required by applicable law.

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RISK FACTORS

In addition to the other information included and incorporated by reference into this proxy statement/prospectus, including the matters addressed in the section entitled Cautionary Statements Regarding Forward-Looking Statements beginning on page [ ], you should carefully consider the following risk factors before deciding whether to vote for the proposal to adopt the merger agreement and the other proposals described in this proxy statement/prospectus. In addition, you should read and consider the risk factors associated with each of the businesses of Staples and Office Depot because these risk factors will relate to the combined company following the completion of the merger. These risk factors may be found in Staples Annual Report on Form 10-K for the fiscal year ended January 31, 2015 and Office Depot s Annual Report on Form 10-K for the fiscal year ended December 27, 2014 and, in each case, any amendments thereto, as such risk factors may be updated or supplemented in each company s subsequently filed Quarterly Reports on Form 10-Q or Current Reports on Form 8-K, which are incorporated by reference into this proxy statement/prospectus. You should also consider the other information in this proxy statement/prospectus and the other documents incorporated by reference into this proxy statement/prospectus. See the section entitled Where You Can Find More Information beginning on page [ ].

Risks Relating to the Merger

Because the exchange ratio is fixed and the market price of Staples common stock has fluctuated and will continue to fluctuate, you cannot be sure of the value of the merger consideration you will receive.

Upon completion of the merger, each issued and outstanding share of Office Depot common stock, other than shares held in treasury by Office Depot or owned by Staples, or any direct or indirect subsidiary of Staples or Office Depot, or by stockholders that have validly made a demand for appraisal and not validly withdrawn such demand or otherwise lost their rights of appraisal with respect to such shares pursuant to Section 262 of the DGCL, will be converted into the right to receive $7.25 in cash, without interest, plus 0.2188 shares of Staples common stock. Based on the closing stock price of Staples common stock on February 2, 2015, the last full trading day before the publication of press reports that Staples and Office Depot were in advanced negotiations regarding a potential business combination transaction, the per share value of Office Depot common stock implied by the per share merger consideration is $11.00. Based on the closing stock price of Staples common stock on [ ], 2015, the most recent practicable date prior to the date of this proxy statement/prospectus, the per share value of Office Depot common stock implied by the per share merger consideration is $[ ]. The implied value of the per share merger consideration will fluctuate, however, as the market price of Staples common stock fluctuates, because a portion of the per share merger consideration is payable in a fixed number of shares of Staples common stock. The value of the stock portion of the merger consideration has fluctuated since the date of the announcement of the merger agreement and will continue to fluctuate from the date of this proxy statement/prospectus to the date of the annual meeting and the date the merger is completed and thereafter. Accordingly, at the time of the annual meeting, Office Depot stockholders will not know or be able to determine the market value of the merger consideration they would receive upon completion of the merger. Stock price changes may result from a variety of factors, including, among others, general market and economic conditions, changes in Staples and Office Depot s respective businesses, operations and prospects, market assessments of the likelihood that the merger will be completed, the timing of the merger, regulatory considerations and other risk factors set forth or incorporated by reference in this proxy statement/prospectus. Many of these factors are beyond Staples and Office Depot s control. You are urged to obtain current market quotations for Staples common stock before deciding whether to vote for the adoption of the merger agreement.

The market price of Staples common stock after the merger will continue to fluctuate and may be affected by factors different from those affecting shares of Office Depot common stock currently.

Upon completion of the merger, holders of Office Depot common stock will become holders of Staples common stock. The market price of Staples common stock may fluctuate significantly following completion of the merger and holders of Office Depot common stock could lose the value of their investment in Staples common stock. In addition, any significant price and volume fluctuations of the stock markets could have a material adverse effect on the market for, or liquidity of, the Staples common stock, regardless of Staples actual operating performance. In addition, Staples business differs in important respects from that of Office Depot, and accordingly, the results of operations of the combined company and the market price of Staples common stock after the completion of the merger may be affected by factors different from those currently affecting the independent results of operations of each of Staples and Office Depot. For a discussion of the businesses of Staples and Office Depot and of some important factors to consider in connection with those businesses, see the documents incorporated by reference into this proxy statement/prospectus and referred to under Where You Can Find More Information beginning on page [ ].

Sales of shares of Staples common stock after the completion of the merger may cause the market price of Staples common stock to fall.

Based on the number of outstanding shares of Office Depot common stock as of [ ], 2015, Staples would issue approximately [ ] shares of Staples common stock in the merger. Many Office Depot stockholders may decide not to hold the shares of Staples common stock they will receive in the merger. Other Office Depot stockholders, such as funds with limitations on their permitted holdings of stock in individual issuers, may be required to sell the shares of Staples common stock that they receive in the merger. Such sales of Staples common stock could have the effect of depressing the market price for Staples common stock and may take place promptly following the merger.

Completion of the merger is subject to the conditions contained in the merger agreement and if these conditions are not satisfied or waived, the merger will not be completed.

The obligations of Staples and Office Depot to complete the merger are subject to the satisfaction or waiver of a number of conditions, including the following:

- adoption of the merger agreement by the affirmative vote of holders of a majority of the outstanding shares of Office Depot common stock;

- expiration or earlier termination of any waiting period (and any extension thereof) applicable to the transactions contemplated by the merger agreement, and receipt of any approvals, consents or clearances required in connection with the transactions contemplated by the merger agreement, in each case, under the HSR Act, the New Zealand Overseas Investment Act of 2005, as amended, and under the antitrust and competition laws of the European Union, China, Canada, Australia and New Zealand;

- expiration or termination of any agreement entered into with a governmental authority under any antitrust laws, which agreement provides that the parties to the merger agreement will not consummate the transactions contemplated by the merger agreement;

- the absence of any judgment, injunction, order or decree of a competent governmental authority or law prohibiting, enjoining or making illegal the consummation of the transactions contemplated by the merger agreement;

effectiveness of the registration statement on Form S-4 of which this proxy statement/prospectus forms a part; and

the absence of any stop order or similar restraining order by the SEC suspending the effectiveness of the registration statement; and approval for listing on The Nasdaq Global Select Market of the shares of Staples common stock to be issued to Office Depot stockholders in the merger, subject to official notice of issuance.

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In addition, each of Staples and Office Depot s obligations to consummate the merger are subject to the satisfaction or waiver of the following additional conditions:

- the accuracy of the other party s representations and warranties, subject to certain qualifications and exceptions;
- the absence of any events that, individually or in the aggregate, have had or would reasonably be expected to have a material adverse effect on the other party since the date of the merger agreement;
- the other party having performed and complied in all material respects with its obligations and agreements under the merger agreement at or prior to the closing (except, in the case of Office Depot, for its obligations and agreements with respect to the treatment of its existing indebtedness, which must be performed and complied with in all respects at or prior to the closing); and
- receipt of a certificate, dated as of the closing date, from the other party, signed on the other party s behalf by such other party s chief executive officer and chief financial officer to the effect that the preceding conditions described in this sentence have been satisfied.

Many of the conditions to closing of the merger are not within Staples or Office Depot s control, and neither company can predict when or if these conditions will be satisfied. If any of these conditions are not satisfied or waived prior to November 4, 2015, which date will automatically be extended to February 4, 2016 under certain limited circumstances, it is possible that the merger agreement will be terminated. Although Staples and Office Depot have agreed in the merger agreement to use their reasonable best efforts, subject to certain limitations, to complete the merger as soon as practicable, these and other conditions to the completion of the merger may not be satisfied. The failure to satisfy all of the required conditions could delay the completion of the merger for a significant period of time or prevent it from occurring. Any delay in completing the merger could cause Staples not to realize some or all of the benefits that Staples expects to achieve if the merger is successfully completed within its expected timeframe. There can be no assurance that the conditions to the closing of the merger will be satisfied or waived or that the merger will be completed. See the risk factor entitled Failure to complete the merger could negatively affect the stock price and the future business and financial results of Office Depot, below.

The merger is subject to the expiration of applicable waiting periods and the receipt of approvals, consents or clearances from domestic and foreign regulatory authorities that may impose conditions that could have an adverse effect on Staples, Office Depot or the combined company or, if not obtained, could prevent completion of the merger.

Before the merger may be completed, any waiting period (or extension thereof) applicable to the merger must have expired or been terminated, and any approvals, consents or clearances required in connection with the merger must have been obtained, in each case, under the HSR Act, the New Zealand Overseas Investment Act of 2005, as amended, and under the antitrust and competition laws of the European Union, China, Canada, Australia and New Zealand. In addition, the merger may be reviewed under antitrust statutes of other governmental authorities, including U.S. state laws. In deciding whether to grant the required regulatory approval, consent or clearance, the relevant governmental entities will consider the effect of the merger on competition within their relevant jurisdiction. The terms and conditions of the approvals, consents and clearances that are granted may impose requirements, limitations or costs or place restrictions on the conduct of the combined company s business. Under the merger agreement, Staples and Office Depot have agreed to use their reasonable best efforts to obtain such approvals, consents and clearances and therefore may be required to comply with conditions or limitations imposed by governmental authorities, except that Office Depot may not, however, without Staples written consent, offer or agree to any divestiture, license, hold separate order or other antitrust restraint and Staples will not be required to agree to or effect any such antitrust restraint with respect to any of its own businesses, services or assets or any of Office Depot s businesses, services or assets, except as described below. If necessary to avoid the commencement of any action by any governmental authority challenging the transactions under the merger agreement under antitrust laws or, if already commenced, to avoid

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the entry of, or to effect the dissolution of, any order that would prohibit, prevent or restrict the consummation of the transactions contemplated by the merger agreement, Staples will offer, negotiate and agree to, and will effect, any such antitrust restraint with respect to Office Depot s businesses, services or assets, except that Staples will not be required to agree to or effect any such antitrust restraint with respect to any of Office Depot s businesses, services or assets other than, to the extent necessary to avoid the commencement of any such action or to avoid the entry of, or to effect the dissolution of, any such order, (i) any such antitrust restraint with respect to businesses, services or assets of Office Depot in the United States that, in the aggregate, generated or were reasonably necessary to service no more than $1,250,000,000 of Office Depot s revenues in calendar year 2014, and (ii) any such antitrust restraint with respect to businesses, services or assets of Office Depot outside the United States that would not reasonably be expected to have a material adverse effect on the businesses of Office Depot outside the United States, taken as a whole. There can be no assurance that regulators will not impose conditions, terms, obligations or restrictions and that such conditions, terms, obligations or restrictions will not have the effect of delaying completion of the merger or imposing additional material costs on or materially limiting the revenues of the combined company following the completion of the merger. In addition, neither Staples nor Office Depot can provide assurance that any such conditions, terms, obligations or restrictions will not result in the delay or abandonment of the merger. See the sections entitled Proposal I: Adoption of the Merger Agreement Regulatory Approvals and The Merger Agreement Conditions to Completion of the Merger beginning on pages [ ] and [ ], respectively, of this proxy statement/prospectus.

Combining the two companies may be more difficult, costly or time consuming than expected and the anticipated benefits and cost savings of the merger may not be realized.

Office Depot and Staples have operated and, until the completion of the merger, will continue to operate, independently. The success of the merger, including anticipated benefits and cost savings, will depend, in part, on Staples ability to successfully combine and integrate the businesses of Staples and Office Depot. It is possible that the pendency of the merger and/or the integration process could result in the loss of key employees, higher than expected costs, diversion of management attention of both Office Depot and Staples, the disruption of either company s ongoing businesses or inconsistencies in standards, controls, procedures and policies that adversely affect the combined company s ability to maintain relationships with customers, vendors and employees or to achieve the anticipated benefits and cost savings of the merger. As part of the integration process Staples may also attempt to divest certain assets of the combined company, which may not be possible on favorable terms, or at all, or if successful, may change the profile of the combined company. If Staples experiences difficulties with the integration process, the anticipated benefits of the merger may not be realized fully or at all, or may take longer to realize than expected. Staples management continues to refine its integration plan. These integration matters could have an adverse effect on (i) each of Staples and Office Depot during this transition period and (ii) the combined company for an undetermined period after completion of the merger. In addition, the actual cost savings of the merger could be less than anticipated.

Office Depot s directors and executive officers have interests in the merger that may be different from, or in addition to, your interests as a stockholder of Office Depot more generally.

When considering the recommendation of the Office Depot board of directors that Office Depot stockholders adopt the merger agreement, Office Depot stockholders should be aware that directors and executive officers of Office Depot have certain interests in the merger that may be different from, or in addition to, the interests of Office Depot stockholders more generally. These interests generally include, among others, the special treatment of outstanding equity awards and the right to certain enhanced change in control severance compensation and benefits. In addition, the merger agreement provides that upon completion of the merger, Staples board of directors will be expanded to 13 members to be comprised of the directors of Staples as of immediately prior to completion of the merger and two Office Depot directors selected by Staples no earlier than five business days prior to the completion of the merger. See the sections entitled Proposal I: Adoption of the Merger Agreement Interests of Office Depot s Directors and Executive

Officers in the Merger and Proposal I: Adoption of the Merger Agreement Board of Directors and Management of Staples Following

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Completion of the Merger beginning on pages [ ] and [ ], respectively, for a more detailed description of these interests. As a result of these interests, these directors and executive officers of Office Depot might be more likely to support and to vote in favor of the adoption of the merger agreement than if they did not have these interests.

The merger agreement limits Office Depot s ability to pursue alternatives to the merger and may discourage other companies from trying to acquire Office Depot.

The merger agreement contains provisions that make it more difficult for Office Depot to sell its business to a party other than Staples. These provisions include a general prohibition on Office Depot soliciting any acquisition proposal or offer for a competing transaction. Further, there are only limited exceptions to (i) Office Depot s agreement that the Office Depot board of directors will not withdraw or modify in a manner adverse to Staples the recommendation of the Office Depot board of directors that Office Depot stockholders vote in favor of the adoption of the merger agreement and (ii) Office Depot s agreement not to enter into an agreement with respect to a competing acquisition proposal. In addition, upon termination of the merger agreement, Office Depot is required to pay Staples a termination fee of $185 million if the merger agreement is terminated in certain circumstances relating to Office Depot s entry into an agreement for an alternative transaction or a change in the recommendation of the Office Depot board of directors with respect to the merger.

These provisions could discourage a third party that might have an interest in acquiring all or a significant part of Office Depot from considering or proposing that acquisition, even if that party were prepared to pay consideration with a higher per share value than the value proposed to be received or realized in the merger, or might result in a potential competing acquirer proposing to pay a lower price than it might otherwise have proposed to pay because of the added expense of the termination fee that may become payable in certain circumstances.

The merger agreement subjects Office Depot to restrictions on its business activities.

The merger agreement subjects Office Depot to restrictions on its business activities and obligates Office Depot to generally operate its businesses in all material respects in the ordinary course. These restrictions could have an adverse effect on Office Depot s results of operations, cash flows and financial position.

The business relationships of Staples and Office Depot and their respective subsidiaries may be subject to disruption due to uncertainty associated with the merger, which could have an adverse effect on the results of operations, cash flows and financial position of Staples, Office Depot and, following the completion of the merger, the combined company.

Parties with which Staples and Office Depot, or their respective subsidiaries, do business may experience uncertainty associated with the merger and related transactions, including with respect to current or future business relationships with Staples, Office Depot, their respective subsidiaries or the combined company. Staples and Office Depot s relationships may be subject to disruption as customers, suppliers and other persons with whom Staples and Office Depot have a business relationship may delay or defer certain business decisions or might decide to seek to terminate, change or renegotiate their relationships with Staples or Office Depot, as applicable, or consider entering into business relationships with parties other than Staples, Office Depot, their respective subsidiaries or the combined company. These disruptions could have an adverse effect on the results of operations, cash flows and financial position of Office Depot, Staples or the combined company following the completion of the merger, including an adverse effect on Staples ability to realize the expected synergies and other benefits of the merger. The risk, and adverse effect, of any disruption could be exacerbated by a delay in completion of the merger or termination of the merger agreement.

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Failure to complete the merger could negatively affect the stock price and the future business and financial results of Office Depot.

If the merger is not completed for any reason, including as a result of Office Depot stockholders failing to adopt the merger agreement, the ongoing business of Office Depot may be adversely affected and, without realizing any of the benefits of having completed the merger, Office Depot would be subject to a number of risks, including the following:

- Office Depot may experience negative reactions from the financial markets, including negative impacts on its stock price;
- Office Depot may experience negative reactions from its customers and suppliers;
- Office Depot may experience negative reactions from its employees and may not be able to retain key management personnel and other key employees;
- the merger agreement places certain restrictions on the conduct of Office Depot s business prior to completion of the merger, the waiver of which is subject to the consent of Staples (not to be unreasonably withheld, conditioned or delayed in certain circumstances), which may prevent Office Depot from making certain acquisitions, taking certain other specified actions or otherwise pursuing business opportunities during the pendency of the merger that may be beneficial to Office Depot (see the section entitled The Merger Agreement Conduct of Businesses of Office Depot and Staples Prior to Completion of the Merger beginning on page [ ] for a description of the restrictive covenants applicable to Office Depot); and
- matters relating to the merger (including integration planning) will require substantial commitments of time and resources by Office Depot management, which could otherwise be devoted to day-to-day operations and other opportunities that may be beneficial to Office Depot as an independent company.

In addition, upon termination of the merger agreement, Office Depot is required to pay Staples a termination fee of $185 million if the merger agreement is terminated in certain circumstances relating to Office Depot s entry into an agreement for an alternative transaction or a change in the recommendation of the Office Depot board of directors with respect to the merger. Finally, Office Depot could be subject to litigation related to any failure to complete the merger or related to any enforcement proceeding commenced against Office Depot to perform its obligations under the merger agreement. If the merger is not completed, these risks may materialize and may adversely affect Office Depot s businesses, financial condition, financial results and stock price.

The shares of Staples common stock to be received by Office Depot stockholders as a result of the merger will have rights different from the shares of Office Depot common stock.

Upon completion of the merger, Office Depot stockholders will no longer be stockholders of Office Depot but will instead become Staples stockholders, and their rights as stockholders will be governed by the terms of the Staples charter and by-laws and by the DGCL. The terms of the Staples charter and by-laws are in some respects different from the terms of the Office Depot charter and bylaws, which currently govern the rights of Office Depot stockholders. See the section entitled Comparison of Rights of Common Stockholders of Staples and Office Depot beginning on page [ ] for a discussion of the different rights associated with Staples common stock.

After the merger, Office Depot stockholders will have a significantly lower ownership and voting interest in Staples than they currently have in Office Depot and will exercise less influence over management.

Based on the number of shares of Office Depot common stock outstanding as of [ ], 2015, and the number of shares of Staples common stock outstanding as of [ ], 2015, it is expected that, immediately after completion of the merger, former Office Depot stockholders will own approximately [ ]% of the outstanding shares of

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Staples common stock. Consequently, former Office Depot stockholders will have less influence over the management and policies of Staples than they currently have over the management and policies of Office Depot.

In connection with the merger, Staples will incur significant indebtedness, which could adversely affect Staples, including by decreasing Staples business flexibility, and will increase its interest expense.

Staples consolidated indebtedness as of January 31, 2015 was approximately $1.1 billion. Staples pro forma indebtedness as of January 31, 2015, after giving effect to the merger and the anticipated incurrence and extinguishment of indebtedness in connection therewith, will be as much as $5.8 billion billion. Staples will have substantially increased indebtedness following completion of the merger in comparison to Staples indebtedness on a recent historical basis. In particular, in order to consummate the merger, Staples expects to incur $2.75 billion of indebtedness under the term facility and approximately $1.5 billion of indebtedness under the ABL facility, with the ability to incur up to a total of $3.0 billion under the ABL facility, subject to the borrowing base formula.

This indebtedness could have the effect, among other things, of reducing Staples flexibility to respond to changing business and economic conditions and increasing Staples interest expense. The amount of cash required to pay interest on Staples increased indebtedness levels following completion of the merger, and thus the demands on Staples cash resources, will be greater than the amount of cash flows required to service the indebtedness of Staples prior to the transaction. The cash resources required to service the increased levels of indebtedness following completion of the merger could also reduce funds available for working capital, capital expenditures, acquisitions and other general corporate purposes and may create competitive disadvantages for Staples relative to other companies with lower debt levels. If Staples does not achieve the expected benefits and cost savings from the merger, or if the financial performance of the combined company does not meet current expectations, then Staples ability to service its indebtedness may be adversely impacted.

Certain of the indebtedness to be incurred in connection with the merger may bear interest at variable interest rates. If interest rates increase, variable rate debt will create higher debt service requirements, which could adversely affect Staples cash flows. In addition, under certain circumstances the margin could be increased or changes to other terms or covenants could be made which could adversely affect Staples cash flows.

The agreements that will govern the term facility and the ABL facility expected to be incurred by Staples to finance the merger are also expected to be subject to several restrictive covenants and contain certain events of default. Any acceleration of indebtedness that arises from an event of default under the term facility or the ABL facility could have a material adverse effect on Staples business following completion of the merger.

In addition, Staples credit ratings affect the cost and availability of future borrowings and, accordingly, Staples cost of capital. Staples ratings reflect each rating organization s opinion of Staples financial strength, operating performance and ability to meet Staples debt obligations. In connection with the debt financing, it is anticipated that Staples will seek ratings of its indebtedness from one or more nationally recognized statistical rating organizations. There can be no assurance that Staples will achieve a particular rating or maintain a particular rating in the future.

Moreover, Staples may be required to raise substantial additional financing to fund working capital, capital expenditures, acquisitions or other general corporate requirements. Staples ability to arrange additional financing or refinancing will depend on, among other factors, Staples financial position and performance, as well as prevailing market conditions and other factors beyond Staples control. Staples cannot assure you that it will be able to obtain additional financing or refinancing on terms acceptable to Staples or at all.

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The agreements that will govern the indebtedness to be incurred in connection with the merger will contain various covenants that impose restrictions on Staples and certain of its subsidiaries that may affect their ability to operate their businesses.

The agreements that will govern the term facility and the ABL facility to be incurred in connection with the merger will contain various affirmative and negative covenants that may, subject to certain significant exceptions, restrict the ability of Staples and certain of its subsidiaries to, among other things, have liens on their property, change the nature of their business, transact business with affiliates and/or merge or consolidate with any other person, sell or convey certain of their assets to any one person or pay dividends. In addition, some of the agreements that govern the debt financing will contain financial covenants that will require Staples to maintain certain financial ratios in certain circumstances. The ability of Staples and its subsidiaries to comply with these provisions may be affected by events beyond their control. Failure to comply with these covenants could result in an event of default, which, if not cured or waived, could accelerate Staples repayment obligations. In addition, Staples expects that the terms of the definitive agreements that will govern the term facility and the ABL facility will restrict Staples from paying dividends in certain circumstances and otherwise in an amount in excess of $0.15 per share per quarter, subject to certain exceptions.

The unaudited pro forma condensed combined financial information included in this proxy statement/prospectus is preliminary and the actual financial condition and results of operations after the merger may differ materially from them.

The unaudited pro forma condensed combined financial information included in this proxy statement/prospectus is presented for illustrative purposes only and is not necessarily indicative of what Staples actual financial condition or results of operations would have been had the merger been completed on the dates indicated. The unaudited pro forma condensed combined financial information reflects adjustments, which are based upon assumptions, preliminary estimates and accounting reclassifications, to record the Office Depot identifiable assets acquired and liabilities assumed at fair value and the resulting goodwill recognized. The purchase price allocation reflected in this proxy statement/prospectus is preliminary, and final allocation of the purchase price will be based upon the actual purchase price and the fair value of the assets and liabilities of Office Depot as of the date of the completion of the merger. Accordingly, the final acquisition accounting adjustments may differ materially from the pro forma adjustments reflected in this proxy statement/prospectus. For more information, see Unaudited Pro Forma Condensed Combined Financial Information beginning on page [ ].

The fairness opinion obtained by the Office Depot board of directors from PJSC does not reflect changes, circumstances, developments or events that may have occurred or may occur after the date of the opinion.

At the meeting of the Office Depot board of directors on February 3, 2015, PJSC rendered its oral opinion, subsequently confirmed in writing, that as of such date, and based upon and subject to the various assumptions, considerations, qualifications and limitations set forth in its written opinion, the merger consideration to be received by the holders of Office Depot common stock in connection with the merger was fair from a financial point of view to the holders of Office Depot common stock.

The Office Depot board of directors has not obtained an updated fairness opinion as of the date of this proxy statement/prospectus from PJSC, and the Office Depot board of directors does not expect to receive an updated fairness opinion prior to the closing of the merger.

PJSC s opinion does not reflect changes, circumstances, developments or events that may have occurred or may occur after the date of its opinion, including changes in the operations and prospects of Office Depot and Staples or their respective operating companies, regulatory or legal changes, general market and economic conditions and other factors that may be beyond the control of Office Depot and Staples, and on which PJSC s opinion was based, and that may alter the value of Office Depot or Staples or the prices of shares of Office Depot or Staples common stock by the time the merger is completed. The value of the stock portion of the merger consideration has fluctuated since, and could be materially different from its value as of, the date of PJSC s opinion, and PJSC s opinion does not address the prices at which shares of Office Depot common stock or Staples common stock may have traded or trade since the date of its opinion. PJSC s opinion does not speak as of the time the merger will be completed or as of any date other than the date of its opinion. Office Depot does not anticipate asking PJSC to update its opinion, and PJSC does not have any obligation or responsibility to update, revise or reaffirm its opinion based on circumstances, developments or events that may have occurred or may occur after the date of its opinion. PJSC s opinion is attached as **Annex B** to this joint proxy statement/prospectus. For a summary of PJSC s opinion, see Proposal I: Adoption of the Merger Agreement Opinion of Office Depot s Financial Advisor beginning on page [ ] of this proxy statement/prospectus.

The merger will be dilutive to Staples earnings per share, measured on a GAAP basis.

Because shares of Staples common stock will be issued in the merger, the merger will be dilutive to Staples earnings per share, measured on a GAAP basis. Future events and conditions could increase the dilution that is currently projected, including adverse changes in market conditions, additional transaction and integration-related costs and other factors such as the failure to realize some or all of the benefits anticipated in the merger. Any dilution of, or delay of any accretion to, Staples earnings per share could cause the price of shares of Staples common stock to decline or grow at a reduced rate.

The merger will involve substantial costs.

Office Depot and Staples have incurred, and expect to continue to incur, a number of non-recurring costs associated with the merger and combining the operations of the two companies. The substantial majority of non-recurring expenses will be comprised of transaction and regulatory costs related to the merger.

Staples also will incur transaction fees and costs related to formulating and implementing integration plans, including facilities and systems consolidation costs and employment-related costs. Staples continues to assess the magnitude of these costs, and additional unanticipated costs may be incurred in the merger and the integration of the two companies businesses. Although Staples expects that the elimination of duplicative costs, as well as the realization of other efficiencies related to the integration of the businesses, should allow Staples to offset integration-related costs over time, this net benefit may not be achieved in the near term, or at all. See the risk factor entitled Combining the two companies may be more difficult, costly or time consuming than expected and the anticipated benefits and cost savings of the merger may not be realized above.

A number of lawsuits have been filed against Office Depot, its directors, Staples and Merger Sub challenging the merger, and an adverse ruling in any such lawsuit may prevent the merger from becoming effective or from becoming effective within the expected timeframe.

Eleven putative class action lawsuits challenging the merger have been filed to date on behalf of a putative class consisting of Office Depot stockholders in the Court of Chancery of the State of Delaware and in the Fifteenth Circuit Court of the State of Florida. The lawsuits name Office Depot, Staples, the directors of Office Depot, Merger Sub, and Starboard Value LP, among others, as defendants. The lawsuits generally allege, among other things, that the directors of Office Depot breached their fiduciary duties to Office Depot stockholders in connection with the merger, by, among other things, failing to fully inform themselves of the market value of Office Depot, maximize stockholder value, obtain the best financial and other terms, disclose material information in this proxy statement/prospectus and act in the best interests of public stockholders, and by seeking to benefit themselves improperly. The lawsuits further allege that Staples, Office Depot and Starboard Value LP, among others, aided and abetted the Office Depot directors in the breach of their fiduciary duties.

The lawsuits seek, in general, (i) injunctive relief enjoining, preliminarily and permanently, the merger, (ii) in the event that the merger is consummated, rescission or an award of rescissory damages, (iii) an award of

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plaintiffs costs, including fees, expenses of attorneys, fees for experts, and interest, (iv) punitive damages, and (v) additional disclosure related to the merger in this proxy statement/prospectus, among other relief. In addition to the allegations raised and the relief sought in the Delaware lawsuits, the Florida lawsuits allege that the forum selection amendment to Office Depot s bylaws was adopted in breach of all defendants fiduciary duties, and seek a declaratory judgment invalidating it.

One of the conditions to the completion of the merger is that no injunction by any court or other tribunal of competent jurisdiction will be in effect that prohibits or makes illegal the consummation of the merger. As such, if any of the plaintiffs are successful in obtaining an injunction prohibiting the consummation of the merger, that injunction may prevent the merger from becoming effective or from becoming effective within the expected timeframe. See Proposal I: Adoption of the Merger Agreement Litigation Related to the Merger beginning on page [ ] for more information about the lawsuits related to the merger that have been filed.

Uncertainties associated with the merger may cause a loss of management personnel and other key employees of Office Depot or Staples, which could adversely affect the future business and operations of the combined company following the merger.

Office Depot and Staples are dependent on the experience and industry knowledge of their officers and other key employees to execute their business plans. The combined company s success after the merger will depend in part upon its ability to retain key management personnel and other key employees of Office Depot and Staples. Current and prospective employees of Office Depot and Staples may experience uncertainty about their future roles with the combined company following the merger, which may materially adversely affect the ability of each of Office Depot and Staples to attract and retain key personnel during the pendency of the merger. Accordingly, no assurance can be given that the combined company will be able to retain key management personnel and other key employees of Office Depot and Staples.

Other Risk Factors of Staples and Office Depot

Staples and Office Depot s businesses are and will be subject to the risks described above. In addition, Staples and Office Depot are, and will continue to be, subject to the risks described in Staples Annual Report on Form 10-K for the fiscal year ended January 31, 2015 and Office Depot s Annual Report on Form 10-K for the fiscal year ended December 27, 2014, as updated by subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, all of which are filed with the SEC and incorporated by reference into this proxy statement/prospectus. The risks described above and in those filings represent all known material risks with respect to Staples and Office Depot s businesses. See Where You Can Find More Information beginning on page [ ] for the location of information incorporated by reference into this proxy statement/prospectus.

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INFORMATION ABOUT OFFICE DEPOT

Office Depot, Inc.

Office Depot, Inc., referred to in this proxy statement/prospectus as Office Depot, together with its subsidiaries, is a global supplier of office products and services to consumers and businesses of all sizes. Office Depot was incorporated in Delaware in 1986 with the opening of its first retail store in Fort Lauderdale. On November 5, 2013, Office Depot merged with OfficeMax Incorporated (referred to in this proxy statement/prospectus as OfficeMax, and the merger of Office Depot and OfficeMax is referred to in this proxy statement/prospectus as the Office Depot/OfficeMax merger). Office Depot has decided to align its business along the three reportable segments (which are referred to in this proxy statement/prospectus as Divisions) historically utilized by Office Depot: North American Retail Division, North American Business Solutions Division and International Division. Following the date of the Office Depot/OfficeMax merger, the former OfficeMax U.S. retail business is included in the North American Retail Division. The former OfficeMax U.S. and Canada contract business is included in the North American Business Solutions Division. The former OfficeMax businesses in Australia and New Zealand are included in the International Division. The former OfficeMax business in Mexico is presented as an Other segment for the period from acquisition until sale in August 2014. Sales for these Divisions are processed through multiple channels, consisting of office supply stores, a contract sales force, an outbound telephone account management sales force, Internet sites, direct marketing catalogs and call centers, all supported by a network of supply chain facilities and delivery operations. Shares of Office Depot common stock are traded on The Nasdaq Global Select Market under the symbol ODP. The principal executive offices of Office Depot are located at 6600 North Military Trail, Boca Raton, Florida 33496, and its telephone number is (561) 438-4800.

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INFORMATION ABOUT STAPLES

Staples, Inc.

Staples, Inc., a Delaware corporation and referred to in this proxy statement/prospectus as Staples, is a world-class provider of products and services that serve the needs of business customers and consumers. Staples is committed to providing superior value to its customers through a broad selection of products, easy to use websites and mobile platforms, an integrated retail and online shopping experience and a wide range of copy, print and technology services. Staples opened its first office products superstore in Brighton, Massachusetts in 1986 to serve the needs of small businesses and consumers, and Staples currently serves businesses of all sizes and consumers in North America, Europe, Australia, South America and Asia. Staples delivery businesses account for a majority of its sales and many of its delivery customers place their orders online, making Staples one of the largest internet resellers in the world. Shares of Staples common stock are traded on The Nasdaq Global Select Market under the symbol SPLS. The principal executive offices of Staples are located at Five Hundred Staples Drive, Framingham, Massachusetts 01702, and its telephone number is (508) 253-5000.

Staples AMS, Inc.

Staples AMS, Inc., a Delaware corporation and referred to in this proxy statement/prospectus as Merger Sub, is a wholly owned subsidiary of Staples. Merger Sub was formed by Staples solely in contemplation of the merger, has not conducted any business and has no assets, liabilities or obligations of any nature other than as set forth in the merger agreement. The principal executive offices of Merger Sub are located at c/o Staples, Inc. Five Hundred Staples Drive, Framingham, Massachusetts 01702, and its telephone number is (508) 253-5000.

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INFORMATION ABOUT THE OFFICE DEPOT ANNUAL MEETING

General

This proxy statement/prospectus is being provided to Office Depot stockholders as part of a solicitation of proxies by the board of directors of Office Depot for use at the 2015 annual meeting of Office Depot stockholders and at any adjournments or postponements of such annual meeting. This proxy statement/prospectus provides Office Depot stockholders with information about the annual meeting and should be read carefully in its entirety.

Date, Time and Place of the Annual Meeting

The annual meeting will be held on [ ], 2015, beginning at 8:00 am, local time, at the Renaissance Boca Raton Hotel, 2000 NW 19th Street, Boca Raton, Florida 33431, unless postponed to a later date.

Purposes of the Annual Meeting

At the annual meeting, Office Depot stockholders will be asked to vote upon the following proposals:

Proposal 1: to adopt the merger agreement, which is further described in the sections entitled Proposal I: Adoption of the Merger Agreement beginning on page [ ] and The Merger Agreement beginning on page [ ] and a copy of which is attached to this proxy statement/prospectus as **Annex A**;

Proposal 2: to approve on an advisory (non-binding) basis the compensation that may be paid or become payable to Office Depot s named executive officers that is based on or otherwise relates to the merger;

Proposal 3: to approve the adjournment of the annual meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to adopt the merger agreement;

Proposal 4: to elect the ten (10) members of the Office Depot board of directors named in, and for the term described in, this proxy statement/prospectus;

Proposal 5: to approve the 2015 Long-Term Incentive Plan, a copy of which is attached to this proxy statement/prospectus as **Annex D**;

Proposal 6: to approve the Office Depot Corporate Annual Bonus Plan, a copy of which is attached to this proxy statement/prospectus as **Annex E**;

Proposal 7: to ratify the appointment by Office Depot s audit committee of Deloitte & Touche LLP as Office Depot s independent registered public accounting firm for the current year;

Proposal 8: to approve on an advisory (non-binding) basis the compensation of Office Depot s named executive officers; and

Proposal 9: to transact any other business that may properly come before the annual meeting and any adjournment or postponement thereof.

Only the approval of Proposal 1 is required for completion of the merger.

Attendance at the Annual Meeting

Only Office Depot stockholders of record as of the record date, non-record owners as of the record date, holders of valid proxies for the annual meeting and invited guests of Office Depot may attend the annual meeting.

All attendees should be prepared to present picture identification for admittance. The additional items, if any, that attendees must bring depend on whether they are stockholders of record, non-record owners or proxy holders.

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An Office Depot stockholder who holds shares directly registered in such stockholder s name with Office Depot s transfer agent, Computershare Shareowner Services LLC (referred to in this proxy statement/prospectus as a stockholder of record), who wishes to attend the annual meeting in person should bring picture identification.

A person who holds shares in street name through a bank, brokerage firm or other nominee (referred to in this proxy statement/prospectus as a non-record owner) who wishes to attend the annual meeting in person should bring:

picture identification; and

a letter from such person s bank, brokerage firm or other nominee, or a current brokerage statement, to indicate that such bank, brokerage firm or other nominee is holding shares of Office Depot common stock for such person s benefit.

A person who holds a validly executed proxy entitling such person to vote on behalf of a stockholder of record of Office Depot shares (referred to in this proxy statement/prospectus as a proxy holder) who wishes to attend the annual meeting in person should bring:

picture identification;

the validly executed proxy naming such person as the proxy holder, signed by the Office Depot stockholder of record; and

proof of the signing stockholder s record ownership as of the record date.

Cameras, recording devices and other electronic devices, signs and placards will not be permitted at the annual meeting. Failure to provide the requested documents at the door or failure to comply with the procedures for the annual meeting may prevent stockholders of record, non-record owners or proxy holders from being admitted to the annual meeting. Office Depot reserves the right to request any person to leave the annual meeting who is disruptive, refuses to follow the rules established for the annual meeting or for any other reason.

Record Date

The record date for the determination of stockholders entitled to notice of and to vote at the annual meeting is [ ], 2015. Only Office Depot stockholders who held shares of record as of the close of business on [ ], 2015 are entitled to receive notice of and vote at the annual meeting and any adjournment or postponement of the annual meeting, as long as such shares remain outstanding on the date of the annual meeting. Office Depot s official stock ownership records will conclusively determine whether a stockholder is a holder of record as of the record date.

Outstanding Shares as of Record Date

As of [ ], 2015, the record date for the annual meeting, there were [ ] shares of Office Depot common stock outstanding and owned by stockholders (i.e., excluding shares of Office Depot common stock held in treasury by Office Depot), held by [ ] holders of record. Each share of Office Depot common stock is entitled to one vote on each matter considered at the annual meeting.

A list of Office Depot stockholders entitled to vote at the annual meeting will be available at the annual meeting and for ten days prior to the annual meeting between the hours of 9:00 a.m. and 5:00 p.m., local time, at Office Depot s corporate headquarters at Boca Raton, Florida.

Shares and Voting of Office Depot s Directors and Executive Officers

As of the record date, Office Depot directors and executive officers, as a group, owned and were entitled to vote [ ] shares of Office Depot common stock, or approximately [ ]% of the outstanding shares of Office Depot common stock. Office Depot currently expects that these directors and executive officers will vote their shares in

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favor of the proposal to adopt the merger agreement and each of the other proposals described in this proxy statement/prospectus, although none of them has entered into any agreement obligating them to do so.

Quorum and Broker Non-Votes

In order for Office Depot to transact business at the annual meeting, the holders of a majority of the outstanding shares of Office Depot common stock entitled to vote must be present in person or represented by proxy. Stockholders choosing to abstain from voting will be treated as present for purposes of determining whether a quorum is present, but will not be counted as votes cast FOR any matter.

Banks, brokerage firms and other nominees who hold shares for the accounts of their clients may vote such shares either as directed by their clients or in their own discretion on routine matters. When a broker does not receive instructions from a non-record owner on how to vote shares with respect to a non-routine matter, a broker non-vote occurs. Broker non-votes will be treated as present for purposes of determining whether a quorum is present, but will not be counted as votes cast FOR or AGAINST any matter.

Required Vote

The votes required for each proposal are as follows:

Proposal 1 (Adoption of the Merger Agreement). The affirmative vote, in person or by proxy, of holders of a majority of the outstanding shares of Office Depot common stock entitled to vote thereon is required to adopt the merger agreement. Failure to submit a vote (i.e., not submitting a proxy and not voting in person), abstentions and broker non-votes will have the same effect as a vote against Proposal 1.

Proposal 2 (Advisory (Non-Binding) Vote on Merger-Related Compensation). The affirmative vote of holders of a majority of the shares of Office Depot common stock present in person or represented by proxy (as counted for purposes of determining the existence of a quorum) and entitled to vote at the annual meeting is required to approve, on an advisory (non-binding) basis, the merger-related compensation payments. Failure to submit a vote (i.e., not submitting a proxy and not voting in person) will have no effect on the outcome of Proposal 2. Abstentions and broker non-votes will have the same effect as a vote against Proposal 2.

Proposal 3 (Adjournment of the Annual Meeting). The affirmative vote of holders of a majority of the shares of Office Depot common stock present in person or represented by proxy (as counted for purposes of determining the existence of a quorum) and entitled to vote at the annual meeting is required to approve the adjournment of the annual meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to adopt the merger agreement. Failure to submit a vote (i.e., not submitting a proxy and not voting in person) will have no effect on the outcome of Proposal 3. Abstentions and broker non-votes will have the same effect as a vote against Proposal 3.

Proposal 4 (Election of Directors). Each director nominee must be elected by a majority of the votes cast. This means that the number of votes cast FOR a director nominee must exceed the number of votes cast AGAINST the director nominee. Failure to submit a vote (i.e., not submitting a proxy and not voting in person), abstentions and broker non-votes will have no effect on the outcome of Proposal 4.

Proposal 5 (Approval of Office Depot s 2015 Long-Term Incentive Plan). The affirmative vote of holders of a majority of the shares of Office Depot common stock present in person or represented by proxy (as counted for purposes of determining the existence of a quorum) and entitled to vote at the annual meeting is required to approve Office Depot s 2015 Long-Term Incentive Plan. Failure to submit a vote (i.e., not submitting a proxy and not voting in person) will have no effect on the outcome of Proposal 5. Abstentions and broker non-votes will have the same effect as a vote against Proposal 5.

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Proposal 6 (Approval of the Office Depot Corporate Annual Bonus Plan). The affirmative vote of holders of a majority of the shares of Office Depot common stock present in person or represented by proxy (as counted for purposes of determining the existence of a quorum) and entitled to vote at the annual meeting is required to approve the Office Depot Corporate Annual Bonus Plan. Failure to submit a vote (i.e., not submitting a proxy and not voting in person) will have no effect on the outcome of Proposal 6. Abstentions and broker non-votes will have the same effect as a vote against Proposal 6.

Proposal 7 (Appointment of Office Depot s Independent Public Accountant). A majority of the votes cast on the matter is required to ratify the appointment of Office Depot s independent public accountant. Failure to submit a vote (i.e., not submitting a proxy and not voting in person) and abstentions will have no effect on the outcome of Proposal 7.

Proposal 8 (Advisory (Non-Binding) Vote on Executive Compensation). The affirmative vote of holders of a majority of the shares of Office Depot common stock present in person or represented by proxy (as counted for purposes of determining the existence of a quorum) and entitled to vote at the annual meeting is required to approve, on an advisory (non-binding) basis, the compensation of Office Depot s named executive officers. Failure to submit a vote (i.e., not submitting a proxy and not voting in person) will have no effect on the outcome of Proposal 8. Abstentions and broker non-votes will have the same effect as a vote against Proposal 8.

Proposal 9 (Other Proposals). Approval of any other proposal to be voted upon at the annual meeting requires the affirmative vote of holders of a majority of the shares of Office Depot common stock present in person or represented by proxy (as counted for purposes of determining the existence of a quorum) and entitled to vote at the annual meeting. Failure to submit a vote (i.e., not submitting a proxy and not voting in person) will have no effect on the outcome of any such proposal. Abstentions and broker non-votes will have the same effect as a vote against any such proposal.

How To Vote or Have Your Shares Voted

Office Depot stockholders of record may vote their shares of Office Depot common stock or have their shares of Office Depot common stock voted at the annual meeting in one of the following ways:

Internet: Office Depot stockholders may submit their proxy by using the Internet at www.proxyvote.com. Internet voting is available 24 hours a day and will be accessible until 11:59 p.m., local time, on [ ], 2015, the day before the annual meeting.

Telephone: Office Depot stockholders may submit their proxy by using a touch-tone telephone at [ ]. Telephone voting is available 24 hours a day and will be accessible until 11:59 p.m., local time, on [ ], 2015, the day before the annual meeting.

Mail: Office Depot stockholders may submit their proxy by properly completing, signing, dating and mailing their proxy card in the postage-paid envelope (if mailed in the United States) included with this proxy statement/prospectus. Office Depot stockholders who vote this way should mail the proxy card early enough so that it is received before the date of the annual meeting.

In Person: Office Depot stockholders may vote in person at the annual meeting or by sending a representative with an acceptable proxy that has been signed and dated. Attendance at the annual meeting will not, however, in and of itself constitute a vote.

Whether or not you plan to attend the annual meeting, Office Depot urges you to submit your proxy by completing and returning the proxy card as promptly as possible, or by submitting your proxy by telephone or via the Internet, prior to the annual meeting to ensure that your shares of Office Depot common stock will be represented and voted at the annual meeting if you are unable to attend.

The Office Depot board of directors has appointed certain persons as proxy holders to vote proxies in accordance with the instructions of Office Depot stockholders. If you are a stockholder of record and you

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authorize these proxy holders to vote your shares of Office Depot common stock with respect to any matter to be acted upon, your shares will be voted in accordance with your instructions in your proxy. If you are a stockholder of record and you authorize these proxy holders to vote your shares but do not specify how your shares should be voted in one or more matters, these proxy holders will vote your shares on those matters as the Office Depot board of directors recommends, except if you indicate that you wish to vote against Proposal 1 (adoption of the merger agreement), in which case your shares of Office Depot common stock will only be voted in favor of Proposal 3 (adjournment of the annual meeting) if you indicate that you wish to vote in favor of that proposal. If any other matter properly comes before the annual meeting, these proxy holders will vote on that matter in their discretion.

If you are a non-record owner, you must direct your bank, brokerage firm or other nominee on how to vote the shares of Office Depot common stock held in your account and you will receive instructions from your bank, brokerage firm or other nominee describing how to vote your shares of Office Depot common stock. The availability of Internet or telephonic voting will depend on the nominee s voting process. Please check with your bank, brokerage firm or other nominee and follow the voting procedures your bank, brokerage firm or other nominee provides.

If you are a non-record owner and do not provide your bank, brokerage firm or other nominee instructions on how to vote your shares of Office Depot common stock with respect to non-routine matters, a broker non-vote occurs with respect to those matters. Under applicable stock exchange rules, the organization that holds your shares of Office Depot common stock (i.e., your bank, brokerage firm or other nominee) may generally vote on routine matters at its discretion but cannot vote on non-routine matters. If you are a non-record owner and the organization that holds your shares of Office Depot common stock does not receive instructions from you on how to vote your shares of Office Depot common stock on a non-routine matter, the organization that holds your shares of Office Depot common stock will inform the inspector of elections that it does not have the authority to vote your shares on such matters. Proposal 7 (ratification of appointment of the independent registered public accountant) is a matter Office Depot believes will be designated routine. Proposal 1 (adoption of the merger agreement), Proposal 2 (advisory (non-binding) approval of Office Depot s merger-related executive compensation), Proposal 3 (adjournment), Proposal 4 (election of directors), Proposal 5 (approval of the 2015 Long-Term Incentive Plan), Proposal 6 (approval of the Office Depot Corporate Annual Bonus Plan) and Proposal 8 (advisory (non-binding) approval of the compensation of Office Depot s named executive officers) will be considered non-routine. Accordingly, if you are a non-record owner and do not provide your bank, brokerage firm or other nominee instructions on how to vote your shares of Office Depot common stock, your bank, brokerage firm or other nominee generally will not be permitted to vote your shares on Proposal 1, 2, 3, 4, 5, 6 or 8, but generally will have discretion to vote your shares on Proposal 7. Whether or not your bank, brokerage firm or other nominee has the authority to vote your shares on Proposal 9 (Other Proposals) depends upon whether or not such proposal will be considered a routine or non-routine matter. Office Depot strongly encourages you to provide voting instructions to your bank, brokerage firm or other nominee so that your vote will be counted on all matters.

If you are a non-record owner, you are invited to attend the annual meeting; however, you may not vote your shares in person at the annual meeting unless you obtain a legal proxy from your bank, brokerage firm or other nominee that holds your shares, giving you the right to vote the shares at the annual meeting.

Revocation of Proxies

Office Depot stockholders of record may revoke their proxies at any time prior to the voting at the annual meeting in any of the following ways:

mailing a request to Office Depot s Corporate Secretary at Office Depot s corporate headquarters, at 6600 North Military Trail, Boca Raton, Florida 33496, so that it is received no later than 4:00 p.m., local time, on [ ], 2015;

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properly submitting a new, later-dated proxy card (in which case only the later-dated proxy is counted and the earlier proxy is revoked);

submitting a proxy via Internet or by telephone at a later date (in which case only the later-dated proxy is counted and the earlier proxy is revoked); or

attending the annual meeting and voting in person. Attendance at the annual meeting will not, however, in and of itself, constitute a vote or revocation of a prior proxy.

Office Depot non-record owners may change their voting instruction only by following the directions received from their bank, brokerage firm or other nominee for changing their voting instructions.

Inspector of Election

The board of directors of Office Depot expects to appoint a representative of Broadridge Financial Solutions, Inc. to act as the inspector of election at the annual meeting.

Solicitation of Proxies

Office Depot will pay for the proxy solicitation costs related to the annual meeting. In addition to sending and making available these materials, some of Office Depot s directors, officers and employees may solicit proxies in person by contacting Office Depot stockholders by telephone or over the Internet. Office Depot stockholders may also be solicited by press releases issued by Office Depot, postings on Office Depot s websites and advertisements in periodicals. None of Office Depot s directors, officers or employees will receive additional compensation for their solicitation services. Office Depot has engaged Innisfree M&A Incorporated to assist in the solicitation of proxies for the annual meeting. Office Depot estimates that it will pay Innisfree M&A Incorporated a fee of approximately $30,000, plus reasonable out-of-pocket expenses. Certain banking institutions, brokerage firms, custodians, trustees, nominees and fiduciaries who hold shares for the benefit of another party may solicit proxies for Office Depot. If so, they will mail proxy information to, or otherwise communicate with, the non-record owners of shares of Office Depot common stock held by them. Office Depot will also reimburse banks, brokerage firms, custodians, trustees, nominees and fiduciaries for their expenses incurred in sending proxies and proxy materials to non-record owners of Office Depot common stock.

Adjournments

The annual meeting may be adjourned in the absence of a quorum by the chairman of the meeting or the affirmative vote of holders of a majority of the shares of Office Depot common stock present in person or represented by proxy and entitled to vote at the annual meeting.

Even if a quorum is present, the annual meeting may also be adjourned in order to provide more time to solicit additional proxies in favor of adoption of the merger agreement if sufficient votes are cast in favor of Proposal 3.

If the adjournment is for more than 30 days or if after the adjournment a new record date is set for the adjourned meeting, a notice of the adjourned meeting must be given to each stockholder of record entitled to vote at the annual meeting.

Questions and Additional Information

Office Depot stockholders may contact Office Depot s proxy solicitor, Innisfree M&A Incorporated, with any questions about the proposals or how to vote or to request additional copies of any materials at Innisfree M&A Incorporated, 501, Madison Avenue, New York, NY 10022. Stockholders may call toll-free at (877) 825-8621, and banks and brokers may call collect at (212) 750-5833.

PROPOSAL I: ADOPTION OF THE MERGER AGREEMENT

This section of the proxy statement/prospectus describes the material aspects of the proposed merger. This section may not contain all of the information that is important to you. You should carefully read this entire proxy statement/prospectus and the documents incorporated by reference into this proxy statement/prospectus, including the full text of the merger agreement, a copy of which is attached to this proxy statement/prospectus as ***Annex A****, for a more complete understanding of the proposed merger. In addition, important business and financial information about each of Staples and Office Depot is included in or incorporated by reference into this proxy statement/prospectus.* *See Where You Can Find More Information beginning on page* [ ].

Per Share Merger Consideration

The merger agreement provides that, subject to the terms and conditions of the merger agreement, Merger Sub will be merged with and into Office Depot, with Office Depot surviving the merger as a wholly owned subsidiary of Staples. Upon completion of the merger, each issued and outstanding share of Office Depot common stock, other than shares held in treasury by Office Depot or owned by Staples, or any direct or indirect subsidiary of Staples or Office Depot, or by stockholders that have validly made a demand for appraisal and not validly withdrawn such demand or otherwise lost their rights of appraisal with respect to such shares pursuant to Section 262 of the DGCL, will be converted into the right to receive $7.25 in cash, without interest, plus 0.2188 shares of Staples common stock.

Based on the number of shares of Office Depot common stock outstanding as of [ ], 2015, Staples would issue approximately [ ] shares of Staples common stock to Office Depot stockholders pursuant to the merger. The actual number of shares of Staples common stock to be issued pursuant to the merger will be determined at completion of the merger based on the exchange ratio and the number of shares of Office Depot common stock outstanding at such time. Based on the number of shares of Office Depot common stock outstanding as of [ ], 2015, and the number of shares of Staples common stock outstanding as of [ ], 2015, immediately after completion of the merger, former Office Depot stockholders would own approximately [ ]% of the outstanding shares of Staples common stock.

Based on the closing stock price of Staples common stock on [ ], 2015, the most recent practicable date prior to the date of this proxy statement/prospectus, the per share value of Office Depot common stock implied by the per share merger consideration is $[ ]. The implied value of the per share merger consideration will fluctuate, however, as the market price of Staples common stock fluctuates, because a portion of the per share merger consideration is payable in a fixed number of shares of Staples common stock. As a result, the value of the per share merger consideration that Office Depot stockholders will receive upon completion of the merger could be greater than, less than or the same as the value of the merger consideration on the date of this proxy statement/prospectus or at the time of the Office Depot annual meeting. Accordingly, Office Depot encourages you to obtain current stock price quotations for Staples common stock and Office Depot common stock before deciding how to vote with respect to the adoption of the merger agreement.

Background of the Merger

During the two years preceding the events and discussions described below leading to the announcement of the proposed transaction, there was no material business relationship between Staples and Office Depot, and Staples and Office Depot had not conducted any material business with each other.

The Office Depot board of directors, together with Office Depot s senior management, has in the ordinary course regularly evaluated business development strategies and reviewed Office Depot s strategic alternatives in pursuing its objective of enhancing stockholder value.

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On March 20, 2014, the Office Depot board of directors held a meeting in Boca Raton, Florida, during which the Office Depot board of directors discussed, among other matters, potential strategic alternatives, including a potential merger transaction with Staples, and decided to review the possibility of a potential merger transaction with Staples at a subsequent meeting.

On August 1, 2014, the Office Depot board of directors met in Boca Raton, Florida, at a regularly scheduled meeting with representatives of Office Depot s senior management, Peter J. Solomon Company, L.P. (referred to in this proxy statement/prospectus as PJSC) and Simpson Thacher & Bartlett LLP (referred to in this proxy statement/prospectus as Simpson Thacher), Office Depot s financial and legal advisors, to discuss, among other matters, a potential merger transaction with Staples. In light of the then current regulatory environment, the relative stock prices of Staples and Office Depot, the perceived potential to enhance value for Office Depot stockholders and the transformational opportunity that a potential business combination with Staples could present, the Office Depot board of directors discussed, among other matters, the merits of exploring such a transaction. During this meeting, the representatives of PJSC reviewed and discussed with the Office Depot board of directors, among other matters, certain preliminary financial analyses regarding such a transaction, including, among other matters, Office Depot s historical stock price performance and operating results, certain valuation multiples based on Office Depot s then current stock price, certain valuation analyses of Office Depot, a comparison of certain financial data of Office Depot and Staples, and a review of hypothetical per share prices for Office Depot common stock on a standalone basis and Staples on a pro forma basis assuming a transaction. In addition, PJSC discussed a number of other considerations associated with the process of exploring potential strategic alternatives generally, including certain key milestones and the timing of such process. Simpson Thacher reviewed with the Office Depot board of directors the regulatory implications of a potential business combination of Office Depot with Staples. Following discussion, the Office Depot board of directors authorized and instructed Office Depot s senior management to obtain the perspectives of another legal counsel regarding the regulatory implications of such a potential business combination transaction. The closing prices per share of Office Depot common stock and Staples common stock on August 1, 2014 were $5.02 and $11.44, respectively.

On August 26, 2014, the Office Depot board of directors met telephonically with representatives of Office Depot s senior management. Office Depot s senior management provided an update regarding the review by another legal counsel of the regulatory implications of a potential business combination transaction of Office Depot and Staples. Following discussion and in light of, among other things, the ongoing integration of Office Depot s and OfficeMax s businesses and the current operating performance of the Office Depot business, the Office Depot board of directors asked Office Depot s senior management to continue to provide the directors with additional data and information to permit the Office Depot board of directors to review a potential transaction with Staples at a subsequent meeting.

On September 9, 2014, the Staples board of directors met in Framingham, Massachusetts, at a regularly scheduled meeting. From time to time prior to September 2014, the Staples board of directors and management had considered the possibility of exploring a business combination with Office Depot. During the summer of 2014, Staples management evaluated the benefits and risks of such a business combination, including the significant synergies that might be achieved from a business combination and the increased indebtedness that would be necessary to finance such a transaction. At the September 9 meeting, after consideration of the benefits and risks presented by management, the Staples board of directors authorized Ronald L. Sargent, the chairman and chief executive officer of Staples, to contact Roland C. Smith, the chairman and chief executive officer of Office Depot, to express interest in having a discussion to explore the possibility of a business combination of Staples and Office Depot.

On September 10, 2014, Office Depot announced that Jeffrey Smith, the chief executive officer and chief investment officer of Starboard Value LP, an investment management firm (referred to in this proxy statement/prospectus as Starboard) had resigned from the Office Depot board of directors.

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On September 15, 2014, Mr. Sargent called Mr. Roland C. Smith to express interest in having a discussion to explore the possibility of a business combination of Staples and Office Depot.

On September 17, 2014, Messrs. Sargent and Smith spoke via telephone. During their discussion, Mr. Sargent provided his views on the current regulatory environment and expressed an interest in exploring a potential business combination of Staples and Office Depot if Office Depot were willing to engage in such discussions. Mr. Sargent did not discuss a potential purchase price or any other specifics regarding a potential business combination transaction, although he did indicate that he was comfortable with the consideration in such a transaction consisting of some combination of cash and stock. Mr. Smith indicated he would discuss the merits of engaging in such discussions with the other members of the Office Depot board of directors, but that, in light of the successful ongoing integration of Office Depot s and OfficeMax s businesses, he would recommend engaging in such discussions to the other Office Depot directors only if the value to be received by Office Depot s stockholders in such a transaction were sufficiently attractive. Mr. Sargent stated he currently was not prepared to make a proposal regarding the specific terms or parameters of such a transaction because he did not have sufficient information and asked that Mr. Smith identify the key parameters of a potential transaction structure for Office Depot to be willing to explore the merits of such a transaction.

On September 23, 2014, the Office Depot board of directors held a telephonic meeting with representatives of Office Depot s senior management, PJSC and Simpson Thacher, during which Mr. Smith summarized his discussions with Mr. Sargent on September 17, 2014. Simpson Thacher reviewed with the Office Depot board of directors, among other legal matters, the directors fiduciary duties under applicable law. Following discussion, the Office Depot board of directors determined to consider the merits of exploring a potential business combination of Office Depot and Staples and other potential strategic alternatives for Office Depot at its next regularly scheduled in-person meeting in October 2014. The Office Depot board of directors requested that, for purposes of its further consideration of engaging in discussions with Staples, Office Depot s senior management and PJSC review and analyze certain preliminary financial data regarding Office Depot and strategic alternatives to a potential business combination transaction with Staples. Following further discussion, the Office Depot board of directors established a committee to meet with, and interview, PJSC and another investment bank for purposes of potentially assisting Office Depot with the review of its potential strategic alternatives, including a potential transaction with Staples. The Office Depot board of directors also authorized Mr. Smith to inform Mr. Sargent that the Office Depot board of directors was going to review the possibility of a potential transaction with Staples at its board meetings on October 15-16, 2014.

On September 26, 2014, Mr. Smith called Mr. Sargent and informed him of the September 23, 2014 meeting of the Office Depot board of directors. Mr. Smith indicated that the Office Depot board of directors was potentially interested in exploring a potential business combination transaction of Office Depot and Staples, and that the Office Depot board of directors was scheduled to meet and discuss this opportunity in further detail at its next regularly scheduled meetings on October 15-16, 2014.

On October 8, 2014, upon recommendation of the committee of the Office Depot board of directors that had met with, and interviewed, PJSC and another investment bank, Office Depot retained PJSC as financial advisor in connection with the review of Office Depot s potential strategic alternatives, including a potential transaction with Staples.

On October 15-16, 2014, the Office Depot board of directors met with representatives of Office Depot s senior management, PJSC and Simpson Thacher in Boca Raton, Florida, to review and discuss, among other matters, a potential business combination transaction with Staples and other potential strategic alternatives for Office Depot. During this meeting, the representatives of PJSC reviewed and discussed with the Office Depot board of directors, among other matters, certain preliminary financial analyses relating to a potential business combination transaction of Staples and Office Depot, including, among other matters, for both of Office Depot and Staples, historical stock price performance and operating results, certain valuation multiples based on then current stock prices, certain valuation analyses, a comparison of certain financial data of Office Depot and

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Staples, and a review of hypothetical per share prices for Office Depot and Staples common stock on a standalone basis and Staples on a pro forma basis assuming a transaction. PJSC also reviewed and discussed with the Office Depot directors their views of Office Depot s strategic alternatives to a proposed transaction with Staples, including maintaining the status quo and operating as an independent company, instituting regular dividends or a share repurchase program, paying a special dividend or effecting a large, one-time special share repurchase, the acquisition by Office Depot of potential target companies, or a potential sale of Office Depot to another strategic partner or, in a leveraged buy-out transaction, to a financial investor. The Office Depot board of directors considered the strategic, business and legal considerations relating to a potential transaction with Staples and the risks and benefits of a potential transaction compared to other potential alternatives, including, among other things, that PJSC s analyses preliminarily indicated that, while each of such other potential alternatives had a variety of qualitative factors that could make it attractive or cause concerns, a potential transaction with Staples could, under certain circumstances, deliver stockholder value that was higher than the illustrative stockholder values that could be achieved in each of the other potential strategic alternatives. Simpson Thacher then reviewed with the Office Depot board of directors, among other legal matters, the directors fiduciary duties under applicable law and certain regulatory aspects relating to a business combination of Office Depot and Staples. Following discussion, the Office Depot board of directors authorized Mr. Smith, with the assistance of other members of Office Depot s senior management and PJSC, to engage in preliminary discussions with representatives of Staples and its financial advisor to explore the parameters of a potential business combination transaction.

On October 20, 2014, Mr. Smith telephoned and informed Mr. Sargent that the Office Depot board of directors was supportive of holding exploratory discussions regarding a potential transaction. Messrs. Sargent and Smith agreed to meet, together with other representatives of Office Depot and Staples, to discuss certain potential transaction parameters, including value, transaction structure, regulatory matters and governance.

Between October 20, 2014 and October 30, 2014, Messrs. Sargent and Smith had a series of conversations to plan, and agree to the agenda of, such meeting, which was scheduled for November 11, 2014.

Beginning on October 20, 2014 and continuing throughout the week of October 27, 2014, representatives of Wilmer Cutler Pickering Hale and Dorr LLP, counsel to Staples (referred to in this proxy statement/prospectus as WilmerHale) and Simpson Thacher negotiated the terms of a mutual confidentiality agreement.

On October 31, 2014, Office Depot and Staples entered into a mutual confidentiality agreement, which included mutual standstill and non-solicitation covenants.

On October 31, 2014, the Office Depot board of directors held a telephonic meeting with representatives of Office Depot s senior management and PJSC. During this meeting, Mr. Smith summarized his discussions with Mr. Sargent and reviewed and discussed with the other directors, among other matters, the agenda for the November 11, 2014 meeting with the representatives of Staples and some of the key messages that were proposed to be communicated to Staples at the November 11, 2014 meeting. As part of this discussion, Mr. Smith and the representatives of PJSC noted that, in light of Office Depot s then perceived prospects as a stand-alone company and the fact that Staples stockholders would likely benefit more than Office Depot s stockholders from any stock price accretion that could result from, among other things, the synergies that could potentially be achieved in a transaction with Staples, the value to be received by Office Depot s stockholders in a transaction with Staples should include a substantial premium.

On November 11, 2014, Mr. Sargent, Ms. Christine T. Komola, executive vice president and chief financial officer of Staples, Messrs. Smith, Stephen E. Hare, executive vice president and chief financial officer of Office Depot, and representatives of Simpson Thacher and Weil Gotshal & Manges LLP, counsel to Staples regarding certain regulatory matters, met at the offices of Simpson Thacher in Washington, D.C., to discuss, among other matters, the regulatory implications of a potential business combination of Staples and Office Depot, certain financial information regarding Office Depot and Staples, the synergies that could potentially be achieved in

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various functional areas in connection with such a transaction, potential transaction structures, and certain governance-related matters. Mr. Smith also conveyed to Mr. Sargent that Office Depot was not interested in pursuing exploratory talks concerning a combination with Staples unless the Office Depot common stock was valued at least in the low double digits in any such transaction. The closing prices per share of Office Depot common stock and Staples common stock on November 11, 2014 were $6.66 and $13.04, respectively.

On November 12, 2014, Mr. Smith provided the other directors of Office Depot with an update on the November 11, 2014 meeting with the representatives of Staples. In his update, Mr. Smith indicated that, among other things, Staples continued to analyze the synergies that could potentially be achieved in a transaction between Office Depot and Staples and that Office Depot had agreed to provide Staples with certain financial and other information to assist Staples in its analysis.

Between November 11, 2014 and November 21, 2014, at the request of Staples, Office Depot provided Staples with certain financial and other due diligence information.

On November 19, 2014, Mr. Smith telephoned Mr. Sargent to confirm that, because Office Depot expected that at least a portion of the consideration in a potential transaction would be paid in common stock of Staples, the exchange of due diligence information should be reciprocal and that Staples should provide Office Depot the opportunity to conduct due diligence regarding Staples businesses.

On December 3, 2014, Mr. Sargent telephoned Mr. Smith to convey a preliminary, non-binding acquisition proposal, pursuant to which Staples offered to pay Office Depot stockholders $9.25-$9.75 per share of Office Depot common stock, of which 80% would be paid in cash and 20% would be paid in newly issued shares of Staples common stock. On that same date, Barclays Capital Inc., Staples financial advisor (referred to in this proxy statement/prospectus as Barclays), communicated Staples acquisition proposal to PJSC and noted that Staples proposal also provided for proportionate representation of the Office Depot stockholders on the post-closing Staples board of directors, which Staples proposed would be expanded to 13 members.

On December 3-4, 2014, the Office Depot board of directors met with representatives of Office Depot s senior management in person in Boca Raton, Florida, and with representatives of PJSC and Simpson Thacher participating via teleconference to review and discuss, among other matters, Staples acquisition proposal as presented orally by Mr. Sargent during his telephone conversation with Mr. Smith on December 3, 2014. During these meetings, Mr. Smith provided the Office Depot board of directors with a summary of the discussions regarding a potential business combination transaction with Staples since the October 31, 2014 telephonic meeting of the board. Representatives of PJSC reviewed and discussed with the Office Depot board of directors certain preliminary financial analyses relating to Staples December 3, 2014 acquisition proposal, including, among other matters, for both of Office Depot and Staples, historical stock price performance and operating results, certain valuation multiples based on then current stock prices, certain valuation analyses, a comparison of certain financial data of Office Depot and Staples, and a review of hypothetical per share prices for Office Depot and Staples common stock on a standalone basis and Staples on a pro forma basis assuming a transaction. As part of this discussion, PJSC noted that, under Staples December 3, 2014 proposal and based on the 20-day volume weighted average price per share of Staples common stock, Office Depot stockholders would own approximately 10.8%-11.3% of the outstanding Staples common stock. Simpson Thacher then reviewed with the Office Depot board of directors the directors fiduciary duties under applicable law in connection with the board s consideration of Staples proposal. Following discussion, the Office Depot board of directors concluded that further exploratory discussions were warranted in light of Staples December 3, 2014 proposal and authorized Mr. Smith, with the assistance of PJSC, to continue their exploratory discussions with Staples within the pricing, structure and other parameters discussed at this meeting with a view to having Staples improve its offer, including with respect to the value to be received by Office Depot s stockholders in any transaction and certainty relative to regulatory considerations.

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On December 8, 2014, following discussions with Office Depot s financial and legal advisors and consistent with the transaction parameters reviewed with the Office Depot board of directors, Mr. Smith telephoned Mr. Sargent and indicated that he could recommend to the Office Depot board of directors a proposal from Staples consisting of $6.60-$6.90 in cash and 0.3228-0.3375 of newly issued shares of Staples common stock and representing a 60% / 40% mix of cash and stock consideration and an implied per share value of Office Depot common stock of $11.00-$11.50 based on the 20-day volume weighted average price per share of Staples common stock on December 4, 2014. Such proposal would give Office Depot stockholders a pro forma ownership of between 22.4% and 23.2% of Staples common stock upon completion of the proposed transaction. In addition, Mr. Smith requested that, among other things, Staples agree to a regulatory efforts standard consistent with what Office Depot had agreed to with OfficeMax in their 2013 merger transaction, which required the parties to undertake all necessary efforts to obtain regulatory approval except to the extent that such efforts would have a material adverse effect on the combined company, and pay Office Depot a $300 million regulatory fee if such transaction could not be completed due to the failure to obtain the required antitrust regulatory approvals. On the same date, representatives of PJSC separately communicated Office Depot s counterproposal to Barclays.

On December 10, 2014, Starboard spoke with Office Depot s chief legal officer to inform Office Depot that Starboard, together with its managed funds and accounts, had acquired approximately 5.1% of Staples common stock and increased its ownership of Office Depot common stock from 8.6% to 9.9%.

Later on December 10, 2014, Starboard filed a statement on Schedule 13D and an amendment to its previous statements on Schedule 13D with the SEC (referred to in this proxy statement/prospectus as the Starboard SEC filings) disclosing its ownership of Staples common stock and its increased ownership of Office Depot common stock, respectively. The closing price per share of Office Depot common stock and Staples common stock on December 10, 2014, prior to Starboard s Schedule 13D filings, was $6.73 and $14.82, respectively.

On December 11, 2014, Mr. Smith telephoned Mr. Sargent to discuss their respective views regarding Starboard s stakebuilding in both companies. During their discussion, Mr. Sargent indicated that the Staples board of directors was going to discuss Office Depot s December 8, 2014 counterproposal.

On December 16, 2014, the Office Depot board of directors held a telephonic update call with representatives of PJSC and Simpson Thacher, during which Mr. Smith provided the other directors with a summary of the status of the discussions with Staples and its advisors regarding a potential transaction, among other matters.

Later on December 16, 2014, Mr. Sargent telephoned Mr. Smith to deliver a revised acquisition proposal from Staples, pursuant to which Staples would offer $10.00 per share of Office Depot common stock, of which 75% would be paid in cash and 25% would be paid in newly issued shares of Staples common stock. Mr. Sargent also indicated that Staples would be willing to pay Office Depot a regulatory fee of $50 million and that Staples and Office Depot s legal advisors should further discuss the allocation of antitrust risk and the regulatory efforts standard.

On December 19, 2014, the Office Depot board of directors held a telephonic meeting with representatives of Office Depot s senior management, PJSC and Simpson Thacher to review and discuss Staples December 16, 2014 proposal. Mr. Smith provided the Office Depot board of directors with a detailed summary of his discussions and negotiations with Mr. Sargent on December 16, 2014. The representatives of PJSC reviewed and discussed with the Office Depot board of directors certain preliminary financial analyses regarding Staples December 16, 2014 proposal (including, among other matters, for both of Office Depot and Staples, historical stock price performance and operating results, certain valuation multiples based on then current stock prices, certain valuation analyses, a comparison of certain financial data of Office Depot and Staples, and a review of hypothetical per share prices for Office Depot and Staples common stock on a standalone basis and Staples on a

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pro forma basis assuming a transaction) and provided the Office Depot board of directors with their perspectives on valuation and the impact of changes in the market price of Staples and Office Depot common stock since the Starboard SEC filings disclosing its stakebuilding in Staples and Office Depot. Simpson Thacher then discussed with the Office Depot board of directors a potential allocation of regulatory risk in a transaction of this type and provided an overview of the regulatory fees that had been agreed to in recent precedent transactions. Following discussion, the Office Depot board of directors authorized Mr. Smith, with the assistance of PJSC, to continue the discussions with Staples and its financial advisor within the valuation, structural and other parameters discussed at this meeting with a view to obtaining the best price reasonably attainable and enhancing certainty relative to regulatory considerations.

Later on December 19, 2014, Mr. Smith telephoned Mr. Sargent and informed him of the Office Depot board of directors meeting on that date and the Office Depot directors views of Staples December 16, 2014 proposal, including that Staples proposal of a $50 million regulatory fee was unacceptable for Office Depot. Mr. Smith then suggested that Staples and Office Depot s respective financial and legal advisors continue to discuss certain terms of Staples revised proposal and that Office Depot would deliver a counterproposal the following week.

Following discussions with Mr. Smith and other representatives of Office Depot s senior management and Simpson Thacher, and consistent with the transaction parameters reviewed with the Office Depot board of directors, on December 24, 2014, representatives of PJSC delivered to Barclays Office Depot s counterproposal, pursuant to which Staples would acquire Office Depot for $6.85 per share in cash and 0.2640 shares of Staples common stock, representing a 65% / 35% mix of cash and stock consideration and an implied offer value of $10.52 per share of Office Depot common stock based on the 20-day volume weighted average price per share of Staples common stock on December 10, 2014 (the last trading day before the Starboard SEC filings disclosing its stakebuilding in Staples and Office Depot) of $13.92. Alternatively, the implied value of the proposal was $11.51 per share of Office Depot common stock based on the $17.64 closing price per share of Staples common stock on December 18, 2014, the day before the December 19, 2014 meeting during which the Office Depot board of directors discussed the parameters of Office Depot s December 24, 2014 counterproposal. Pursuant to this counterproposal, Office Depot s stockholders would own 18.9% of the outstanding Staples common stock upon completion of a proposed transaction. PJSC also informed Barclays that the $50 million regulatory fee proposed by Staples was unacceptable to Office Depot and that Office Depot requested a response to its proposal that the regulatory efforts standard be consistent with that utilized in the Office Depot/OfficeMax merger transaction, which required the parties to undertake all necessary efforts to obtain regulatory approval except to the extent that such efforts would have a material adverse effect on the combined company.

Between December 24, 2014 and January 5, 2015, representatives of Office Depot s and Staples respective financial and legal advisors and senior management teams engaged in a series of discussions regarding, among other things, the regulatory efforts standard and the appropriate size of the regulatory fee.

On December 26, 2014, WilmerHale presented to Simpson Thacher a proposal regarding the regulatory efforts standard. Under the proposal, in order to obtain antitrust approval, Staples would not be required to agree to a divestiture or any other action with respect to businesses, services or assets other than businesses, services or assets of Office Depot in the United States that generated not more than $750 million of revenue in calendar year 2014.

On December 29, 2014, Simpson Thacher communicated to WilmerHale that Office Depot was not willing to consider any regulatory efforts proposal that did not include also a revised proposal regarding the regulatory fee.

On December 31, 2014, WilmerHale communicated to Simpson Thacher a revised regulatory efforts proposal that increased the regulatory fee to $175 million and retained a $750 million limit on required divestitures or other commitments in the United States in order to obtain antitrust approval.

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On January 6, 2015, Mr. Smith and other members of Office Depot s senior management met telephonically with representatives of PJSC and Simpson Thacher. During this meeting, PJSC and Simpson Thacher provided Office Depot s senior management with an update regarding their respective discussions with Staples advisors.

On January 7, 2015, the Office Depot board of directors held a telephonic meeting with representatives of Office Depot s senior management, PJSC and Simpson Thacher. During this meeting, Mr. Smith, PJSC and Simpson Thacher provided the Office Depot board of directors with their respective summaries and perspectives of the discussions with Staples and its advisors regarding a potential transaction since the December 19, 2014 board meeting.

Also on January 7, 2015, PJSC and Simpson Thacher informed Barclays and WilmerHale, respectively, that the Office Depot board of directors had scheduled a meeting for January 9, 2015 and that Office Depot requested that Staples submit an updated comprehensive proposal for consideration by the Office Depot board of directors at its January 9, 2015 meeting.

On January 8, 2015, Barclays informed PJSC that Staples was not prepared to deliver a revised proposal before receiving a counterproposal from Office Depot.

On January 9, 2015, the Office Depot board of directors held a meeting with representatives of Office Depot s senior management, PJSC and Simpson Thacher at the offices of Simpson Thacher in Washington, D.C. Messrs. Smith and Hare provided the Office Depot board of directors with an update regarding Office Depot s results of operations and other financial information for the last quarterly period in fiscal year 2014. Mr. Smith reported on the status of the negotiations and discussions with Staples regarding a potential business combination transaction. Simpson Thacher then reviewed with the Office Depot board of directors, among other matters, the directors fiduciary duties under applicable law in connection with the board s consideration of Staples proposal and other potential strategic alternatives, and certain regulatory matters with respect to the proposed transaction with Staples. The representatives of PJSC reviewed and discussed with the Office Depot board of directors certain preliminary financial analyses relating to a potential transaction with Staples (including, among other matters, for both of Office Depot and Staples, historical stock price performance and operating results, certain valuation multiples based on then current stock prices, certain valuation analyses, a comparison of certain financial data of Office Depot and Staples, and a review of hypothetical per share prices for Office Depot and Staples common stock on a standalone basis and Staples on a pro forma basis assuming a transaction) and compared the terms of Staples December 16, 2014 proposal and Office Depot s December 24, 2014 counterproposal and Staples and Office Depot s previous proposals and counterproposals. In addition, PJSC also reviewed and discussed with the Office Depot directors their views of Office Depot s strategic alternatives to the proposed transaction with Staples, including maintaining the status quo and operating as an independent company, instituting regular dividends or a share repurchase program, paying a special dividend or a effecting a large, one-time special share repurchase, the acquisition by Office Depot of certain potential target companies or a potential sale of Office Depot to a strategic partner or, in a leveraged buy-out transaction, a financial investor. The Office Depot board of directors discussed the strategic, business and legal considerations relating to a potential transaction with Staples and the risks and benefits of a potential transaction compared to other potential alternatives. As part of this discussion, it was also observed that, although there had been speculation in press and analyst reports following a report issued by research analysts of Credit Suisse AG on September 2, 2014, which suggested that a merger of Staples and Office Depot made significant financial and operational sense (referred to in this proxy statement/prospectus as the Credit Suisse report), and the Starboard SEC filings disclosing its stakebuilding in Staples and Office Depot (which speculation increased the likelihood that other potentially interested parties would have already approached Office Depot if they had been interested in a transaction with Office Depot), Office Depot had not received any inquiries concerning alternative transactions and that such other potentially interested parties would still have the ability to submit an acquisition proposal following the announcement of any potential transaction with Staples. As a result of such factors, the Office Depot board of directors concluded that soliciting interest from other potential parties at this stage was unlikely to generate competitive tension and help maximize the value for Office Depot stockholders in a potential transaction with

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Staples and that the benefits of soliciting interest from other potential parties were outweighed by the risk that such solicitation could jeopardize or, at a minimum, delay a potential transaction with Staples. Mr. Smith and the representatives of PJSC then reviewed and discussed with the Office Depot board of directors the terms of another counteroffer proposed to be delivered to Staples. Following discussion, the Office Depot board of directors authorized Mr. Smith, with the assistance of PJSC, to deliver a counterproposal to Staples and to continue to negotiate the terms of a proposed transaction within the parameters discussed at this meeting.

On January 12, 2015, representatives of PJSC and Simpson Thacher delivered to Barclays and WilmerHale, respectively, Office Depot s revised counterproposal, the terms of which were identical with Office Depot s December 24, 2014 proposal, with the following exceptions. The Staples board of directors would be expanded upon the closing of the transaction to 14 directors, of which three would be designated by Office Depot. In addition, to obtain antitrust approval, Staples would not be required to agree to a divestiture or take any other action with respect to businesses, services or assets other than businesses, services or assets of Office Depot in the United States that generated or serviced not more than $1.5 billion of revenue in calendar year 2014, and businesses, services or assets of Office Depot that would not be reasonably expected to result in a material adverse effect on Office Depot s businesses outside the United States. Office Depot also reiterated its proposal for a $300 million regulatory fee if a transaction could not be completed due to the failure to obtain the required antitrust regulatory approvals.

On January 15, 2015, representatives of Barclays and WilmerHale delivered to PJSC and Simpson Thacher, respectively, Staples revised acquisition proposal, pursuant to which Staples offered $7.00 in cash and 0.2024 shares of newly issued shares of Staples common stock for each share of Office Depot common stock. Based on Staples closing share price of $14.82 on December 10, 2014 (the last trading day before the Starboard SEC filings disclosing its stakebuilding in Staples and Office Depot), this offer represented an implied price of $10.00 per share of Office Depot common stock and a 70% / 30% mix of cash and stock consideration. Pursuant to this revised offer, Office Depot stockholders would own approximately 15.2% of the outstanding Staples common stock upon completion of the proposed transaction. Staples revised offer also included a $235 million regulatory fee, a $1.1 billion limit on divestitures or other commitments in the United States required to obtain antitrust approvals, acceptance of a material adverse effect standard for divestitures or other commitments outside the United States and the election of two Office Depot directors, approved by Staples, to the expanded post-closing Staples board of directors.

Later on January 15, 2015, the Office Depot board of directors held an update call with representatives of Office Depot s senior management, PJSC and Simpson Thacher. During this meeting, Mr. Smith summarized Staples January 15, 2015 proposal and indicated that he, with the assistance of PJSC and Simpson Thacher, would provide the Office Depot board of directors with a more detailed analysis of Staples revised proposal at the meeting that had been scheduled for January 17, 2015.

On January 17, 2015, the Office Depot board of directors held a telephonic meeting with representatives of Office Depot s senior management, PJSC and Simpson Thacher to discuss Staples January 15, 2015 proposal in further detail. Representatives of PJSC reviewed with the Office Depot board of directors the financial elements of Staples January 15, 2015 offer compared to Staples previous proposals and Office Depot s previous counterproposals. Simpson Thacher reviewed with the Office Depot board of directors Staples January 15, 2015 proposal regarding the proposed regulatory efforts standard and the Staples regulatory fee proposal. Mr. Smith and the representatives of PJSC and Simpson Thacher then discussed with the Office Depot board of directors the terms of a proposed counterproposal by Office Depot. Under the proposed counterproposal, Office Depot stockholders would receive $7.25 in cash and 0.2188 shares of newly issued shares of Staples common stock for each share of Office Depot common stock. Based on the 15-day volume weighted average price per share of Staples common stock as of December 10, 2014 (the last trading day before the Starboard SEC filings disclosing its stakebuilding in Staples and Office Depot), this offer represented an implied price of $10.35 per share of Office Depot common stock and a 70% /

30% mix of cash and stock consideration. The Office Depot board of directors concluded that it would be acceptable that Staples newly constituted board of directors would increase in size from 11 members to 13 members and include two Office Depot directors approved by Staples. Pursuant to this proposed counterproposal, Office Depot stockholders would own approximately 16.2% of the outstanding Staples common stock upon completion of the proposed transaction. In addition, the proposed counterproposal provided for a $265 million regulatory fee and a regulatory efforts standard that required the parties to undertake all necessary efforts to obtain regulatory approval, except that Staples would not be required to agree to a divestiture or take any other action with respect to businesses, services or assets other than businesses, services or assets of Office Depot in the United States that generated not more than $1.3 billion of revenue in calendar year 2014 and any businesses, services or assets of Office Depot that would not be reasonably expected to result in a material adverse effect on Office Depot s businesses outside the United States. Following discussion, the Office Depot board of directors authorized Mr. Smith to deliver such counterproposal to Staples and its advisors and try and negotiate the terms of such counterproposal within the parameters discussed at this meeting.

On January 18, 2015, Mr. Smith called Mr. Sargent to deliver Office Depot s counterproposal to Staples January 15, 2015 proposal. Following discussion and negotiation, Messrs. Smith and Sargent agreed to recommend to their respective boards of directors that the parties move forward with due diligence and negotiation of a definitive agreement with respect to a merger transaction pursuant to which Office Depot s stockholders would receive $7.25 in cash and 0.2188 shares of Staples common stock per share of Office Depot common stock; Staples would pay Office Depot a $250 million regulatory fee if a transaction could not be completed due to the failure to obtain the required antitrust regulatory approval; and that the regulatory efforts standard would be as described under The Merger Agreement Efforts to Complete the Merger beginning on page [ ] of this proxy statement/prospectus.

Also on January 18, 2014, the Office Depot board of directors held a telephonic update call, during which, among other things, Mr. Smith provided a summary of his January 18, 2015 discussion with Mr. Sargent.

From January 19, 2014 through February 4, 2015, representatives of Staples and Office Depot, with the assistance of their respective legal and financial advisors, engaged in a reciprocal due diligence investigation of the companies businesses.

On January 20, 2015, WilmerHale provided a draft merger agreement to Simpson Thacher. From January 21, 2015 through February 4, 2015, legal counsel to Staples and Office Depot, with the assistance of Staples and Office Depot s senior management teams and financial advisors, engaged in extensive negotiations concerning, and exchanged numerous drafts of, the proposed merger agreement. Significant issues discussed during these negotiations included, among other things, the size of the Office Depot termination fee (Staples originally proposed $220 million), the treatment of Office Depot equity-based awards in the merger, the treatment of certain existing Office Depot indebtedness in connection with the closing of the merger, including Office Depot s obligations to cooperate with refinancing efforts by Staples, and a proposal that Staples be entitled to expense reimbursement from Office Depot if the Office Depot stockholders voted against the transaction (which was ultimately not included in the definitive agreement).

On January 21, 2015, the Office Depot board of directors met telephonically with representatives of Office Depot s senior management, PJSC, Simpson Thacher and representatives of Covington & Burling LLP (referred to in this proxy statement/prospectus as Covington), who had been retained as additional outside counsel to the Office Depot board of directors in connection with their consideration of a potential transaction with Staples. During this meeting, Mr. Smith provided the Office Depot board of directors with an update regarding the due diligence process and certain compensation and retention matters.

Also on January 21, 2015, Staples received two term sheets containing proposed terms for the debt financing that would be used to finance the merger and to refinance certain existing indebtedness of Office Depot, one from Barclays and one from Bank of America and MLPFS. After reviewing the terms proposed by each institution, Staples preliminarily selected Barclays to serve as the administrative agent for the term facility and Bank of America to serve as the administrative agent for the ABL facility. On January 26, 2015, counsel to the commitment parties provided an initial draft of the debt commitment letter to WilmerHale. From January 26, 2015 through February 4, 2015, WilmerHale and Staples senior management engaged in negotiations regarding the terms of the debt commitment letter with representatives from Barclays, Bank of America and MLPFS and their counsel.

On January 28, 2015, Messrs. Smith and Sargent telephonically discussed, among other matters, certain matters relating to the communications to be made in connection with the announcement of a potential transaction.

On January 31, 2015, the Office Depot board of directors met at the offices of Simpson Thacher in New York, New York, with representatives of Office Depot s senior management, PJSC, Simpson Thacher, Covington and a representative of Frederic W. Cook, Office Depot s compensation consultant. Simpson Thacher reviewed with the Office Depot board of directors, among other legal matters, the directors fiduciary duties under applicable law in connection with the proposed transaction and discussed the process in connection with the reciprocal legal due diligence investigation, including the results of Office Depot s legal due diligence investigation of Staples. Mr. Hare then reviewed with the Office Depot board of directors the results of the companies financial and business due diligence investigation, including the results of Office Depot s due diligence investigation of Staples businesses. Simpson Thacher then discussed with the Office Depot board of directors its analysis of antitrust matters related to the proposed transaction, including the regulatory approval process and timing considerations. Simpson Thacher also reviewed with the Office Depot board of directors the material terms and provisions of the proposed merger agreement with Staples. As part of their review, the representatives of Simpson Thacher also discussed the issues that were still being negotiated between Staples and Office Depot, including the treatment of Office Depot s equity-based awards in the merger, the proposal that Staples be entitled to expense reimbursement from Office Depot if the Office Depot stockholders voted against the transaction and the amount of the termination fee payable by Office Depot. The representatives of PJSC then discussed with the Office Depot board of directors, among other matters, certain preliminary financial analyses regarding Staples revised January 18, 2015 proposal, including that this proposal implied a per share purchase price of $10.98 based on Staples closing share price of $17.05 on January 30, 2015 and represented a premium of approximately 63.2% to Office Depot s closing share price of $6.73 on December 10, 2014, the last trading day before the Starboard SEC filings disclosing its stakebuilding in Staples and Office Depot. PJSC also noted that, of the implied value of the merger consideration offered by Staples, 66% and 34% would be paid in cash and shares of Staples common stock, respectively, and that the Office Depot stockholders would own approximately 16.2% of the total outstanding Staples common stock upon completion of the proposed transaction. The representatives of PJSC also discussed with the Office Depot board of directors the terms and conditions of Staples proposed financing that was required to finance the acquisition, including that, upon completion of the proposed transaction, Staples would have a substantial amount of indebtedness and that there could be no assurance that Staples could maintain its current credit ratings following completion of the proposed transaction. Michael Allison, executive vice president and chief people officer of Office Depot, provided the Office Depot board of directors with an update regarding certain transaction-related compensation and retention matters and the analysis of Office Depot s compensation consultant of such matters. The representatives of Simpson Thacher and Covington then reviewed and discussed with the Office Depot board of directors the potential adoption of a forum selection bylaw that would designate the Court of Chancery of the State of Delaware as the sole and exclusive forum for certain legal actions, unless Office Depot consented in writing to the selection of an alternative forum. Following discussion, the Office Depot board of directors authorized and instructed Mr. Smith and the other members of Office Depot s senior management to try and resolve, with the assistance of Office Depot s advisors, any remaining outstanding issues and promptly present the Office Depot board of directors with a definitive agreement that was ready for approval.

In the late evening of February 2, 2015, the online edition of The Wall Street Journal reported that Staples and Office Depot were in advanced negotiations regarding a potential business combination transaction. The closing prices per share of Office Depot and Staples on February 2, 2015 prior to this report were $7.63 and $17.14, respectively.

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In the afternoon of February 3, 2015, the Office Depot board of directors met by telephone with representatives of Office Depot s management, PJSC, Simpson Thacher and Covington, during which Mr. Smith provided an update to the Office Depot board of directors regarding the status of the discussions with respect to the proposed transaction, including that the Staples board of directors was going to meet later that evening to consider and formally approve the proposed transaction. The representatives of Simpson Thacher then reviewed with the Office Depot board of directors the final material terms of the proposed merger agreement. Simpson Thacher also reviewed, and Simpson Thacher and the representatives of Covington subsequently discussed, with the Office Depot board of directors the proposed adoption by Office Depot of a forum selection bylaw. Mr. Smith then updated the Office Depot board of directors on certain transaction-related compensation matters, including with respect to certain retention matters, and the various communications to be made in connection with the announcement of the proposed transaction. Representatives of PJSC then reviewed with the Office Depot board of directors their financial analyses of the merger consideration, which included some of the financial analyses previously discussed with the Office Depot board of directors on a preliminary basis at the in-person meeting in New York, New York, on January 31, 2015, and noted that, as of the close of business on February 2, 2015 (the last full trading day before the publication of press reports that Staples and Office Depot were in advanced negotiations regarding a potential business combination transaction), the implied purchase price of the proposed transaction with Staples was $11.00 per share of Office Depot common stock, consisting of 65.9% in cash and 34.1% stock and representing an implied equity value of Office Depot of approximately $6.25 billion and an overall enterprise value of Office Depot of $6.23 billion (the calculation of which included certain contingent obligations and tax-related obligations of Office Depot less certain of Office Depot s key assets, including non-operating investments and tax credits). Following discussion with the Office Depot board of directors, PJSC then rendered its oral opinion, which was subsequently confirmed in writing, that as of such date, and based upon and subject to the various assumptions, considerations, qualifications and limitations set forth in its written opinion, the merger consideration to be received by the holders of Office Depot common stock in connection with the merger was fair from a financial point of view to the holders of Office Depot common stock. For a summary of PJSC s opinion, see Opinion of Office Depot s Financial Advisor on page [ ] of this proxy statement/prospectus. Mr. Smith then provided the Office Depot board of directors with his perspective on the proposed transaction. The Office Depot board of directors discussed the strategic, business and legal considerations relating to the proposed merger, the risks and benefits of the transaction compared to other alternatives available to Office Depot and the terms of the merger agreement and the proposed forum selection bylaw. Following further discussion, the Office Depot board of directors unanimously voted to approve the merger agreement and the transactions contemplated thereby, including the proposed merger, and to adopt the forum selection bylaw and authorized Office Depot s management to take certain actions to complete the transactions contemplated by the merger agreement.

On February 4, 2015, before the opening of trading on The Nasdaq Global Select Market, Staples and Office Depot executed the merger agreement and issued a joint press release announcing the transaction. Concurrently with the execution of the merger agreement, Staples entered into the debt commitment letter with Bank of America, MLPFS and Barclays.

Office Depot s Reasons for the Merger; Recommendation of the Office Depot Board of Directors

The Office Depot board of directors carefully evaluated the merger agreement and the transactions contemplated thereby. The Office Depot board of directors unanimously determined that the merger, the terms of the merger agreement and the other transactions contemplated by the merger agreement were advisable, fair to, and in the best interests of, Office Depot and its stockholders. At a meeting held on February 3, 2015, the Office Depot board of directors unanimously resolved to approve and declare advisable the merger agreement, the merger and the other transactions contemplated by the merger agreement and to recommend to Office Depot stockholders that they vote to adopt the merger agreement.

In the course of reaching its recommendation, the Office Depot board of directors consulted with Office Depot s senior management and PJSC and outside legal counsel and considered a number of substantive factors,

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both positive and negative, and potential benefits and detriments of the merger to Office Depot and its stockholders. The Office Depot board of directors believed that, taken as a whole, the following factors supported its decision to approve the proposed merger:

- *Merger Consideration*. The value of the merger consideration to be received by Office Depot stockholders in relation to (1) the market prices of Office Depot common stock prior to the Office Depot board of directors approval of the merger agreement and prior to the time Office Depot first considered the possibility of a business combination with Staples in August 2014; (2) the Office Depot board of directors assessment, based on the directors and Office Depot management s experience and knowledge of the industry and advice from PJSC, of the value of Office Depot as an independent entity; and (3) the value that could potentially be obtained through other strategic alternatives available to Office Depot.

- *Premium to Trading Price of Office Depot Common Stock*. The fact that the implied value of the merger consideration of $11.00 per share, based on the $17.14 closing price per share of Staples common stock on February 2, 2015, the last full trading day before the publication of press reports that Staples and Office Depot were in advanced negotiations regarding a potential business combination transaction, represented a significant premium over the market prices at which Office Depot common stock had previously traded, including a premium of approximately:

  - 44.2% over the closing price per share of Office Depot common stock on February 2, 2015;

  - 38.4% over the 20-day average closing price per share of Office Depot common stock as of February 2, 2015;

  - 47.0% over the 60-day average closing price per share of Office Depot common stock as of February 2, 2015;

  - 64.8% over the 90-day average closing price per share of Office Depot common stock as of February 2, 2015;

  - 63.5% over the closing price per share of Office Depot common stock on December 10, 2014, the last trading day before the Starboard SEC filings disclosing its stakebuilding in Staples and Office Depot;

  - 67.4% over the 15-day volume weighted average price per share of Office Depot common stock as of December 10, 2014;

  - 114.8% over the closing price per share of Office Depot common stock on August 29, 2014, the last trading day before the date the Credit Suisse report was issued; and

119.1% over the closing price per share of Office Depot common stock on August 1, 2014, the date when the Office Depot board of directors first considered the possibility of a potential business combination transaction with Staples.

Uncertainty of Future Common Stock Market Price. The Office Depot board of directors considered Office Depot s business, assets, financial condition, results of operations, management, competitive position and prospects, as well as current industry, economic and stock and credit market conditions. The Office Depot board of directors also considered Office Depot s financial plan and the initiatives and the potential execution risks associated with such plan. In connection with these considerations, the Office Depot board of directors considered the attendant risk that, if Office Depot did not enter into the merger agreement with Staples, the price that might be received by Office Depot stockholders selling shares of Office Depot common stock in the open market could be less than the merger consideration.

Negotiations with Staples. The benefits that Office Depot and its advisors were able to obtain during its extensive negotiations with Staples, including a significant increase in Staples offer price per share from the beginning of the process to the end of the negotiations. The Office Depot board of directors believed that the consideration reflected in the merger agreement was the best transaction that could be obtained by Office Depot stockholders from Staples at the time, and that there was no assurance that a more favorable opportunity to sell Office Depot would arise later or through any alternative transaction.

Significant Portion of Merger Consideration in Cash. The fact that a large portion of the merger consideration will be paid in cash, giving Office Depot stockholders the opportunity to immediately realize value for a significant portion of their investment and providing certainty of value. The Office Depot board of directors also considered the fact that Office Depot stockholders would be able to reinvest the cash consideration received in the merger in Staples common stock if they desired to do so.

Fixed Stock Portion of Merger Consideration. The fact that because the stock portion of the merger consideration is a fixed number of shares of Staples common stock, Office Depot stockholders will have the opportunity to benefit from any increase in the trading price of shares of Staples common stock between the announcement of the merger agreement and the completion of the merger and that the significant cash portion of the merger consideration will limit the impact of a decline in the trading price of Staples common stock on the aggregate value of the merger consideration.

Balance of Stock and Cash Merger Consideration. The fact that the mixed stock and cash nature of the merger consideration offers Office Depot stockholders a balance of immediate certain value and the opportunity to participate in future earnings and growth of the combined company.

Participation in Potential Upside. The benefits of the combined company that could result from the merger, including the potential to realize significant synergies. The fact that, since a portion of the merger consideration will be paid in Staples common stock, Office Depot stockholders will benefit from an approximately 16.2% pro forma continuing equity ownership in Staples (based on share prices of Office Depot and Staples on February 2, 2015) and have the opportunity to participate in any future earnings or growth of the combined company and future appreciation in the value of Staples common stock following the merger should they determine to retain the Staples common stock payable in the merger.

Expected Cost Synergies. The expectation that the combined company will recognize significant annualized cost synergies following consummation of the proposed transaction, which Office Depot stockholders will benefit from as continuing stockholders of Staples. The Office Depot board of directors also considered that there could be no assurance that any particular amount of such synergies would be achieved following completion of the merger or the time frame in which they would be achieved.

Financial Advisor s Financial Analyses and Opinion. The financial analyses presented by PJSC to the Office Depot board of directors, as well as the oral opinion rendered by PJSC to the Office Depot board of directors on February 3, 2015, which was subsequently confirmed in writing, that as of such date, and based upon and subject to the various assumptions, considerations, qualifications and limitations set forth in its written opinion, the merger consideration to be received by the holders of Office Depot common stock in connection with the merger was fair from a financial point of view to the holders of Office Depot common stock. For a summary of PJSC s opinion, please see Opinion of Office Depot s Financial Advisor beginning on page [ ] of this proxy statement/prospectus.

Regulatory Efforts to Consummate the Merger. The obligation of Staples in the merger agreement (a) to use reasonable best efforts to obtain the required regulatory approvals and clearances and (b) to the extent necessary to avoid any injunction or order by a governmental entity that would prevent closing of the merger, to offer, negotiate and agree to any divestiture or other commitment with respect to assets, businesses or services of Office Depot that (i) with respect to assets, business or services in the United States, generated or were reasonably necessary to service no more than $1.25 billion of Office Depot s revenues in calendar year 2014 and (ii) with respect to assets, business or services outside the United States, would not reasonably be expected to have a material adverse effect on the businesses of Office Depot outside the United States taken as a whole.

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Likelihood of Consummation. The likelihood that the merger would be completed, in light of, among other things, the conditions to the merger, the absence of a financing condition, the efforts required to obtain regulatory approvals, and the provisions of the merger agreement in the event of various breaches by Staples.

Terms of the Merger Agreement. The terms and conditions of the merger agreement, including:

the representations, warranties and covenants of the parties, the conditions to the parties obligations to complete the merger and their ability to terminate the merger agreement;

the provisions of the merger agreement that allow Office Depot to engage in negotiations with, and provide information to, a third party that makes an unsolicited written bona fide proposal relating to an alternative transaction, if the Office Depot board of directors has determined in good faith, after consultation with its outside legal counsel and financial advisors, that such proposal constitutes or could reasonably be expected to result in a transaction that is superior to the proposed transaction with Staples;

the provisions of the merger agreement that allow the Office Depot board of directors to change its recommendation in favor of the adoption of the merger agreement in response to a superior proposal and/or terminate the merger agreement in order to accept a superior proposal if the Office Depot board of directors has determined in good faith, after consultation with its outside legal counsel and financial advisors, that failure to take such action would reasonably be expected to be inconsistent with the directors fiduciary duties, subject to certain conditions (including taking into account any modifications to the terms of the transactions that are proposed by Staples and, in connection with the termination of the merger agreement, payment to Staples of a $185 million termination fee);

the provisions of the merger agreement that allow the Office Depot board of directors to change its recommendation in favor of the adoption of the merger agreement (other than in response to the receipt of a written unsolicited bona fide proposal relating to an alternative transaction, which is subject to the preceding sub-bullet above) if the Office Depot board of directors has determined in good faith, after consultation with its outside legal counsel, that failure to take such action would be inconsistent with its directors fiduciary duties, subject to certain conditions (including taking into account any modifications to the terms of the transactions that are proposed by Staples);

the belief of the Office Depot board of directors that the termination fee provisions were not likely to unduly discourage competing third-party proposals or reduce the price of such proposals, that such provisions are customary for transactions of this size and type, and that the $185 million termination fee, representing approximately 2.96% of the equity value implied by the proposed transaction, was reasonable in the context of comparable transactions;

the ability of Office Depot to specifically enforce the terms of the merger agreement; and the fact that, if either Office Depot or Staples terminated the merger agreement as a result of a failure to obtain regulatory approvals (subject, in certain circumstances, to the satisfaction of other closing conditions), Staples would be obligated to pay Office Depot a $250 million termination fee.

Strategic Alternatives. The Office Depot board of directors, with the assistance of PJSC, considered the strategic, business and legal considerations relating to a potential transaction with Staples and the risks and benefits of a potential transaction compared to other potential strategic alternatives and concluded that while each of such other potential alternatives had a variety of qualitative factors that could make it attractive or cause concerns, a potential transaction with Staples would likely deliver value to Office Depot stockholders that was higher than the values that could be achieved for Office Depot stockholders in other potential strategic alternatives.

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Absence of Competing Offers. The Office Depot board of directors noted that, although there had been speculation in press and analyst reports following the Credit Suisse report and the Starboard SEC filings disclosing its stakebuilding in Staples and Office Depot, Office Depot had not received any inquiries concerning alternative transactions. The Office Depot board of directors also believed that the benefits of soliciting interest from other potential parties were outweighed by the risk that such solicitation could jeopardize or, at a minimum, delay the proposed transaction with Staples. The Office Depot board of directors also observed that, in the event that any third party were to seek to make such proposal, Office Depot retained the ability to consider unsolicited proposals after the execution of the merger agreement until the meeting of the Office Depot stockholders to vote on the merger and to enter into an agreement with respect to an acquisition proposal under certain circumstances (concurrently with terminating the merger agreement and paying a $185 million termination fee to Staples).

Staples Business and Reputation. The results of the due diligence investigation that Office Depot s senior management conducted with the assistance of its advisors on Staples with respect to certain matters and Staples business reputation and capabilities of Staples and its management.

Financing Strength of Staples. The likelihood that Staples would be able to finance the merger given Staples financial resources, financial profile and the financing commitments that it obtained from Bank of America, N.A., Merrill Lynch, Pierce, Fenner & Smith Incorporated and Barclays Bank PLC.

Availability of Appraisal Rights. The fact that appraisal rights would be available to holders of Office Depot common stock under Delaware law and that there was no condition in the merger agreement relating to the number of shares of Office Depot common stock that could dissent from the merger.

Stockholders Ability to Reject the Merger. The Office Depot board of directors considered the fact that the merger is subject to approval by Office Depot stockholders, who would be free to reject the merger.

The Office Depot board of directors also considered certain potentially negative factors in its deliberations concerning the merger, including the following:

Fixed Stock Portion of Merger Consideration. The fact that because the stock portion of the merger consideration is a fixed exchange ratio of shares of Staples common stock to Office Depot common stock, Office Depot stockholders could be adversely affected by a decrease in the trading price of Staples common stock during the pendency of the merger, and the fact that the merger agreement does not provide Office Depot with a price-based termination right or other similar protection. The Office Depot board of directors determined that this structure was appropriate and the risk acceptable in view of factors such as:

- the Office Depot board of directors review of the relative intrinsic values and financial performance of Staples and Office Depot; and the fact that a substantial portion of the merger consideration will be paid in a fixed cash amount which limits the impact of a decline in the trading price of Staples common stock on the value of the merger consideration.

Possible Failure to Achieve Synergies. The risk that the potential benefits and synergies sought in the merger will not be realized or will not be realized within the expected time period, and the risk associated with the integration by Staples of Office Depot.

Smaller Ongoing Equity Participation in the Combined Company by Office Depot Stockholders. The fact that because only a limited portion of the merger consideration will be in the form of Staples common stock, Office Depot stockholders will have a smaller ongoing equity participation in the combined company (and, as a result, a smaller opportunity to participate in any future earnings or growth of the combined company and future appreciation in the value of Staples common stock following the merger) than they have in Office Depot. The Office Depot board of directors considered, however, that Office Depot stockholders would be able to reinvest the cash received in the merger in Staples common stock if they desired to do so.

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Substantial Indebtedness of the Combined Company. The substantial amount of indebtedness that the combined company is expected to have upon completion of the merger compared to the current level of indebtedness of Staples, which may negatively impact the combined company s credit ratings as compared to Staples current credit ratings.

Regulatory Risk. The risk that necessary regulatory approvals may be delayed, conditioned or denied.

Terms of Staples Financing Commitments. The fact that the financing commitment letters obtained by Staples contain closing conditions similar to those found in the merger agreement, including (1) the absence of a material adverse effect on Staples, and (2) the absence of a material adverse effect on Office Depot.

Risk of Non-Completion. The possibility that the merger might not be completed, including as a result of the failure to obtain regulatory approvals or the failure of Office Depot stockholders to adopt the merger agreement, and the effect the resulting public announcement of the termination of the merger agreement may have on:

- the trading price of Office Depot s common stock; and
- Office Depot s business and operating results, particularly in light of the costs incurred in connection with the transaction.

Possible Deterrence of Competing Offers. The risk that various provisions of the merger agreement, including the requirement that Office Depot must pay to Staples a termination fee of $185 million if the merger agreement is terminated under certain circumstances, may discourage other parties potentially interested in an acquisition of, or combination with, Office Depot from pursuing that opportunity.

Possible Disruption of the Business and Costs and Expenses. The possible disruption to Office Depot s business that may result from the merger, including with respect to the ongoing integration of the businesses of Office Depot and OfficeMax, the resulting distraction of Office Depot s management and potential attrition of Office Depot s employees, as well as the costs and expenses associated with completing the merger.

Restrictions on Operation of Office Depot s Business. The requirement that Office Depot conduct its business in all material respects in the ordinary course prior to completion of the merger and subject to specified restrictions unless Staples provides its prior written consent (which consent, subject to certain specified exceptions, may not be unreasonably withheld, delayed or conditioned), which might delay or prevent Office Depot from undertaking certain business opportunities that might arise pending completion of the merger.

Merger Consideration Taxable. The fact that any gains arising from the receipt of the merger consideration would be taxable to Office Depot stockholders for U.S. federal income tax purposes.

Other Risks. The risks described under Risk Factors beginning on page [ ] of this proxy statement/prospectus. The Office Depot board of directors concluded that the potentially negative factors associated with the proposed merger were significantly outweighed by the potential benefits that it expected the Office Depot stockholders would achieve as a result of the merger, including the belief of the Office Depot board of directors that the proposed merger would maximize the immediate value of Office Depot stockholders shares and minimize the risks and uncertainty affecting the future prospects of Office Depot, including the potential execution risks associated with its stand-alone financial plan. Accordingly, the Office Depot board of directors determined that the merger agreement and the transactions contemplated thereby, including the merger, are advisable, fair to, and in the best interests of, Office Depot and Office Depot stockholders.

In addition, the Office Depot board of directors was aware of and considered the interests that Office Depot s directors and executive officers may have with respect to the merger that differ from, or are in addition to, their interests as stockholders of Office Depot generally, as described under Interests of Office Depot s Directors and Executive Officers in the Merger beginning on page [ ] of this proxy statement/prospectus.

The foregoing discussion of the information and factors considered by the Office Depot board of directors is not exhaustive, but Office Depot believes it includes all the material factors considered by the Office Depot board of directors. In view of the wide variety of factors considered in connection with its evaluation of the merger and the complexity of these matters, the Office Depot board of directors did not consider it practicable to, and did not attempt to, quantify or otherwise assign relative or specific weight or values to any of these factors. Rather, the Office Depot board of directors viewed its position and recommendation as being based on an overall analysis and on the totality of the information presented to and factors considered by it. In addition, in considering the factors described above, individual directors may have given different weights to different factors. After considering this information, the Office Depot board of directors approved the merger agreement and the transactions contemplated thereby, including the proposed merger, and recommended that Office Depot stockholders adopt the merger agreement.

This explanation of Office Depot s reasons for the merger and other information presented in this section is forward-looking in nature and, therefore, should be read in light of the factors described under Cautionary Statements Regarding Forward-Looking Statements beginning on page [ ] of this proxy statement/prospectus.

THE OFFICE DEPOT BOARD OF DIRECTORS RECOMMENDS THAT OFFICE DEPOT STOCKHOLDERS VOTE FOR THE ADOPTION OF THE MERGER AGREEMENT.

Staples Reasons for the Merger

At a meeting held on February 3, 2015, after due consideration and consultation with Staples management and its legal and financial advisors, the Staples board of directors unanimously resolved to approve entry into the merger agreement. In doing so, the Staples board of directors considered a number of substantive factors, both positive and negative, and potential benefits and detriments of the merger to Staples and its stockholders. In making its determination, the Staples board of directors focused on the following material factors:

- *Strategic Rationale*. The Staples board of directors considered that the combination of Staples and Office Depot was expected to create a combined company better positioned to provide more value to customers and compete against a large and diverse set of competitors. In particular, the Staples board of directors expected the combined company to benefit from:

  - significant annualized cost synergies following consummation of the merger;

  - the opportunity to realize operational efficiencies and cost savings to accelerate Staples strategic reinvention;

  - the ability to optimize its retail footprint, minimize redundancy and reduce costs; and the expectation that the transaction would be accretive to earnings per share in the first year post-closing after excluding one-time integration and restructuring costs and purchase accounting adjustments.

Additional Considerations. In the course of reaching its decision to approve the merger agreement, the Staples board of directors considered the following additional factors as generally supporting its decision:

the per share merger consideration, the fact that the stock portion of the per share merger consideration is fixed, and the resulting percentage ownership interest that current Office Depot stockholders would have in Staples following the merger;

the terms and conditions of the merger agreement, including the conditions to the completion of the merger; the circumstances under which the merger agreement could be terminated and the impact of such a termination; and the potential payment by Office Depot of a termination fee of $185 million;

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historical information concerning Staples and Office Depot s respective businesses, financial condition, results of operations, earnings, managements and prospects on a stand-alone basis and forecasted combined basis;

current financial market conditions;

availability of financing for the cash portion of the purchase price, including a financing commitment for a senior secured term loan facility in an aggregate principal amount of $2.75 billion and an asset based revolving credit facility in an aggregate principal amount of up to $3 billion;

the current and prospective business environment in which Staples and Office Depot operate, including international, national and local economic conditions, the competitive and regulatory environment, and the likely effect of these factors on Staples and the combined company;

Staples growing and diverse set of competitors, including other office supplies distributors, wholesalers, networks of regional suppliers, managed print service companies, contract stationers, electronic commerce distributors, regional and local dealers, direct manufacturers of the products Staples distributes, companies from adjacent categories, such as maintenance, repair and operation providers, that have expanded into office supplies, mass merchants such as Walmart, Target and Tesco, warehouse clubs such as Costco and Sam s Club, computer and electronic retail stores such as Best Buy, specialty technology stores such as Apple, copy and print businesses such as FedEx Office, and a wide range of other retailers;

the impact of the merger on the customers and employees of Staples; and

the likelihood that the merger would be completed, in light of, among other things, the conditions to the merger, the efforts required to obtain regulatory approvals, and the provisions of the merger agreement in the event of various breaches by Office Depot.

The Staples board of directors also considered the following potentially negative factors in its deliberations concerning the merger agreement:

the risk that, because the stock consideration under the merger agreement would not be adjusted for changes in the market price of Staples common stock, the value of the per share merger consideration to be paid to holders of shares of Office Depot common stock upon the consummation of the merger could be significantly more than the value of the per share merger consideration immediately prior to the announcement of the proposed merger;

the risk that the merger might not receive all necessary regulatory approvals, or that any governmental authority could attempt to condition their approval of the merger on the companies compliance with certain conditions, including the divestiture of assets, and the fact that under certain circumstances, termination of the merger agreement for reasons relating to the failure to obtain certain regulatory approvals may require Staples to pay Office Depot a regulatory fee of $250 million;

the difficulties and management challenges inherent in completing the merger and integrating the businesses, operations and workforce of Office Depot with those of Staples;

the inherent possibility of encountering difficulties in achieving expected cost savings;

the risk that Office Depot s future financial performance may not meet Staples expectations;

the risk that Staples potential lower cash balance and increased indebtedness resulting from the financing for the merger could adversely affect Staples business, increase Staples vulnerability to sustained, adverse macroeconomic weakness and limit Staples ability to obtain further financing and pursue operational and strategic opportunities;

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the fact that Staples has incurred and will continue to incur significant transaction costs and expenses in connection with the proposed transaction, regardless of whether the merger is completed;

the inherent risk that the potential benefits and synergies sought in the merger will not be realized or will not be realized within the expected time period;

the adverse impact that business uncertainty pending the effective time of the merger could have on Staples ability to attract, retain and motivate key personnel until the effective time of the merger;

the possibility that business uncertainty pending the effective time of the merger will negatively affect Staples ability to win new commercial customers and prevent customer losses to competitors; and

the risks described under Risk Factors beginning on page [ ] of this proxy statement/prospectus.

The foregoing discussion of the information and factors considered by the Staples board of directors is not intended to be exhaustive, but rather is meant to include all of the material factors that the Staples board of directors considered. In view of the wide variety of factors considered in connection with its evaluation of the merger and the complexity of these matters, the Staples board of directors did not consider it practicable to, and did not attempt to, quantify or otherwise assign relative or specific weight or values to any of these factors. Rather, the Staples board of directors based its approval on an overall analysis and on the totality of the information presented to and factors considered by it. In addition, in considering the factors described above, individual directors may have given different weights to different factors.

This explanation of Staples reasons for the merger and other information presented in this section is forward-looking in nature and, therefore, should be read in light of the factors described under Cautionary Statements Regarding Forward-Looking Statements beginning on page [ ] of this proxy statement/prospectus.

Certain Financial Projections Utilized by the Office Depot Board of Directors and Office Depot s Financial Advisor

The unaudited financial projections referred to in this section of the proxy statement/prospectus were prepared solely for internal use by Office Depot, PJSC and Staples, as the case may be, and not with a view toward public disclosure or with a view toward complying with the guidelines established by the American Institute of Certified Public Accountants for preparation and presentation of prospective financial data or published guidelines of the SEC regarding forward-looking statements and the use of non-GAAP measures. In the view of Office Depot management and Staples management, the forecasts prepared by them were prepared on a reasonable basis based on the best information available to Office Depot management or Staples management, as applicable, at the time of their preparation. The unaudited financial projections, however, are not fact and should not be relied upon as being necessarily indicative of future results, and readers of this proxy statement/prospectus are cautioned not to place undue reliance on this information.

All of the unaudited financial projections summarized in this section of the proxy statement/prospectus were prepared by and are the responsibility of the management of Office Depot and Staples. No independent registered public accounting firm has examined, compiled or otherwise performed any procedures with respect to these projections and, accordingly, no independent registered public accounting firm has expressed any opinion or given any other form of assurance with respect thereto and no independent registered public accounting firm assumes any responsibility for, and any such independent registered public accounting firm disclaims any association with, the prospective financial information. The reports of the independent registered public accounting firms, Ernst & Young LLP and Deloitte & Touche LLP, incorporated by reference into this proxy statement/prospectus relate to the historical financial information of Staples and Office Depot, respectively. Such reports do not extend to the unaudited financial projections and should not be read to do so.

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Financial Projections Related to Office Depot

Office Depot does not, as a matter of course, publicly disclose forecasts or internal projections as to future performance, earnings or other results due to the unpredictability of the underlying assumptions and estimates. In connection with the discussions regarding the proposed merger, Office Depot management prepared, however, certain unaudited financial projections regarding Office Depot s forecasted operating results for fiscal years 2014 through 2018 (referred to in this proxy statement/prospectus as the Office Depot management case). Office Depot provided the Office Depot management case to the Office Depot board of directors, PJSC and Staples.

Office Depot management also prepared unaudited financial projections regarding Office Depot s forecasted operating results for fiscal years 2014 through 2018 to reflect the potential impact on its capital structure and cash flows if the projected results in the Office Depot management case were lower than anticipated due to macroeconomic and other conditions affecting Office Depot s business (referred to in this proxy statement/prospectus as the Office Depot management sensitivity case). As such, the Office Depot management sensitivity case reflects revenue growth and margin expansion that were assumed to be lower than in the Office Depot management case. Office Depot management provided the Office Depot management sensitivity case to the Office Depot board of directors and PJSC. The Office Depot management sensitivity case was not made available to Staples.

The inclusion of any financial projections or assumptions in this proxy statement/prospectus should not be regarded as an indication that Office Depot or its board of directors considered, or now considers, these projections to be a reliable predictor of future results. You should not place undue reliance on the unaudited financial projections contained in this proxy statement/prospectus. Please read carefully Important Information About the Unaudited Financial Projections beginning on page [ ] of this proxy statement/prospectus.

Office Depot uses a variety of financial measures that are not in accordance with GAAP, including those shown in the tables below (other than net sales), as supplemental measures to evaluate its operational performance. While Office Depot believes that these non-GAAP financial measures provide useful supplemental information, there are limitations associated with the use of these non-GAAP financial measures. These non-GAAP financial measures are not prepared in accordance with GAAP, are not reported by all of Office Depot s competitors and may not be directly comparable to similarly titled measures of Office Depot s competitors due to potential differences in the exact method of calculation.

The financial projections included in the Office Depot management case and the Office Depot management sensitivity case include EBIT, which is defined as net earnings (loss), plus (a) interest expense and taxes, and (b) charges or credits associated with impairments and restructuring activities that are not considered part of core operations. The Office Depot management case and the Office Depot management sensitivity case also include EBITDA, which is defined as net earnings (loss), plus (a) interest expense and taxes, (b) depreciation and amortization expenses, and (c) charges or credits associated with impairments and restructuring activities that are not considered part of core operations.

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The following tables summarize the Office Depot management case and the Office Depot management sensitivity case prepared by Office Depot as described above, as used by the Office Depot board of directors for purposes of its consideration of the merger and considered by PJSC in connection with its financial analyses:

Office Depot Management Case

(*Amounts in millions, except per share amounts*)	**Year ended December 27, 2014**	**Year ended December 26, 2015**	**Year ended December 31, 2016**	**Year ended December 30, 2017**	**Year ended December 29, 2018**
Net Sales	$ 15,941	$ 15,408	$ 15,420	$ 15,441	$ 15,568
EBITDA	$ 604	$ 825	$ 1,008	$ 1,061	$ 1,073
EBIT	$ 291	$ 545	$ 732	$ 796	$ 821
EPS(1)	$ 0.24	$ 0.40	$ 0.57	$ 0.72	$ 0.74

(1) EPS refers to the most dilutive earnings per share of Office Depot common stock, adjusted for charges or credits not indicative of Office Depot s core operations and the related income tax impact.

Office Depot Management Sensitivity Case

(*Amounts in millions, except per share amounts*)	**Year ended December 27, 2014**	**Year ended December 26, 2015**	**Year ended December 31, 2016**	**Year ended December 30, 2017**	**Year ended December 29, 2018**
Net Sales	$ 15,941	$ 15,155	$ 14,667	$ 14,491	$ 14,357
EBITDA	$ 604	$ 751	$ 812	$ 788	$ 723
EBIT	$ 291	$ 476	$ 550	$ 539	$ 491
EPS(1)	$ 0.24	$ 0.35	$ 0.42	$ 0.47	$ 0.42

(1) EPS refers to the most dilutive earnings per share of Office Depot common stock, adjusted for charges or credits not indicative of Office Depot s core operations and the related income tax impact.

Financial Projections Related to Staples

Staples does not, as a matter of course, publicly disclose forecasts or internal projections as to future performance, earnings or other results due to the unpredictability of the underlying assumptions and estimates. However, in connection with the discussions regarding the proposed merger, Staples provided to Office Depot certain unaudited financial projections regarding Staples forecasted operating results for fiscal years 2014 through 2019 (referred to in this proxy statement/prospectus as the Staples case), which each end on the Saturday closest to January 31 in the following year. Based on the Staples case, Office Depot management derived certain non-GAAP financial measures and other financial data, in each case, projected for fiscal years 2014 through 2018 (referred to in this proxy statement/prospectus as the Staples base case). Office Depot provided the Staples base case to the Office Depot board of directors and PJSC. The Staples base case derived by Office Depot was not made available to Staples or Barclays.

Based on the Staples case and the Staples base case, Office Depot management also prepared certain unaudited financial projections regarding Staples forecasted operating results for fiscal years 2014 through 2018 to reflect the potential impact on Staples capital structure and cash flows if the projected results in the Staples base case were lower than anticipated assuming similar macroeconomic and other conditions that Office Depot management assumed for purposes of preparing the Office Depot management sensitivity case affected Staples (referred to in this proxy statement/prospectus as the Staples sensitivity case). As such, the Staples sensitivity case reflects revenue growth and margin expansion that were assumed to be lower than in the Staples base case. Office Depot management provided the Staples sensitivity case to the Office Depot board of directors and PJSC. The Staples sensitivity case was not made available to Staples or Barclays.

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The inclusion of any financial projections or assumptions in this proxy statement/prospectus should not be regarded as an indication that Staples, Office Depot or its board of directors considered, or now considers, these projections to be a reliable predictor of future results. You should not place undue reliance on the unaudited financial projections contained in this proxy statement/prospectus. Please read carefully Important Information About the Unaudited Financial Projections beginning on page [ ] of this proxy statement/prospectus.

Office Depot uses a variety of financial measures that are not in accordance with GAAP, including those shown in the tables below (other than net sales), as supplemental measures to evaluate operational performance, including for purposes of the Staples base case and the Staples sensitivity case. While Office Depot believes that these non-GAAP financial measures provide useful supplemental information, there are limitations associated with the use of these non-GAAP financial measures. These non-GAAP financial measures are not prepared in accordance with GAAP, are not reported by all of Office Depot s or Staples competitors and may not be directly comparable to similarly titled measures of Office Depot s or Staples competitors due to potential differences in the exact method of calculation.

The financial projections included in the Staples base case and the Staples sensitivity case include EBIT, which is defined as net earnings (loss), plus (a) interest expense and taxes, and (b) charges or credits associated with impairments and restructuring activities that are not considered part of core operations. The Staples base case and the Staples sensitivity case also include EBITDA, which is defined as net earnings (loss), plus (a) interest expense and taxes, (b) depreciation and amortization expenses, and (c) charges or credits associated with impairments and restructuring activities that are not considered part of core operations.

The following tables summarize the Staples base case and the Staples sensitivity case derived or prepared by Office Depot as described above, as used by the Office Depot board of directors for purposes of its consideration of the merger and considered by PJSC in connection with its financial analyses:

Staples Base Case

(Amounts in millions, except per share amounts)	**Year ended January 31, 2015**	**Year ended January 30, 2016**	**Year ended January 28, 2017**	**Year ended February 3, 2018**	**Year ended February 2, 2019**
Net Sales	$ 22,594	$ 22,691	$ 23,174	$ 24,111	$ 25,098
EBITDA	$ 1,432	$ 1,479	$ 1,561	$ 1,612	$ 1,649
EBIT	$ 954	$ 977	$ 1,053	$ 1,107	$ 1,138
EPS(1)	$ 0.96	$ 0.96	$ 1.04	$ 1.10	$ 1.13

(1) EPS refers to the dilutive earnings per share of Staples common stock, adjusted for charges or credits that are not believed to be indicative of Staples core operations.

Staples Sensitivity Case

(Amounts in millions, except per share amounts)	**Year ended January 31,**	**Year ended January 30,**	**Year ended January 28,**	**Year ended February 3,**	**Year ended February 2,**

	2015	2016	2017	2018	2019
Net Sales	$ 22,594	$ 22,178	$ 21,940	$ 21,940	$ 21,940
EBITDA	$ 1,432	$ 1,401	$ 1,389	$ 1,389	$ 1,389
EBIT	$ 954	$ 949	$ 959	$ 959	$ 959
EPS[(1)]	$ 0.96	$ 0.93	$ 0.94	$ 0.95	$ 0.95

(1) EPS refers to the dilutive earnings per share of Staples common stock, adjusted for charges or credits that are not believed to be indicative of Staples core operations.

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Important Information About the Unaudited Financial Projections

While the unaudited financial projections summarized above in the sections titled Certain Financial Projections Utilized by the Office Depot Board of Directors and Office Depot s Financial Advisor were prepared in good faith and based on information available at the time of preparation, no assurance can be made regarding future events. The estimates and assumptions underlying the unaudited financial projections involve judgments with respect to, among other things, future economic, competitive, regulatory and financial market conditions and future business decisions that may not be realized and that are inherently subject to significant business, economic, competitive and regulatory uncertainties and contingencies, including, among others, risks and uncertainties described under Risk Factors and Cautionary Statements Regarding Forward-Looking Statements beginning on pages [ ] and [ ], respectively, of this proxy statement/prospectus all of which are difficult to predict and many of which are beyond the control of Office Depot and Staples, respectively, and will be beyond the control of the combined company. There can be no assurance that the underlying assumptions will prove to be accurate or that the projected results will be realized, and actual results will likely differ, and may differ materially, from those reflected in the unaudited financial projections, whether or not the merger is completed. As a result, the unaudited financial projections cannot be considered a reliable predictor of future operating results, and this information should not be relied on as such.

The inclusion of the financial projections in this proxy statement/prospectus should not be regarded as an indication that Office Depot, Staples or PJSC or anyone who received the financial projections then considered, or now considers, the financial projections to be material information of Office Depot or Staples or a reliable prediction of future events, and the financial projections should not be relied upon as such.

Because the financial projections were developed by Office Depot and Staples on a standalone basis without giving effect to the merger, the financial projections do not give effect to the merger or any changes in Office Depot s or Staples operations or strategy that may be implemented following completion of the merger, including any potential cost synergies realized as a result of the merger, or to any costs related to or that may arise in connection with the merger.

By including in this proxy statement/prospectus a summary of certain of the unaudited financial projections regarding the operating results of Office Depot and Staples, neither Office Depot, Staples nor any of their respective representatives has made or makes any representation to any person regarding the ultimate performance of Office Depot or Staples compared to the information contained in the financial projections or that forecasted results will be achieved. Office Depot and Staples have not made representations to each other, in the merger agreement or otherwise, concerning the financial projections. The unaudited financial projections cover multiple years and such information by its nature becomes less predictive with each succeeding year. Neither Office Depot, Staples nor, following completion of the merger, the combined company undertakes any obligation, except as required by law, to update or otherwise revise or reconcile the unaudited financial projections contained in this proxy statement/prospectus to reflect circumstances existing since their preparation or to reflect the occurrence of future or unanticipated events or to reflect changes in general economic or industry conditions, even in the event that any or all of the underlying assumptions are shown to be in error. Neither Office Depot nor Staples intends to make any update or other revision to the financial projections publicly available, except as required by law.

The summaries of the unaudited financial projections are included because they were provided to the Office Depot board of directors and to PJSC; they are not included in this proxy statement/prospectus in order to induce any Office Depot stockholder to vote in favor of the proposal to adopt the merger agreement or any of the other proposals to be voted on at the Office Depot annual meeting of stockholders.

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Opinion of Office Depot s Financial Advisor

Office Depot retained PJSC to provide it with financial advisory services in connection with the merger. PJSC is an internationally recognized investment banking firm which is regularly engaged in the valuation of businesses and securities in connection with mergers and acquisitions. Office Depot selected PJSC to act as its financial advisor in connection with the merger on the basis of PJSC s experience in transactions of this type, its reputation in the investment community and its familiarity with Office Depot and its business.

At the meeting of the Office Depot board of directors on February 3, 2015, PJSC rendered its oral opinion, subsequently confirmed in writing, that as of such date, and based upon and subject to the various assumptions, considerations, qualifications and limitations set forth in its written opinion, the merger consideration to be received by the holders of Office Depot common stock in connection with the merger was fair from a financial point of view to the holders of Office Depot common stock.

The full text of the written opinion of PJSC, dated February 3, 2015, which sets forth the assumptions made, procedures followed, matters considered, limitations on and scope of the review undertaken by PJSC in rendering PJSC s opinion, is attached to this proxy statement/prospectus as Annex B and incorporated by reference into this section of the proxy statement/prospectus. PJSC s opinion was directed only to the fairness of the merger consideration to be received by the holders of Office Depot common stock in connection with the merger from a financial point of view, was provided to the Office Depot board of directors in connection with its evaluation of the merger, did not address any other aspect or implication of the merger or any other agreement, arrangement or understanding entered into in connection with the merger, and did not, and does not, constitute a recommendation to any holder of Office Depot common stock as to how any such holder should vote on the merger or act on any matter relating to the merger. The summary of PJSC s opinion set forth in this proxy statement/prospectus is qualified in its entirety by reference to the full text of such opinion. Holders of Office Depot common stock are urged to read PJSC s opinion carefully and in its entirety. PJSC has consented to the use of PJSC s opinion in this proxy statement/prospectus.

For the purposes of its opinion, PJSC:

reviewed certain publicly available financial statements and other information of Staples and Office Depot, respectively;

reviewed certain internal financial statements and other financial and operating data concerning Staples and Office Depot prepared and provided to PJSC by the management of Staples and Office Depot, respectively;

reviewed certain financial projections for Staples and Office Depot, notably under two alternative business scenarios, one which reflects revenue growth and profitability which was prepared and provided to PJSC by the management of Staples and Office Depot, respectively (referred to in this proxy statement/prospectus as the management case), and one which reflects lower revenue growth and profitability prepared and provided to PJSC by the management of Office Depot (referred to in this proxy statement/prospectus as the sensitivity case), and reviewed estimates of certain potential benefits of the proposed business combination prepared and provided to PJSC by the management of Office Depot (together with the management case and the sensitivity case referred to in this proxy statement/prospectus as the projections);

discussed the past and current operations, financial condition and prospects of Staples and Office Depot with management of Staples and Office Depot, respectively;

reviewed the reported prices and trading activity of Staples common stock and Office Depot common stock;

compared the financial performance and condition of Staples and Office Depot and the reported prices and trading activity of Staples common stock and Office Depot common stock with that of certain other publicly traded companies that PJSC deemed relevant;

reviewed publicly available information regarding the financial terms of certain transactions that PJSC deemed relevant, in whole or in part, to the merger;

participated in certain discussions among management and other representatives of each of Staples and Office Depot;

reviewed the merger agreement described above and certain related financing documents; and

performed such other analyses as PJSC has deemed appropriate.

For purposes of its opinion, PJSC assumed and relied upon the accuracy and completeness of the information reviewed by PJSC for the purposes of this opinion and PJSC did not assume any responsibility for independent verification of such information and relied on such information being complete and correct. PJSC relied on assurances of the management of Office Depot and Staples that they were not aware of any facts or circumstances that would make such information provided by such party inaccurate or misleading in any respect material to PJSC s opinion. PJSC assumed that the projections, including the estimates made by Office Depot s management of certain potential benefits of the proposed business combination, were reasonably prepared on bases reflecting the best currently available estimates and judgments of the future financial performance of Staples and Office Depot, respectively. PJSC did not conduct a physical inspection of the facilities or property of Staples or Office Depot. PJSC did not assume any responsibility for any independent valuation or appraisal of the assets or liabilities of Staples or Office Depot, nor was PJSC furnished with any such valuation or appraisal. Furthermore, PJSC did not consider any tax, accounting or legal effects of the merger or the transaction structure on any person or entity.

PJSC assumed that the final form of the merger agreement would be substantially the same as the last draft dated February 3, 2015 reviewed by PJSC and would not vary in any respect material to its analysis. PJSC also assumed that the merger will be consummated in accordance with the terms of the merger agreement, without waiver, modification or amendment of any material term, condition or agreement (including, without limitation, the merger consideration proposed to be received by the holders of Office Depot common stock in connection with the merger), and that, in the course of obtaining the necessary regulatory or third party approvals, consents and releases for the merger, no delay, limitation, restriction or condition will be imposed that would have an adverse effect material to its analysis on Staples or Office Depot or the contemplated benefits of the merger. PJSC has further assumed that all representations and warranties set forth in the merger agreement are and will be true and correct as of all the dates made or deemed made and that all parties to the merger agreement will comply with all covenants of such parties under the merger agreement.

PJSC s opinion was necessarily based on economic, market and other conditions as in effect on, and the information made available to it as of, February 2, 2015. In particular, PJSC did not express any opinion as to the prices at which shares of either Staples common stock or Office Depot common stock may trade at any future time. Furthermore, PJSC s opinion did not address Office Depot s underlying business decision to undertake the merger, and PJSC s opinion did not address the relative merits of the merger as compared to any alternative transactions that might be available to Office Depot. PJSC s opinion did not address any other aspect or implication of the merger or any other agreement, arrangement or understanding entered into in connection with the merger or otherwise except as expressly identified in PJSC s opinion.

No limitations were imposed by the Office Depot board of directors upon PJSC with respect to investigations made or procedures followed by PJSC in rendering PJSC s opinion.

The following summarizes the significant financial analyses performed by PJSC and reviewed with the Office Depot board of directors on February 3, 2015 in connection with the delivery of PJSC s opinion. The

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order of the financial analyses does not represent relative importance or weight given to those analyses by PJSC. The financial analyses summarized below include information presented in tabular format. In order to fully understand PJSC s financial analyses, the tables must be read together with the text of each summary. The tables alone do not constitute a complete description of the financial analyses. Considering the data in the tables below without considering the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of PJSC s financial analyses.

For purposes of its analyses, PJSC included certain net liabilities, as estimated by PJSC, in Office Depot s enterprise value. These net liabilities include certain contingent obligations and tax-related obligations less certain key assets, including non-operating investments and tax credits.

Furthermore, PJSC assumed for purposes of its analyses that the merger consideration represented $11.00 in value per share of Office Depot common stock, based on the closing price per share of Staples common stock of $17.14 on the Nasdaq Global Select Market on February 2, 2015, the last trading day prior to the date PJSC rendered its opinion.

Historical Stock Trading

PJSC reviewed historical data with regard to the closing prices of shares of Office Depot common stock and Staples common stock for the 52-week period to and including February 2, 2015. During this period, the closing price of shares of Office Depot common stock and Staples common stock ranged from a low of $3.94 to a high of $8.84 per share, and a low of $10.75 to a high of $18.12 per share, respectively. PJSC noted that (i) the Office Depot closing price on February 2, 2015 was $7.63 per share, (ii) the merger consideration represented $11.00 in value per share of Office Depot common stock based on the Staples closing price on February 2, 2015 of $17.14 per share and (iii) the closing price per share of Staples common stock was $14.82 on December 10, 2014, the last trading day prior to the Starboard SEC filings disclosing its stakebuilding in Staples and Office Depot.

Equity Research Analyst Price Targets

PJSC reviewed selected public market trading price targets for Office Depot common stock prepared and published by ten Wall Street research analysts that published or confirmed price targets as of February 2, 2015. PJSC reviewed the most recent 12-month price target published by each analyst. These targets reflect each analyst s estimate of the public market trading price of Office Depot common stock within 12 months from the time the price target was published. At February 2, 2015, the range of selected equity analyst price targets for Office Depot common stock was from $6.00 to $11.00 per share. PJSC noted that the Office Depot closing price on February 2, 2015 was $7.63 per share and the merger consideration represented $11.00 in value per share of Office Depot common stock based on the Staples closing price on February 2, 2015 of $17.14 per share.

PJSC reviewed selected public market trading price targets for Staples common stock prepared and published by eleven Wall Street research analysts that published or confirmed price targets as of February 2, 2015. PJSC reviewed the most recent 12-month price target published by each analyst. These targets reflect each analyst s estimate of the future public market trading price of Staples common stock within 12 months from the time the price target was published. At February 2, 2015, the range of nine of the eleven selected equity analyst price targets for Staples common stock was from $12.00 to $15.00 per share. The remaining two selected equity analyst price targets were $18 and $21, which price targets were significantly higher than the other nine. PJSC noted that the Staples closing price on February 2, 2015 was $17.14 per share and was $14.82 per share on December 10, 2014, the last trading day prior to the Starboard SEC filings disclosing its stakebuilding in Staples and Office Depot.

The public market trading price targets published by securities research analysts do not necessarily reflect current market trading prices for shares of Office Depot common stock and current market trading prices for shares of Staples common stock, and these estimates are subject to uncertainties, including the future financial performance of Office Depot and Staples and future financial market conditions.

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Selected Publicly Traded Company Analysis

PJSC reviewed and compared selected financial information of Office Depot and Staples with similar information using publicly available information of the following publicly traded companies of reasonably similar size that share similar business characteristics to Office Depot and Staples, and that PJSC deemed relevant:

- Office Depot;
- Staples;
- Bed Bath & Beyond Inc.;
- Best Buy Co., Inc.;
- GameStop Corp.;
- United Stationers Inc.;
- Barnes & Noble Inc.; and
- Conn s, Inc.

PJSC calculated and compared various financial multiples and ratios, including, among other things:

- the most recent stock price per share as a multiple of earnings per share (referred to in this proxy statement/prospectus as EPS) estimated for fiscal year 2014 and projected for fiscal year 2015 based upon (i) the closing stock prices as of February 2, 2015 and (ii) the median of Wall Street analysts EPS estimates and projections for fiscal years 2014 and 2015, respectively, as reported by ThomsonOne on January 30, 2015 (two trading days prior to the date PJSC rendered its opinion); and
- enterprise value (which represents equity value plus book values of total debt, including preferred stock and minority interest less cash) as a multiple of net sales, earnings before interest, taxes, depreciation and amortization (referred to in this proxy statement/prospectus as EBITDA) and earnings before interest and taxes (referred to in this proxy statement/prospectus as EBIT), in each case, estimated for fiscal year 2014 and projected for the fiscal year 2015, using the same median estimates from the sources described above.

Based on this data, as of February 2, 2015, PJSC developed the following reference ranges of trading valuation multiples and ratios for selected publicly traded companies based on its professional judgment:

Enterprise Value as a Ratio of:	Reference Range of Multiples
2014E Net Sales	0.25x 0.45x(1)
2015P Net Sales	0.25x 0.40x
2014E EBITDA	4.5x 8.0x
2015P EBITDA	4.0x 8.0x
2014E EBIT	5.5x 10.0x(2)
2015P EBIT	5.0x 10.5x

Stock Price as a Multiple of:	Reference Range of Multiples
2014E EPS	8.5x 15.5x
2015P EPS	7.5x 15.5x

(1) 0.25x 0.40x for Staples
(2) 5.5x 14.0x for Staples

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Using the reference ranges described above, and based on each management case and sensitivity case, PJSC estimated the following ranges of implied values per share of Office Depot common stock and Staples common stock on a fully diluted basis:

Management Case		Office Depot		Staples	
	2014E Net Sales	$7.10	$12.70	$8.12	$13.33
	2015P Net Sales	$6.87	$10.93	$8.16	$13.38
	2014E EBITDA	$4.87	$8.58	$9.34	$17.02
	2015P EBITDA	$5.89	$11.69	$8.54	$17.60
	2014E EBIT	$2.88	$5.20	$7.51	$19.92
	2015P EBIT	$4.88	$10.16	$6.95	$15.19
	2014E EPS	$2.02	$3.68	$8.13	$14.82
	2015P EPS	$3.02	$6.24	$7.21	$14.90
Sensitivity Case	2014E Net Sales	$7.10	$12.70	$8.12	$13.33
	2015P Net Sales	$6.75	$10.75	$7.96	$13.07
	2014E EBITDA	$4.87	$8.58	$9.34	$17.02
	2015P EBITDA	$5.37	$10.66	$8.06	$16.65
	2014E EBIT	$2.88	$5.20	$7.51	$19.92
	2015P EBIT	$4.27	$8.88	$6.74	$14.74
	2014E EPS	$2.02	$3.68	$8.13	$14.82
	2015P EPS	$2.65	$5.48	$7.01	$14.49

Based on this data, PJSC selected, based on its professional judgment, a valuation range for shares of Office Depot common stock from $4.75 to $11.75 using both the management case and the sensitivity case. PJSC noted that the Office Depot closing price on February 2, 2015 was $7.63 per share and the merger consideration represented $11.00 in value per share of Office Depot common stock based on the Staples closing price on February 2, 2015 of $17.14 per share.

Based on this data, PJSC selected, based on its professional judgment, a valuation range for shares of Staples from $8.00 to $17.50 using both the management case and the sensitivity case. PJSC noted that the Staples closing price on February 2, 2015 was $17.14 per share and was $14.82 per share on December 10, 2014, the last trading day prior to the Starboard SEC filings disclosing its stakebuilding in Staples and Office Depot.

PJSC also calculated a range of implied values per share of Office Depot common stock using the range of values from the selected publicly traded company analysis and applying to them a control premium. For these purposes, PJSC used a control premium of 35%, which reflects the mean control premium over the closing price thirty days prior to announcement in all announced transactions for U.S. based public targets involving mixed consideration of cash and stock with enterprise values ranging from $4 billion to $8 billion since 2012, excluding financial services and real estate companies. This analysis yielded a range of implied values per share from $6.41 to $15.86. PJSC noted that the Office Depot closing price on February 2, 2015 was $7.63 per share and that the merger consideration represented $11.00 in value per share of Office Depot common stock based on the Staples closing price on February 2, 2015 of $17.14 per share.

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Selected Precedent Transactions

Using publicly available information, PJSC reviewed selected mergers and acquisitions transactions (referred to in this proxy statement/prospectus as the selected precedent transactions) in the office products and hardline retailers industry which PJSC deemed relevant, in whole or in part, to the merger. The list of transactions reviewed was as follows:

Selected Office Products Transactions

Acquiror	Target
Office Depot	OfficeMax
Staples	Corporate Express Australia
Staples	Corporate Express N.V.
Corporate Express N.V.	Andvord Tybring-Gjedde ASA
Office Depot	Allied Office Products
Boise Cascade Corp.	OfficeMax
Office Depot	Guilbert S.A.
Staples	Guilbert S.A. (Mail Order Business)
Staples	Medical Arts Press, Inc.
Boise Cascade Corporation	Boise Cascade Office Products
Pinault-Printemps-Redoute (PPR)	Guilbert S.A.
Office Depot	Viking Office Products Inc.

Selected Hardline Retailers Transactions

Acquiror	Target
BC Partners	PetSmart
Dollar Tree	Family Dollar
Signet Jewelers Limited	Zale Corporation
Bain Capital	Bob s Discount Furniture
Advance Auto Parts	General Parts International
Jarden	Yankee Candle Investments
Berkshire Hathaway	Oriental Trading
Bed Bath & Beyond	Cost Plus
Ares Management and Canada Pension	99¢ Only Stores
Leonard Green & Partners	BJ s Wholesale Club
Kohlberg Kravis Roberts & Company	Academy Sports + Outdoors
AEA Investors	Garden Ridge
Canadian Tire Corporation	The Forzani Group

PJSC calculated the enterprise value as a multiple of the net sales, EBITDA, and EBIT, as well as the equity value as a multiple of the net income over the last twelve months, in each case paid to the target in these selected precedent transactions.

Based on this data, and using its professional judgment, PJSC developed the following reference ranges of multiples and ratios for the selected precedent transactions. PJSC then calculated the implied values per share for Office Depot common stock by applying these ranges of multiples and ratios to net sales, EBITDA, EBIT and EPS of Office Depot projected for the fiscal year 2014.

(Amounts in millions)	Reference Range Multiples		Implied Enterprise Value		Implied Equity Value		Implied Per Share Value	
2014E Net Sales	20%	100%	$3,188	$15,941	$3,213	$15,966	$5.70	$28.09
2014E EBITDA	6.0 x	11.0 x	$3,621	$6,639	$3,646	$6,664	$6.46	$11.76
2014E EBIT	9.0 x	19.0 x	$2,615	$5,521	$2,640	$5,546	$4.69	$9.80
2014E EPS	15.0 x	25.0 x	$1,980	$3,323	$2,005	$3,348	$3.56	$5.93

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Based on this data, PJSC selected, based on its professional judgment, a valuation range for shares of Office Depot common stock from $6.46 to $11.76. PJSC noted that the Office Depot closing price on February 2, 2015 was $7.63 per share and that the merger consideration represented $11.00 in value per share of Office Depot common stock based on the Staples closing price on February 2, 2015 of $17.14 per share.

Illustrative Discounted Cash Flow Analysis

PJSC performed an illustrative discounted cash flow analysis to calculate the theoretical per share value of Office Depot common stock and Staples common stock based on projections of unlevered cash flows for the fiscal years 2015 through 2018 and an estimate of the terminal value after 2018. PJSC s illustrative discounted cash flow analysis calculated the net present value per share at the fiscal year ends of both companies (December 27, 2014 for Office Depot and February 1, 2015 for Staples), based on the projections. For the purposes of the illustrative discounted cash flow analysis, PJSC used both the management and the sensitivity cases. PJSC believed it appropriate to utilize EBITDA terminal value multiples ranging from 5.0x to 7.0x to apply to forecasted EBITDA for fiscal year 2018 and various discount rates ranging from 8.0% to 10.0%. The EBITDA terminal value multiples were derived using PJSC s professional judgment by reference to the long-term trading multiples of Office Depot and Staples. The discount rates were based on PJSC s professional judgment of the estimated range of Office Depot s or Staples s weighted average cost of capital, as applicable.

Based on the foregoing and the cash and cash equivalents, debt outstanding, minority interest and net liabilities of Office Depot as of December 27, 2014, using the management case, the illustrative discounted cash flow analysis of Office Depot yielded a range of implied values per share for Office Depot common stock of $9.43 to $12.84, on a fully diluted basis. Using the sensitivity case, the illustrative discounted cash flow analysis of Office Depot yielded a range of implied values per share for Office Depot common stock of $6.28 to $8.57, on a fully diluted basis. PJSC noted that the Office Depot closing price on February 2, 2015 was $7.63 per share and that the merger consideration represented $11.00 in value per share of Office Depot common stock based on the Staples closing price on February 2, 2015 of $17.14 per share.

Based on the foregoing and the cash and cash equivalents, debt outstanding and minority interest, of Staples as of February 1, 2015, using the management case, the illustrative discounted cash flow analysis of Staples yielded an implied value range for Staples common stock of $11.58 to $16.11 per share, on a fully diluted basis. Using the sensitivity case, the illustrative discounted cash flow analysis of Staples yielded an implied value range for Staples common stock of $9.78 to $13.60 per share, on a fully diluted basis. PJSC noted that the Staples closing price on February 2, 2015 was $17.14 per share and was $14.82 per share on December 10, 2014, the last day prior to the Starboard SEC filings disclosing its stakebuilding in Staples and Office Depot.

Other Analyses

The analyses described below were presented to the Office Depot board of directors for reference purposes only and did not provide the basis for, and were not otherwise material to, the rendering of PJSC s opinion.

Pro-Forma Combination Analysis

PJSC performed an illustrative pro forma transaction analysis of the potential financial impact of the merger on Staples estimated EPS for fiscal years 2016 to 2018 as if the merger had been completed on December 31, 2015 and subject to certain other assumptions discussed with Office Depot (which assumptions were either necessary or required to complete this analysis, including with respect to Staples post-closing level of indebtedness and tax rate). In this analysis, PJSC used the earnings estimates provided in the management cases and the sensitivity cases.

Additionally, PJSC reviewed two synergy scenarios provided by the management of Office Depot ($1 billion and $1.5 billion of year-three synergies). PJSC also included one-time expenses and additional capital expenditures of, in the case of the estimated $1 billion year-three synergies, $0.9 billion and, in the case of the $1.5 billion year-three synergies, $1.4 billion as estimated by the management of Office Depot.

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The following table presents the potential financial impact of the merger, excluding acquisition- related costs and charges, for each of these scenarios:

	EPS Accretion / (Dilution) % to Staples		
Scenario	2016P	2017P	2018P
$1.5 Billion Year Three Synergies			
Management Cases	36.9%	83.2%	123.3%
Sensitivity Cases	29.7%	78.4%	121.7%
$1.0 Billion Year Three Synergies			
Management Cases	26.2%	59.3%	86.4%
Sensitivity Cases	17.9%	50.8%	78.0%

PJSC noted that the holders of Office Depot common stock receiving the merger consideration would receive 0.2188 shares of Staples common stock for each share of Office Depot common stock.

Implied Premiums Analysis

PJSC also reviewed and considered implied offer premiums that the per share merger consideration represented over the historical trading prices of Office Depot common stock, noting that the merger consideration represented $11.00 in value per share of Office Depot common stock based on the Staples closing price on February 2, 2015 of $17.14 per share and represented an implied premium of approximately:

- 44.2% over the closing price of Office Depot common stock on February 2, 2015;
- 63.5% over the unaffected closing price of Office Depot common stock as of December 10, 2014 (the last trading day prior to the Starboard SEC filings);
- 67.4% over the 15-trading day volume-weighted average price of Office Depot common stock as of December 10, 2014 (the last trading day prior to the Starboard SEC filings disclosing its stakebuilding in Staples and Office Depot);
- 38.4% over the 20-trading day average closing price of Office Depot common stock as of February 2, 2015;
- 47.0% over the 60-trading day average closing price of Office Depot common stock as of February 2, 2015; and
- 64.8% over the 90-trading day average closing price of Office Depot common stock as of February 2, 2015.

Premiums Paid Analysis

For the purposes of completing a portion of the selected publicly traded company analysis described above, PJSC also performed an analysis of the premiums paid over the closing price, respectively one day and thirty days prior to announcement in all announced transactions for U.S. based public targets involving mixed consideration of cash and stock with enterprise values ranging from $4 billion to $8 billion since 2012, excluding financial services and real estate companies. The respective mean premiums observed were 31.3% and 34.9%, and the respective median premiums observed were 19.8% and 23.5%. For the purposes of its selected publicly traded company analysis, PJSC used a control premium of 35%.

Miscellaneous

In arriving at PJSC s opinion, PJSC performed a variety of financial analyses, the material portions of which are summarized above. The preparation of a fairness opinion is a complex process involving various determinations as to the most appropriate and relevant methods of financial analyses and the application of those methods to the particular circumstances and, therefore, such an opinion is not necessarily susceptible to a partial analysis or summary description. In arriving at its opinion, PJSC did not attribute any particular weight to any analysis or factor considered by it, but rather made qualitative judgments as to the significance and relevance of each analysis and factor. Accordingly, PJSC believes that its analysis must be considered as a whole and that selecting portions of its analysis, without considering all such analyses, could create an incomplete view of the process underlying PJSC s opinion. In addition, PJSC may have given various analyses and factors more or less weight than other analyses and factors, and may have deemed various assumptions more or less probable than other assumptions. As a result, the ranges of valuations resulting from any particular analysis described above should not be taken to be PJSC s view of the actual value of Office Depot or Staples.

In performing its analyses, PJSC relied on numerous assumptions made by the management of Office Depot and Staples and made judgments of its own with regard to current and future industry performance, general business and economic conditions and other matters, many of which are beyond the control of Office Depot and Staples. Actual values will depend upon several factors, including changes in interest rates, dividend rates, market conditions, general economic conditions and other factors that generally influence the price of securities. The analyses performed by PJSC are not necessarily indicative of actual values or actual future results, which may be significantly more or less favorable than suggested by such analyses. Such analyses were prepared solely as a part of PJSC s analysis of the fairness, from a financial point of view, of the merger consideration to be received by the holders of Office Depot common stock, and were provided to the Office Depot board of directors in connection with the delivery of PJSC s oral opinion. The analyses do not purport to be appraisals or necessarily reflect the prices at which businesses or securities might actually be sold, which are inherently subject to uncertainty. Because such analyses are inherently subject to uncertainty, none of Office Depot, Staples, PJSC, or any other person, assumes responsibility for their accuracy. With regard to the selected publicly traded company analysis and the selected precedent transactions analysis summarized above, PJSC selected public companies and transactions on the basis of various factors for reference purposes only; however, no public company or transaction utilized as a comparison is fully comparable to Office Depot, Staples or the proposed merger. Accordingly, an analysis of the foregoing was not mathematical; rather, it involved complex considerations and judgments concerning differences in financial and operating characteristics of the selected public companies and other factors that could affect transactions or the public trading value of the selected public companies and transactions to which Office Depot, Staples and the merger were being compared.

The merger consideration was determined through negotiations between Office Depot and Staples and was approved by the Office Depot board of directors. PJSC did not recommend any specific consideration for the merger to the Office Depot board of directors or that any given consideration for the merger constituted the only appropriate consideration for the merger. The decision to enter into the merger agreement was solely that of the Office Depot board of directors. As described above, PJSC s opinion and analyses were only one of many factors considered by the Office Depot board of directors in its evaluation of the proposed merger and should not be viewed as determinative of the views of the Office Depot board of directors or management with respect to the merger or the merger consideration.

Under the terms of PJSC s engagement letter, dated January 26, 2015, Office Depot has agreed to pay PJSC for its services in connection with the merger an aggregate fee, which is calculated based on the equity value of the merger at the time of its completion (assuming a value of the merger consideration of $11.00 per share of Office Depot common stock, such fee would be approximately $33.8 million) and $5.5 million of which was payable upon delivery of its opinion and the remainder of which is contingent upon the completion of the merger. If the merger agreement is terminated and Office Depot receives the regulatory fee, Office Depot will pay PJSC, in addition to the $5.5 million which became payable upon delivery of PJSC s opinion, a fee of $14.5 million. Office Depot also has agreed to reimburse PJSC for its reasonable expenses (including any reasonable fees and disbursements of PJSC s counsel) incurred in connection with PJSC s engagement, and to indemnify PJSC and its affiliates and their respective directors, officers, members, partners, controlling persons, agents and employees against specified liabilities, including liabilities under the federal securities laws.

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In the past PJSC or its affiliates have provided, currently are providing and in the future may provide financial advisory services to Office Depot and its affiliates and have received and in the future may receive compensation for rendering these services. In the last two years, PJSC has provided certain financial advisory services to Office Depot for which PJSC has received aggregate compensation of approximately $9.5 million. In the past two years, PJSC has not been engaged by, and is not currently providing investment banking or other services to Staples or any of its affiliates. The issuance of PJSC s opinion was authorized by PJSC s fairness opinion committee.

Interests of Office Depot s Directors and Executive Officers in the Merger

When considering the recommendation of the Office Depot board of directors with respect to the merger, you should be aware that Office Depot s executive officers and directors may have interests in the merger that are different from, or in addition to, those of Office Depot s stockholders more generally. These interests may present such executive officers and directors with actual or potential conflicts of interest. The Office Depot board of directors was aware of these interests during its deliberations on the merits of the merger and in deciding to recommend that Office Depot stockholders vote to adopt the merger agreement.

Treatment of Equity Awards

Office Depot s executive officers have previously been granted stock options, restricted stock, restricted stock units and performance awards either under one or both of the Office Depot 2007 Long-Term Incentive Plan (referred to in this proxy statement/prospectus as the 2007 Plan) and the OfficeMax 2003 Incentive and Performance Plan (referred to in this proxy statement/prospectus as the 2003 Plan), as well as long-term cash incentive awards under Office Depot s 2012 and 2013 Long-Term Incentive Cash Plans for Officers and Directors (collectively referred to in this proxy statement/prospectus as the LTICPs).

Under the merger agreement, holders of Office Depot equity awards are entitled to receive consideration in the merger as set forth in more detail below.

Stock Options

Each option to purchase Office Depot common stock that was outstanding as of the date of the merger agreement and remains outstanding as of the completion of the merger will, as of the completion of the merger, fully vest to the extent then unvested and entitle the holder to receive the per share merger consideration for each net option share underlying such stock option. For this purpose, the number of net option shares of Office Depot common stock will equal the number of shares of Office Depot common stock underlying any outstanding options minus a number of shares with a fair market value equal to the aggregate exercise price of such stock options, based on the per share merger consideration, the stock consideration component of which will be deemed to be an amount equal to the Staples trading price, as described in The Merger Agreement Closing; Effective Time; Effects of the Merger on Capital Stock below, multiplied by 0.2188 for each such share of Office Depot common stock underlying such options.

Restricted Stock

Each award of restricted Office Depot common stock that was outstanding as of the date of the merger agreement and which remains outstanding as of the effective time of the merger will, immediately prior to the completion of the merger, fully vest and entitle the holder to receive the per share merger consideration for each share of Office Depot common stock subject to such award.

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Restricted Stock Units

Each award of restricted stock units (including restricted stock units that are subject to performance-based vesting conditions) and each award of performance shares, in each case that was outstanding as of the date of the merger agreement or that has been granted to a non-employee director and remains outstanding as of the completion of the merger will, immediately prior to the completion of the merger, fully vest with respect to time-based vesting. Performance-based restricted stock unit awards granted with a performance period commencing as of December 29, 2013 and ending on December 31, 2016 will fully vest with respect to 133.3% of the target number of shares subject to each such award. Performance-based restricted stock unit awards for which the performance period concluded prior to the date of the merger agreement will vest based on actual performance results. Each holder of a restricted stock unit award will be entitled to receive the per share merger consideration with respect to each share of Office Depot common stock subject to the vested restricted stock units then held.

Any restricted stock unit or performance stock unit granted in 2015 on or following the date of the merger agreement and that remains outstanding as of the completion of the merger (except such grants to non-employee directors) will be converted into an award representing a contingent right, subject to meeting vesting requirements and other conditions of such awards, to receive the merger consideration for each share of Office Depot common stock underlying such award; however, instead of receiving the portion of the merger consideration otherwise payable in Staples common stock, each holder of an award made in 2015 after the date of the merger agreement will receive a cash payment equal to the Staples trading price, as described in the section entitled The Merger Agreement Closing; Effective Time; Effects of the Merger on Capital Stock beginning on page [ ], multiplied by 0.2188 for each share of Office Depot common stock subject to such award. Any performance stock unit granted on or following the date of the merger agreement will be earned based on the achievement of applicable performance goals and will vest in full on the third anniversary of the grant date based on actual performance; however, if the effective date of the merger occurs, the number of performance stock units that the holder has earned will vest in full on the second anniversary of the grant date based on (i) target level performance as of the effective date of the merger if the closing of the merger occurs prior to the end of the performance period applicable to such awards or (ii) actual performance if the closing of the merger occurs after the end of the performance period applicable to such awards. Any restricted stock unit granted on or following the date of the merger agreement will be subject to a three-year annual (pro-rata) vesting schedule, provided that if the effective date of the merger occurs, 50% of such restricted stock units will vest on the first anniversary of the grant date (or, to the extent the restricted stock units have already partially vested prior to the effective time of the merger, the incremental difference between 50% and the previously vested award portion will immediately vest at the effective time of the merger) with the remaining 50% of such restricted stock units to vest upon the second anniversary of the grant date. Any restricted stock unit or performance stock unit granted on or following the date of the merger agreement is subject to pro-rata accelerated vesting of outstanding shares subject to such awards (based on the portion of the vesting period for which the holder was employed) if the holder of the restricted stock unit or performance stock unit is terminated without cause or, for certain holders, terminates employment for good reason within two years following the effective time of the merger.

Non-Employee Directors

Office Depot s non-employee directors do not hold any unvested equity-based awards. Certain vested restricted stock units granted to certain non-employee directors will be paid in connection with the closing of the merger pursuant to the terms of the merger agreement rather than six months following the non-employee directors termination of services from the Office Depot board of directors in accordance with the terms of such restricted stock unit agreements.

Quantification of Outstanding Equity Awards

The following table shows, for Office Depot s executive officers (as identified in accordance with SEC regulations) and directors, the estimated value of all of the equity-based awards, discussed above, under the 2007 Plan and the 2003 Plan outstanding as of March 19, 2015, (i) that are vested but unsettled or unexercised and

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(ii) that are unvested but the vesting of which will accelerate in connection with the closing of the merger, based on the value of the merger consideration per share of Office Depot common stock of $7.25 in cash and 0.2188 shares of Staples common stock. The actual number of unvested equity-based awards that will be subject to accelerated vesting in connection with the closing of the merger will depend on whether, between March 19, 2015 (the assumed completion of the merger) and the effective time, unvested equity vests or additional awards are granted. The table below assumes the closing of the merger occurred on March 19, 2015, and a price of $16.95 per share with respect to Staples common stock (the average closing market price of a share of Staples common stock on The Nasdaq Global Select Market over the first five business days following the first public announcement of the merger). The number of vested equity-based awards beneficially owned as of March 19, 2015 by each individual listed in the table below is set forth in the section entitled Office Depot Stock Ownership Information beginning on page [ ].

Estimated Value of Office Depot Stock Options, Restricted Stock and Restricted Stock Units Held by Executive Officers and Non-Employee Directors

	Stock Options [1]	Restricted Stock[2]	Restricted Stock Units[3][5]	Total
Executive Officer				
Roland C. Smith	$ 8,622,990	$ 0	$ 30,670,047	$ 39,293,037
Stephen E. Hare	$ 2,804,330	$ 0	$ 7,019,027	$ 9,823,357
Elisa Garcia	$ 3,041,728	$ 694,056	$ 4,180,990	$ 7,916,774
Michael Allison	$ 543,146	$ 694,056	$ 4,180,990	$ 5,418,192
Steven Schmidt[4]	$ 1,700,487	$ 1,324,179	$ 2,743,018	$ 5,767,684
Mark Cosby	$ 0	$ 0	$ 11,723,844	$ 11,723,844
Juliet Johannson	$ 0	$ 0	$ 2,127,443	$ 2,127,443
Kim Moehler	$ 230,030	$ 76,108	$ 1,421,296	$ 1,727,434
Non-Employee Director				
Warren F. Bryant	$ 11,932	$ 0	$ 2,663,480	$ 2,675,412
Rakesh Gangwal	$ 209,329	$ 0	$ 6,047,800	$ 6,257,129
Cynthia T. Jamison	$ 0	$ 0	$ 271,249	$ 271,249
Jeffrey Smith[6]	$ 0	$ 0	$ 0	$ 0
V. James Marino	$ 0	$ 0	$ 1,749,572	$ 1,749,572
Michael J. Massey	$ 0	$ 0	$ 537,818	$ 537,818
Francesca Ruiz de Luzuriaga	$ 123,205	$ 0	$ 2,566,792	$ 2,689,997
Nigel Travis	$ 0	$ 0	$ 912,637	$ 912,637
Joseph Vassalluzzo	$ 0	$ 0	$ 336,792	$ 336,792
David M. Szymanski	$ 0	$ 0	$ 2,550,409	$ 2,550,409

(1) This amount represents the estimated cash value of the cumulative merger consideration with respect to the net option shares underlying vested but unexercised and unvested stock options as of March 19, 2015, the vesting of which would accelerate in connection with the closing of the merger, assuming the recipient would receive a cash payment equal to (i) $7.25 plus (ii) an estimated Staples trading price of $16.95 per share, multiplied by 0.2188 for each net option share underlying the stock option.

(2)

This amount represents the estimated cash value of the cumulative merger consideration with respect to the unvested restricted stock as of March 19, 2015, the vesting of which would accelerate in connection with the closing of the merger, assuming the recipient would receive a cash payment equal to (i) $7.25 plus (ii) an estimated Staples trading price of $16.95 per share, multiplied by 0.2188 for each share of unvested restricted stock.

(3) This amount represents the estimated cash value of the cumulative merger consideration with respect to the vested but unsettled and unvested restricted stock units and performance restricted stock units as of March 19, 2015, the vesting of which would accelerate in connection with the closing of the merger, assuming the recipient would receive a cash payment equal to (i) $7.25 plus (ii) an estimated Staples trading price of $16.95 per share, multiplied by 0.2188 for each share underlying the unvested portion of any restricted stock units and performance restricted stock units. For performance-based restricted stock units granted with a performance period commencing as of December 29, 2013 and ending December 31, 2016, the amounts assume full vesting with respect to 133.3% of the target number of shares subject to each such award. For performance-based restricted stock units for which the performance period has concluded prior to the date of the merger agreement, the amounts are based on actual achievement of performance goals. For performance-based restricted stock units granted in 2015, after the date of the merger agreement, the amounts are based on the achievement of performance at target levels for the award. For the avoidance of doubt, (i) the performance-based restricted stock units granted in 2015 will not fully accelerate in connection with the completion of the merger; provided that the performance vesting period shall be reduced as set forth above and (ii) the time vested restricted stock units granted in 2015 will not fully accelerate in connection with the completion of the merger; provided that the vesting period will be reduced as set forth above.

(4) Mr. Schmidt received a letter from Office Depot dated as of January 6, 2014 acknowledging that he has good reason to terminate his employment with Office Depot. As such, in the event Mr. Schmidt elects to terminate his employment prior to the closing of the merger, he will receive payment in accordance with the terms of his outstanding agreements, including under his legacy change in control agreement, with Office Depot (as described below) and will not be eligible for payment for his outstanding equity awards under the terms of the merger agreement.

(5) This amount represents the estimated cash value of the cumulative merger consideration with respect to the restricted stock units that will be paid out in accordance with the terms of the merger agreement to the non-employee directors rather than six months following the closing of the merger in accordance with the terms of such restricted stock unit agreements, assuming the recipient would receive a cash payment equal to (i) $7.25 plus (ii) an estimated Staples trading price of $16.95 per share, multiplied by 0.2188 for each share underlying the restricted stock units.

(6) Jeffrey Smith resigned from his position on the Office Depot board of directors on September 10, 2014.

Change in Control and Termination Benefits

Roland Smith Employment Agreement

Mr. Smith s employment agreement provides severance compensation and benefits such that in the event that Mr. Smith s employment is terminated by Office Depot without cause (as defined in his employment agreement) or Mr. Smith terminates his employment for good reason (as defined below) within 12 months following a change in control, Mr. Smith will be entitled to the following severance compensation and benefits:

- accrued but unpaid base salary, vacation and annual bonus and reimbursement for unreimbursed business expenses and employee benefits, if any, for which he may be eligible;

- a lump sum cash severance payment equal to two times the sum of (x) Mr. Smith s base salary plus (y) Mr. Smith s target bonus for the year in which termination occurs (or if greater, the year immediately preceding the year in which the merger occurs);

a lump sum cash payment equal to Mr. Smith s prorated annual bonus amount to which Mr. Smith would have been entitled for the calendar year in which the date of termination of employment occurs based on actual achievement of the performance goals applicable for such year; and

reimbursement of up to 18 months COBRA if Mr. Smith elects to continue his coverage.

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For purposes of Mr. Smith s employment agreement, good reason means any of the following events:

- a reduction in base salary;
- a reduction in target bonus opportunity;
- a relocation of the principal place of employment by more than 25 miles (without Mr. Smith s prior consent);
- any material breach by Office Depot of any material provision of Mr. Smith s employment agreement;
- Office Depot s failure to obtain an agreement from any successor to assume and agree to perform Mr. Smith s employment agreement in the same manner and to the same extent as if with Office Depot;
- Office Depot s failure to nominate Mr. Smith for election to the Office Depot board of directors, his removal from the Office Depot board of directors (other than for cause), his removal as Chairman of the Office Depot board of directors (other than for cause), the stockholders failure to elect or re-elect Mr. Smith to the Office Depot board of directors, or the Office Depot board of directors failure to elect or re-elect Mr. Smith as Chairman of the Office Depot board of directors (other than for cause);
- a material diminution in Mr. Smith s title, authority, duties or responsibilities;
- a material adverse change in the reporting structure applicable to Mr. Smith; or
- non-renewal of the employment agreement by Office Depot.

The receipt of the above severance compensation and benefits is subject to Mr. Smith s execution of a release and compliance with the cooperation, confidentiality, non-disparagement clauses, non-competition and non-solicitation covenants.

The Office Depot, Inc. Executive Change in Control Severance Plan

The following executive officers are participants in the Office Depot, Inc. Executive Change in Control Severance Plan (referred to in this proxy statement/prospectus as the CIC Plan): Stephen Hare, Juliet Johannson and Mark Cosby. Under the CIC Plan, a qualifying termination occurs if the executive officer s employment is terminated by Office Depot other than for cause (as defined in the CIC Plan) or initiated by the executive officer for good reason (as defined below), in either case, (i) on or following the closing of the merger and prior to the two-year anniversary of such date, or, if earlier, the date of the executive officer s death or disability or (ii) during the six months prior to the effective time of the merger agreement at the request of Staples or by the executive officer for good reason. In the event of a qualifying termination under the CIC Plan, the severance compensation and benefits provided under the

CIC Plan are as follows:

a lump-sum cash severance payment equal to two times the sum of (x) the executive officer s annual base salary and (y) (i) if the executive officer is terminated in 2015, the executive officer s target annual bonus for the fiscal year in which the date of the termination of employment occurs (or, if greater, the fiscal year immediately preceding the fiscal year in which the change in control occurs); or (ii) if the executive officer is terminated thereafter, the average of the actual annual incentive payments received by the executive officer while employed at Office Depot during the three consecutive fiscal years immediately preceding the fiscal year in which the termination occurs, provided that if the executive officer has less than three consecutive fiscal years of service at the time of termination, the executive officer will receive (i) above;

a lump-sum cash payment equal to the executive officer s prorated annual bonus amount to which the executive officer would have been entitled for the performance period in the fiscal year in which the date of termination of employment occurs based on actual achievement of the performance goals applicable for such performance period;

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- a lump-sum cash payment equal to eighteen times Office Depot s monthly COBRA premium for the executive officer in effect on the date of termination of employment;

- an executive outplacement services package for a period of 24 months; and

- all vested and accrued, but unpaid, salary, prior completed fiscal year annual cash bonus and benefits earned through the termination date.

For purposes of the CIC Plan, good reason means any of the following events:

- a material diminution in the executive officer s authority, duties or responsibilities;

- a material reduction in the executive officer s annual base salary;

- a material reduction in the executive officer s target annual cash incentive;

- a material failure by Office Depot to provide the executive officer with the compensation and benefits provided to the executive officer in his or her change in control agreement;

- a change in the location at which Office Depot requires the executive officer to be based of more than 50 miles from the current headquarters; or

- any failure by Office Depot to require any successor entity to assume its obligations under the change in control agreement.

The receipt of the above compensation and benefits is conditioned upon the executive officer s execution of a release agreement that includes confidentiality, non-competition, non-solicitation and non-disparagement provisions.

Legacy Office Depot CIC Agreements

Steve Schmidt, Michael Allison and Elisa Garcia are currently covered under legacy change in control agreements. Under these legacy change in control agreements, in the event that such executive officer s employment is terminated by Office Depot without cause or initiated by the executive officer for good reason, the legacy change in control agreements provide that the covered executive officers will receive:

- all vested and accrued, but unpaid, salary and benefits earned through the termination date;

- a lump-sum cash severance payment equal to two times the sum of (x) the executive officer s annual base salary including any applicable car allowance and (y) the executive officer s target annual bonus for the fiscal year in which the date of the termination of employment occurs;

- an additional cash payment equal to the executive officer s prorated target annual bonus amount for the fiscal year in which the date of termination of employment occurs;

- a lump-sum cash payment equal to eighteen times Office Depot s monthly COBRA premium for the executive officer in effect on the date of termination of employment; and

- an executive outplacement services package for a period of 24 months.

Under the terms of these change in control agreements, good reason means any of the following events:

- a material diminution in the executive officer s authority, duties or responsibilities,

- a material failure by Office Depot to provide the executive officer with the compensation and benefits provided to the executive officer in his or her change in control agreement,

- a material change in the location at which Office Depot requires the executive officer to be based, or

- any material failure by Office Depot to require any successor entity to assume its obligations under the change in control agreement.

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The receipt of the above compensation and benefits is conditioned upon the executive officer s execution of a release agreement and agreement to the confidentiality, non-competition and non-solicitation provisions. Notwithstanding the foregoing, if the effective time of the merger occurs after November 5, 2015, Michael Allison and Elisa Garcia will be covered under the CIC Plan and will receive the severance compensation and benefits as described under The Office Depot, Inc. Executive Change in Control Severance Plan on page [ ] and will not be entitled to benefits under the legacy change in control agreements.

Terms of Employment for Continuing Office Depot Employees

Under the terms of the merger agreement, for a period of one year after the effective time of the merger or such shorter period as the applicable employee remains employed by Staples, the surviving company or any of their respective subsidiaries, Staples will provide, or will cause the surviving company to provide, to employees of Office Depot and its subsidiaries who continue to be employed by Staples or the surviving company or their subsidiaries following the effective time of the merger (referred to in this proxy statement/prospectus as the continuing employees) (i) base salary and annual bonus opportunities that are no less favorable than the base salary and annual bonus opportunities provided to such employee immediately prior to the effective time of the merger and (ii) employee benefits that are no less favorable, in the aggregate, to employee benefits provided in the aggregate to employees immediately prior to the effective time of the merger, with certain exceptions and limitations. Some of Office Depot s executive officers may be continuing employees.

Under the terms of the merger agreement, continuing employees would be entitled to outstanding cash-based long-term and short-term incentive awards that will vest (i) in full with respect to long-term cash incentive awards and (ii) pro-rata with respect to the short-term cash incentive awards granted in 2015, in each case, upon an involuntary termination without cause or a termination for good reason (solely to the extent that the executive officer is a party to a plan or agreement with Office Depot that provides a definition of good reason as of the date of the merger agreement) on or following the completion of the merger (or within the 24 month period immediately following the completion of the merger with respect to the cash-based long-term incentive awards).

Quantification of Change in Control and Termination Payments and Benefits to Office Depot s Named Executive Officers

The following table sets forth the information required by Item 402(t) of Regulation S-K regarding the compensation for Office Depot s named executive officers (as identified in accordance with SEC regulations), assuming that the closing of the merger was completed on March 19, 2015 (the latest practicable date, determined pursuant to Item 402(t) of Regulation S-K) and the employment of Office Depot s named executive officers was terminated by Office Depot for cause or by Office Depot s named executive officers for good reason, each a qualifying termination, provided that payments with respect to outstanding equity awards are payable regardless of whether a qualifying termination occurs.

Compensation Related to the Merger

Golden Parachute Compensation Office Depot

Named Executive Officer	Cash(1)	Equity/ Performance	Pension / NQDC(3)	Perquisites / Benefits(4)	Tax Reimbursement(5)	Total(6)

		Awards[2]		
Roland C. Smith	$ 7,473,077	$ 39,293,037	$ 16,441	$ 46,782,555
Stephen E. Hare	$ 2,918,613	$ 7,554,831	$ 51,991	$ 10,525,435
Mark Cosby	$ 3,591,484	$ 8,888,186	$ 51,991	$ 12,531,661
Michael Allison	$ 1,957,402	$ 4,283,929	$ 53,212	$ 6,294,543
Elisa D. Garcia	$ 2,140,850	$ 6,782,511	$ 51,604	$ 8,974,965

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(1) This amount equals the estimated double-trigger lump sum cash severance payment provided to the named executive officer under the terms of his or her employment agreement or change in control arrangement, as applicable, upon an involuntary termination without cause or a termination for good reason (as defined in the applicable agreement) within the two year period (12 months for Mr. Smith) following a change in control, which equals the sum of (i) two times the sum of (x) the named executive officer s annual base salary (which salary includes an annual car allowance equal to $15,600 with respect to each of Mr. Allison and Ms. Garcia) and (y) (1) if the executive officer is terminated in 2015 (any year for Mr. Smith), the executive officer s target annual bonus for the fiscal year in which the date of the termination of employment occurs (or, for Mr. Smith if greater, the fiscal year immediately preceding the fiscal year in which the change in control occurs); or (2) for participants in the CIC Plan, if the executive officer is terminated after 2015, the average of the actual annual incentive payments received by the executive officer while employed at Office Depot during the three consecutive fiscal years immediately preceding the fiscal year in which the termination occurs, provided that if the executive officer has less than three consecutive fiscal years of service at the time of termination, the executive officer will receive the amount described in clause (1) above and (ii) an amount equal to the named executive officer s target annual bonus for the year of termination of employment (for purposes of this analysis target is assumed for participants in the CIC Plan), pro-rated based on the portion of such fiscal year for which the executive officer was employed. This amount includes the pro-rata portion of the 2015 cash-based short-term incentive award (assuming such termination of employment occurred prior to such payment date) that will vest upon an involuntary termination without cause or a termination for good reason (as defined above and solely to the extent that the executive officer is party to a plan or agreement with Office Depot that provides a definition of good reason as of the date of the merger agreement).

In the event the completion of the merger and qualifying termination of employment were to occur on or after November 6, 2015, the date on which the legacy change in control agreements with each of Mr. Allison and Ms. Garcia are no longer effective, such executive officers may become participants in the CIC Plan, and the Cash value above would change with respect to such executive officers. The Cash value would no longer include the car allowance noted above and would include a pro-rata annual cash bonus of $339,649 and $371,996, respectively for each of Mr. Allison and Ms. Garcia for the year of termination, assuming for purposes of this analysis that the target is achieved, through November 6, 2015. The value of the Equity/Performance Awards would also change but such value cannot be determined as of the date of this proxy statement/prospectus.

(2) This amount equals the estimated value of the unvested equity and equity-based awards under the 2007 Plan and the 2003 Plan the vesting of which would accelerate on a single-trigger basis solely as a result of the closing of the merger (and regardless of whether the executive s employment terminates), which equals the amounts set forth immediately below and the value of the double-trigger acceleration of vesting of equity and equity-based incentive awards granted in 2015 upon a termination of the named executive officer s employment without cause or resignation for good reason following the closing of the merger, with the value determined pursuant to Item 402(t) of Regulation S-K as set forth in more detail below in the Narrative to Golden Parachute Compensation Table.

The amounts below assume the closing of the merger occurred on March 19, 2015, and a price of $16.95 (the average closing market price of a share of Staples common stock on The Nasdaq Global Select Market over the first five business days following the first public announcement of the merger). This amount represents (a) for stock options the estimated cash value of the cumulative merger consideration with respect to the net option shares underlying the (A) vested but unexercised and (B) unvested stock options as of March 19, 2015, the vesting of which would accelerate in connection with the closing of the merger, assuming the recipient would receive a cash payment equal to (i) $7.25 plus (ii) an estimated Staples trading price of $16.95 per share, multiplied by 0.2188 for each net option share underlying the stock option; (b) for restricted stock, the estimated cash value of the cumulative merger consideration with respect to the unvested restricted stock as of March 19, 2015, the vesting of which would accelerate in connection with the closing of the merger, assuming the recipient would receive a cash payment equal to (i) $7.25 plus (ii) an estimated Staples trading price of $16.95 per share, multiplied by 0.2188 for each share of unvested restricted stock; and (c) for restricted stock units and performance stock units, the estimated cash value of the cumulative merger consideration with respect to the (A) vested but unsettled and (B) unvested restricted stock units and performance restricted stock units as of March 19, 2015, the vesting of which would accelerate in connection with the closing of the merger, assuming the recipient would receive a cash payment equal to (i) $7.25 plus (ii) an estimated Staples trading price of $16.95 per share, multiplied by 0.2188 for each share underlying the unvested portion of any restricted stock units and performance restricted stock units. For performance-based restricted stock units granted with a performance period commencing as of January 1, 2014 and ending December 31, 2016, the amounts assume full vesting with respect to 133.3% of the target number of shares subject to each such award. For performance-based restricted stock units for which the performance period has concluded prior to the date of the merger agreement, the amounts are based on actual achievement of performance goals. This amount does not include performance-based restricted stock units made in 2015, after the date of the merger agreement, other than with respect to the pro-rata portion of such performance-based restricted stock units that would vest upon an involuntary termination without cause or a termination for good reason (as defined in each respective award agreement). Mr. Smith is not eligible for a 2015 performance stock unit grant per his employment agreement.

(3) None of the named executive officers have unvested deferred compensation account balances under Office Depot s deferred compensation plans and, as a result, there would be no nonqualified deferred compensation benefit enhancements upon the named executive officers termination of employment without cause or resignation for good reason following completion of the merger.

(4) This amount equals, as applicable, the value of the double-trigger (i) executive outplacement services package for 24 months provided to each named executive officer (other than Mr. Smith) under the terms of the CIC Plan or other change in control agreement (as applicable) determined to equal $30,000 and (ii) the product of 18 and the monthly COBRA premium in effect on the date of termination (determined to be $16,441 with respect to Mr. Smith, $21,991 with respect to Messrs. Hare and Cosby, $23,212 with respect to Mr. Allison and $21,604 with respect to Ms. Garcia). Notwithstanding the foregoing, this amount is only owed to Mr. Smith in the event he elects and continues to receive continuation coverage.

(5) Office Depot has no obligation to any named executive officer to pay a gross-up to offset golden parachute excise taxes under Section 4999 of the Internal Revenue Code of 1986, as amended (referred to in this proxy statement/prospectus as the Code) or to reimburse the executive for related taxes. In addition, under certain change in control severance agreements, any payments and benefits to the named executive officers that constitute parachute payments under Sections 280G and 4999 of the Code may be subject to reduction to the maximum amount that would not trigger any excise taxes if such reduction would result in a greater net-after-tax amount to such executive officers. For purposes of the table above, Office Depot assumed that no such reduction would be made to the payments to the named executive officers.

(6) This amount includes the aggregate dollar value of the sum of all estimated amounts reported in the preceding columns.

Narrative to Golden Parachute Compensation Table

The tabular disclosure set forth above assumes that each of the listed Office Depot named executive officers (i) is terminated without cause or resigns for good reason in connection with the proposed merger under circumstances that entitle such individual to severance payments and benefits under his or her employment agreement, the CIC Plan or change in control agreement (as the case may be) as of March 19, 2015 (the latest practicable date, determined pursuant to Item 402(t) of Regulation S-K) and (ii) becomes entitled to accelerated vesting and/or payment in respect of all unvested equity and equity-based awards held by such named executive officer on such date (excluding, for the avoidance of doubt, any additional awards that may be granted and any new compensatory arrangements that may be entered into prior to the closing date), in accordance with their terms and the merger agreement, regardless of whether the named executive officer s employment is terminated, based on the merger consideration (which, for each share of

Office Depot common stock, is equal to $7.25 in cash and 0.2188 shares of Staples common stock). The tabular disclosure set forth above assumes a price of

$16.95 per share with respect to Staples common stock (the average per-share closing price of Staples over the first five business days following February 4, 2015, determined pursuant to Item 402(t) of Regulation S-K).

Indemnification and Insurance

Under the terms of the merger agreement, Staples has agreed to indemnify, defend and hold harmless, and provide advancement of expenses to, the present and former officers and directors of Office Depot against all losses, claims, damages, costs, expenses, liabilities or judgments that are paid in settlement of or in connection with any suit, claim, action, proceeding, litigation, arbitration, mediation or investigation based in whole or in part on or arising in whole or in part out of the fact that such person is or was an officer or director of Office Depot prior to the effective time of the merger, whether asserted or claimed prior to, or at or after, the effective time of the merger (including acts or omissions occurring in connection with the approval of the merger agreement and the consummation of the transactions contemplated thereby) to the fullest extent provided or permitted under Office Depot s organizational documents and any indemnification agreement entered into between Office Depot and such person, in each case as in effect as of the date of the merger agreement, and under applicable law.

The merger agreement also requires Staples to purchase and maintain for six years following the merger a tail directors and officers liability insurance policy on terms and conditions not less favorable to the insured persons than the directors and officers liability insurance coverage maintained by Office Depot for Office Depot s present and former directors and officers who are covered prior to the effective time of the merger.

Interests of Certain Office Depot Directors

The merger agreement provides that upon completion of the merger, Staples board of directors will be expanded to 13 members to be comprised of the directors of Staples as of immediately prior to completion of the merger and two Office Depot directors selected by Staples no earlier than five business days prior to the completion of the merger.

Board of Directors and Management of Staples Following Completion of the Merger

The merger agreement provides that upon completion of the merger, Staples board of directors will be expanded to 13 members to be comprised of the directors of Staples as of immediately prior to completion of the merger and two Office Depot directors selected by Staples no earlier than five business days prior to the completion of the merger. Under the merger agreement, the chief executive officer of Staples upon completion of the merger will be Ronald L. Sargent, unless Mr. Sargent is no longer the chief executive officer of Staples at such time, in which case the chief executive officer of Staples as of immediately prior to the completion of the merger will be the chief executive officer of Staples upon completion of the merger.

Accounting Treatment of the Merger

Staples prepares its financial statements in accordance with GAAP. The merger will be accounted for using the acquisition method of accounting. Staples will be treated as the acquiror for accounting purposes. Staples will record assets acquired, including identifiable intangible assets, and liabilities assumed from Office Depot at their respective fair values at the date of completion of the merger. Any excess of the purchase price (as described under Note 5 Unaudited Pro Forma Condensed Combined Balance Sheet Adjustments under Unaudited Pro Forma Condensed Combined Financial Information Notes to Unaudited Pro Forma Condensed Combined Financial Information beginning on page [ ] of this proxy statement/prospectus) over the net fair value of such assets and liabilities will be recorded as goodwill.

The financial condition and results of operations of Staples after completion of the merger will include the financial condition and results of operations of Office Depot after completion of the merger, but will not be

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restated retroactively to reflect the historical financial condition or results of operations of Office Depot. The earnings of Staples following completion of the merger will reflect acquisition accounting adjustments, including the effect of changes in the carrying value for assets and liabilities on depreciation expense, amortization expense and interest expense. Indefinite-lived intangible assets, including goodwill, will not be amortized but will be tested for impairment at least annually, and all tangible and intangible assets including goodwill will be tested for impairment when certain indicators are present. If, in the future, Staples determines that tangible or intangible assets (including goodwill) are impaired, Staples would record an impairment charge at that time.

Material United States Federal Income Tax Consequences

The following discussion describes the material U.S. federal income tax consequences of (i) the merger to holders of Office Depot common stock and (ii) the post-merger ownership and disposition of Staples common stock. This discussion is based on the provisions of the Code, the U.S. Treasury Regulations promulgated thereunder and judicial and administrative rulings, all as in effect as of the date of this proxy statement/prospectus and all of which are subject to change or varying interpretation, possibly with retroactive effect. Any such changes could affect the accuracy of the statements and conclusions set forth herein.

This discussion assumes that holders of Office Depot common stock hold their shares as capital assets within the meaning of Section 1221 of the Code (generally, property held for investment). This discussion does not address all aspects of U.S. federal income taxation that may be relevant to a holder of Office Depot common stock in light of such holder s particular circumstances, nor does it discuss the special considerations applicable to holders of Office Depot common stock subject to special treatment under the U.S. federal income tax laws, such as, for example, financial institutions or broker-dealers, mutual funds, tax-exempt organizations, insurance companies, dealers in securities or foreign currencies, traders in securities who elect mark-to-market method of accounting, controlled foreign corporations, passive foreign investment companies, U.S. expatriates, holders who acquired their Office Depot common stock through the exercise of employee stock options or otherwise as compensation, holders who hold their Office Depot common stock as part of a hedge, straddle, constructive sale, conversion or other integrated transaction, U.S. holders (as defined below) whose functional currency is not the U.S. dollar, holders who exercise appraisal rights, holders who own or have owned (directly, indirectly or constructively) 5% or more of Office Depot s stock (by vote or value) and partnerships or other pass through entities for U.S. federal income tax purposes. This discussion does not address any tax consequences arising under the additional Medicare tax, nor does it address any aspect of foreign, state, local, alternative minimum, estate, gift or other tax law that may be applicable to a holder.

If an entity or arrangement treated as a partnership for U.S. federal income tax purposes holds Office Depot common stock, the tax treatment of a partner in such partnership generally will depend on the status of the partner and activities of the partnership. Holders that are partners of a partnership holding Office Depot common stock should consult their own tax advisor.

Staples and Office Depot intend this discussion to provide only a general description of the material U.S. federal income tax consequences of the merger to holders of Office Depot common stock and of the post-merger ownership and disposition of Staples common stock. Staples and Office Depot do not intend it to be a complete analysis or description of all potential U.S. federal income tax consequences of the merger and post-merger ownership and disposition of Staples common stock. The U.S. federal income tax laws are complex and subject to varying interpretation. Accordingly, the Internal Revenue Service may not agree with the tax consequences described in this proxy statement/prospectus. **All holders should consult their own tax advisor to determine the particular tax consequences to them of the receipt of per share merger consideration in exchange for shares of Office Depot common stock pursuant to the merger.**

For purposes of this discussion, the term U.S. holder means a beneficial owner of Office Depot common stock that is, for U.S. federal income tax purposes:

- an individual citizen or resident of the United States;

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a corporation (including any entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia;

a trust if (i) its administration is subject to the primary supervision of a court within the United States and one or more U.S. persons have the authority to control all substantial decisions of the trust or (ii) it has a valid election in effect under applicable U.S. Treasury Regulations to be treated as a U.S. person; or

an estate, the income of which is subject to U.S. federal income tax purposes regardless of its source.

A non-U.S. holder is a beneficial owner (other than a partnership) of Office Depot common stock that is not a U.S. holder.

U.S. Holders

Tax Consequences of the Merger

The receipt of the per share merger consideration pursuant to the merger will be a taxable transaction for U.S. federal income tax purposes. A U.S. holder generally will recognize gain or loss for U.S. federal income tax purposes equal to the difference, if any, between (i) the sum of cash received and the fair market value (as of the effective time) of the Staples common stock received and (ii) such U.S. holder s adjusted tax basis in the Office Depot common stock exchanged pursuant to the merger. Such gain or loss generally will be capital gain or loss, and will be long-term capital gain or loss if the holder s holding period for such shares exceeds one year as of the date of the merger. Long-term capital gains for certain noncorporate U.S. holders, including individuals, are generally eligible for a reduced rate of federal income taxation. The deductibility of capital losses is subject to limitations. If a U.S. holder acquired different blocks of Office Depot common stock at different times or at different prices, such U.S. holder must determine its tax basis, holding period, and gain or loss separately with respect to each block of Office Depot common stock.

A U.S. holder s tax basis in the Staples common stock received should equal its fair market value as of the effective time. A U.S. holder s holding period for the Staples common stock should begin on the day following the effective time.

Ownership of Staples Common Stock Received in the Merger

Distributions on the Staples Common Stock. Distributions, if any, paid on Staples common stock generally will be treated as dividends to the extent of Staples s current or accumulated earnings and profits. Dividends paid to a non-corporate U.S. holder that constitute qualified dividend income will be taxable at preferential rates applicable to long-term capital gains provided that the holder holds the Staples common stock for more than 60 days during the 121-day period beginning 60 days before the ex-dividend date and meets other holding period requirements. Dividends Staples pays with respect to the Staples common stock will generally be qualified dividend income, provided the holding period requirements in the previous sentence are satisfied. In addition, dividends paid to corporate U.S. holders may qualify for the dividends received deduction if the holder meets certain holding period and other requirements. Distributions in excess of Staples s current and accumulated earnings and profits will be treated as a return of capital to the extent of a U.S. holder s basis in the Staples common stock and thereafter as capital gain.

Sale or Other Disposition of the Staples Common Stock. Gain or loss on the sale or disposition of Staples common stock should be subject to tax in the same manner as described above under U.S. Holders Tax Consequences of the

Merger.

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Non-U.S. Holders

Tax Consequences of the Merger

Any gain recognized on the receipt of the per share merger consideration pursuant to the merger by a non-U.S. holder generally will not be subject to U.S. federal income tax unless:

- the gain is effectively connected with the non-U.S. holder s conduct of a U.S. trade or business, and, if an applicable income tax treaty so provides, the gain is attributable to a permanent establishment or fixed base maintained by the non-U.S. holder in the United States; in these cases, the non-U.S. holder generally will be taxed on the net gain derived from the merger under the graduated U.S. federal income tax rates applicable to U.S. persons and, if the non-U.S. holder is a corporation, the branch profits tax described below in Distributions on the Staples Common Stock, may also apply; or

- the non-U.S. holder is a nonresident alien who is present in the United States for 183 days or more in the taxable year of the disposition and certain other requirements are met, in which case the non-U.S. holder will be subject to a 30% tax (or such lower rate as may be specified by an applicable income tax treaty between the United States and such holder s country of residence) on the net gain derived from the disposition, which may be offset by U.S.-source capital losses of the non-U.S. holder, if any.

Ownership of Staples Common Stock Received in the Merger

Distributions on the Staples Common Stock. Dividends paid to a non-U.S. holder generally will be subject to withholding of U.S. federal income tax at a 30% rate or such lower rate as may be specified by an applicable income tax treaty between the United States and such holder s country of residence. Any such distribution would also be subject to the discussion below under the section entitled Withholding and Information Reporting Requirements FATCA.

Dividends that are treated as effectively connected with a trade or business conducted by a non-U.S. holder within the United States, and if an applicable income tax treaty so provides, that are attributable to a permanent establishment or a fixed base maintained by the non-U.S. holder within the United States, are generally exempt from the 30% withholding tax if the non-U.S. holder satisfies applicable certification and disclosure requirements. However, such U.S. effectively connected income, net of specified deductions and credits, is taxed at the same graduated U.S. federal income tax rates applicable to U.S. persons (as defined in the Code). Any U.S. effectively connected income received by a non-U.S. holder that is a corporation may also, under certain circumstances, be subject to an additional branch profits tax at a 30% rate or such lower rate as may be specified by an applicable income tax treaty between the United States and such holder s country of residence.

A non-U.S. holder of Staples common stock who claims the benefit of an applicable income tax treaty between the United States and such holder s country of residence generally will be required to provide a properly executed Internal Revenue Service Form W-8BEN or W-8BEN-E (or successor form) and satisfy applicable certification and other requirements. Non-U.S. holders are urged to consult their own tax advisors regarding their entitlement to benefits under a relevant income tax treaty.

A non-U.S. holder that is eligible for a reduced rate of U.S. withholding tax under an applicable income tax treaty may obtain a refund or credit of any excess amounts withheld by timely filing a U.S. tax return with the Internal Revenue Service.

Sale or Other Disposition of the Staples Common Stock. Gain or loss on the sale or disposition of Staples common stock should be subject to tax in the same manner as described above under Non-U.S. Holders Tax Consequences of the Merger.

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Withholding and Information Reporting Requirements FATCA

The Foreign Account Tax Compliance Act (referred to in this proxy statement/prospectus as FATCA) generally imposes U.S. federal withholding tax of 30% on payments of dividends of, and gross proceeds from the sale or disposition of, shares of common stock if paid to a foreign entity unless (i) if the foreign entity is a foreign financial institution, the foreign entity undertakes certain due diligence, reporting, withholding, and certification obligations, (ii) if the foreign entity is not a foreign financial institution, the foreign entity identifies certain of its U.S. investors, if any, or (iii) the foreign entity is otherwise exempt under FATCA. Under applicable U.S. Treasury regulations, withholding under FATCA generally applies (1) to payments of dividends on shares of common stock and (2) to payments of gross proceeds from a sale or other disposition of shares of common stock made after December 31, 2016. Under certain circumstances, a non-U.S. holder may be eligible for refunds or credits of the tax. Withholding under FATCA generally will not be reduced or limited by bilateral income tax treaties. However, a non-U.S. holder may be exempt from FATCA withholding under an applicable intergovernmental agreement between the U.S. and a foreign government relating to the implementation of FATCA, provided that the non-U.S. holder and the foreign government comply with the terms of the agreement. Non-U.S. holders should consult their own tax advisors regarding the possible implications of FATCA on their investment in shares of common stock, and the entities through which they hold shares of common stock, including, without limitation, the process and deadlines for meeting the applicable requirements to prevent the imposition of this 30% withholding tax under FATCA.

Backup Withholding and Information Reporting

A U.S. holder may, under certain circumstances, be subject to information reporting and backup withholding (currently at a rate of 28%) with respect to certain payments (including the cash received in the merger), unless such holder properly establishes an exemption or provides its correct tax identification number and otherwise complies with the applicable requirements of the backup withholding rules. Backup withholding is not an additional tax. Rather, any amounts withheld under the backup withholding rules can be refunded or credited against a payee s U.S. federal income tax liability, if any, provided that such U.S. holder furnishes the required information to the Internal Revenue Service in a timely manner.

The gross amount of the distributions on shares of common stock paid to a non-U.S. holder and the tax withheld, if any, with respect to such distributions must be reported annually to the Internal Revenue Service and to the non-U.S. holder. Non-U.S. holders may have to comply with specific certification procedures to establish that the holder is not a U.S. person (as defined in the Code) in order to avoid backup withholding at the applicable rate with respect to dividends on shares of common stock. Generally, a holder will comply with such procedures if it provides a properly executed Internal Revenue Service Form W-8BEN or W-8BEN-E (or other applicable Form W-8) or otherwise meets documentary evidence requirements for establishing that it is a non-U.S. holder, or otherwise establishes an exemption. Dividends paid to non-U.S. holders subject to withholding of U.S. federal income tax, as described above under the heading Distributions on the Staples Common Stock, will generally be exempt from U.S. backup withholding.

Information reporting and backup withholding generally will apply to the proceeds of a disposition of shares of common stock by a non-U.S. holder effected by or through the U.S. office of any broker, U.S. or foreign, unless the holder certifies its status as a non-U.S. holder and satisfies certain other requirements, or otherwise establishes an exemption. Generally, information reporting and backup withholding will not apply to a payment of disposition proceeds to a non-U.S. holder where the transaction is effected outside the United States through a non-U.S. office of a broker. However, for information reporting purposes, dispositions effected through a non-U.S. office of a broker with substantial U.S. ownership or operations generally will be treated in a manner similar to dispositions effected through a U.S. office of a broker. Non-U.S. holders should consult their own tax advisors regarding the application of the information reporting and backup withholding rules to them.

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Copies of information returns may be made available to the tax authorities of the country in which the non-U.S. holder resides or is incorporated under the provisions of a specific treaty or agreement.

Backup withholding is not an additional tax. Rather, any amounts withheld under the backup withholding rules from a payment to a non-U.S. holder can be refunded or credited against the non-U.S. holder s U.S. federal income tax liability, if any, provided that an appropriate claim is timely filed with the Internal Revenue Service.

Financing of the Merger

Staples anticipates that the funds needed to complete the merger will be derived from a combination of (i) available cash on hand of Staples and Office Depot and (ii) third-party debt financing, including the debt financing described below.

In connection with the execution of the merger agreement, Staples entered into the debt commitment letter with Bank of America, MLPFS, Barclays, Wells Fargo Bank, Wells Fargo Securities, HSBC Bank, HSBC Securities, PNC Bank, PNCCM, TD Texas, TD Securities, U.S. Bank and Guggenheim pursuant to which, among other things, certain commitment parties have committed to provide Staples with the term facility in an aggregate principal amount of $2,750,000,000 and certain commitment parties have committed to provide Staples with the ABL facility in an aggregate principal amount of up to $3,000,000,000 to finance, in part, the acquisition of Office Depot. The ABL facility will be secured by a first-priority security interest in Staples and Office Depot s and certain of their respective subsidiaries receivables, inventory and certain other related general intangibles and investment property (referred to in this proxy statement/prospectus as the ABL collateral) and a second-priority interest in substantially all the remaining assets of Staples and Office Depot and certain of their respective subsidiaries, including certain real property (referred to in this proxy statement/prospectus as the term collateral). The term facility will be secured by a first-priority security interest in the term collateral and a second-priority interest in the ABL collateral. Availability under the ABL facility will be subject to a borrowing base calculated based upon the value of certain components of the ABL collateral. The debt financing, together with Staples and Office Depot s cash on hand, will be sufficient to finance the aggregate cash consideration payable to Office Depot s stockholders in the merger and fees and expenses incurred in connection with the debt financing and the merger and to refinance certain existing debt of Staples and Office Depot. The commitment parties commitment to provide the debt financing is subject to certain conditions, including consummation of the merger in accordance with the merger agreement; with respect to the ABL facility, a minimum excess availability threshold for the ABL facility after giving effect to the merger; the negotiation and execution of definitive documentation consistent with the debt commitment letter; delivery of certain audited, unaudited and pro forma financial statements; subject to certain limitations, the absence of a material adverse effect on Office Depot; the accuracy of certain representations and warranties of Office Depot in the merger agreement and certain representations and warranties of Staples and certain subsidiary guarantors to be set forth in the definitive loan documents; the repayment of certain outstanding debt of Office Depot; and other customary closing conditions. The debt financing would replace Staples and Office Depot s existing revolving credit facilities.

The definitive documentation governing the debt financing has not been finalized and, accordingly, the actual terms of the debt financing may differ from those described in this proxy statement/prospectus. Although the debt financing is not subject to due diligence or a market out, such financing may not be considered assured. The obligation of the commitment parties to provide debt financing under the debt commitment letter is subject to a number of conditions. There is a risk that these conditions will not be satisfied and the debt financing may not be available when required.

Under the merger agreement, Staples has agreed to use its reasonable best efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, advisable or proper to obtain the debt financing on or prior to the closing date of the merger on the terms and conditions described in the debt commitment letter. However, Staples has the right to substitute the proceeds of consummated offerings or other incurrences of debt (including notes) for all or any portion of the debt financing by reducing commitments under

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the debt commitment letter. Staples also has the right to substitute commitments in respect of other financings for all or any portion of the debt financing from the same and/or alternative bona fide third-party financing sources so long as all conditions precedent to the funding of such other financings are in the aggregate, in respect of certainty of funding, equivalent to (or more favorable to Office Depot than) the conditions precedent set forth in the debt commitment letter (referred to in this proxy statement/prospectus as the alternative financing). If any of the debt financing or the debt commitment letter (or any definitive financing agreement relating thereto) expires or is terminated or otherwise becomes unavailable prior to completion of the merger, in whole or in part, for any reason, Staples will promptly notify Office Depot of such expiration, termination or unavailability and use its reasonable best efforts promptly to arrange for financing from other sources so long as such financing from other sources would constitute an alternative financing, as described in the preceding sentence. As of the date of this proxy statement/prospectus, no such alternative financing has been arranged.

Office Depot has agreed that it will, and will cause its subsidiaries and their respective representatives to, use their reasonable best efforts to provide on a timely basis all cooperation reasonably requested by Staples that is necessary, proper or advisable in connection with any financing by Staples or any of its affiliates in connection with the merger, subject to customary limitations.

The receipt of financing for, or related to, any of the transactions contemplated by the merger agreement is not a condition to the closing of the merger and the other transactions contemplated by the merger agreement.

Regulatory Approvals

Staples and Office Depot have each agreed to use their reasonable best efforts to obtain and maintain all regulatory approvals necessary to complete the merger and the other transactions contemplated by the merger agreement. The following is a summary of the material regulatory approvals required for completion of the transactions contemplated by the merger agreement. There can be no assurance, however, if and when any of the approvals required to be obtained for the transactions contemplated by the merger agreement will be obtained or as to the conditions or limitations that such approvals may contain or impose.

United States Antitrust Clearance

Under the HSR Act, and related rules, the merger may not be completed until each party files a Notification and Report Form with the Antitrust Division and the FTC and all statutory waiting period requirements have been satisfied. A transaction requiring notification under the HSR Act may not be completed until the expiration of a 30-calendar-day waiting period following the parties filing of their respective HSR Act Notification and Report Forms or the early termination of that waiting period. Staples and Office Depot filed their respective Notification and Report Forms with the Antitrust Division and the FTC on February 26, 2015. On March 30, 2015, Staples and Office Depot each received a request for additional information and documentary material, often referred to as a second request, from the FTC in connection with the proposed acquisition of Office Depot by Staples. The effect of the second request is to extend the waiting period imposed by the HSR Act until 30 days after Staples and Office Depot have substantially complied with this request, unless that period is extended voluntarily by the parties or terminated sooner by the FTC. Staples and Office Depot intend to cooperate fully with this request.

At any time before or after the completion of the merger, the Antitrust Division or the FTC could take action under the U.S. antitrust laws, including seeking to prevent the merger, to rescind the merger or to clear the merger subject to the divestiture of assets of Staples or Office Depot or subject the merger to other remedies. In addition, U.S. state attorneys general could take action under the antitrust laws as they deem necessary or desirable in the public interest including without limitation seeking to enjoin the completion of the merger or permitting completion subject to the divestiture of assets of Staples or Office Depot or other remedies. Private parties may also seek to take legal action under the antitrust laws under some circumstances. There can be no assurance that a challenge to the merger on antitrust grounds will not be made or, if such challenge is made, that it would not be successful.

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Other Regulatory Approvals

The merger agreement provides that the merger is also subject to approval by governmental authorities in other jurisdictions under the antitrust and competition laws of those jurisdictions. Under the merger agreement the parties obligations to complete the merger are conditioned on the receipt of approvals, consents or clearances required in connection with the transactions contemplated by the merger agreement under the New Zealand Overseas Investment Act of 2005, as amended, and under the antitrust and competition laws of the European Union, China, Canada, Australia and New Zealand. Staples and Office Depot submitted a draft notification to the relevant antitrust agency in the E.U. on April 7, 2015 and are currently engaged in prenotification proceedings. Staples and Office Depot also submitted notifications to the relevant antitrust agencies in Canada on March 10, 2015, Australia on April 7, 2015 and New Zealand on April 2, 2015, and to the New Zealand Overseas Investment Office on April 9, 2015. In China, Staples and Office Depot submitted a notification to the relevant antitrust agency on April 21, 2015, however the notification has not yet been formally accepted by that agency.

In addition to the regulatory approvals described above, the merger may require the approval of other governmental authorities under foreign regulatory laws, such as under foreign merger control laws. If it is determined that other filings are required or advisable, it is possible that any of the governmental entities with which filings are made may seek, as conditions for granting approval of the merger, various regulatory concessions. Neither Staples nor Office Depot is currently aware of any material governmental approvals or actions that are required for completion of the merger other than those described above. It is currently contemplated that if any such additional material governmental approvals or actions are required, those approvals or actions will be sought.

General

There can be no assurances that all of the regulatory approvals described above will be obtained and, if obtained, there can be no assurances as to the timing of any approvals, Staples and Office Depot s ability to obtain the approvals on satisfactory terms or the absence of any litigation challenging such approvals. Governmental authorities may seek to block, delay, or otherwise require certain concessions, such as the divestiture of assets of Staples or Office Depot or other remedies. The parties respective obligations to complete the transactions contemplated by the merger agreement are conditioned upon the absence of any outstanding judgment, injunction, order or decree of a competent governmental authority prohibiting or enjoining the consummation of the merger or the other transactions contemplated by the merger agreement.

Under the merger agreement, the parties have agreed to use their reasonable best efforts to obtain all of the regulatory approvals described above. Office Depot may not, however, without Staples written consent, offer or agree to divest, license, hold separate (including by trust or otherwise) or otherwise commit Office Depot, Staples or any of their respective subsidiaries to take any action that limits any freedom of action with respect to their ability to retain or operate any of their businesses, services or assets (any such divestiture, license, hold separate or such other commitment to take action with respect to any businesses, services or assets is referred to in this proxy statement/prospectus as an antitrust restraint). Staples will not be required to agree to or effect any such antitrust restraint with respect to any of its or Office Depot s or their respective subsidiaries businesses, services or assets, except as described below. If necessary to avoid the commencement of any action by any governmental authority challenging the transactions under the merger agreement under antitrust laws, or, if already commenced, to avoid the entry of, or to effect the dissolution of, any order that would prohibit, prevent or restrict the consummation of the transactions contemplated by the merger agreement, Staples will offer, negotiate and agree to, and will effect, any antitrust restraint with respect to Office Depot s businesses, services or assets, except that Staples will not be required to agree to or effect any antitrust restraint with respect to any of Office Depot s businesses, services or assets other than, to the extent necessary to avoid the commencement of any such action or to avoid the entry of, or to effect the dissolution of, any such order, (i) an antitrust restraint with respect to businesses, services or assets of Office Depot in the United States that, in the aggregate, generated or were reasonably necessary to service no more than $1,250,000,000 of Office Depot s revenues in calendar year 2014, and (ii) an antitrust restraint with respect to businesses, services or assets of Office Depot outside the

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United States that would not reasonably be expected to have a material adverse effect on the businesses of Office Depot outside the United States, taken as a whole. If reaching agreement with the antitrust authorities would require Staples to agree to or effect any antitrust restraint with respect to the businesses, services or assets of Staples or with respect to any of Office Depot s businesses, services or assets in excess of the limitations described above, Staples has the option to either agree to or effect such an antitrust restraint or continue to attempt to obtain approval of the antitrust authorities until the end date, including by vigorously contesting and resisting any action instituted (or threatened to be instituted) by such antitrust authorities and having vacated, lifted, reversed or overturned any decree, judgment, injunction or other order that is in effect and that prohibits, prevents, delays or restricts consummation of the transactions contemplated by the merger agreement. Staples would be required to pay Office Depot a regulatory fee of $250 million within three business days following termination of the merger agreement if the merger agreement is terminated:

- by Office Depot or Staples as a result of any antitrust-related final, nonappealable order or injunction prohibiting the closing or law making the merger illegal;
- by Office Depot as a result of a material breach of Staples antitrust-related covenants such that the antitrust-related closing condition or the condition that there be no final, non-appealable legal restraint is incapable of being satisfied; or
- by Office Depot or Staples as a result of the failure of the closing to occur on or before November 4, 2015 (which date will be automatically extended to February 4, 2016, if certain closing conditions related to antitrust approvals have not been satisfied) due to the antitrust-related closing condition not being satisfied or the condition that there be no final, non-appealable legal restraint not being satisfied as a result of any antitrust law.

For additional discussions, please see the section entitled Risk Factors Risks Relating to the Merger beginning on page [ ].

Exchange of Shares

Upon completion of the merger, each issued and outstanding share of Office Depot common stock, other than shares held in treasury by Office Depot or owned by Staples, or any direct or indirect subsidiary of Staples or Office Depot, or by stockholders that have validly made a demand for appraisal and not validly withdrawn such demand or otherwise lost their rights of appraisal with respect to such shares pursuant to Section 262 of the DGCL, will be converted into the right to receive $7.25 in cash, without interest, plus 0.2188 shares of Staples common stock.

Prior to the effective time of the merger, Staples will appoint an exchange agent reasonably acceptable to Office Depot to handle the exchange of shares of Office Depot common stock for merger consideration. At or prior to the effective time, Staples will deposit (i) cash sufficient to pay the aggregate cash portion of the merger consideration and, to the extent determinable, cash in lieu of fractional shares and (ii) evidence of Staples common stock in book-entry or certificated form representing the number of shares of Staples common stock sufficient to deliver the aggregate stock portion of the merger consideration.

Office Depot stockholders will not receive any fractional shares of Staples common stock in the merger. Instead, a stockholder of Office Depot who otherwise would have received a fractional share of Staples common stock will be entitled to receive, from the exchange agent appointed by Staples pursuant to the merger agreement, a cash payment in lieu of such fractional share equal to the fractional share interest to which such stockholder would otherwise be entitled (after taking into account all shares of Office Depot common stock exchanged by such stockholder and rounded to the nearest one-thousandth when expressed in decimal form) multiplied by the volume weighted average price per share (calculated to the nearest one-hundredth of one cent) of Staples common stock on The Nasdaq Global Select Market, for the consecutive period of five trading days beginning on the eighth trading day immediately preceding the closing date of the merger and concluding at the close of trading on the third trading day immediately preceding the closing date of the merger, as calculated by Bloomberg Financial LP under the function VWAP.

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If a dividend or other distribution is declared with respect to shares of Staples common stock with a record date after the effective time of the merger, such declaration will include a dividend or other distribution in respect of all shares of Staples common stock issuable pursuant to the merger agreement.

After the effective time of the merger, shares of Office Depot common stock will no longer be outstanding, will be cancelled and will cease to exist and each certificate or book entry share that previously represented shares of Office Depot common stock (other than the cancelled and dissenting shares and any share of Office Depot common stock held by any direct or indirect subsidiary of Office Depot as described under the section entitled The Merger Agreement Closing; Effective Time; Effects of the Merger on Capital Stock beginning on page [ ]) will represent only the right to receive the per share merger consideration pursuant to the merger agreement, cash in lieu of fractional shares and unpaid dividends and distributions, if any, as described above. With respect to such shares of Staples common stock deliverable upon the surrender of Office Depot stock certificates or book entry shares, until holders of such Office Depot stock certificates or book entry shares have properly surrendered such stock certificates or book entry shares to the exchange agent for exchange, along with a duly completed letter of transmittal and any other documents as may customarily be required by the exchange agent, those holders will not receive the per share merger consideration, any cash in lieu of fractional shares and any dividends or distributions that become due to the holders of converted Office Depot common stock.

As soon as reasonably practicable after the effective time of the merger, Staples will cause the exchange agent to send a letter of transmittal specifying, among other things, that delivery will be effected, and risk of loss and title to any certificates or book entry shares representing Office Depot common stock will pass, only upon delivery of such certificates or book entry shares to the exchange agent. The letter will also include instructions explaining the procedure for surrendering Office Depot stock certificates and book entry shares in exchange for the merger consideration.

Staples and the exchange agent are entitled to deduct and withhold any applicable taxes from any merger consideration that would otherwise be payable pursuant to the merger agreement.

After the effective time of the merger, Office Depot will not register any transfer of the shares of Office Depot common stock.

Staples stockholders need not take any action with respect to their stock certificates.

Treatment of Office Depot Equity Awards

Each option to purchase Office Depot common stock that was outstanding as of the date of the merger agreement and remains outstanding as of the completion of the merger will, as of the completion of the merger, fully vest and entitle the holder to receive the per share merger consideration for each net option share underlying such stock option. For this purpose, the number of net option shares of Office Depot common stock will equal the number of shares of Office Depot common stock underlying such option minus a number of shares with a fair market value equal to the aggregate exercise price of such stock option, based on the per share merger consideration, the stock consideration component of which will be deemed to be an amount equal to the Staples trading price, as described in The Merger Agreement Closing; Effective Time; Effects of the Merger on Capital Stock below, multiplied by 0.2188 for each such share of Office Depot common stock.

Each award of restricted Office Depot common stock that was outstanding as of the date of the merger agreement and which remains outstanding as of the completion of the merger will, immediately prior to the completion of the merger, fully vest and entitle the holder to receive the per share merger consideration for each share of Office Depot common stock subject to such award.

Each award of restricted stock units (including restricted stock units that are subject to performance-based vesting conditions) and each award of performance shares, in each case that was outstanding as of the date of the merger agreement or that has been granted to a non-employee director and remains outstanding as of the completion of the merger, will, immediately prior to the completion of the merger, fully vest with respect to time-based vesting. Performance-based restricted stock unit awards granted with a performance period commencing as of December 29, 2013 and ending December 31, 2016 will fully vest with respect to 133.3% of the target number of shares subject to each such award. Performance-based restricted stock unit awards for which the performance period concluded prior to the date of the merger agreement will vest based on actual performance results. Each holder of a restricted stock unit award will be entitled to receive the per share merger consideration with respect to each share of Office Depot common stock subject to the vested restricted stock units.

The merger agreement permits, to a limited extent, awards to be made in 2015, after the date of the merger agreement. Any such award made in 2015 that remains outstanding as of the completion of the merger (except such grants to non-employee directors) will be converted into an award representing a contingent right, subject to meeting vesting requirements and other conditions of such awards, to receive the merger consideration for each share of Office Depot common stock underlying such award; however, instead of receiving the portion of the merger consideration otherwise payable in Staples common stock, each holder of an award made in 2015 after the date of the merger agreement will receive a cash payment, without interest, for each share of Office Depot common stock underlying such award equal to the Staples trading price, as described in The Merger Agreement Closing; Effective Time; Effects of the Merger on Capital Stock below, multiplied by 0.2188.

Dividend Policy

Staples currently pays regular quarterly cash dividends on its common stock. Staples most recently paid a cash dividend on April 16, 2015, of $0.12 per share. While Staples currently intends to continue to pay quarterly cash dividends for the remainder of 2015 and beyond, any decision to pay future cash dividends will be made by Staples board of directors and will depend upon Staples earnings, financial condition and other factors, including the terms of the definitive agreements that will govern the term facility and the ABL facility, which Staples expects will restrict it from paying dividends in certain circumstances and otherwise in an amount in excess of $0.15 per share per quarter, subject to certain exceptions. Any payment of dividends by Staples would require approval by Staples board of directors and its board of directors may change its dividend policy at any time.

Pursuant to an indenture, dated as of March 14, 2012, Office Depot is subject to restrictions on the amount of cash dividends it can pay. Office Depot has never declared or paid cash dividends on its common stock and does not anticipate declaring or paying any cash dividends on its common stock in the foreseeable future.

Under the terms of the merger agreement, during the period before the closing of the merger, Staples is not permitted to pay any dividends or make any distributions on its capital stock other than regular quarterly cash dividends not exceeding $0.12 per share and Office Depot is not permitted to pay any dividends or make any distributions on its capital stock.

Listing of Staples Common Stock; Delisting of Office Depot Common Stock

It is a condition to the consummation of the merger that the shares of Staples common stock to be issued to Office Depot stockholders in the merger be approved for listing on The Nasdaq Global Select Market, subject to official notice of issuance. As a result of the merger, shares of Office Depot common stock will cease to be listed on The Nasdaq Global Select Market.

Litigation Related to the Merger

Office Depot, its directors, Staples, Merger Sub, and Starboard Value LP, among others, are named as defendants in a number of putative class action lawsuits brought by purported Office Depot stockholders

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challenging the merger, seeking, among other things, to enjoin consummation of the merger. To date, nine lawsuits have been filed in the Court of Chancery of the State of Delaware (referred to in this proxy statement/prospectus as the Delaware actions).

Raul v. Office Depot, Inc., et al., C.A. No. 10628-CB, filed on February 9, 2015

Koeneke v. Office Depot, Inc., et al., C.A. No. 10650-CB, filed on February 12, 2015

Gilbert v. Office Depot, Inc., et al., C.A. No. 10653-CB, filed on February 12, 2015

Miller v. Office Depot, Inc., et al., C.A. No. 10655-CB, filed on February 12, 2015

Renous v. Smith, et al., C.A. No. 10657-CB, filed on February 13, 2015

The Fievel & Helene Gottlieb Defined Benefit Pension Plan v. Office Depot, Inc., et al., C.A. No. 10662-CB, filed on February 13, 2015

Miller v. Smith, et al., C.A. No. 10668-CB, filed on February 17, 2015

Max v. Office Depot, Inc., et al., C.A. No. 10682-CB, filed on February 19, 2015

Connors v. Office Depot, Inc., et al., C.A. No. 10732-CB, filed on February 27, 2015

In addition, two lawsuits have been filed in the Fifteenth Circuit Court of the State of Florida (referred to in this proxy statement/prospectus as the Florida actions and, together with the Delaware actions, the lawsuits).

Petit-Frere v. Office Depot, Inc., et al., Case No. 2015CA001577, filed on February 10, 2015

Sweatman v. Office Depot, Inc., et al., Case No. 2015CA001711, filed on February 12, 2015

On March 6, 2015, the plaintiffs in the Delaware actions filed competing motions to appoint lead plaintiffs and lead counsel. The court held a hearing on these motions on March 31, 2015, and, on the same day, consolidated the nine Delaware actions under the caption *In re Office Depot, Inc. Stockholders Litigation*, Consol. C.A. No. 10655-CB. The court also appointed lead plaintiffs and lead plaintiffs counsel.

On March 3, 2015, the plaintiffs in the Florida actions filed motions to consolidate the Florida actions, appoint lead counsel, and for expedited proceedings. On March 9, 2015, the defendants filed motions to dismiss the complaints for improper venue, or in the alternative to stay the Florida actions in favor of the Delaware actions. On March 12, 2015, the court consolidated the Florida actions and appointed lead counsel. The court scheduled a hearing on the plaintiffs motions for expedited proceedings and the defendants motions to dismiss for April 30, 2015.

Operative amended complaints were designated in the Delaware and Florida actions on March 31, 2015, and April 7, 2015, respectively. The lawsuits generally allege, among other things, that the directors of Office Depot breached their fiduciary duties to Office Depot stockholders in connection with the merger, by, among other things, failing to fully inform themselves of the market value of Office Depot, maximize stockholder value, obtain the best financial and other terms, disclose material information in this proxy statement/prospectus and act in the best interests of public stockholders, and by seeking to benefit themselves improperly. The lawsuits further allege that Staples, Office Depot, and Starboard Value LP, among others, aided and abetted the Office Depot directors in the breach of their fiduciary duties. The lawsuits seek, in general, (i) injunctive relief enjoining, preliminarily and permanently, the merger, (ii) in the event that the merger is consummated, rescission or an award of rescissory damages, (iii) an award of plaintiffs costs, including fees, expenses of attorneys, fees for experts, and interest, (iv) punitive damages, and (v) additional disclosure related to the transactions in this proxy statement/prospectus, among other relief. In addition to the allegations raised and the relief sought in the Delaware actions, the Florida actions allege that the forum selection amendment to Office Depot s bylaws was adopted in breach of all defendants fiduciary duties, and seek a declaratory judgment invalidating it.

Office Depot, Staples and the Office Depot board of directors believe that the claims asserted in these suits are without merit and intend to defend against them vigorously.

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THE MERGER AGREEMENT

The following describes the material provisions of the merger agreement, which is included as ***Annex A*** *to this proxy statement/prospectus and is incorporated by reference herein. The summary of the material provisions of the merger agreement below and elsewhere in this proxy statement/prospectus is qualified in its entirety by reference to the merger agreement. This summary does not purport to be complete and may not contain all of the information about the merger agreement that is important to you. Staples and Office Depot encourage you to read carefully the merger agreement in its entirety before making any decisions regarding the merger as it is the legal document governing the merger.*

The merger agreement and this summary of its terms have been included to provide you with information regarding the terms of the merger agreement. Staples and Office Depot are responsible for considering whether additional disclosure of material information is required to make the statements in this proxy statement/prospectus not misleading. Factual disclosures about Staples and Office Depot contained in this proxy statement/prospectus or Staples or Office Depot s public reports filed with the SEC may supplement, update or modify the factual disclosures about Staples or Office Depot contained in the merger agreement and described in the summary. The representations, warranties and covenants made in the merger agreement by Staples, Merger Sub and Office Depot are qualified and subject to important limitations agreed to by the parties to the merger agreement in connection with negotiating the terms of the merger agreement. In particular, in your review of the representations and warranties contained in the merger agreement and described in this summary, it is important to bear in mind that the representations and warranties were made solely for the benefit of the parties to the merger agreement, and were negotiated with the principal purpose of allocating risk between the parties to the merger agreement, rather than establishing matters as facts. The representations and warranties may also be subject to a contractual standard of materiality that may be different from that generally relevant to stockholders or applicable to reports and documents filed with the SEC, and in some cases are qualified by confidential disclosures that were made by each party to the other, which disclosures are not reflected in the merger agreement or otherwise publicly disclosed. The representations and warranties in the merger agreement will not survive the completion of the merger. Moreover, information concerning the subject matter of the representations and warranties may have changed since the date of the merger agreement. For the foregoing reasons, the representations, warranties and covenants or any descriptions of those provisions should not be read alone, but instead should be read together with the information provided elsewhere in this proxy statement/prospectus and in the documents incorporated by reference into this proxy statement/prospectus. See Where You Can Find More Information beginning on page [ ].

Closing; Effective Time; Effects of the Merger on Capital Stock

Closing; Effective Time

The merger agreement provides that, subject to the terms and conditions of the merger agreement, Merger Sub will be merged with and into Office Depot, with Office Depot surviving the merger as a wholly owned subsidiary of Staples. The closing of the merger will take place on the third business day after the satisfaction or waiver of the closing conditions set forth in the merger agreement (other than those conditions that by their nature are to be satisfied at the closing, but subject to the satisfaction or waiver of those conditions), or at such other date as Office Depot and Staples may agree in writing.

On the closing date, Office Depot and Merger Sub will effectuate the merger by filing a certificate of merger with the Secretary of State of the State of Delaware, and the merger will become effective upon filing or at a time agreed to by the parties and specified in the certificate of merger. At the effective time of the merger, all of the property, rights, privileges, powers and franchises of Office Depot and Merger Sub will vest in the surviving company, and all of the liabilities and obligations of Office Depot and Merger Sub will become liabilities and obligations of the surviving company.

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Effects of the Merger on Capital Stock

At the effective time of the merger, each share of Office Depot common stock issued and outstanding immediately prior to the effective time of the merger, other than the cancelled and dissenting shares described below and any share of Office Depot common stock held by any direct or indirect subsidiary of Office Depot, will automatically convert into the right to receive the per share merger consideration, which is described in the section entitled Proposal I: Adoption of the Merger Agreement Per Share Merger Consideration beginning on page [ ].

Also at the effective time of the merger, each share of Office Depot common stock issued and outstanding immediately prior to the effective time that is (i) owned or held in treasury by Office Depot, (ii) owned by Staples or (iii) owned by Merger Sub or any other direct or indirect subsidiary of Staples (referred to in this proxy statement/prospectus as cancelled shares), will no longer be outstanding, will automatically be cancelled and will cease to exist. No consideration will be delivered in exchange for any cancelled shares. Each share of Office Depot common stock that is held by a direct or indirect subsidiary of Office Depot will be converted into one share of the surviving company.

Each share of Office Depot common stock issued and outstanding and held by a person (referred to in this proxy statement/prospectus as a dissenting stockholder) who has not voted in favor of the adoption of the merger agreement and has complied with all provisions of the DGCL concerning the rights of Office Depot stockholders to require appraisal of such shares (referred to in this proxy statement/prospectus as dissenting shares) will not be converted into the right to receive the merger consideration, which is described below. Instead, dissenting shares will become the right to receive whatever per share consideration may be determined to be due to such dissenting stockholder under Section 262 of the DGCL. If any dissenting stockholder validly withdraws its demand for appraisal or otherwise loses its right of appraisal under the DGCL, dissenting shares held by such dissenting stockholder will be treated as though such dissenting shares had been converted into the right to receive the merger consideration. For more information regarding appraisal rights, see the section entitled Appraisal Rights of Office Depot Stockholders beginning on page [ ]. In addition, a copy of Section 262 of the DGCL is attached as **Annex C** to this proxy statement/prospectus.

All shares of Office Depot common stock converted into the right to receive the merger consideration will cease to exist as of the effective time of the merger. Office Depot stockholders will not receive any fractional shares of Staples common stock in the merger. Instead, a stockholder of Office Depot who otherwise would have received a fractional share of Staples common stock will be entitled to receive, from the exchange agent appointed by Staples pursuant to the merger agreement, a cash payment in lieu of such fractional share equal to the fractional share interest to which such stockholder would otherwise be entitled (after taking into account all shares of Office Depot common stock exchanged by such stockholder and rounded to the nearest one-thousandth when expressed in decimal form), multiplied by the volume weighted average price per share (calculated to the nearest one-hundredth of one cent) of Staples common stock on The Nasdaq Global Select Market, for the consecutive period of five trading days beginning on the eighth trading day immediately preceding the closing date of the merger and concluding at the close of trading on the third trading day immediately preceding the closing date of the merger, as calculated by Bloomberg Financial LP under the function VWAP (referred to in this proxy statement/prospectus as the Staples trading price). No such holder will be entitled to any dividends, voting rights or other rights with respect to any fractional shares of Staples common stock. Uncertificated shares of Office Depot common stock represented by book-entry form and each certificate that represented any shares of Office Depot common stock (other than cancelled shares, dissenting shares or shares of Office Depot common stock that is held by a direct or indirect subsidiary of Office Depot), will, after the effective time, represent only the right to receive the merger consideration into which the shares have been converted, as well as any cash in lieu of fractional shares and any dividends or other distributions to which holders of Office Depot common stock are otherwise entitled, as described below.

At the effective time of the merger, each share of common stock, par value $0.01 per share, of Merger Sub issued and outstanding immediately prior to the effective time of the merger will become one validly issued, fully paid and nonassessable share of common stock, par value $0.01 per share, of the surviving company. After the effective time of the merger, all certificates representing the common stock of Merger Sub will be deemed to represent the number of shares of common stock of the surviving company into which they were converted pursuant to the foregoing.

Exchange and Payment Procedures

Prior to the effective time of the merger, Staples will appoint a bank or trust company reasonably acceptable to Office Depot to act as exchange agent for the payment of the merger consideration. At or prior to the effective time of the merger, Staples will deposit (i) cash sufficient to pay the aggregate cash consideration and to the extent determinable, cash in lieu of fractional shares and (ii) evidence of Staples common stock in book-entry or certificated form representing the number of shares of Staples common stock sufficient to deliver the aggregate stock portion of the merger consideration (such cash and stock, along with any dividends or distributions that become due to the holders of converted Office Depot common stock, are referred to in this proxy statement/prospectus as the exchange fund).

As soon as reasonably practicable after the effective time of the merger, Staples will cause the exchange agent to mail to each holder of Office Depot common stock that was converted into the right to receive the per share merger consideration a letter of transmittal and instructions for use in effecting the surrender of such converted Office Depot common stock in exchange for the per share merger consideration, cash in lieu of fractional shares and any dividends or distributions that become due to the holders of converted Office Depot common stock. Upon the proper surrender of such converted Office Depot common stock, together with a duly completed letter of transmittal and any other documents as may customarily be required by the exchange agent, the holder will be entitled to receive the per share merger consideration, any cash in lieu of fractional shares and any dividends or distributions that become due to the holders of converted Office Depot common stock. In the event of a transfer of ownership of shares of Office Depot common stock that is not registered in the transfer or stock records of Office Depot, the per share merger consideration may be paid if the certificates or book-entry shares formerly representing such shares of Office Depot common stock are presented to the exchange agent, accompanied by all documents needed to evidence and effect such transfer and to demonstrate that any applicable stock transfer or other similar taxes have been paid or do not apply. No interest will accrue or be paid on the cash portion of the merger consideration.

Distributions with Respect to Unsurrendered Shares

No Staples dividends or other distributions, if any, with a record date that falls at or after the effective time of the merger will be paid to the holder of any shares of Office Depot common stock until such holder actually surrenders such shares. After doing so, the holder will be entitled to receive the per share merger consideration, cash in lieu of any fractional shares and any dividends or other distributions that have become payable with respect to Staples common stock with a record date that falls at or after the effective time of the merger. No interest will be payable on the foregoing.

Rights of Office Depot Stockholders Following the Effective Time

The cash and stock consideration paid in accordance with the terms of the merger agreement upon conversion of any shares of Office Depot common stock will be deemed to have been delivered and paid in full satisfaction of all rights pertaining to such shares of Office Depot common stock. At and after the effective time of the merger, all holders of certificates and book-entry shares representing Office Depot common stock (other than cancelled shares, dissenting shares or shares of Office Depot common stock that are held by a direct or indirect subsidiary of Office Depot) will cease to hold any rights as Office Depot stockholders, other than the right to receive the per share merger consideration, cash in lieu of any fractional shares and any dividends or other distributions that have become payable with respect to Staples common stock. Any certificates or book-entry shares formerly representing shares of Office Depot common stock presented to Staples, the surviving

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company or the exchange agent after the effective time of the merger will be cancelled and exchanged for the per share merger consideration, cash in lieu of fractional shares and any dividends or other distributions that have become due to the holders of converted Office Depot common stock, subject to applicable law in the case of dissenting shares.

Transfers Following the Effective Time

The stock transfer books of Office Depot will be closed with respect to all shares of Office Depot common stock outstanding immediately prior to the effective time of the merger and there will be no further registration of transfers on the stock transfer books of the surviving company of shares of Office Depot common stock outstanding immediately prior to the effective time of the merger.

Investment of the Exchange Fund

The exchange agent will invest any cash included in the exchange fund at the direction of Staples. Any interest or other income accrued on or resulting from the foregoing investments will be paid on demand by the exchange agent to Staples. If the exchange fund is not sufficient to fully satisfy all of the payment obligations that the exchange agent must pay in cash, Staples will promptly deposit sufficient cash into the exchange fund.

Termination of Exchange Fund

Any portion of the exchange fund that remains unclaimed or undistributed one year after the closing date of the merger will be delivered to Staples on demand. Any holders of certificates or book-entry shares representing shares of Office Depot common stock who have not yet surrendered their shares must look to Staples (subject to abandoned property, escheat or other similar laws) for the satisfaction of any claims to receive the per share merger consideration, cash in lieu of any fractional shares or any dividends or other distributions with respect to Staples common stock that become payable to such holder. No interest will be payable on the foregoing.

None of Staples, Office Depot, Merger Sub nor the exchange agent will be liable to any person with respect to any portion of the exchange fund or per share merger consideration that is delivered to any public official pursuant to any applicable abandoned property, escheat or similar laws. Furthermore, any portion of the merger consideration or the cash to be paid in accordance with the merger agreement that is not claimed by the holders of certificates or book-entry shares representing shares of Office Depot common stock will, to the extent permitted by applicable law, become the property of the surviving company, free and clear of any claims or interest of any other person or entity, immediately prior to the date upon which the merger consideration or such cash would otherwise become subject to any applicable abandoned property, escheat or similar laws.

Withholding Rights

Staples, the surviving company and the exchange agent will each be entitled to deduct and withhold any amounts due under applicable tax laws from the amounts that would otherwise become payable under the terms of the merger agreement, and any such deducted and withheld amounts will be paid to the appropriate taxing authorities and will be treated as having been paid to the person from whom such amounts were originally deducted or withheld.

Lost, Stolen or Destroyed Stock Certificates

If any certificate representing shares of Office Depot common stock is lost, stolen or destroyed, and the holder of such purported certificate makes an affidavit attesting to this fact, the exchange agent or, after the termination of the exchange fund, Staples will pay the merger consideration and any dividends or distributions that have become payable with respect to Staples common stock to such holder. Staples or the exchange agent may require that such holder post a bond as indemnity against any claims that may be made against Staples, the surviving company or the exchange agent with respect to such certificate.

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Treatment of Office Depot Equity Awards

Treatment of Office Depot Stock Options

Each option to purchase Office Depot common stock that was outstanding as of the date of the merger agreement and remains outstanding as of the completion of the merger will, as of the completion of the merger, fully vest and entitle the holder to receive the per share merger consideration for each net option share underlying such stock option. For this purpose, the number of net option shares of Office Depot common stock will equal the number of shares of Office Depot common stock underlying such option minus a number of shares with a fair market value equal to the aggregate exercise price of such stock option, based on the per share merger consideration, the stock consideration component of which will be deemed to be an amount equal to the Staples trading price, as described in The Merger Agreement Closing; Effective Time; Effects of the Merger on Capital Stock below, multiplied by 0.2188 for each such share of Office Depot common stock.

Treatment of Restricted Stock

Each award of restricted Office Depot common stock that was outstanding as of the date of the merger agreement and which remains outstanding as of the completion of the merger will, immediately prior to the completion of the merger, fully vest and entitle the holder to receive the per share merger consideration for each share of Office Depot common stock subject to such award.

Treatment of Restricted Stock Unit Awards

Each award of restricted stock units (including restricted stock units that are subject to performance-based vesting conditions) and each award of performance shares that was outstanding as of the date of the merger agreement or that has been granted to a non-employee director and remains outstanding as of the completion of the merger will, immediately prior to the completion of the merger, fully vest with respect to time-based vesting. Performance-based restricted stock unit awards granted with a performance period commencing as of December 29, 2013 and ending December 31, 2016 will fully vest with respect to 133.3% of the target number of shares subject to each such award. Performance-based restricted stock unit awards for which the performance period concluded prior to the date of the merger agreement will vest based on actual performance results. Each holder of a restricted stock unit award will be entitled to receive the merger consideration with respect to each share of Office Depot common stock subject to the vested restricted stock units.

Treatment of 2015 Awards

The merger agreement permits, to a limited extent, awards to be made in 2015, after the date of the merger agreement. Any such award made in 2015 that remains outstanding as of the completion of the merger will be converted into an award representing a contingent right, subject to meeting vesting requirements and other conditions of such awards, to receive the merger consideration for each share of Office Depot common stock underlying such award; however, instead of receiving the portion of the merger consideration otherwise payable in Staples common stock, each holder of an award made in 2015 after the date of the merger agreement will receive a cash payment equal to the Staples trading price, as described in Closing; Effective Time; Effects of the Merger on Capital Stock above, multiplied by 0.2188 for each share of Office Depot common stock subject to such award.

Representations and Warranties

The merger agreement contains customary and, in certain cases, reciprocal, representations and warranties by Office Depot and Staples that are subject, in some cases, to specified exceptions and qualifications contained in confidential disclosure schedules and are also qualified by certain documents filed by the parties with the SEC since December 31, 2013 through February 3, 2015, excluding, in each case, any disclosures set forth in any risk factor or other cautionary or forward-looking disclosure.

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The reciprocal representations and warranties relate to, among other things:

- organization and standing;
- ownership of subsidiaries;
- corporate power and authority with respect to the execution and delivery of the merger agreement, and the due and valid execution and delivery and enforceability of the merger agreement;
- capital stock and indebtedness;
- absence of conflicts with, or violations of, organizational documents, contracts and applicable laws;
- required regulatory filings and consents and approvals of governmental authorities;
- absence of certain events, changes or effects from September 27, 2014 (with respect to Office Depot) or November 1, 2014 (with respect to Staples) to the date of the merger agreement;
- SEC documents and financial statements;
- internal controls and disclosure controls and procedures;
- registration rights;
- compliance with applicable laws;
- tax matters;
- accuracy of information supplied or to be supplied for use in this proxy statement/prospectus and the registration statement on Form S-4 of which this proxy statement/prospectus forms a part;
- absence of certain litigation;

brokers fees payable in connection with the transactions contemplated by the merger agreement;

absence of undisclosed liabilities;

absence of any transaction since September 27, 2014 (with respect to Office Depot) or November 1, 2014 (with respect to Staples) through the date of the merger agreement that, if done after execution of the merger agreement, would violate in any material respect the restrictive covenants described under Conduct of Businesses of Office Depot and Staples Prior to Completion of the Merger on page [ ]; and

environmental matters.

The merger agreement also contains additional representations and warranties by Office Depot relating to, among other things, the following:

intellectual property;

title to and condition of properties;

employee benefits matters and ERISA compliance;

material contracts;

possession of, and compliance with, permits;

opinion of its financial advisor;

recommendation of the board of directors;

takeover statutes; and

insurance.

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The merger agreement also contains additional representations and warranties by Staples relating to, among other things, the following:

- compliance with privacy laws;
- business, assets, liabilities and obligations of Merger Sub;
- the absence of a need for a vote of Staples stockholders on the merger;
- the delivery to Office Depot by Staples of evidence of commitments from the commitment parties to provide the debt financing required to consummate the merger; and
- the continued solvency of Staples after consummation of the merger.

Some of the representations and warranties contained in the merger agreement are subject to exceptions and qualifications, including knowledge, materiality and material adverse effect qualifications.

For the purposes of the merger agreement, a material adverse effect with respect to any party to the merger agreement will be deemed to occur if any event, change or effect, individually or in the aggregate with other such events, changes or effects, has occurred that has a material adverse effect on the financial condition, business or results of operations of such party and its subsidiaries, taken as a whole, except that a material adverse effect will not include any event, change or effect directly or indirectly arising out of or attributable to:

- any decrease in the market price of the shares of Staples common stock, in the case of Staples, or the Office Depot common stock, in the case of Office Depot (but in either case not any event, change or effect underlying such decrease to the extent such event, change or effect would otherwise constitute a material adverse effect on such party);
- conditions, events, or circumstances generally affecting the retail, contract, direct mail and/or internet businesses of the office supply industry, except to the extent such conditions, events or circumstances materially disproportionally affect Staples or Office Depot, as the case may be, and their respective subsidiaries compared to other participants in the industry in which Staples and Office Depot operate;
- changes in GAAP, applicable law or accounting standards, or in any interpretation of GAAP, applicable law or accounting standards, except to the extent such changes materially disproportionally affect Staples or Office Depot, as the case may be, and their respective subsidiaries compared to other participants in the industry in which Staples and Office Depot operate;

any litigation arising from allegations of a breach of fiduciary duty or other violation of applicable law relating to the merger agreement or the transactions contemplated by the merger agreement (or any public disclosure relating to such litigation);

any change, in and of itself, in any analyst s recommendations, any financial strength rating or any other recommendations or ratings as to Staples or Office Depot, as the case may be, or their respective subsidiaries, or any failure, in and of itself, to meet analyst projections (but not any event, change or effect underlying such change or failure to the extent such event, change or effect would otherwise constitute a material adverse effect);

the failure, in and of itself, of Staples or Office Depot, as the case may be, to meet any expected or projected financial or operating performance target publicly announced or provided to the other party prior to the date of the merger agreement, as well as any change, in and of itself, by Staples or Office Depot, as the case may be, in any expected or projected financial or operating performance target as compared with any target publicly announced or provided to the other party prior to the date of the merger agreement (but not any event, change or effect underlying such failure or change to the extent such event, change or effect would otherwise constitute a material adverse effect);

any changes or developments in United States, European, Asian or global economic, regulatory or political conditions in general (including the outbreak or escalation of hostilities or acts of war or

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terrorism), or generally affecting the United States, European, Asian or global financial or securities markets, except to the extent such changes or developments materially disproportionally affect Staples or Office Depot, as the case may be, and their respective subsidiaries compared to other participants in the industry in which Staples and Office Depot operate; or

any changes or developments resulting from the execution, delivery, existence of, or compliance with, the merger agreement or announcement or consummation of the transactions contemplated by the merger agreement, including any loss of employees, customers, suppliers, vendors, licensors, licensees or distributors (except that the exception described under this bullet point will not apply to the representations and warranties made by Staples and Office Depot with respect to the absence of certain conflicts, consents and approvals arising from the merger to the extent that the execution and delivery of the merger agreement or the consummation of the transactions contemplated by the merger agreement would result in a breach or inaccuracy of any of these representations and warranties).

Conduct of Businesses of Office Depot and Staples Prior to Completion of the Merger

Pursuant to the terms of the merger agreement, each of Office Depot and Staples agreed that, subject to certain exceptions or unless the other party consents in writing (such consent not to be unreasonably withheld, conditioned or delayed), between February 4, 2015 and the effective time of the merger, it will, and will cause each of its subsidiaries to:

conduct its business in all material respects in the ordinary course and in compliance with applicable law; and

subject to compliance with the operating restrictions described below, use reasonable best efforts to preserve intact its present and presently planned business organization; maintain in effect all necessary licenses, permits, consents, franchises, approvals and authorizations; keep available the services of its executive officers and key employees on commercially reasonable terms; and maintain satisfactory relationships with its material customers, lenders, suppliers and others having material business relationships with it.

Office Depot also has agreed that, subject to certain exceptions or unless Staples consents in writing (such consent, in certain specified cases, not to be unreasonably withheld, conditioned or delayed), between February 4, 2015 and the effective time of the merger, it will not, nor permit any of its subsidiaries to:

amend its governing documents or, in any material respect, those of any of its subsidiaries, or otherwise take any action to exempt any person from any provision of its or its subsidiaries governing documents;

split, combine or reclassify any of its capital stock;

make, declare or pay any dividend, or make any other distribution on, or directly or indirectly redeem, purchase or otherwise acquire, any shares of its capital stock, or any other securities or obligations convertible into or exchangeable for any shares of its capital stock (except (i) dividends paid by any subsidiaries of Office Depot to Office Depot or any of its wholly owned subsidiaries, or (ii) the acceptance of shares of Office Depot common stock as payment for the exercise price of options to purchase Office Depot common stock or for withholding taxes incurred in connection with the exercise of such options or the vesting or settlement of equity-based awards outstanding as of February 4, 2015 or granted after that date in compliance with the merger agreement);

grant any Office Depot equity-based awards or interests, or grant any individual, corporation or other entity any right to acquire any shares of its capital stock;

issue, sell or otherwise permit to become outstanding any additional shares of Office Depot capital stock or securities convertible or exchangeable into, or exercisable for, its capital stock or any options, warrants or other rights of any kind to acquire any shares of its capital stock, except pursuant to the exercise of outstanding stock options or the settlement of other equity-based awards outstanding as of February 4, 2015 or granted after that date in compliance with the merger agreement;

enter into any agreement, understanding or arrangement with respect to the sale or voting of its capital stock or equity interests;

adopt any plan of complete or partial liquidation, dissolution, merger, consolidation, restructuring, recapitalization or other reorganization, other than the merger contemplated by the merger agreement and other than any mergers, consolidations, restructurings or reorganizations solely among Office Depot and its subsidiaries;

incur, create, assume or otherwise become liable for any indebtedness for borrowed money or assume, guarantee, endorse or otherwise as an accommodation become responsible or liable for the financial obligations of any other person, except (i) in the ordinary course of business consistent with past practice, (ii) in connection with a refinancing of existing indebtedness, which refinancing does not increase the aggregate amount of indebtedness permitted to be outstanding thereunder and does not include covenants that are more burdensome in the aggregate to Office Depot in any material respect or increase costs to the surviving company after the effective time of the merger in any material respect, (iii) pursuant to existing credit arrangements, (iv) pursuant to agreements among Office Depot and its wholly owned subsidiaries, or (v) guarantees by Office Depot and any of its wholly owned subsidiaries of any indebtedness permitted pursuant to this bullet;

make any loans or advances to any other person, except for loans among Office Depot and any of its wholly owned subsidiaries;

except (i) as permitted by the merger agreement, (ii) for any repayment or prepayment by Office Depot or its subsidiaries of indebtedness pursuant to the revolving credit facility under Office Depot s existing credit agreement or required under the terms of certain existing indebtedness, or (iii) for transactions among Office Depot and its subsidiaries, prepay, redeem, repurchase, defease, cancel or otherwise terminate any indebtedness or guarantees thereof of Office Depot or any subsidiary;

other than (x) in accordance with contracts or agreements already in effect as of February 4, 2015, or (y) transactions entered into in the ordinary course of business, consistent with past practice relating to openings or closures of retail store locations or distributions centers contemplated by Office Depot s 2015 operating plan, sell, transfer, mortgage, encumber or otherwise dispose of any Office Depot properties or assets having a value in excess of $10,000,000 individually or $35,000,000 in the aggregate to any person other than to Office Depot or a wholly owned subsidiary of Office Depot, other than sales of inventory in the ordinary course of business consistent with past practice;

other than in accordance with contracts or agreements already in effect as of February 4, 2015, cancel, release or assign any material indebtedness of any such person owed to it or any claims held by it against any such person other than in the ordinary course of business consistent with past practice;

except for (i) transactions among Office Depot and its wholly owned subsidiaries, or (ii) transactions entered into in the ordinary course of business, consistent with past practice, relating to openings of retail store locations contemplated by Office Depot s 2015 operating plan, acquire for cash an amount of assets (other than purchases of inventory for resale in the ordinary course of business) or capital stock of any other person valued at more than $25,000,000 per transaction and $75,000,000 in the aggregate;

make any capital expenditures other than (i) those contemplated in Office Depot s budget for the fiscal year ending December 26, 2015, plus an additional $15,000,000 of capital expenditures that are not contemplated in its capital expenditure budget for the fiscal year ending December 26, 2015, or (ii) any other capital expenditures not in excess of $75,000,000 in any fiscal year following the fiscal year ending December 26, 2015;

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unless required by the terms of the merger agreement or any Office Depot benefit plan existing on February 4, 2015 (i) increase the compensation or benefits of any current or former directors, officers with a title of senior vice president and higher, employees, consultants, independent contractors or other service providers, other than increases in base salary or compensation in the ordinary course of business or as a result of merit increases or internal promotions in the ordinary course of business, (ii) pay to any such individual any amount not required by any current plan or agreement (other than base salary in the ordinary course of business), (iii) become a party to, establish, amend, commence participation in, terminate or commit itself to the adoption of any stock option plan or other stock-based compensation plan, compensation, severance, pension, retirement, profit-sharing, welfare benefit or other employee benefit plan or agreement or employment agreement (other than offer letters with respect to positions below senior vice president in the ordinary course of business consistent with past practice and offer letters or employment agreements with respect to new hires at the position of senior vice president or above to replace an employee at such position whose employment has terminated (or will terminate following a transition period) in the ordinary course of business consistent with past practice, which offer letters or employment agreements may not provide for severance benefits that are materially greater than the severance benefits of such terminated employee) with or for the benefit of any such individual (or newly hired employees), (iv) accelerate the vesting of or lapsing of restrictions with respect to any stock-based compensation or other long-term incentive compensation, (v) fund any rabbi trust or similar arrangement or take any action to fund or in any other way secure the payment of compensation or benefits, (vi) enter into, amend or extend any collective bargaining or other labor agreement, other than in the ordinary course of business consistent with past practice, (vii) materially change any actuarial or other assumptions used to calculate funding obligations with respect to any benefit plan, or change the manner in which contributions are made or determined, except as required by GAAP, or (viii) create any new officer position at or above the level of senior vice president;

implement or adopt any material change in its accounting principles or its methods, other than as may be required by GAAP or applicable law;

except as otherwise provided in the merger agreement, commence, settle or compromise any litigation, claim, suit, action or proceeding, except for

settlements or compromises that (x) involve monetary remedies with a value not in excess of, with respect to any individual litigation, claim, suit, action or proceeding, $3,000,000 (net of any insurance proceeds and indemnity, contribution and similar payments actually received by Office Depot or any of its subsidiaries in respect thereof) or, in the aggregate with respect to all litigation, claims, suits, actions and proceedings (but excluding the amount of any monetary remedies with respect to settlements of the type referred to in the next succeeding sub-bullet), $10,000,000 (net of any insurance proceeds and indemnity, contribution and similar payments actually received by Office Depot or any of its subsidiaries in respect thereof), (y) do not impose any material restriction on its business or operations or the business or operations of its subsidiaries following the effective time of the merger and (z) do not involve the admission of wrongdoing by Office Depot or any of its subsidiaries;

settlements of any (x) worker s compensation or personal injury claims, (y) U.S. Equal Employment Opportunity Commission charges or ordinary course U.S. Department of Labor matters affecting fewer than 10 individuals or (z) citations issued with respect to the operations of individual retail stores, in each case in the ordinary course of business consistent with past practice; and

the commencement of any litigation, claim, suit, action or proceeding in the ordinary course of business consistent with past practice that would not reasonably be expected to result in a counterclaim seeking recovery of monetary damages in excess of $1,000,000;

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change any material tax accounting method, settle or compromise any material tax proceeding, make or change any material tax election, or request any material tax ruling;

other than in the ordinary course of business consistent with past practice, materially reduce the amount of insurance coverage or fail to renew any material existing insurance policies;

conduct its cash management practices (including the collection of receivables and payment of payables), other than in the ordinary course of business consistent with past practice;

amend in a manner that adversely impacts in any material respect the ability to conduct its business, terminate or allow to lapse any material permits;

(i) cancel or permit to lapse any material intellectual property other than in the ordinary course of business or (ii) disclose to any third party, other than representatives of Staples or under a confidentiality agreement, any trade secret included in the intellectual property of Office Depot in a way that results in loss of material trade secret protection;

enter into any contract that would reasonably be expected to prevent or materially delay or impair the ability of Office Depot to consummate the merger and the other transactions contemplated by the merger agreement; or

agree to take, or make any commitment to take, any of the foregoing actions.

Staples has also agreed that, subject to certain exceptions or unless Office Depot consents in writing (such consent not to be unreasonably withheld, conditioned or delayed), between February 4, 2015 and the completion of the merger, it will not:

make, declare or pay any dividend, or make any other distribution on, or directly or indirectly redeem, purchase or otherwise acquire, any shares of its capital stock, or any other securities or obligations convertible (whether currently convertible or convertible only after the passage of time or the occurrence of certain events) into or exchangeable for any shares of its capital stock (except (i) regular quarterly cash dividends not to exceed $0.12 per share, in accordance with historical practice over the past twelve months, (ii) dividends paid by any of the subsidiaries of Staples to Staples or any of their wholly owned subsidiaries, respectively, or (iii) the acceptance of shares of Staples common stock as payment for the exercise price of options to purchase shares of Staples common stock granted pursuant to the Staples stock plans or for withholding taxes incurred in connection with the exercise of options to purchase shares of Staples common stock granted pursuant to the Staples stock plans, in each case in accordance with past practice and the terms of the applicable award agreements);

adopt a plan of complete or partial liquidation, dissolution, merger, consolidation, restructuring, recapitalization or other reorganization, other than the merger contemplated by the merger agreement and any other mergers, consolidations, restructurings or reorganizations solely by or among Staples and its subsidiaries;

amend the certificate of incorporation or by-laws of Staples or Merger Sub, or otherwise take any action to exempt any person from any provision of the certificate of incorporation or by-laws of Staples or Merger Sub, in any manner that would be adverse in any material respect to holders of Office Depot common stock;

enter into any contract that would reasonably be expected to prevent or materially delay or impair the ability of Staples and its subsidiaries to consummate the merger and the other transactions contemplated by the merger agreement; or

agree to take, or make any commitment to take, any of the foregoing actions.

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No Solicitation of Acquisition Proposals

Except as described below, Office Depot has agreed that, from the date of the merger agreement until the closing or, if earlier, the termination of the merger agreement in accordance with the terms of the merger agreement, neither it nor any of its subsidiaries may, and that it will use its reasonable best efforts to cause its and its subsidiaries directors, officers, employees, agents, investment bankers, attorneys, accountants and other representatives (referred to in this proxy statement/prospectus as representatives) not to, directly or indirectly:

- initiate or solicit or knowingly encourage or facilitate any inquiries with respect to, or the making of, an acquisition proposal,
- engage in any negotiations concerning, or provide any confidential information or data regarding Office Depot or its subsidiaries to any person relating to, an acquisition proposal,
- approve or recommend, or propose publicly to approve or recommend, any acquisition proposal,
- approve or recommend, or propose publicly to approve or recommend, or execute or enter into, any letter of intent, agreement in principle, merger agreement, acquisition agreement, option agreement or other similar agreement relating to any acquisition proposal, or
- propose publicly or agree to do any of the foregoing relating to any acquisition proposal.

Except as described below, Office Depot has also agreed that, prior to the closing of the merger, neither its board of directors nor any committee of its board of directors will, directly or indirectly:

- withdraw, withhold, modify or qualify, or publicly propose to withdraw, withhold, modify or qualify, in a manner adverse to Staples, its recommendation that Office Depot stockholders adopt the merger agreement,
- approve, adopt or recommend, or publicly propose to approve, adopt or recommend, any acquisition proposal,
- in the event of the commencement of a tender offer or exchange offer for any outstanding shares of Office Depot s capital stock, fail to recommend against acceptance of such tender offer or exchange offer by Office Depot s stockholders within ten business days of the commencement thereof (for the avoidance of doubt, the taking of no position or a neutral position by the Office Depot board of directors in respect of the acceptance of any tender offer or exchange offer by Office Depot s stockholders as of the end of the ten business day period will constitute a failure to recommend against any such offer), or

recommend that Office Depot stockholders not adopt the merger agreement or approve the merger.

Any of the actions described in the immediately preceding paragraph are referred to in this proxy statement/prospectus as a change of recommendation.

For purposes of the merger agreement, acquisition proposal means any proposal or offer made by any person other than Staples or its subsidiaries with respect to:

a merger, consolidation, share exchange, business combination, reorganization, recapitalization, dissolution, liquidation or similar transaction involving Office Depot,

any purchase of an equity interest (including by means of a tender or exchange offer) representing an amount greater than a 15% voting or economic interest in Office Depot, or

any purchase of assets, securities or ownership interests representing an amount greater than 15% of the consolidated assets (including stock of the subsidiaries of Office Depot), consolidated net revenues or earnings before interest, taxes, depreciation and amortization of Office Depot and its subsidiaries taken as a whole;

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except that any proposal or offer relating to any purchase of assets of Office Depot or any of its subsidiaries contemplated by the merger agreement, as described under Efforts to Complete the Merger on page [ ], will not be deemed to be an acquisition proposal.

Nothing contained in the merger agreement will prevent Office Depot or its board of directors from complying with its disclosure obligations under Rule 14d-9 or Rule 14e-2 promulgated under the Exchange Act, or making any disclosure to Office Depot stockholders if the Office Depot board of directors determines in good faith, after consultation with outside legal counsel, that failure to make such disclosure would be inconsistent with its fiduciary duties or applicable law, except that if such disclosure has the effect of a change of recommendation, Staples has the right to terminate the merger agreement in accordance with its terms.

Until the earlier of receipt of the Office Depot stockholder approval and any termination of the merger agreement in accordance with its terms, if Office Depot receives a written unsolicited bona fide acquisition proposal that the board of directors of Office Depot has determined in good faith, after consultation with its outside legal counsel and financial advisors (i) constitutes a superior proposal or (ii) could reasonably be expected to result in a superior proposal, then Office Depot, its subsidiaries and its and their respective representatives may (x) furnish nonpublic information to the third party making such acquisition proposal, if, and only if, prior to furnishing such information, Office Depot receives from the third party an executed confidentiality agreement with provisions no less restrictive to such third party with respect to the use or disclosure of nonpublic information than the confidentiality agreement, dated October 30, 2014, between Staples and Office Depot, and (y) engage in discussions or negotiations with the third party with respect to such acquisition proposal.

For purposes of the merger agreement, superior proposal means a bona fide written acquisition proposal (except that references in the definition of acquisition proposal to 15% will be replaced by 50%) made after the date of the merger agreement by any person other than Staples or its subsidiaries on terms that the Office Depot board of directors determines in good faith, after consultation with its outside legal counsel and financial advisors, and considering such factors as the Office Depot board of directors considers to be appropriate (including the timing and likelihood of consummation of such proposal), are more favorable to Office Depot and its stockholders than the transactions contemplated by the merger agreement, taking into account any change to the transaction proposed by Staples.

Nothing contained in the merger agreement will, however, prevent Office Depot or its board of directors from, at any time prior to, but not after, the time of the receipt of its requisite stockholder approval, in response to the receipt of a written unsolicited bona fide acquisition proposal that did not result from a breach of the provisions described above, (i) terminating the merger agreement in accordance with its terms in order to enter into a definitive written agreement with respect to such acquisition proposal or (ii) effecting a change of recommendation, if, prior to taking any of the actions described in clauses (i) or (ii) in this paragraph,

- its board of directors determines in good faith, after consultation with its outside legal counsel and financial advisors, that (x) failure to take such action would reasonably be expected to be inconsistent with its directors fiduciary duties under applicable law and (y) such acquisition proposal constitutes a superior proposal,

- Staples has received written notice of Office Depot s intention to take any of the actions described in clauses (i) and (ii) of this paragraph at least four business days prior to the taking of such action, and its board of directors continues to believe, after taking into account any modifications to the terms of the transactions contemplated by the merger agreement that are offered by Staples after its receipt of the written notice described under the immediately preceding bullet point, that such acquisition proposal continues to constitute a superior proposal.

Nothing contained in the merger agreement will, however, prevent the Office Depot board of directors from, at any time prior to, but not after, the time of the receipt of its requisite stockholder approval, effecting a change of recommendation (other than in response to the receipt of an acquisition proposal, which is subject to the immediately preceding paragraph) if, prior to taking such action, the Office Depot board of directors determines in good faith, after consultation with its outside legal counsel, that failure to take such action would be inconsistent with its directors fiduciary duties under applicable law, so long as (i) Staples has received written notice of the intention of the Office Depot board of directors to take such action at least four business days prior to the taking of such action and (ii) the Office Depot board of directors continues to believe, after taking into account any modifications to the terms of the transactions contemplated by the merger agreement that are offered by Staples after its receipt of the written notice described in clause (i) of this paragraph, that failing to take such action would be inconsistent with its directors fiduciary duties under applicable law.

Office Depot also agreed that it and its subsidiaries will:

- immediately cease and cause to be terminated any existing activities, discussions or negotiations with any person (other than the parties to the merger agreement) conducted prior to the date of the merger agreement with respect to any acquisition proposal, and

- request each third party that has prior to the date of the merger agreement executed a confidentiality agreement that relates to an acquisition proposal (other than Staples) to return or destroy all confidential information regarding Office Depot or its subsidiaries furnished prior to the date of the merger agreement to such third party by Office Depot or on its behalf. Office Depot has agreed that it and its subsidiaries will take the necessary steps to promptly inform its and its subsidiaries representatives of the obligations described in this section No Solicitation of Acquisition Proposals.

Office Depot will promptly orally notify Staples of any request for information or any inquiries, proposals or offers relating to an acquisition proposal indicating, in connection with such notice, the name of such person making such request, inquiry, proposal or offer and the material terms and conditions of any proposals or offers and Office Depot will provide Staples written notice of any such inquiry, proposal or offer within 48 hours of such event and copies of any written or electronic correspondence to or from any person making an acquisition proposal. Office Depot will keep Staples informed orally, as soon as is reasonably practicable, of the status of any acquisition proposal, including with respect to the status and terms of any such proposal or offer and whether any such proposal or offer has been withdrawn or rejected and Office Depot will provide Staples written notice of any such withdrawal or rejection and copies of any written proposals or requests for information within 48 hours. Office Depot will also provide any information to Staples (not previously provided to Staples) that it is providing to another person pursuant to the provisions described in this section No Solicitation of Acquisition Proposals at substantially the same time it provides such information to such other person. All information provided by Office Depot to Staples under the provisions described in this section No Solicitation of Acquisition Proposals will be kept confidential by Staples in accordance with the terms of the confidentiality agreement, dated October 30, 2014, between Staples and Office Depot.

Efforts to Complete the Merger

Upon the terms and subject to the conditions of the merger agreement, each of the parties will use its reasonable best efforts to take, or cause to be taken, all actions, and to do, or cause to be done, and to assist and cooperate with the other parties in doing, all things necessary, proper or advisable to consummate and make effective, as soon as practicable and in any event prior to the end date described below under Termination of the Merger Agreement, the merger and the other transactions contemplated by the merger agreement, including:

obtaining and maintaining all necessary actions or nonactions, waivers, consents, licenses, permits, authorizations, orders and approvals from governmental authorities and the making of all other necessary registrations and filings,

obtaining all consents, approvals or waivers from third parties that are necessary or desirable in connection with the transactions contemplated by the merger agreement, the execution and delivery of any additional instruments necessary to consummate any of the transactions contemplated by, and to fully carry out the purposes of, the merger agreement, and

providing all such information concerning such party, its subsidiaries, and its subsidiaries officers, directors, employees and partners as may reasonably be requested in connection with any of the matters set forth in the provisions of the merger agreement described in this section Efforts to Complete the Merger.

See the section entitled Proposal I: Adoption of the Merger Agreement Regulatory Approvals, beginning on page [ ], for a description of the material regulatory approvals required for completion of the transactions contemplated by the merger agreement.

Neither Staples nor Office Depot will, nor will it permit any of its subsidiaries to, take or agree to take any action that would reasonably be expected to impose any material delay in the obtaining of, or materially increase the risk of not obtaining, any required consents under antitrust laws from any governmental authority with respect to the transactions contemplated by the merger agreement.

Each of Staples and Office Depot also agreed, among other matters, to:

make or cause to be made the filings required of such party or any of its subsidiaries under the HSR Act with respect to the transactions contemplated by the merger agreement as promptly as practicable (and in any event within 15 business days after the date of the merger agreement, unless the parties agree to a later date),

make or cause to be made such other filings as are required under applicable law in foreign jurisdictions governing antitrust or merger control matters with respect to the transactions contemplated by the merger agreement as soon as reasonably practicable after the date of the merger agreement,

comply at the earliest practicable and advisable date with any request for additional information, documents or other materials received by such party or any of its subsidiaries from the Federal Trade Commission, the Department of Justice or any other governmental authority under the HSR Act or any other antitrust laws, and

cooperate in good faith with the other party in obtaining all approvals required under applicable antitrust laws and in connection with any such filing and in connection with resolving any investigation or other inquiry of any such agency or other governmental authority under any antitrust laws with respect to any such filing or any such transaction.

Staples and Office Depot agreed to coordinate with respect to the overall strategy related to antitrust laws, including with respect to any filings, notifications, submissions and communications with or to any antitrust regulatory authority, except that Staples will make the final determination as to the appropriate course of action, and neither party will be constrained from complying with applicable law. Each party will:

consult and cooperate with each other regarding, allow the other party to have a reasonable opportunity to review in advance prior to their submission, and consider in good faith the views of the other party regarding the form and content of, any filings, correspondence, written communications, analyses, appearances, presentations, memoranda, briefs, arguments, opinions and proposals made or submitted by or on behalf of either party in connection with proceedings under or relating to antitrust laws;

promptly furnish the other party with copies of all correspondence, filings and written communications between them, their affiliates and their representatives, on the one hand, and any governmental authority, on the other, with respect to the merger;

give the other party the opportunity to attend and participate in any meetings and, to the extent reasonably practicable, substantive telephone calls with governmental authorities; and

furnish to each other all information required for any application or other filing to be made pursuant to applicable law in connection with the merger.

Neither party will extend any waiting period under the HSR Act or enter into an agreement with a governmental authority related to the merger without the prior written consent of the other party (such consent not to be unreasonably withheld, conditioned or delayed).

Except as described below, each of Staples and Office Depot will use its reasonable best efforts to take any action required to cause the expiration or termination of the waiting periods under the HSR Act or other antitrust laws with respect to the transactions contemplated by the merger agreement as promptly as practicable after the date of the merger agreement, including using its reasonable best efforts to resolve such objections, if any, as may be asserted by any governmental authority under the HSR Act, the Sherman Act, as amended, the Clayton Act, as amended, the Federal Trade Commission Act, as amended, and any other federal, state or foreign statutes, rules, regulations, orders, decrees, administrative or judicial doctrines or other antitrust laws. If any action is instituted (or threatened to be instituted) challenging any transaction contemplated by the merger agreement as violative of any antitrust law, Staples and Office Depot will vigorously contest and resist any such action (through negotiation, litigation or otherwise), including any administrative or judicial action, and to have vacated, lifted, reversed or overturned any decree, judgment, injunction or other order whether temporary, preliminary or permanent, that is in effect and that prohibits, prevents, delays or restricts consummation of the transactions contemplated by the merger agreement, including by vigorously pursuing all available avenues of administrative and judicial appeal.

Office Depot may not, however, without Staples written consent, offer or agree to divest, license, hold separate (including by trust or otherwise) or otherwise commit Office Depot, Staples or any of their respective subsidiaries to take any action that limits any freedom of action with respect to their ability to retain or operate any of their businesses, services or assets. Staples will not be required to agree to or effect any such antitrust restraint with respect to any of its or Office Depot s or their respective subsidiaries businesses, services or assets, except as described below. If necessary to avoid the commencement of any action by any governmental authority challenging the transactions under the merger agreement under antitrust laws, or, if already commenced, to avoid the entry of, or to effect the dissolution of, any order that would prohibit, prevent or restrict the consummation of the transactions contemplated by the merger agreement, Staples will offer, negotiate and agree to, and will effect, any antitrust restraint with respect to Office Depot s businesses, services or assets, except that Staples will not be required to agree to or effect any antitrust restraint with respect to any of Office Depot s businesses, services or assets other than, to the extent necessary to avoid the commencement of any such action or to avoid the entry of, or to effect the dissolution of, any such order, (i) an antitrust restraint with respect to businesses, services or assets of Office Depot in the United States that, in the aggregate, generated or were reasonably necessary to service no more than $1,250,000,000 of Office Depot s revenues in calendar year 2014, and (ii) an antitrust restraint with respect to businesses, services or assets of Office Depot outside the United States that would not reasonably be expected to have a material adverse effect on the businesses of Office Depot outside the United States, taken as a whole. Staples will not be required to agree to or effect any antitrust restraint with respect to Office Depot or Staples unless such actions are conditioned on the occurrence of the closing of the merger or are effective on or after the closing, and neither party will be required to waive any of the conditions described under Conditions to Completion of the Merger on page [ ] as they apply to such party.

Financing

In connection with the execution of the merger agreement, Staples entered into the debt commitment letter, pursuant to which, among other things, the commitment parties have committed to provide Staples with the debt financing.

Staples has agreed in the merger agreement to use its reasonable best efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, advisable or proper to obtain the debt financing on or prior to the closing date of the merger on the terms and conditions described in the debt commitment letter. However, Staples has the right to substitute the proceeds of consummated offerings or other incurrences of debt (including notes) for all or any portion of the debt financing by reducing commitments under the debt commitment letter. Staples also has the right to substitute commitments in respect of other financings for all or any portion of the debt financing from the same and/or alternative bona fide third-party financing sources so long as all conditions precedent to the funding of such other financings are in the aggregate, in respect of certainty of funding, equivalent to (or more favorable to Office Depot than) the conditions precedent set forth in the debt commitment letter (referred to in this proxy statement/prospectus as the alternative financing). If any of the debt financing or the debt commitment letter (or any definitive financing agreement relating thereto) expires or is terminated or otherwise becomes unavailable prior to completion of the merger, in whole or in part, for any reason, Staples will promptly notify Office Depot of such expiration, termination or unavailability and use its reasonable best efforts promptly to arrange for financing from other sources so long as such financing from other sources would constitute an alternative financing, as described in the preceding sentence.

The receipt of financing for, or related to, any of the transactions contemplated by the merger agreement is not a condition to the closing of the merger and the other transactions contemplated by the merger agreement.

Office Depot has agreed that it will, and will cause its subsidiaries and their respective representatives to, use their reasonable best efforts to provide on a timely basis all cooperation reasonably requested by Staples that is necessary, proper or advisable in connection with any financing by Staples or any of its affiliates in connection with the merger, subject to customary limitations.

Treatment of Certain Indebtedness

Office Depot will, and will cause its subsidiaries to, take all actions within its and its subsidiaries control required to have furnished to Staples, no later than three business days prior to the closing date of the merger, copies of payoff letter(s) with respect to Office Depot s Amended and Restated Credit Agreement, dated as of May 25, 2011, as amended from time to time, in customary form and substance from the administrative agents or similar agents under such agreement.

Office Depot will, at Staples written request, take all actions within its control necessary to cause (in all respects other than repayment or deposit of funds) (i) the discharge of the indenture governing Office Depot s 9.75% Senior Secured Notes due 2019, referred to in this proxy statement/prospectus as the 2019 notes, to occur effective at the effective time of the merger, the redemption of the 2019 notes to occur at or following the effective time of the merger or the defeasance of the 2019 notes to occur effective at the effective time of the merger, and (ii) the release of all liens in connection therewith effective upon the receipt of the applicable repayment or deposit of funds.

Access to Information

Subject to certain exceptions, and upon reasonable advance notice, Office Depot will afford Staples and its representatives reasonable access during normal business hours to its and its subsidiaries officers, employees, properties, contracts, documents, books and records and any report, schedule or other document filed or received by it pursuant to the requirements of applicable law. Subject to certain exceptions, Staples will also provide Office Depot with access to information reasonably requested upon reasonable advance notice to the extent reasonably necessary for Office Depot to confirm the accuracy of the representations of Staples and Merger Sub set forth in the merger agreement and the satisfactions of the conditions to completion of the merger described below.

Employee Matters

For a period of one year after the effective time of the merger or such shorter period as the applicable employee remains employed by Staples, the surviving company or any of their subsidiaries, Staples will provide, or will cause the surviving company to provide, to employees of Office Depot and its subsidiaries who continue to be employed by Staples or the surviving company or their subsidiaries following the effective time of the merger (referred to in this proxy statement/prospectus as the continuing employees) (i) base salary and annual bonus opportunities that are no less favorable than the base salary and annual bonus opportunities provided to such employee immediately prior to the effective time of the merger, and (ii) employee benefits that are no less favorable, in the aggregate, to employee benefits provided in the aggregate to employees immediately prior to the effective time of the merger, with certain exceptions and limitations related to employees outside the U.S., employees covered by collective bargaining agreements and new equity compensation awards.

In addition, Staples will, or will cause the surviving company to, cause any employee benefit plans in which U.S. continuing employees are eligible to participate following the effective time of the merger to recognize such U.S. continuing employees service with Office Depot prior to the effective time of the merger for purposes of eligibility, vesting and benefit accrual under such plans, subject to customary exceptions. Further, Staples will use reasonable best efforts to cause any such employee benefit plans that provide medical, dental or vision insurance benefits to waive any preexisting condition limitations or eligibility waiting periods to the extent such limitation would have been waived or satisfied under the applicable Office Depot plan and to credit expenses incurred in the plan year in which a U.S. continuing employee commences participation in the plan for purposes of deductibles and out-of-pocket expense requirements.

The merger agreement provides that the foregoing undertakings with respect to employees do not create or amend any plan or agreement of Office Depot or Staples, change any at-will employment status, prevent anyone from being discharged from employment, or give rise to a right for any individual to enforce these undertakings.

Indemnification; Directors and Officers Insurance

The merger agreement provides that, from and after the effective time, Staples will cause the surviving company to indemnify, defend and hold harmless, and provide advancement of expenses to, the present and former officers and directors of Office Depot against all losses, claims, damages, costs, expenses, liabilities or judgments that are paid in settlement of or in connection with any action based in whole or in part on or arising in whole or in part out of the fact that such person is or was an officer or director of Office Depot prior to the effective time of the merger, whether asserted or claimed prior to, or at or after, the effective time of the merger (including acts or omissions occurring in connection with the approval of the merger agreement and the consummation of the transactions contemplated by the merger agreement), to the fullest extent provided or permitted under Office Depot s certificate of incorporation, Office Depot s bylaws and any indemnification agreement entered into between Office Depot and such person and under applicable law.

In addition, at or prior to the closing of the merger, Staples will purchase a tail directors and officers liability insurance policy for Office Depot s present and former directors and officers who are covered prior to the effective time of the merger by the directors and officers liability insurance currently maintained by Office Depot with coverage for six years following the effective time of the merger, and with coverage and amounts and terms and conditions no less favorable to the covered persons than the existing policies of directors and officers liability insurance maintained by Office Depot.

Governance of Staples Following Completion of the Merger

The merger agreement provides that upon completion of the merger, Staples board of directors will be expanded to 13 members to be comprised of the directors of Staples as of immediately prior to completion of the merger and two Office Depot directors selected by Staples no earlier than five business days prior to the completion of the merger. Under the merger agreement, the chief executive officer of Staples upon completion of the merger will be Ronald L. Sargent, unless Mr. Sargent is no longer the chief executive officer of Staples at such time, in which case the chief executive officer of Staples as of immediately prior to the completion of the merger will be the chief executive officer of Staples upon completion of the merger.

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No Solicitation of Employees

Staples and Office Depot also agreed that, from the date of the merger agreement until the earlier to occur of March 31, 2016 and the effective time of the merger, neither Staples nor Office Depot will, nor permit any of its affiliates to, directly or indirectly, solicit (i) any employee of the other party hereto or any of its subsidiaries who is at or above the level of vice president, or (ii) any other employee of the other party or any of its affiliates with whom Staples or Office Depot, as applicable, or its representatives has had significant contact during the process contemplated by the merger agreement (including before the date of the merger agreement). The foregoing restriction will not, however, apply to generalized searches for employees through newspapers, trade, internet or other advertisements, job fairs, and the like that are not targeted at employees of the other party and neither Staples nor Office Depot will be prohibited from hiring any of the other party s employees who independently contact such party (including in response to a general advertisement).

Certain Additional Covenants

The merger agreement also contains additional covenants, including, among others, covenants relating to the filing of this proxy statement/prospectus, the applicability of state takeover statutes, the listing of shares of Staples common stock to be issued in the merger on The Nasdaq Global Select Market, Section 16 of the Exchange Act, coordination with respect to litigation relating to the merger, and public announcements with respect to the transactions contemplated by the merger agreement.

Conditions to Completion of the Merger

The obligations of Staples and Office Depot to consummate the transactions contemplated by the merger agreement are subject to the satisfaction of the following conditions:

- adoption of the merger agreement by the affirmative vote of holders of a majority of the outstanding shares of Office Depot common stock in accordance with the organizational documents of Office Depot and applicable law;

- any waiting period (and any extension thereof) applicable to the transactions contemplated by the merger agreement has been terminated or has expired, and any approvals, consents or clearances required in connection with the transactions contemplated by the merger agreement have been obtained, in each case, under the HSR Act, the New Zealand Overseas Investment Act of 2005, as amended, and under the antitrust and competition laws of the European Union, China, Canada, Australia and New Zealand;

- any agreement entered into with a governmental authority under any antitrust laws, which agreement provides that the parties to the merger agreement will not consummate the transactions contemplated by the merger agreement, has expired or been terminated;

- no outstanding judgment, injunction, order or decree of a competent governmental authority has been entered and is in effect, and no law has been adopted or is effective, that prohibits, enjoins or makes illegal the consummation of the transactions contemplated by the merger agreement;

the SEC has declared the registration statement on Form S-4, of which this proxy statement/prospectus forms a part, effective under the Securities Act, and no stop order or similar restraining order by the SEC suspending the effectiveness of the registration statement is in effect and no proceedings for that purpose are pending before the SEC; and

the shares of Staples common stock to be issued in the merger have been approved for listing on The Nasdaq Global Select Market, subject to official notice of issuance.

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In addition, each of Staples and Office Depot s obligations to consummate the transactions contemplated by the merger agreement are subject to the satisfaction or waiver of the following additional conditions:

- the accuracy of the representations and warranties of the other party:
  - other than the representations relating to the organization and good standing of such other party, the power and authority of such parties to enter into and deliver the merger agreement, the capitalization of such other party, the absence of conflicts with such parties organizational documents, the absence of an event having a material adverse effect on such other party between September 27, 2014 (with respect to Office Depot) or November 1, 2014 (with respect to Staples) and the date of the merger agreement, and, in the case of Office Depot only, representations relating to brokerage and finder s fees and certain takeover laws, at and as of the date of the merger agreement and at and as of the closing as though made at and as of such times (without regard to materiality, material adverse effect and similar qualifiers contained in such representations and warranties), except for such failures to be true and correct as would not reasonably be expected to have, in the aggregate, a material adverse effect on such other party;
  - with respect to the capitalization of such other party, at and as of the date of the merger agreement and at and as of the closing as though made at and as of such times (without regard to materiality, material adverse effect and similar qualifiers contained in such representations and warranties), except for *de minimis* inaccuracies or issuances permitted pursuant to the merger agreement;
  - with respect to the organization and good standing of such other party, the power and authority of such parties to enter into and deliver the merger agreement, the absence of conflicts with such parties organizational documents and, in the case of Office Depot only, with respect to brokerage and finder s fees and certain takeover laws, in all material respects at and as of the date of the merger agreement and at and as of the closing as though made at and as of such times (without regard to materiality, material adverse effect and similar qualifiers contained in such representations and warranties), except for issuances permitted pursuant to the merger agreement;
  - relating to the absence of an event having a material adverse effect on such other party between September 27, 2014 (with respect to Office Depot) or November 1, 2014 (with respect to Staples) and the date of the merger agreement, at and as of the closing as though made at and as of such time,

except that representations and warranties made as of a particular date or period must be true and correct only as of such date or period and, with respect to the conditions described under the first, third and fourth sub-bullet points above, such condition will not apply to any failure to be true and correct arising from or relating to such other party failing to receive any approvals under any antitrust law or being subject to any action (or threatened action) challenging any transaction contemplated by the merger agreement as violative of any antitrust law or, in the case of Staples only, taking or agreeing to take any action in compliance with its obligations to seek regulatory approvals pursuant to the merger agreement (these circumstances are referred to in this proxy statement/prospectus as excluded events);

the other party having performed in all material respects the obligations and agreements in the merger agreement and having complied in all material respects with the covenants to be performed and complied with by it under the merger agreement at or prior to the closing (except, in the case of Office Depot, for its obligations and agreements in the merger agreement with respect to the treatment of its existing indebtedness, which must be performed and complied with in all respects at or prior to the closing);

the absence of any events (other than excluded events) that, individually or in the aggregate, have had or would reasonably be expected to have a material adverse effect on such other party since the date of the merger agreement; and

the other party having furnished a certificate dated as of the closing date signed on its behalf by such other party s chief executive officer and chief financial officer to the effect that the conditions described under the preceding three bullet points have been satisfied.

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Termination of the Merger Agreement

The merger agreement may be terminated and abandoned at any time prior to the closing under the following circumstances:

- by mutual written consent of Staples and Office Depot;
- by either Staples or Office Depot:
  - if there is any law or regulation that makes consummation of the merger illegal or otherwise prohibited, or if any judgment, injunction, order or decree of a competent governmental authority enjoining Staples or Office Depot from consummating the merger has been entered and such judgment, injunction, order or decree has become final and nonappealable, except that the party seeking to terminate the merger agreement pursuant to the provision described in this sub-bullet point must have used its reasonable best efforts to render inapplicable such law or regulation or remove such judgment, injunction, order or decree as required by the provisions described under Efforts to Complete the Merger on page [ ] (the termination provision described in this sub-bullet point is referred to in this proxy statement/prospectus as the illegality termination provision);
  - if the merger has not been consummated by 5:00 p.m., Boston time, on November 4, 2015 (referred to in this proxy statement/prospectus, including any extension pursuant to the provision described below, as the end date), except that if, on such date the only conditions to closing that have not been satisfied or waived by that date (other than those conditions that by their nature cannot be satisfied until the closing date, but which would be capable of being satisfied if the closing date occurred on such date) are those related to antitrust approvals, consents or clearances or an outstanding judgment, injunction, order or decree of a competent governmental authority prohibiting or enjoining the consummation of the transactions contemplated by the merger agreement, then the initial end date will be automatically extended without further action of the parties to 5:00 p.m., Boston time, on February 4, 2016, but the right to terminate the merger agreement pursuant to the provision described in this sub-bullet point will not be available to any party whose material breach of any covenant or obligation under the merger agreement has been the cause of or resulted in the failure of the merger to occur on or before the end date (the termination provision described in this sub-bullet point is referred to in this proxy statement/prospectus as the end date termination provision);
  - if, at the annual meeting of Office Depot stockholders (unless the meeting has been adjourned or postponed in accordance with the merger agreement, in which case at the adjournment or postponement of the annual meeting), the requisite vote of Office Depot stockholders to adopt the merger agreement has not been obtained (the termination provision described in this sub-bullet point is referred to in this proxy statement/prospectus as the no vote termination provision); or

if there was a breach by the other party of any of its representations, warranties, covenants or agreements contained in the merger agreement, or if any event, change or effect has occurred, which breach, event, change or effect would result in the failure of one of the closing conditions described above under Conditions to Completion of the Merger beginning on page [ ] to be satisfied on or prior to the end date, and such breach, event, change or effect is not capable of being cured or has not been cured before the earlier of the end date or thirty business days after the party alleged to be in breach or with respect to which an event is alleged to have occurred receives written notice of such breach or event (the termination provision described in this sub-bullet point is referred to in this proxy statement/prospectus as the breach termination provision).

by Staples if, prior to obtaining the requisite approval of the Office Depot stockholders, (i) the Office Depot board of directors effects a change of recommendation or (ii) if after the date of the merger agreement an acquisition proposal with respect to Office Depot was publicly announced or disclosed (or any person has publicly announced an intention (whether or not conditional) to make such acquisition proposal with respect to Office Depot) and the Office Depot board of directors fails to affirm its recommendation that the Office Depot stockholders adopt the merger agreement and approve the merger within ten business days after receipt of a written request from Staples to do so (the termination provision described in this sub-bullet point is referred to in this proxy statement/prospectus as the recommendation change termination provision); or

by Office Depot, at any time prior to obtaining the requisite approval of the Office Depot stockholders, in order to enter into a definitive written agreement with respect to a superior proposal it received (except that, for purposes of the termination provisions described in this sub-bullet point, references in the definition of superior proposal to 50% will be replaced by 66 2/3%), if Office Depot has complied in all material respects with its obligations described under No Solicitation of Acquisition Proposals on page [ ] and, in connection with the termination of the merger agreement, Office Depot pays to Staples in immediately available funds a termination fee of $185 million (the termination provision described in this sub-bullet point is referred to in this proxy statement/prospectus as the superior proposal termination provision).

Expenses; Termination Fee and Regulatory Fee

Generally, all costs and expenses incurred in connection with the merger, the merger agreement and the transactions contemplated thereby will be paid by the party incurring or required to incur such expenses, except that Staples and Office Depot will each pay one-half of all filing fees required under the HSR Act and except as otherwise described below.

Upon termination of the merger agreement in accordance with its terms, the merger agreement will, except for certain provisions that will survive the termination of the merger agreement, become void and have no effect, without any liability on the part of any party or its directors, officers or stockholders, except that nothing will relieve any party to the merger agreement of liability for fraud or any willful or intentional breach of any covenant or agreement set forth in the merger agreement. If it is judicially determined that the termination of the merger agreement was caused by such willful or intentional breach, then, in addition to other remedies for such willful or intentional breach, the breaching party will indemnify, hold harmless and reimburse the other parties to the merger agreement for their respective reasonable out-of-pocket costs, fees and expenses as well as fees and expenses incident to negotiation, preparation and execution of the merger agreement and related documentation and stockholders meetings and consents, except that, upon payment by Office Depot of the termination fee or by Staples of the regulatory fee (which are described below), such party will no longer be required to so indemnify or hold harmless the other parties.

If the merger agreement is terminated by Staples pursuant to the recommendation change termination provision (or by Staples or Office Depot under the no vote termination provision at a time when the merger agreement was terminable under the recommendation change termination provision), then Office Depot will pay Staples the termination fee of $185 million within three business days following the termination.

If the merger agreement is terminated by Office Depot pursuant to the superior proposal termination provision, then Office Depot will pay Staples the termination fee of $185 million concurrently with such termination.

If (i) the merger agreement is terminated by Office Depot or Staples pursuant to the end date termination provision (other than under circumstances in which Staples is required to pay the regulatory fee) or pursuant to the no vote termination provision, (ii) an acquisition proposal was publicly announced or disclosed (or any person publicly announced an intention to make such an acquisition proposal) after the date of the merger agreement but prior to termination of the merger agreement (in the case of a termination pursuant to the end date termination provision) or the Office Depot annual meeting (in the case of a termination pursuant to the no vote termination provision), and

(iii) within 12 months after the date of such termination, Office Depot enters into a

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letter of intent, agreement in principle, acquisition agreement or other similar agreement with respect to, or publicly announces or consummates, a business combination (as described below), then Office Depot will pay Staples the termination fee of $185 million prior to the consummation of or execution of a definitive agreement with respect to such business combination.

For purposes of the merger agreement, business combination means

- a merger, consolidation, share exchange, business combination, reorganization, recapitalization, dissolution, liquidation or similar transaction involving Office Depot, as a result of which Office Depot stockholders prior to such transaction in the aggregate cease to own more than 50% of the voting securities of the entity surviving or resulting from such transaction (or the ultimate entity thereof);

- any purchase of an equity interest (including by means of a tender or exchange offer) representing an amount equal to or greater than a 50% voting or economic interest in Office Depot; or

- any purchase of assets, securities or ownership interests representing an amount equal to or greater than 50% of the consolidated assets (including stock of the subsidiaries of Office Depot), consolidated net revenues or earnings before interest, taxes, depreciation and amortization of Office Depot and its subsidiaries, taken as a whole.

Staples will pay Office Depot the regulatory fee of $250 million within three business days following termination of the merger agreement if the merger agreement is terminated:

- by Office Depot or Staples pursuant to the illegality termination provision due to actions arising under antitrust laws;

- by Office Depot pursuant to the breach termination provision due to a material breach by Staples of its obligations described under Efforts to Complete the Merger on page [ ] that results in the failure to be satisfied of the closing condition related to antitrust approvals, consents or clearances or, to the extent such failure is the result of any antitrust law, the closing condition related to an outstanding judgment, injunction, order or decree of a competent governmental authority prohibiting or enjoining the consummation of the transactions contemplated by the merger agreement (these conditions are referred to in this proxy statement/prospectus as the regulatory conditions); or

- by Office Depot or Staples pursuant to the end date termination provision (in the case of termination by Staples, only under circumstances in which Office Depot has a concurrent right to terminate the merger agreement pursuant to the end date termination provision) and as of the end date the only conditions to closing that have not been satisfied by that date (other than any such conditions which by their nature cannot be satisfied until the closing date but subject to such conditions being capable of being satisfied if the closing date were the date of termination) are one or more of the regulatory conditions.

In no event will either of Staples or Office Depot be required to pay the termination fee or regulatory fee on more than one occasion.

Except in the case of fraud, if the termination fee or regulatory fee is paid to a party in accordance with the terms of the merger agreement, such payment will be the sole and exclusive remedy of such party and its subsidiaries, stockholders and representatives against the other party or any of its subsidiaries, stockholders and representatives with respect to the termination, event or breach giving rise to the payment of the termination fee or regulatory fee.

Amendment and Modification

At any time prior to the effective time of the merger, any provision of the merger agreement may be amended or waived only if such amendment or waiver is in writing and signed, in the case of an amendment, by Office Depot, Staples and Merger Sub. However, after the receipt of the Office Depot stockholder approval, no amendment, modification or supplement of the merger agreement may be made unless, to the extent required by applicable law, approved by the holders of Office Depot common stock.

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Jurisdiction; Specific Enforcement

The parties agree that irreparable damage would occur in the event that any of the provisions of the merger agreement are not performed, and that monetary damages, even if available, would not be an adequate remedy in such a situation. Accordingly, the parties agree that each of the parties will be entitled to an injunction or injunctions to prevent breaches or threatened breaches of the merger agreement and to enforce specifically the terms and provisions of the merger agreement. The parties agree not to assert that a remedy of specific performance is unenforceable, invalid, contrary to law or inequitable for any reason, nor to assert that a remedy of monetary damages would provide an adequate remedy for any such breach. The parties further agree that any legal action or proceeding with respect to the merger agreement shall be brought and determined exclusively in the Delaware Court of Chancery and any state appellate court therefrom within the State of Delaware (or, if the Delaware Court of Chancery declines to accept jurisdiction over a particular matter, any state or federal court within the State of Delaware). The parties irrevocably waive, and agree not to assert as a defense, counterclaim or otherwise, (i) any claim that such party is not personally subject to the jurisdiction of the above named courts and (ii) any claim that such party or its property is exempt or immune from jurisdiction of any such court or from any legal process commenced in such courts, among other things.

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PROPOSAL II: ADVISORY (NON-BINDING) APPROVAL OF THE MERGER-RELATED COMPENSATION OF OFFICE DEPOT S NAMED EXECUTIVE OFFICERS

Office Depot is providing its stockholders with the opportunity to cast a vote, on an advisory (non-binding) basis, to approve the compensation payments that will or may be paid by Office Depot to its named executive officers in connection with the merger as disclosed in the section entitled Compensation Related to the Merger, including the table entitled Golden Parachute Compensation Office Depot and the accompanying footnotes, under Proposal I: Adoption of the Merger Agreement Interests of Office Depot s Directors and Executive Officers in the Merger beginning on page [ ] of this proxy statement/prospectus (referred to in this section of the proxy statement/prospectus as the golden parachute compensation), as required by Section 14A of the Exchange Act, which was enacted as part of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010.

Through this proposal, Office Depot is asking its stockholders to indicate their approval, on an advisory (non-binding) basis, of the various change of control, equity acceleration and other payments which Office Depot s named executive officers will or may be eligible to receive in connection with the merger as described in the section Compensation Related to the Merger referred to above. The various plans and arrangements pursuant to which these compensation payments may be made have previously formed part of Office Depot s overall compensation program for its named executive officers, which is disclosed to Office Depot s stockholders as required in the section entitled Executive and Director Compensation Compensation Discussion and Analysis beginning on page [ ] of this proxy statement/prospectus and the related sections in this proxy statement/prospectus.

You should carefully review the golden parachute compensation information disclosed in the sections of this proxy statement/prospectus referred to above. The Office Depot board of directors unanimously recommends that Office Depot stockholders approve the following resolution:

RESOLVED, that the stockholders of Office Depot approve, solely on an advisory, non-binding basis, the golden parachute compensation which will or may be paid to Office Depot s named executive officers in connection with the merger, as disclosed pursuant to Item 402(t) of Regulation S-K in the section entitled Compensation Related to the Merger, including the table entitled Golden Parachute Compensation Office Depot and the accompanying footnotes, under Proposal I: Adoption of the Merger Agreement Interests of Office Depot s Directors and Executive Officers in the Merger beginning on page [ ] of this proxy statement/prospectus.

The vote on the golden parachute compensation proposal is a vote separate and apart from the vote on the adoption of the merger agreement. Accordingly, you may vote to adopt the merger agreement and vote not to approve the golden parachute compensation proposal and vice versa. Because the vote on the golden parachute compensation proposal is advisory only, it will not be binding on either Office Depot or Staples. Accordingly, if the merger agreement is adopted and the merger is completed, the compensation payments that are contractually required to be paid by Office Depot to its named executive officers will or may be paid, subject only to the conditions applicable thereto, regardless of the outcome of the non-binding, advisory vote of Office Depot stockholders.

The affirmative vote of holders of a majority of the shares of Office Depot common stock present in person or represented by proxy (as counted for purposes of determining the existence of a quorum) and entitled to vote at the annual meeting is required to approve, on an advisory (non-binding) basis, the golden parachute compensation.

THE OFFICE DEPOT BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT OFFICE DEPOT STOCKHOLDERS VOTE FOR THE APPROVAL, ON AN ADVISORY (NON-BINDING) BASIS, OF THE COMPENSATION PAYMENTS THAT WILL OR MAY BE PAID BY OFFICE DEPOT TO ITS NAMED EXECUTIVE OFFICERS IN CONNECTION WITH THE MERGER.

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PROPOSAL III: ADJOURNMENT OF OFFICE DEPOT ANNUAL MEETING

Office Depot stockholders are being asked to approve the adjournment of the annual meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to adopt the merger agreement at the time of the annual meeting.

If this proposal is approved, under the merger agreement the annual meeting may be adjourned to (i) any date that is either 30 days or less after the date for which the annual meeting was originally scheduled or 10 business days or less prior to November 4, 2015 (or any later date to which such date may be extended pursuant to the provisions in the merger agreement described under The Merger Agreement Termination of the Merger Agreement beginning on page [ ] of this proxy statement/prospectus) or (ii) with the prior written consent of Staples, to any other date.

If the annual meeting is so adjourned, Office Depot stockholders, who have already submitted their proxies, will be able to revoke them at any time prior to their use. If you sign and return a proxy and do not indicate how you wish to vote on any proposal, or if you indicate that you wish to vote in favor of the proposal to adopt the merger agreement but do not indicate a choice on the adjournment proposal, your shares of Office Depot common stock will be voted in favor of the adjournment proposal. If you indicate, however, that you wish to vote against the proposal to adopt the merger agreement, your shares of Office Depot common stock will only be voted in favor of the adjournment proposal if you indicate that you wish to vote in favor of that proposal.

The affirmative vote of holders of a majority of the shares of Office Depot common stock present in person or represented by proxy (as counted for purposes of determining the existence of a quorum) and entitled to vote at the annual meeting is required to approve the adjournment of the annual meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to adopt the merger agreement.

THE OFFICE DEPOT BOARD OF DIRECTORS RECOMMENDS THAT OFFICE DEPOT STOCKHOLDERS VOTE FOR THE ADJOURNMENT OF THE ANNUAL MEETING, IF NECESSARY OR APPROPRIATE, TO SOLICIT ADDITIONAL PROXIES IF THERE ARE NOT SUFFICIENT VOTES TO ADOPT THE MERGER AGREEMENT.

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PROPOSAL IV: ELECTION OF OFFICE DEPOT DIRECTORS

Nominees for Directors of Office Depot

The Office Depot board of directors consists of ten (10) members with one vacancy (created as a result of Mr. Jeffrey C. Smith s resignation from the board of directors on September 10, 2014). The Office Depot board of directors has nominated the ten (10) persons listed as nominees below for election as directors at the 2015 annual meeting. The directors elected at the annual meeting will serve until the next annual meeting, until their successors have been elected and qualified, or until their resignation or removal. All nominees are presently directors of Office Depot.

The Office Depot board of directors has determined that nine (9) director nominees satisfy the definition of independent director (referred to in this proxy statement/prospectus as the independent directors) under the listing standards of The Nasdaq Stock Market.

Pursuant to the requirement in Office Depot s bylaws, should any of the nominees become unable to serve, Office Depot s Continuing Office Depot Directors Committee and Continuing OfficeMax Directors Committee may propose a substitute nominee. If a substitute nominee is named, all proxies voting FOR the director nominee who is unable to serve will be voted for the substitute nominee so named. If a substitute nominee is not named, all proxies will be voted for the election of the remaining director nominees (or as directed on your proxy). Each person nominated for election has agreed to serve if elected and the Office Depot management has no reason to believe that any director nominee will be unable to serve.

Each director nominee must be elected by a majority of the votes cast. This means that the number of votes cast FOR a director nominee must exceed the number of votes cast AGAINST the director nominee.

THE OFFICE DEPOT BOARD OF DIRECTORS RECOMMENDS THAT OFFICE DEPOT STOCKHOLDERS VOTE FOR THE ELECTION OF EACH OF THE DIRECTOR NOMINEES NAMED IN PROPOSAL IV ON THE PROXY CARD.

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BIOGRAPHICAL INFORMATION ON THE DIRECTOR NOMINEES

ROLAND C. SMITH ***AGE: 60***

Roland C. Smith was appointed as Office Depot s Chairman and Chief Executive Officer in November 2013. Prior to joining Office Depot, Mr. Smith served as the President and Chief Executive Officer of Delhaize America, LLC, the U.S. division of Delhaize Group, and Executive Vice President of Delhaize Group, an international food retailer, from October 2012 to September 2013. Mr. Smith was a Special Advisor to The Wendy s Company, a restaurant owner, operator and franchisor, from September 2011 to December 2011, served as President and Chief Executive Officer from July 2011 to September 2011. Mr. Smith served as President and Chief Executive Officer of Wendy s/Arby s Group, Inc. and Chief Executive Officer of Wendy s International, Inc. from September 2008 to July 2011. Mr. Smith also served as Chief Executive Officer of Triarc Companies, Inc., a restaurant owner, operator and franchisor from June 2007 to July 2011, and the Chief Executive Officer of Arby s Restaurant Group, Inc., a restaurant owner, operator and franchisor, from April 2006 to September 2008. Mr. Smith served as President and Chief Executive Officer of American Golf Corporation and National Golf Properties, an owner and operator of golf courses, from February 2003 to November 2005. He was President and Chief Executive Officer of AMF Bowling Worldwide, Inc., an owner and operator of bowling centers, from April 1999 until January 2003. Mr. Smith has been a member of Carmike Cinemas, Inc. s (referred to in this proxy statement/prospectus as Carmike) board of directors since April 2002, and has served as Chairman of Carmike s board of directors since June 2009. Mr. Smith was also a member of the board of directors of The Wendy s Company from 2007 to 2014.

Mr. Smith has extensive leadership experience, having served as President and Chief Executive Officer of both public and private companies and as a public company director, including experience as chairman of the board. Mr. Smith s strong track record in increasing operating profit, managing complex integrations, directing corporate turnarounds and transforming companies for future success, led the Office Depot board of directors to conclude that he should be nominated as a director.

WARREN F. BRYANT ***AGE: 69***

Warren Bryant joined the Office Depot board of directors in November 2013. Previously, Mr. Bryant was a director of OfficeMax Incorporated from 2004 to November 2013. From 2002 to 2008, Mr. Bryant served as a director and the President and Chief Executive Officer of Longs Drug Stores Corporation, a retail drug store chain on the West Coast and in Hawaii. From 2003 to 2008, he served as the Chairman of the Board of Longs Drug Stores. Mr. Bryant served as Senior Vice President of The Kroger Co., a retail grocery chain, from 1999 to 2002. From 1996 to 1999, he served as President and Chief Executive Officer of Dillon Companies, Inc., a retail grocery chain and subsidiary of The Kroger Co. From 2010 to 2013, Mr. Bryant served as a director of George Weston Limited, a Canadian public company. Mr. Bryant has also served as a director of The National Association of Chain Drug Stores from 2003 to 2008, and as Chairman of the Association during 2008. Mr. Bryant has also served as a director of Pathmark Stores, Inc., from 2004 to 2005. Since 2009, Mr. Bryant has served as a director of Dollar General Corporation. Since 2013, Mr. Bryant has also served as a director of Loblaw Companies Limited, a Canadian public company and Canada s food and pharmacy leader and largest retailer.

Mr. Bryant has an exceptional depth of experience in retail leadership, along with substantial experience in marketing, merchandising, operations and strategy. This extensive, relevant knowledge of the retail industry and his experience as a board member (including as a chairman and as lead director) for several other public company retailers, led the Office Depot board of directors to conclude that he should again be nominated as a director.

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RAKESH GANGWAL ***AGE: 61***

Rakesh Gangwal joined the Office Depot board of directors in November 2013. Previously, Mr. Gangwal was a director of OfficeMax Incorporated from 1998 to November 2013. From June 2003 to August 2007, Mr. Gangwal was the Chairman, President and Chief Executive Officer of Worldspan Technologies, Inc., a provider of travel technology and information services to the travel and transportation industry. From 2002 to 2003, Mr. Gangwal was involved in various personal business endeavors, including private equity projects and consulting projects. He was the President and Chief Executive Officer of US Airways Group, Inc., the parent corporation for US Airways mainline jet and express divisions as well as several related companies, from 1998 until 2001. Mr. Gangwal was also the President and Chief Executive Officer of US Airways, Inc., the main operating arm of US Airways Group, from 1998 until 2001. He was also the President and Chief Operating Officer of US Airways Group, Inc., and US Airways, Inc., from 1996 to 1998. Mr. Gangwal has been a director of CarMax, Inc. since 2011 and served as a director of PetSmart, Inc. from 2005 to 2015. Mr. Gangwal is also the co-founder of IndiGo Airlines, India s largest domestic airline.

Mr. Gangwal has an exceptional depth of experience in commerce between businesses in the United States and internationally, with substantial experience in operations, technology, strategy, and finance. In addition to his experience as the President and Chief Executive Officer of a public company and his role as a board member for other large public companies, including two large, public retailers, led the Office Depot board of directors to conclude that he should again be nominated as a director.

CYNTHIA T. JAMISON ***AGE: 55***

Cynthia Jamison has served as a director on the Office Depot board of directors since August 2013. Ms. Jamison was the Chief Financial Officer of AquaSpy, Inc. from 2009 to 2012. From 1999 to 2009, she was a partner with Tatum, LLC, an executive services firm focused exclusively on providing Chief Financial Officer support to public and private companies. Prior to joining Tatum, she served as Chief Financial Officer of Chart House Enterprises and previously held various financial positions at Allied Domecq Retailing USA, Kraft General Foods, and Arthur Andersen LLP. Ms. Jamison s experience also includes her service, since 2004 and until 2015, as a director of B&G Foods, Inc. Since 2002, Ms. Jamison also serves as a member of the board of directors for Tractor Supply Company and currently serves as the Chairman of the board. Ms. Jamison also serves as a director of Darden, Inc. since 2014.

Ms. Jamison has extensive experience in financial and accounting matters, including public company reporting, as well as strategy and capitalization expertise, having served as Chief Financial Officer on the board of directors of many public and private companies. Ms. Jamison also brings key senior management, leadership, financial and strategic planning, corporate governance and public company executive compensation experience which led the Office Depot board of directors to conclude that she should be nominated as a director.

V. JAMES MARINO ***AGE: 64***

James Marino joined the Office Depot board of directors in November 2013. Previously, Mr. Marino was a director of OfficeMax Incorporated from 2011 to November 2013. From 2006 until his retirement in August 2011, Mr. Marino was President and Chief Executive Officer of Alberto-Culver Company, a personal care products company. Prior to holding that position, Mr. Marino served as President of Alberto-Culver Consumer Products Worldwide from 2004 to November 2006, and as President of Alberto Personal Care Worldwide, a division of Alberto-Culver Company, from 2002 to 2004. Mr. Marino has been a member of the board of directors of PVH Corp. since 2007. He was also a member of the board of directors of Alberto-Culver Company from 2006 to 2011.

Mr. Marino has substantial prior leadership experience in commerce between businesses, both in the United States and internationally. Mr. Marino also has extensive experience in strategy development and execution, marketing and brand equity building. His consumer packaged goods background provides a unique perspective on the retail sector. His experience as the President and Chief Executive Officer of a public company and his role as a board member for other consumer products public companies led the Office Depot board of directors to conclude that he should be nominated as a director.

MICHAEL J. MASSEY ***AGE: 50***

Michael Massey has served as a director on the Office Depot board of directors since August 2013. Mr. Massey currently serves as President and Chief Executive Office of PetSmart, Inc. and is a member of PetSmart, Inc. s board of directors. Since August 2014, he has also served on the Policyowners Examination Committee of Northwestern Mutual Life Insurance Company. Previously, Mr. Massey served as Chief Executive Officer and President of Collective Brands, Inc., an international shoe manufacturer and retailer, from June 2011 to October 2012, as Senior Vice President of Law from March 2003 to June 2011 and as General Counsel and Secretary from March 2003 to October 2012. He previously served in various executive roles at Collective Brands in corporate development and legal from 1996 to 2003, and served as President of Payless ShoeSource s international joint ventures, which included a total of over 200 stores. Prior to Collective Brands, Inc., he was counsel at The May Department Stores Company, a major American department store holding company, from 1990 to 1996.

As a former Chief Executive Officer of a retailer, Mr. Massey provides valuable retail experience and ability to provide meaningful insight to address issues affecting retailers. Additionally, Mr. Massey s international experience and global insights on issues affecting Office Depot s overseas business as well as his strong governance experience gained as general counsel led the Office Depot board of directors to conclude that he should be nominated as a director.

FRANCESCA RUIZ DE LUZURIAGA ***AGE: 61***

Francesca Ruiz de Luzuriaga joined the Office Depot board of directors in November 2013. Previously she was a director of OfficeMax Incorporated from 1998 to November 2013. From 1999 to 2000, Ms. Luzuriaga served as the Chief Operating Officer of Mattel Interactive, a business unit of Mattel, Inc., one of the major toy manufacturers in the world. Prior to holding this position, she served Mattel as its Executive Vice President, Worldwide Business Planning and Resources, from 1997 to 1999, and as its Chief Financial Officer from 1995 to 1997. Since leaving Mattel in 2000, Ms. Luzuriaga has been working as an independent business development consultant. From 2002 until 2005, she was also a director of Providian Financial Corporation. Since January 2012, she has been a director of SCAN Health Plan, a not-for-profit Medicare Advantage health plan.

Ms. Luzuriaga has substantial prior leadership experience in the operations and strategy side of businesses, both in the United States and internationally. This experience, together with her financial expertise, her experience in corporate finance, and her experience as a board member for other public companies, led the Office Depot board of directors to conclude that she should be nominated as a director.

DAVID M. SZYMANSKI ***AGE: 58***

David Szymanski joined the Office Depot board of directors in November 2013. Previously, he was a director of OfficeMax Incorporated from 2004 to November 2013. Dr. Szymanski became the Dean of the University of Cincinnati Lindner College of Business in 2010. Prior to that, Dr. Szymanski was a Professor of Marketing and holder of the JC Penney Chair of Retailing Studies at Texas A&M University, where he had served since 1987. Dr. Szymanski served as the Director of the Center for Retailing Studies at Texas A&M University from 2000 to 2006. From 2004 until 2010, Dr. Szymanski was a director of Zale Corporation, and from 2004 to 2006, Dr. Szymanski was a director of the National Retail Federation Foundation Board.

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Dr. Szymanski has held significant leadership positions in major universities. His great depth of knowledge regarding all aspects of the retail industry arising from his academic focus and his experience as a board member for another public company, led the Office Depot board of directors to conclude that he should be nominated as a director.

NIGEL TRAVIS ***AGE: 65***

Nigel Travis has served as a director on the Office Depot board of directors since March 2012 and is the Lead director. Mr. Travis has been Chairman of the board of Dunkin Brands Group Inc., a quick-service restaurant franchisor, since May 2013 and Chief Executive Officer since January 2009. From 2005 through 2008, Mr. Travis served as President and Chief Executive Officer of Papa John s International, Inc., an international take-out and delivery pizza restaurant chain. From 1994 to 2004, he had executive roles in Europe, International and Retail divisions of Blockbuster, Inc., culminating with the role of President and Chief Operating Officer from 2001 to 2004. Mr. Travis also held human resources and international roles for Burger King Holdings, Inc. from 1989 to 1994, prior to which he worked for Grand Metropolitan PLC since 1985. Mr. Travis previous board service includes Lorillard, Inc. from 2008 to 2012, Papa John s International, Inc. from 2005 to 2008, Bombay Company from 2000 to 2007, and Limelight Group from 1996 to 2000.

Mr. Travis brings significant international, retail, human resources and operations experience to the Office Depot board of directors, and as a public company Chief Executive Officer, he provides perspectives on leadership and strategy. In addition, Mr. Travis particular knowledge of and extensive experience in senior management of manufacturing and consumer product businesses led the Office Depot board of directors to conclude that he should be nominated as a director.

JOSEPH VASSALLUZZO ***AGE: 66***

Joseph Vassalluzzo has served as a director on the Office Depot board of directors since August 2013. He currently serves as a director on public company boards, including, since 2002, the Federal Realty Investment Trust, where he is Chairman of the Board of Trustees, and LifeTime Fitness, since 2006, where he is the Lead director. Mr. Vassalluzzo previously served on the board of directors of iParty Corp. from 2004 to 2013 and on the board of directors of Commerce Bancorp from 2005 to 2008 where he chaired various committees of both. He also operates a retail consulting business. Previously, among other roles, Mr. Vassalluzzo was employed by Staples, Inc. from 1989 until 2005, most recently as Vice Chairman. Additionally, his duties at Staples included world-wide responsibility for all of Staples real estate activities, including, but not limited to, the development and management of all retail stores; distribution; office and warehouse centers; all engineering, construction and design activities; and facilities management.

Mr. Vassalluzzo s broad based experience in business, including his extensive experience in retail businesses, the office supplies business, and his service on the boards of a number of retailers, provides the Office Depot board of directors and management with retail and retail real estate expertise that is essential to Office Depot s core business. In addition, Mr. Vassalluzzo s executive and senior leadership positions at numerous retailers led the Office Depot board of directors to conclude that he should be nominated as a director.

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OFFICE DEPOT CORPORATE GOVERNANCE

Board of Directors

Office Depot s business is overseen by its board of directors pursuant to Delaware law and Office Depot s certificate of incorporation and bylaws. Members of the Office Depot board of directors are kept informed of Office Depot s business through discussions with its Chairman and Chief Executive Officer (referred to in this proxy statement/prospectus as the CEO) and with key members of management, by reviewing materials provided to them and by participating in board and committee meetings. Members of the board of directors are elected annually by the stockholders.

The Office Depot board held sixteen (16) meetings during 2014. Its independent directors met in six (6) executive sessions in 2014. In 2014, each of Office Depot s current directors attended at least 75% of the meetings of the board and standing committees on which the member served during the period the member was on the board or committee. Pursuant to the terms of Office Depot s corporate governance guidelines, it is the board s policy that each director should attend the annual meeting. All incumbent directors attended the 2014 annual meeting of stockholders.

Corporate Governance Guidelines

Strong corporate governance practices and the independence of the Office Depot board of directors are a long standing priority at Office Depot. These practices provide a framework within which the Office Depot board of directors and management can pursue Office Depot s strategic objectives and ensure long-term growth for the benefit of its stockholders. Office Depot s corporate governance guidelines may be viewed at Office Depot s corporate website, *investor.officedepot.com*, under the headings Corporate Governance/Governance Documents. In addition, a printed copy of Office Depot s corporate governance guidelines will be provided to any stockholder upon written request to Office Depot s corporate secretary. The Corporate Governance and Nominating Committee reviews the guidelines annually and any changes are recommended to the Office Depot board of directors for approval.

Board Leadership Structure

The Office Depot board of directors annually elects one of its own members as the chairman of the board of directors. Office Depot s bylaws provide that the chairman of the board may also be the CEO. Office Depot believes that there are a wide array of leadership structures that could apply to many different business models and, therefore, that Office Depot should have the opportunity to determine the ideal structure for its board leadership, which leadership structure may change over time.

The Office Depot board of directors has chosen the current leadership structure of a combined role of CEO and chairman because it provides Office Depot with unified leadership and direction. As CEO, Mr. Roland C. Smith is involved in the day-to-day operations of Office Depot, which enables him to identify developing trends and formulate and lead strategic initiatives. Given Mr. Smith s experience as a director of The Wendy s Company and as Chairman of the board of directors for Carmike Cinemas, Inc., where he is also Chairman of the Compensation and Nominating Committee, as well as his prior experience as CEO and President of Delhaize America, LLC; President and CEO of The Wendy s Company; President and CEO of Wendy s/Arby s Group, Inc.; and CEO of Wendy s International, Inc., Mr. Smith has extensive leadership experience and is aware of the issues of critical business importance that require elevation to the Office Depot board of directors.

The Office Depot board of directors believes that Office Depot s current governance structure, which provides for a combined CEO and chairman role and an independent Lead director who is charged with certain responsibilities indicated in Office Depot s corporate governance guidelines, ensures both independent oversight of the board of directors and meaningful coordination between company management and the independent board

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members. Office Depot s combined CEO and chairman role, together with the assistance of its independent lead director, effectively serves the best interests of Office Depot and its stockholders because it provides Office Depot with strong, balanced, and consistent leadership.

Mr. Nigel Travis serves as Office Depot s lead director and has the following duties:

- To preside over all meetings of the Office Depot board of directors at which the chairman of the board is not present;
- To preside over all executive sessions of the independent directors;
- To call meetings of the independent directors, as needed;
- To meet regularly with the CEO;
- To serve as a liaison between the CEO and the independent directors;
- To develop the agendas for meetings of the independent directors;
- To approve board of directors meeting agendas and schedules;
- To review information sent to the board of directors; and
- To meet with stockholders, as appropriate.

Director Independence

The Office Depot board of directors believes in the importance of experienced and independent directors. The board of directors evaluates the independence of each nominee for election as a director of Office Depot in accordance with the corporate governance guidelines, which incorporate the applicable listing standards of The Nasdaq Stock Market. The corporate governance guidelines require that a majority of the Office Depot board of directors must be independent within the meaning of the Nasdaq listing standards, and all directors who sit on Office Depot s Audit Committee, Compensation Committee and Corporate Governance and Nominating Committee, must also be independent directors.

All members of Office Depot s Audit Committee, Compensation Committee and Corporate Governance and Nominating Committee have been determined by the Office Depot board of directors to be independent directors. The Office Depot board of directors has reviewed the various relationships between members of the Office Depot board of directors and Office Depot and has affirmatively determined that none of its directors has a material relationship with

Office Depot that would impair independence from management, other than Mr. Smith, who serves as Office Depot s chairman and CEO. The Office Depot board of directors has concluded that although certain of its directors were appointed by a large stockholder of Office Depot, a relationship with a stockholder of Office Depot in and of itself does not impair such directors of independent judgment in connection with their duties and responsibilities as directors of Office Depot.

None of Office Depot s directors serves as an executive officer of a charitable organization to which Office Depot made contributions during 2014.

Board of Directors Role in Risk Oversight

The Office Depot board of directors has an active role in overseeing management of Office Depot s risks, directly and through its committees. The board oversees a formal enterprise-wide approach to risk management, designed to support the achievement of organizational objectives, including strategic objectives, to improve long-term organizational performance and enhance stockholder value. A fundamental part of risk management is not only understanding the risks a company faces and what steps management is taking to manage those risks, but also understanding what level of risk is appropriate for Office Depot. The involvement of the full Office Depot

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board of directors in setting Office Depot s business strategy is a key part of its assessment of management s appetite for risk and also a determination of what constitutes an appropriate level of risk for Office Depot.

The full board of directors participates in an annual enterprise risk management assessment, which is led by Office Depot s internal audit executive. In Office Depot s continuing risk assessment process, risk is assessed quarterly by a steering committee, comprised of members of management representing Office Depot s business units and corporate staff. This steering committee focuses on identifying and evaluating company-wide risks in four primary areas: financial risk, legal/compliance risk, operational/strategic risk and compensation risk. This company-wide risk portfolio is then to be presented to and evaluated by Office Depot s executive officers. The findings are then presented to the board of directors. In addition to the presentation made to the full board, at least once a year the Audit Committee receives quarterly updates on certain risk areas the board has identified for focus, and the independent directors periodically discuss risk management during executive sessions without management present.

While the Office Depot board of directors has the ultimate oversight responsibility for the risk management process, various committees of the board of directors also have responsibility for risk management. In particular, the Audit Committee focuses on assessing and mitigating financial risk, including internal controls, and receives an annual risk assessment report from Office Depot s internal auditors. As part of its annual executive compensation review in setting executive compensation, the Compensation Committee reviews Office Depot s management of executive compensation and retention risks and strives to create incentives that encourage a level of risk-taking behavior consistent with Office Depot s business strategy. The audit and Compensation Committees annually have a joint meeting to review incentive compensation plans for a risk assessment. The Corporate Governance and Nominating Committee assists the Office Depot board of directors in fulfilling its oversight responsibilities with respect to the management of risks associated with board organization, membership and structure, CEO succession planning, and corporate governance.

How Nominees to the Office Depot Board of Directors are Selected

Pursuant to the corporate governance guidelines, Office Depot seeks to have a board of directors that represents diversity as to skills, experiences, age, race, gender and ethnicity and, while Office Depot does not have a formal diversity policy, the Corporate Governance and Nominating Committee seeks diverse board candidates. The Corporate Governance and Nominating Committee operates under a charter, which is available on Office Depot s corporate website at *investor.officedepot.com* under the headings Corporate Governance/Committee Charters.

Office Depot s bylaws provide that, subject to a failure of any such director to be elected by the Office Depot stockholders, for a specified post-merger period of four years after the closing of the Office Depot/OfficeMax merger, the Office Depot board of directors will be comprised of an equal number of continuing Office Depot directors and continuing OfficeMax directors. The Office Depot bylaws also establish a continuing Office Depot directors committee and a continuing OfficeMax directors committee, which shall each have the exclusive right, during this specified post-merger period, to (i) fill the vacancies on the board of directors created by the death, resignation, removal, disqualification or other cessation of service of a continuing Office Depot director or of a continuing OfficeMax director, respectively, and (ii) nominate, on behalf of the Office Depot board of directors, directors for election at each annual meeting, or at any special meeting at which directors are to be elected, to fill each seat previously held by a continuing Office Depot director or a continuing OfficeMax director, respectively. For further information concerning the continuing Office Depot directors committee and the continuing OfficeMax directors committee please see Committees of the Office Depot Board of Directors later in this proxy statement/prospectus.

Candidates Recommended by Stockholders. Subject to the limitations set forth in Office Depot s bylaws during the specified post-merger period, Office Depot s Corporate Governance and Nominating Committee will give due consideration to candidates recommended by stockholders. Stockholders may recommend candidates

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for the consideration of the Corporate Governance and Nominating Committee by submitting such recommendation directly to the Corporate Governance and Nominating Committee by mail, as described under the heading Communicating with the Office Depot Board of Directors below. In making recommendations, stockholders should be mindful of the discussion of minimum qualifications set forth in the following paragraph.

Qualifications for Nomination. Office Depot believes that a director should possess the highest personal and professional ethics, integrity and values, and be committed to representing the long-term interests of Office Depot s stockholders. He or she must have an inquisitive and objective perspective, practical wisdom and mature judgment. Office Depot endeavors to have a board representing a range of experiences in business and in areas that are relevant to Office Depot s business and operations. Office Depot believes that directors with experience in significant leadership positions over an extended period, especially CEO positions, provide Office Depot with special insights.

Office Depot continuously seeks to strengthen its business and to grow by identifying and developing new markets for its products and strategic expertise, both on a domestic and international level. As such, in identifying board nominees Office Depot seeks candidates for directors:

- With experience as executives, directors or in other leadership positions in Office Depot s industry or with other retailers;
- With an understanding of finance and financial reporting processes;
- Who qualify as Audit Committee financial experts (although Office Depot expects all of its directors to be financially knowledgeable);
- With a strong corporate governance background; and
- With a global business perspective.

In addition, a candidate for director should possess:

- An exemplary reputation and record for honesty in his or her personal dealings and business or professional activity;
- Qualities of independence in thought and action;
- Strong collaboration skills, with the potential to influence management; and

The ability to dedicate significant time to service on the Office Depot board of directors while being committed first and foremost to the interests of all Office Depot s stockholders.

Office Depot s evaluation of director nominees also considers the diversity of skills, experiences, age, race, gender and ethnicity as factors when recommending directors. Persons who represent a particular special interest, ideology, narrow perspective or point of view would not, therefore, generally be considered good candidates for election to the Office Depot board of directors.

***Methods of Finding Qualified Nominees*.** Office Depot s Corporate Governance and Nominating Committee identifies nominees in a number of ways. One method is the recommendation of sitting members of the board of directors, who personally know and have an understanding of the qualifications of a proposed nominee. A second method is an awareness of persons who are successful in business, the non-profit sector or a profession, whether personally known to a member of the board of directors or not. Such persons are contacted from time to time to ask whether they would be willing to serve. If they are willing, then the Corporate Governance and Nominating Committee conducts significant amounts of due diligence to ensure that a nominee possesses the qualifications, qualities and skills outlined above. The Corporate Governance and Nominating Committee also from time to time has engaged search firms to assist Corporate Governance and Nominating Committee in identifying potential nominees to the Office Depot board of directors. These firms conduct searches on behalf of the Corporate Governance and Nominating Committee and provide Corporate Governance and Nominating Committee with names of potential director candidates. Office Depot has paid these firms a fee for such services. As mentioned above, Office Depot s Corporate Governance and Nominating Committee is also open to receiving recommendations from stockholders as to potential candidates it might consider.

Communicating with the Office Depot Board of Directors

Office Depot s stockholders and any other parties interested in communicating with the Office Depot board of directors may contact any member (or all members) of the Office Depot board of directors, or the independent directors as a group, any committee of the Office Depot board of directors or any chair of any such committee by mail. The Office Depot legal department reviews all communications sent to the board related to the duties and responsibilities of the board and its committees and regularly provides the communications to committee chairs, the lead director or the full board as needed. To communicate with Office Depot s directors by mail, correspondence may be addressed to any individual director by name, to the independent directors as a group, to any committee of the Office Depot board of directors by name or to any committee chair either by name or by title. All such mailings are to be sent c/o Corporate Secretary to Office Depot s corporate headquarters located at 6600 North Military Trail, Boca Raton, FL 33496.

In addition, any person who desires to communicate any matter specifically and confidentially to Office Depot s Audit Committee may contact the Audit Committee by addressing a letter to the chair of the Audit Committee, c/o Corporate Secretary, at Office Depot s corporate headquarters address. Mark on the outside of the envelope that the communication inside is Confidential. Such communications to Office Depot s Audit Committee may be submitted anonymously to the Audit Committee Chair, in which event the envelope will not be opened for any purpose, other than appropriate security inspections. Such mailing will be directed to the chair of Office Depot s Audit Committee for his or her review and follow-up action as he or she deems appropriate.

Majority Voting Policy

Subject to Office Depot s corporate governance guidelines and Article II, Section 9 of Office Depot s bylaws, directors will be elected by majority vote. In an uncontested election, each director nominee must be elected by a majority of the votes cast. This means that the number of votes cast FOR a director nominee must exceed the number of votes cast AGAINST. Pursuant to Office Depot s bylaws, abstentions are not considered to be votes cast, and therefore an abstention will have no effect on the election of directors. In a contested election (an election in which the number of candidates exceeds the number of director positions to be filled), the number of director nominees that equals the number of director positions to be filled receiving the greatest number of votes cast will be elected as directors. All of Office Depot s directors form a single class of directors and stand for election each year. Information about the nominees, their business experience and other relevant biographical information is set forth in the section entitled Biographical Information on the Director Nominees beginning on page [ ].

Pursuant to Article II, Section 9 of Office Depot s bylaws, in any uncontested election of directors, any director who is an incumbent director who does not receive a greater number of votes cast FOR his or her election than votes cast AGAINST must immediately tender his or her resignation to the board of directors. After the director tenders his or her resignation, the board of directors must then decide within 90 days of the date the director submitted his or her resignation, through a process managed by the Corporate Governance and Nominating Committee (and excluding the director in question from all board of directors and committee deliberations), whether to accept the director s resignation. Absent a compelling reason, as determined by the board of directors, for the director to remain on the board, the board of directors must accept the director s resignation. If the board of directors determines that there is a compelling reason for the director to remain on the board and does not accept the director s resignation, the board must publicly disclose its decision either in a current report on Form 8-K filed with the SEC or in a press release.

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If the board of directors accepts an incumbent director s resignation, that director will immediately cease to be a member of the board of directors. If the board of directors does not accept an incumbent director s resignation, that director will continue to serve until the next annual meeting of stockholders, or until the earlier of his or her subsequent resignation or removal. If a director nominee who was not already serving as an incumbent director is not elected at the annual meeting, under Delaware law and Office Depot s bylaws, that director nominee would not become a director and would not serve on the board of directors as a holdover director.

Related Person Transactions Policy

Office Depot s related person transactions policy sets forth the procedures governing the review and approval or ratification of transactions between Office Depot, on the one hand, and (i) an executive officer; (ii) director; (iii) an immediate family member of an executive officer or director; (iv) any security holder who is known by Office Depot to own of record or beneficially more than five percent of any class of Office Depot s voting securities at the time of the transaction; or (v) an immediate family member of such five percent security holder, on the other hand. Persons in the categories described above are collectively referred to as related persons.

This related persons transactions policy applies to all related person transactions, and under the policy a related person transaction is any transaction:

- In which Office Depot was or is to be a participant;
- In which the amount exceeds $120,000; and
- In which any related person has, or will have, a direct or indirect material interest.

No related person transaction shall be approved or ratified if such transaction is contrary to the best interests of Office Depot. Unless different terms are specifically approved or ratified by the Corporate Governance and Nominating Committee, any approved or ratified transaction must be on terms that are no less favorable to Office Depot than would be obtained in a similar transaction with an unaffiliated third party under the same or similar circumstances. All related person transactions or series of similar transactions must be presented to the Corporate Governance and Nominating Committee for review and pre-approval or ratification. A copy of the related persons transactions policy is available for review on Office Depot s corporate website at *investor.officedepot.com* under the headings Corporate Governance/Governance Documents.

On an annual basis, each director and executive officer of Office Depot is required to complete a questionnaire which requires disclosure of any related person transaction. The Corporate Governance and Nominating Committee reviews any transaction disclosed.

During 2014, all transactions that were potentially subject to the related persons transactions policy were reviewed and approved or ratified by the Corporate Governance and Nominating Committee. From time to time, Office Depot may have engaged in purchase and sale transactions for office products with Starboard and its portfolio companies. Any such transactions were conducted on an arm s length basis and are not material to Starboard.

Succession Planning

At least annually, the Office Depot board of directors formally discusses CEO and senior management succession with the CEO and also in executive session with only non-management directors present. The process includes an evaluation of the requirements for the CEO and each senior management position and the regular review of potential permanent and interim candidates for CEO and senior management positions.

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Code of Business Conduct (Code of Ethical Behavior)

The Office Depot board of directors has adopted a code of ethical behavior for all Office Depot employees. This code also applies to Office Depot s directors. A copy of the code of ethical behavior may be viewed at Office Depot s corporate website, *investor.officedepot.com* under the headings Corporate Governance/Governance Documents. In addition, a printed copy of Office Depot s code of ethical behavior will be provided to any stockholder upon written request to Office Depot s corporate secretary at the address for Office Depot s corporate headquarters listed elsewhere in this proxy statement/prospectus.

Office Depot has established the confidential Office Depot hotline to assist Office Depot s employees in complying with their ethical and legal obligations and reporting suspected violations of applicable laws, Office Depot s policies or established procedures. The hotline enables Office Depot s associates, vendors and the public to express their concerns about possible violations of law or Office Depot s policies without fear of retribution or retaliation of any kind. It is Office Depot s express policy that no retaliatory action be taken against any associate for using the hotline procedure. The hotline is operated by an independent third party, not by company personnel. The hotline can be accessed by either calling the following toll-free number or visiting the following website:

1-866-634-6854

www.*odhotline*.com

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COMMITTEES OF THE OFFICE DEPOT BOARD OF DIRECTORS

The Office Depot board of directors has established four (4) standing committees (i) audit, (ii) compensation, (iii) corporate governance and nominating, and (iv) finance and integration. The table below shows the membership for each of the board of directors standing committees. Mr. Jeffrey C. Smith, until his resignation from the board on September 10, 2014, served on the board s Compensation Committee and Finance and Integration Committee. On October 16, 2014, Ms. Cynthia T. Jamison and Mr. Nigel Travis were, respectively, appointed by the Office Depot board of directors to serve on the Compensation Committee and Finance and Integration Committee to fill the vacancies created by Mr. Jeffrey C. Smith s resignation.

Audit Committee	Compensation Committee	Corporate Governance & Nominating Committee	Finance and Integration Committee
Francesca Ruiz de Luzuriaga (Chair)	David M. Szymanski (Chair)	Nigel Travis (Chair)	Joseph Vassalluzzo (Chair)
Cynthia T. Jamison	V. James Marino	Rakesh Gangwal	Warren F. Bryant
David M. Szymanski	Michael J. Massey	Cynthia T. Jamison	Rakesh Gangwal
Joseph Vassalluzzo	Cynthia T. Jamison	V. James Marino	Michael J. Massey
			Francesca Ruiz de Luzuriaga
			Nigel Travis

Each of the four committees of the Office Depot board of directors has a written charter that is reviewed and approved annually by the Office Depot board of directors, is available for review on Office Depot s corporate website, *investor.officedepot.com* under the headings Corporate Governance/Governance Documents and is available in hard copy upon written request to Office Depot s corporate secretary.

In addition, for a specified post-merger period of four years after the closing of the Office Depot/OfficeMax merger, Office Depot s bylaws provide for two (2) additional committees of the Office Depot board of directors, which include a Continuing Office Depot Directors Committee, comprised of continuing Office Depot directors, and a Continuing OfficeMax Directors Committee, comprised of continuing OfficeMax directors. The members of the Continuing Office Depot Directors Committee are Cynthia T. Jamison, Michael J. Massey, Nigel Travis and Joseph S. Vassalluzzo. The members of the Continuing OfficeMax Directors Committee are Warren F. Bryant, Rakesh Gangwal, V. James Marino, Francesca Ruiz de Luzuriaga and David M. Szymanski. The Continuing Office Depot Directors Committee and the Continuing OfficeMax Directors Committee are not governed by a charter, but the authority of their members, which includes the authority to nominate, on behalf of the Office Depot board of directors, directors for election at each annual meeting, or at any special meeting at which directors are to be elected, and to fill each seat previously held by a continuing Office Depot director or a continuing OfficeMax director, respectively, is set forth in Office Depot s bylaws. With respect to the vacancy created as a result of Mr. Jeffrey C. Smith s resignation from the board, the continuing Office Depot directors have determined not to nominate or appoint a new director at this time because of the merger with Staples but will continue to evaluate the appointment of a new director to fill the vacancy.

Audit Committee

During the 2014 fiscal year, Office Depot s Audit Committee had four (4) members and met ten (10) times.

Membership and Independence

Ms. Francesca Ruiz de Luzuriaga is the chair of Office Depot s Audit Committee. Ms. Cynthia T. Jamison and Messrs. David M. Szymanski and Joseph Vassalluzzo are the other members of Office Depot s Audit Committee.

The Office Depot board of directors has reviewed and made the determinations required by the listing standards of The Nasdaq Stock Market and regulations of the SEC regarding the independence and financial

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literacy of the members of Office Depot s Audit Committee. All members of the Audit Committee have been determined by the board of directors to be independent directors and financially literate and no members of the Audit Committee have participated in the preparation of the financial statements of Office Depot or any of its subsidiaries during the past three years. In addition, the Office Depot board of directors has determined that the following members of Office Depot s Audit Committee qualify as Audit Committee financial experts within the meaning of the applicable regulations of the SEC: Ms. Francesca Ruiz de Luzuriaga and Ms. Cynthia T. Jamison.

Primary Responsibilities

The Audit Committee is responsible for the performance of Office Depot s internal audit function as well as ensuring Office Depot s compliance with legal and regulatory requirements, assessing and mitigating financial risks to Office Depot and insuring the integrity of Office Depot s financial reporting process. The Audit Committee s responsibilities, discussed in detail in its charter, include, among other duties, the duty to:

- Oversee the financial reporting process;
- Meet with internal and external auditors regarding audit results;
- Engage and ensure the independence of Office Depot s independent registered public accounting firm;
- Review the effectiveness of Office Depot s internal controls; and
- Oversee compliance with Office Depot s code of ethical behavior.

Corporate Governance and Nominating Committee

During the 2014 fiscal year, Office Depot s Corporate Governance and Nominating Committee had four (4) members and met five (5) times.

Membership and Independence

Mr. Nigel Travis is the chair of Office Depot s Corporate Governance and Nominating Committee and the lead director of the board. Ms. Cynthia Jamison and Messrs. Rakesh Gangwal and V. James Marino are the other members of Office Depot s Corporate Governance and Nominating Committee. All members of the Corporate Governance and Nominating Committee have been determined by the Office Depot board of directors to be independent directors.

Primary Responsibilities

Office Depot s Corporate Governance and Nominating Committee is responsible for establishing and monitoring the effectiveness of the overall corporate governance philosophy and the director nomination process. The Corporate Governance and Nominating Committee s responsibilities include, among other duties, the duty to:

Subject to the limitations set forth in Office Depot s bylaws during the specified post-merger period after the Office Depot/OfficeMax merger, review and make recommendations to the board of directors concerning the size and composition of the Office Depot board of directors and its committees and the recruitment and selection of directors;

Plan for succession of CEO and provide recommendations to the Office Depot board of directors;

Subject to the limitations set forth in Office Depot s bylaws during the post-merger period after Office Depot s merger with OfficeMax, nominate director candidates for election at annual meetings; and

Review and make recommendations to the board of directors concerning Office Depot s corporate governance policies and practices.

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In addition, the Corporate Governance and Nominating Committee is also responsible for reviewing and approving any transactions between Office Depot and any related person. See the section entitled Office Depot Corporate Governance Related Person Transactions Policy beginning on page [ ] of this proxy statement/prospectus.

Finance and Integration Committee

During the 2014 fiscal year, Office Depot s Finance and Integration Committee had six (6) members and met four (4) times.

Membership and Independence

Mr. Joseph Vassalluzzo is the chair of the Finance and Integration Committee. Ms. Francesca Ruiz de Luzuriaga and Messrs. Warren F. Bryant, Rakesh Gangwal, Michael J. Massey and Nigel Travis are the other members of the Finance and Integration Committee. Mr. Jeffrey C. Smith also served as a member of the Finance and Integration Committee before his resignation from the board on September 10, 2014. Mr. Travis has served as a member of the Finance and Integration Committee since October 16, 2014.

Primary Responsibilities

Office Depot s Finance and Integration Committee is responsible for overseeing the capital structure, financial policies and business and financial plans of Office Depot. The Finance and Integration Committee s responsibilities, discussed in detail in its charter, include, among other duties, the duty to:

- Review Office Depot s financial policies and procedures;
- Review annual capital budgets and major spending requests from management;
- Monitor Office Depot s financial standing and financial ratings;
- Provide oversight and advice to management regarding Office Depot s capital allocation, spending and structure; and
- Oversee Office Depot s post-merger integration with OfficeMax.

Compensation Committee

During the 2014 fiscal year, Office Depot s Compensation Committee met thirteen (13) times.

Membership and Independence

Mr. David M. Szymanski is the chair of the Compensation Committee. Ms. Cynthia T. Jamison and Messrs. V. James Marino and Michael J. Massey are the other members of the Compensation Committee. All members of the Compensation Committee have been determined by the board to be independent directors. Mr. Jeffrey C. Smith also served as a member of the Compensation Committee before his resignation from the board on September 10, 2014. Ms. Cynthia T. Jamison has served as a member of the Compensation Committee since October 16, 2014.

Primary Responsibilities

Office Depot s Compensation Committee is responsible for establishing and monitoring the effectiveness of the overall compensation philosophy and policies of Office Depot. As set forth in its charter, the Compensation Committee s responsibilities include, among other duties, the duty to:

review the performance and approve the compensation of each of Office Depot s executive officers except for Office Depot s CEO, whose performance and compensation will be reviewed and established by the independent members of the full board of directors taking into consideration the recommendations of the Compensation Committee;

evaluate the succession planning process of Office Depot s executive officers, except for Office Depot s CEO; and

provide oversight of all cash compensation, equity compensation, benefits and perquisites for Office Depot s executive officers and directors.

During the course of the year, the Compensation Committee: reviews and approves any new employment arrangements for Office Depot s executive officers, other than the CEO (for whom it makes recommendations to the board), including establishing the performance goals under Office Depot s incentive plans; reviews, approves or recommends changes in the perquisites and benefits provided to Office Depot s executive officers; reviews the composition of the peer group used for benchmarking purposes and Office Depot s executive compensation programs and policies; reviews the Office Depot s executive compensation disclosures; approves new executive compensation plans and material amendments to existing executive compensation plans; engages and directly monitors independent compensation consultant(s) to study and make recommendations regarding director or executive compensation matters; and reviews management s assessment of the risks related to Office Depot s incentive compensation practices and programs.

In connection with its review of performance of Office Depot s executive officers, the Compensation Committee also reviews the financial results of Office Depot for the purposes of determining compensation program levels and if performance goals were attained. The Compensation Committee obtains the data regarding Office Depot s financial results for the year from management and discusses the financial results with its compensation consultant and others as it may deem necessary, and then reports the results to the board of directors. The Compensation Committee reviews the individual performance ratings for the named executive officers (referred to in this proxy statement/prospectus as NEOs), other than the CEO.

The chair of the Compensation Committee works with Office Depot s executive vice president, chief people officer, members of Office Depot s human resources department and with Office Depot s executive vice president and chief legal officer to set individual meeting agendas for the Compensation Committee that are consistent with an annual calendar of regular activities that has been approved by the Compensation Committee and reported to the board of directors. As needed, telephonic Compensation Committee meetings are held which are not part of the pre-established annual calendar.

Compensation Committee Charter

The Compensation Committee charter is reviewed annually to ensure that the Compensation Committee is fulfilling its duties in aligning Office Depot s executive compensation program with stockholder value creation, ensuring that Office Depot attracts and retains talented executives and officers and is being responsive to the legitimate needs of Office Depot stockholders. The charter is posted on Office Depot s corporate website, *investor.officedepot.com.*

Delegation of Authority; Subcommittees

The Compensation Committee has delegated authority to Office Depot s internal compensation and benefits committee (which consists of the executive vice president, chief people officer, executive vice president and chief legal officer and vice president, global compensation and benefits), the power to administer and make certain non-material amendments to Office Depot s qualified 401(k) plan and Office Depot s health and welfare plans that are subject to the Employee Retirement Income Security Act of 1974 and Office Depot s non-qualified deferred compensation plans. The Compensation Committee has also been delegated the power to administer and make grants under Office Depot s long-term equity plans and to amend such plans, but only to the extent that such amendment does not affect the rights or obligations of any participant in the long-term equity plans.

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Involvement of Compensation Consultants and Executive Management in Compensation Decisions

In 2014, the Compensation Committee engaged Frederic W. Cook & Co., Inc. (referred to in this proxy statement/prospectus as F.W. Cook), a human resources and compensation consulting firm, as its independent advisor with respect to executive compensation. F.W. Cook worked from time to time with members of the Compensation Committee, particularly in executive sessions of the Compensation Committee; and at the request of the Compensation Committee, with management to develop an understanding of Office Depot s pay policies and practices and to facilitate the development of Office Depot s executive compensation strategies and determination of appropriate compensation levels. In 2014, F.W. Cook provided the following services to the Compensation Committee: advice on setting annual compensation for executives based on company performance and peer group benchmarking; response to stockholder concerns related to the say-on-pay vote; advice on the design of the annual awards under the short and long-term incentive plans; review of Office Depot s executive compensation disclosure and discussion of best practices for such disclosure; development of compensation policies and practices, such as the negotiation of certain executive compensation arrangements; review of Office Depot s 2014 peer group; review of Office Depot s 2014 compensation philosophy; advice on compensation issues raised; and assistance to the Chair with preparation for meetings.

The Compensation Committee considered the independence of F.W. Cook under applicable SEC and NASDAQ rules, and concluded that there was no conflict of interest.

The Compensation Committee believes that even the best advice of a compensation consultant or other outside advisors must be combined with the input from management and the Compensation Committee s own individual experiences and judgment to arrive at the proper alignment of compensation philosophy, programs, and practices. Prior to the Office Depot/OfficeMax merger, the CEO, the CFO, the executive vice president, human resources and the executive vice president and general counsel interacted closely with the Compensation Committee. These individuals worked with the Compensation Committee to provide perspectives on reward strategies and how to align those strategies with the Office Depot s business and management retention goals. They provided feedback and insights into the effectiveness of Office Depot s compensation programs and practices. The Compensation Committee looked to the legal and human resources departments for advice in the design and implementation of compensation plans, programs, and practices. In addition, the CEO, the executive vice president and chief people officer, the executive vice president and general counsel, and certain other members of the human resources and legal departments often attended portions of Compensation Committee meetings to participate in the presentation of materials and to discuss management s point of view regarding compensation issues. The Compensation Committee required management s input to properly assess the internal impact of regulatory changes and potential program changes. Management was asked to provide advantages and disadvantages of decision items so that the Compensation Committee had a full range of information from both internal and external sources upon which to make its decisions. There is no predetermined weight given to management s input in making compensation program decisions. During 2014, Office Depot s management engaged Towers Watson & Co. (referred to in this proxy statement/prospectus as Towers Watson) as the Office Depot management s own consultant to assist management in its executive compensation recommendations.

Executive Session

At each meeting, the Compensation Committee meets in executive session without members of management present for the purpose of discussing matters independently from management.

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AUDIT COMMITTEE REPORT

The following Audit Committee Report does not constitute soliciting material and should not be deemed filed or incorporated by reference into any other company filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, except to the extent Office Depot specifically incorporates this Report by reference therein.

The Audit Committee of the board of directors of Office Depot currently is comprised of four independent directors. The responsibilities of the Audit Committee are set forth in its written charter, which has been adopted by the Office Depot board of directors. A copy of the Audit Committee s charter may be obtained from Office Depot s corporate website, *investor.officedepot.com*.

The duties of the Audit Committee include oversight of Office Depot s financial reporting process through periodic meetings with Office Depot s independent accountants, internal auditors and management to review accounting, auditing, internal controls and financial reporting matters. Pursuant to the Sarbanes-Oxley Act of 2002 (referred to in this proxy statement/prospectus as SOX), the Audit Committee has certain other duties, which include the engagement of Office Depot s independent registered public accounting firm, Deloitte & Touche LLP (referred to in this proxy statement/prospectus as Deloitte), pre-approval of non-audit work in advance of Deloitte s commencement of such work, and other obligations as imposed by SOX. Pursuant to applicable provisions of SOX, the Audit Committee has delegated to the Chair the authority to pre-approve engagements of Deloitte for services with expected fees up to $250,000 between meetings of Office Depot s Audit Committee, and the Chair reports to the Audit Committee at each meeting on pre-approvals since the date of the last Audit Committee meeting. The Office Depot board of directors has determined that the following members of the Audit Committee are Audit Committee financial experts under the regulations of the SEC promulgated pursuant to authority granted to it under SOX: Ms. Luzuriaga and Ms. Jamison. These persons qualifications are detailed in their biographical information set forth earlier in this proxy statement. In addition, in accordance with listing standards of The Nasdaq Stock Market, the Office Depot board of directors has determined that each member of Office Depot s Audit Committee is financially literate as required by such listing standards.

During fiscal year 2014, the Audit Committee met ten (10) times, which included meetings to discuss quarterly or annual earnings press releases in advance of release by Office Depot and quarterly or annual financial statements for inclusion in Office Depot s quarterly or annual filings with the SEC. The members of the Audit Committee were Ms. Ruiz de Luzuriaga, Ms. Jamison and Messrs. Szymanski and Vassalluzzo.

Office Depot s management is responsible for the preparation and integrity of the financial reporting information and related systems of internal control. The Audit Committee, in carrying out its role, relies on Office Depot s senior management team, including particularly its senior financial management team, to prepare financial statements with integrity and objectivity and in accordance with generally accepted accounting principles. Furthermore, Office Depot relies upon its independent accountants to review or audit, as applicable, such financial statements in accordance with the standards of the Public Company Accounting Oversight Board. As such, Office Depot s senior financial management team and internal auditors were in attendance at each regularly scheduled Audit Committee meeting. In addition, at each regularly scheduled Audit Committee meeting, the Audit Committee conducted a private session with Office Depot s Internal Audit executive as well as Deloitte, without the presence of other management. The Audit Committee also conducted private sessions at various meetings during 2014 with the Chief Executive Officer, Chief Financial Officer, Controller and General Counsel. The Audit Committee also received periodic reports from Office Depot s Disclosure Committee which reviews Office Depot s disclosures and ensures that effective controls and procedures are in place related to Office Depot s disclosures.

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The Audit Committee has reviewed and discussed with senior management Office Depot s audited financial statements for the fiscal year ended December 27, 2014, included in Office Depot s 2014 Annual Report on Form 10-K (referred to in this proxy statement/prospectus as the 2014 Form 10-K). It has also discussed with management and Deloitte the critical accounting policies applied by Office Depot in the preparation of its financial statements. Management has confirmed to the Audit Committee that such financial statements (i) have been prepared with integrity and objectivity, and are the responsibility of management, and (ii) have been prepared in conformity with generally accepted accounting principles.

In discharging the Audit Committee s oversight responsibility as to the audit process, the Audit Committee has reviewed and discussed with management and Deloitte Office Depot s audited consolidated financial statements and Office Depot s internal control over financial reporting. The Audit Committee has also discussed with Deloitte the matters required to be discussed by the Public Company Accounting Oversight Board (referred to in this proxy statement/prospectus as the PCAOB) Auditing Standard No. 16, *Communications with Audit Committees*, including the auditors judgment about the quality of Office Depot s accounting principles as applied in its financial reporting.

The Audit Committee has obtained the written disclosures required by PCAOB Rule 3526, *Communication with Audit Committees Concerning Independence*, with respect to any relationship between Deloitte and Office Depot that in its professional judgment may reasonably be thought to bear on independence. Deloitte has discussed its independence with the Audit Committee, and has confirmed in its letter to the Audit Committee that, in its professional judgment, it is independent of Office Depot within the meaning of the United States securities laws.

Based on the reviews and discussions outlined above, the Audit Committee recommended to the Office Depot board of directors that the audited financial statements be included in Office Depot s 2014 Form 10-K for filing with the SEC. The Audit Committee also has retained Deloitte as Office Depot s independent accounting firm for 2015, and the Audit Committee and the board of directors have recommended that stockholders ratify Deloitte s appointment.

The Audit Committee:

Francesca Ruiz de Luzuriaga (Chair)

Cynthia Jamison

David Szymanski

Joseph Vassalluzzo

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PROPOSAL V: APPROVAL OF THE OFFICE DEPOT 2015 LONG-TERM INCENTIVE PLAN

Overview

The Office Depot board of directors unanimously recommends that stockholders approve Office Depot s 2015 Long-Term Incentive Plan (referred to in this proxy statement/prospectus as the 2015 Plan) which will become effective upon stockholder approval and will, for future grants, replace Office Depot s 2007 Long-Term Incentive Plan, as amended (referred to in this proxy statement/prospectus as the 2007 Plan), and the 2003 Plan, and together with the 2007 Plan, the Prior Plans). The Office Depot board of directors unanimously approved the 2015 Plan on [ ], 2015. The 2015 Plan will become effective on the date the Office Depot stockholders approve the 2015 Plan (referred to in this proxy statement/prospectus as the Plan Effective Date).

No additional awards will be granted under the Prior Plans after [ ], 2015 and all remaining shares available for grant under the Prior Plans will be cancelled on the Plan Effective Date, unless the 2015 Plan is not approved, in which case the Prior Plans will continue in effect. Outstanding awards under the Prior Plans, however, will continue to be governed by the Prior Plans and the agreements under which they were granted. No awards may be granted under the 2015 Plan after the tenth anniversary of the Plan Effective Date. However, awards outstanding under the 2015 Plan will continue to be governed by the 2015 Plan until all awards granted prior to that date are no longer outstanding.

The 2015 Plan reflects the following equity compensation plan best practices:

- No grants of below-market stock options or stock appreciation rights (referred to in this proxy statement/prospectus as SARs);
- No liberal share recycling;
- No repricing of stock options or SARs;
- No payments of dividends or dividend equivalents on performance-based awards except to extent performance goals are satisfied and underlying awards vest;
- Awards subject to Office Depot recoupment/clawback policy;
- No payment of dividends or dividend equivalents on stock options or SARs;
- Double trigger treatment upon change in control except to the extent awards are not assumed or replaced in the change in control; and
- No liberal change in control definition.

To allow for awards under the 2015 Plan to qualify as tax-deductible performance-based compensation under Section 162(m) of the Code (referred to in this proxy statement/prospectus as Section 162(m)), as explained below, Office Depot is also asking stockholders to approve the material terms of the performance goals under the 2015 Plan as well as certain other key terms of the 2015 Plan. Approval of the 2015 Plan will constitute approval of the performance goals and other key terms specified in the 2015 Plan for purposes of the approval requirements of Section 162(m).

Why Office Depot Believes You Should Vote to Approve the 2015 Plan

The 2015 Plan authorizes the grant of equity-based compensation as described above for the purpose of providing Office Depot officers and other employees, and those of Office Depot s subsidiaries, non-employee directors, and non-employees who perform consulting services, incentives and rewards for performance. The details of the key design elements of the 2015 Plan are set forth in the section entitled Plan Summary beginning on page [ ] of this proxy statement/prospectus. As further described in the section entitled Executive and Director Compensation Compensation Discussion and Analysis beginning on page [ ] of this proxy statement/prospectus, Office Depot believes its future success depends in part on its ability to attract, motivate and retain high quality employees.

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The use of Office Depot common stock as part of Office Depot s compensation program is also important to its continued success because Office Depot believes it fosters a pay-for-performance culture that is an important element of its overall compensation philosophy. Office Depot believes that equity-based compensation motivates employees to create stockholder value because the value employees realize from equity-based compensation is based on Office Depot s stock price performance. Equity-based compensation aligns the compensation interests of Office Depot employees with the investment interests of Office Depot stockholders and promotes a focus on long-term value creation because Office Depot s equity-based compensation awards can be subject to vesting and/or performance criteria.

Pursuant to stock exchange rules, Office Depot is prohibited from granting the 2003 Plan shares to employees who were employed by Office Depot at the time of the merger with OfficeMax. The shares remaining under the 2007 Plan are the only shares available for grant to employees who were employed by Office Depot on the date of the merger with OfficeMax. In 2015, Office Depot granted awards under the 2007 Plan to [ ] Office Depot employees covering [ ] shares. Office Depot currently anticipates that its grants in 2016 and in future years (assuming a consistent stock price) under the 2007 Plan will cover substantially the same amount of (or potentially more) shares as those covered by the 2015 grants. As a result, Office Depot anticipates that the shares available for issuance under the 2007 Plan will not be sufficient to cover Office Depot s anticipated annual grants in 2016 and in future years. If the 2015 Plan is not approved, Office Depot may be compelled to increase significantly the cash component of its employee compensation, which may not necessarily align employee compensation interests with the investment interests of Office Depot stockholders as well as the alignment achieved by equity-based awards. Replacing equity-based awards with cash payments would also increase cash compensation expense and use up cash that might be better utilized if reinvested in Office Depot s business or returned to Office Depot stockholders. If the 2015 Plan is not approved, Office Depot could also be at a severe competitive disadvantage as it would not be able to use stock-based awards to recruit and compensate its officers and other key employees.

The closing price of Office Depot common stock on The Nasdaq Global Select Market on [ ], 2015 was $[ ] per share.

Determination of Shares Available under 2015 Plan

Office Depot is requesting approval of [ ] shares of its common stock for awards under the 2015 Plan (referred to in this proxy statement/prospectus as the share pool), subject to adjustment as described in the 2015 Plan. One of the requirements for the favorable tax treatment available to incentive stock options (referred to in this proxy statement/prospectus as ISOs) under the Code is that the 2015 Plan must specify, and the Office Depot stockholders must approve, the number of shares available for issuance pursuant to ISOs. As a result, in order to provide flexibility to the Compensation Committee, the 2015 Plan provides that all or any portion of the share pool may be issued pursuant to ISOs. The shares of common stock issued by Office Depot under the 2015 Plan will be currently authorized but unissued shares or shares currently held (or subsequently acquired) as treasury shares, including shares purchased on the open market or in private transactions.

In determining the number of shares to request for the 2015 Plan s share authorization, Office Depot evaluated Office Depot s recent share usage, its share availability under the Prior Plans, its historical burn rate under the Prior Plans, its projected burn rate under the 2015 Plan, as well as the potential cost and dilution to stockholders associated with the new reserve and outstanding equity-based awards that Office Depot granted under the Prior Plans.

No further grants will be made under the Prior Plans after [ ], 2015, and all shares remaining available for grant under the Prior Plans will be cancelled on [ ], 2015. However, if shares awarded or subject to issuance pursuant to awards under the Prior Plans are not issued or are returned to Office Depot, in either case due to the forfeiture, cancellation, cash settlement or expiration of such awards without having been exercised or settled in shares after [ ], 2015, those shares will be available for issuance pursuant to awards under the 2015 Plan. All shares derived from the Prior Plans will be tracked and counted as provided in the 2015 Plan (as explained below).

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Each performance share under the 2015 Plan that may be settled in shares will be counted as [ ] shares subject to an award (based on the number of shares that would be paid for achievement of target performance) and deducted from the share pool. Each performance unit under the 2015 Plan that may be settled in shares will be counted as a number of shares subject to an award (based on the number of shares that would be paid for achievement of target performance), with the number determined by dividing the value of the performance unit at the time of grant by the fair market value of a share at the time of grant, multiplying this quotient by [ ] and deducting the resulting number of shares from the share pool. If a performance share or performance unit under the 2015 Plan is later settled based on above-target performance, the number of shares corresponding to the above-target performance, calculated pursuant to the applicable methodology specified above, will be deducted from the share pool at the time of settlement; in the event that the award is later settled upon below-target performance, the number of shares corresponding to the below-target performance, calculated pursuant to the applicable methodology specified above, will be added back to the share pool. Performance shares and performance units that may not be settled in shares will not result in a reduction in the share pool.

Each share of restricted stock, each share-settled restricted stock unit (referred to in this proxy statement/prospectus as an RSU) under the 2015 Plan, and each other stock-based/stock-settled award (referred to in this proxy statement/prospectus as an Other Award) under the 2015 Plan will be counted as [ ] shares subject to an award and deducted from the share pool. RSUs and Other Awards that may not be settled in shares will not result in a deduction from the share pool. Each nonqualified stock option (referred to in this proxy statement/prospectus as an NQSO), ISO, and SAR under the 2015 Plan that may be settled in shares will be counted as one share subject to an award and deducted from the share pool. SARs that may not be settled in shares will not result in a reduction of the share pool.

If shares awarded or subject to issuance under the 2015 Plan are not issued or are returned to Office Depot, that number of shares will be added back to the share pool as adjusted by the factor specified above with respect to the type of award from which the shares were derived. If awards are issued under the 2015 Plan in respect of awards of an entity acquired (by merger or otherwise) by Office Depot or any of its subsidiaries, the shares subject to those awards will not increase or decrease the share pool.

If the option exercise price, purchase price or tax withholding obligation under an award is satisfied by Office Depot retaining shares or by the participant tendering shares, the number of shares so retained or tendered will be deemed delivered for purposes of determining the share pool and will not be available for further awards under the 2015 Plan. To the extent an SAR that may be settled in shares of Common Stock is, in fact, settled in shares of Common Stock, the gross number of shares subject to such SAR will be deemed delivered for purposes of determining the share pool and will not be available for further awards under the 2015 Plan. Similarly, after [ ], 2015, if the option exercise price, purchase price and/or tax withholding obligation under a Prior Plan award is satisfied by Office Depot retaining shares or by the holder tendering shares, the number of shares so retained or tendered will be deemed delivered for purposes of determining the share pool and will not be available for further awards under the 2015 Plan. To the extent a stock appreciation right under the Prior Plans that may be settled in shares of Common Stock is, in fact, settled after [ ], 2015, in shares of Common Stock, the gross number of shares subject to such stock appreciation right will be deemed delivered for purposes of determining the share pool and shall not be available for further awards under the 2015 Plan. Shares reacquired by Office Depot on the open market or otherwise using cash proceeds from the exercise of Options or, after [ ], 2015, options under any Prior Plan, will not be added back to the share pool.

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Burn Rate for Fiscal 2012, 2013 and 2014

Fiscal Year	Options	Full Value Time Based Awards Granted	Performance Awards Earned	Weighted Average Number of Common Shares Outstanding	Unadjusted Burn Rate
2014	[ ]	[ ]	[ ]	[ ]	[%]
2013	[ ]	[ ]	[ ]	[ ]	[%]
2012	[ ]	[ ]	[ ]	[ ]	[%]

Office Depot anticipates that the total number of shares available for grant under the 2015 Plan will last approximately [ ] years, based solely on the average rate at which Office Depot has granted equity awards over the past three fiscal years and assuming that Office Depot makes future awards under the 2015 Plan at this average rate. However, the amount of future awards is not currently known and will depend on various factors that cannot be predicted, including, but not limited to, the price of Office Depot s common stock on the future grant dates, the volatility of the stock and the types of awards that will be granted.

Office Depot s potential dilution, or overhang, from outstanding awards and its request for shares to be available for awards under the 2015 Plan is approximately [ ]%. This overhang approximates the median of Office Depot s peer group (see peer group at page [ ] of this proxy statement/prospectus). The Office Depot board of directors believes that the increase in shares of common stock under the 2015 Plan represents a reasonable amount of potential dilution that will allow Office Depot to continue to award equity incentive compensation. This percentage was calculated as follows:

Select Data as of [ ], 2015		
New Shares Requested under 2015 Plan		[ ]
Stock Options Outstanding under Prior Plans		[ ]
Weighted Average Exercise Price	$	[ ]
Weighted Average Remaining Term		[ ] years
Full Value Awards Outstanding under Prior Plans		[ ]
Total Share Allocation (TSA)		[ ]
Common Shares Outstanding as of [ ], 2015		[ ]
Dilution (TSA / Common Shares Outstanding as of [ ], 2015 + TSA)		[ ]%

In evaluating this proposal, stockholders should specifically consider the information set forth under the section entitled Plan Summary beginning on page [ ] of this proxy statement/prospectus.

Section 162(m)

The Office Depot board of directors believes that it is in the best interests of Office Depot and its stockholders to maintain an equity incentive plan under which awards may qualify for deductibility for federal income tax purposes.

Accordingly, the 2015 Plan is designed to permit the grant of awards that are intended to qualify as performance-based compensation to be exempt from the $1,000,000 deduction limit of Section 162(m). In general, under Section 162(m), in order for Office Depot to be able to deduct compensation in excess of $1,000,000 paid in any one year to certain executive officers (the Chief Executive Officer and three other executive officers (other than the Chief Financial Officer) identified as specified in Section 162(m) based on their compensation ranking), the compensation must qualify as performance-based. One of the requirements for performance-based compensation is that the material terms of the performance goals under which the compensation may be paid must be disclosed to and approved by Office Depot s stockholders (in a separate vote with a majority of the votes cast in favor of approval) at least once every five years. For purposes of Section 162(m), the material terms include (1) the employees eligible to receive compensation under the 2015 Plan, (2) a description of the business criteria on which the performance goals are based, and (3) the maximum

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amount of compensation that can be paid to an employee under the performance goals in a specified time period. With respect to the various types of awards available under the 2015 Plan, each of these aspects is discussed below. In addition, as noted above, stockholder approval of the 2015 Plan will constitute approval of each of these aspects of the 2015 Plan for purposes of the approval requirements of Section 162(m).

In the event that the Compensation Committee determines that it is advisable to grant awards under the 2015 Plan that are not intended to qualify for the performance-based compensation exception from the deductibility limitations of Section 162(m), the Compensation Committee may grant such awards without satisfying the requirements of the exception. No assurance can be given that awards granted under the 2015 Plan will be fully deductible under Section 162(m).

Plan Summary

The following summary of the material terms of the 2015 Plan is qualified in its entirety by reference to the full text of the 2015 Plan, which is attached as **Annex D** to this proxy statement/prospectus. The 2015 Plan is not a qualified deferred compensation plan under Section 401(a) of the Code and is not intended to be an employee benefit plan within the meaning of the Employee Retirement Income Security Act of 1974.

Purpose of the 2015 Plan

The purpose of the 2015 Plan is to promote the long-term growth and profitability of Office Depot and its subsidiaries by (i) providing certain employees, directors, consultants, advisors and other persons who perform services for Office Depot and its subsidiaries with incentives to maximize stockholder value and otherwise contribute to the success of Office Depot, and (ii) enabling Office Depot to attract, retain and reward the best available persons for positions of substantial responsibility.

Administration of the 2015 Plan

The 2015 Plan will be administered by the Compensation Committee or such other committee consisting of two or more independent members of the Office Depot board of directors as may be appointed by the board to administer the 2015 Plan (referred to in this proxy statement/prospectus as the Committee). If any member of the Committee does not qualify as (1) a non-employee director within the meaning of Rule 16b-3 of the Exchange Act, and (2) an outside director within the meaning of Section 162(m), the Office Depot board of directors will appoint a subcommittee of the Committee, consisting of at least two members of the Office Depot board of directors, to grant awards to individuals who are subject to the limitations of Section 162(m) (referred to in this proxy statement/prospectus as covered employees) and to officers and members of the Office Depot board of directors who are subject to Section 16 of the Exchange Act, and each member of such subcommittee must satisfy the requirements of (1) and (2) above. References to the Committee in this summary include and, as appropriate, apply to any such subcommittee.

Eligible Participants

Employees of Office Depot and its subsidiaries, non-employee members of the board of directors, and any other natural person who provides bona fide services to Office Depot or a subsidiary of Office Depot not in connection with the offer or sale of securities in a capital raising transaction (subject to certain limitations) will be eligible for selection by the Committee for the grant of awards under the 2015 Plan. As of [ ], 2015, approximately [ ] employees of Office Depot and its subsidiaries and [ ] non-employee members of the Office Depot board of directors would have been eligible for awards under the 2015 Plan if it had been in effect on that date.

Types of Awards

The 2015 Plan provides for the grant of performance shares, performance units, restricted stock, RSUs, NQSOs, ISOs, SARs and Other Awards. ISOs may be granted only to employees of Office Depot or its subsidiaries.

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Individual Limits

The Committee will determine the individuals to whom awards will be granted, the number of shares subject to an award, and the other terms and conditions of an award. Subject to adjustment as described in the 2015 Plan:

- The maximum aggregate payout (determined as of the end of the applicable performance period) with respect to performance units intended to comply with the performance-based compensation provisions of Section 162(m) granted in any one fiscal year of Office Depot to any one participant shall be six million five hundred thousand dollars ($6,500,000).

- The maximum number of shares of Office Depot common stock subject to awards of performance shares intended to comply with the performance-based compensation provisions of Section 162(m) granted in any one fiscal year of Office Depot to any one participant shall be three million five hundred thousand (3,500,000).

- The maximum number of shares of restricted stock and RSUs and Other Awards intended to comply with the performance-based compensation provisions of Section 162(m) that, in the aggregate, may be granted in any one fiscal year of Office Depot to any one participant shall be one million five hundred thousand (1,500,000).

- The maximum number of NQSOs, ISOs and SARs that, in the aggregate, may be granted in any one fiscal year of Office Depot to any one participant shall be four million (4,000,000).

- The maximum aggregate grant date fair value (computed as of the date of grant in accordance with applicable financial accounting rules) of all awards granted in any one fiscal year of Office Depot to any one independent director (excluding awards made at the election of the independent director in lieu of all or a portion of the independent director s annual and committee cash retainer fees) shall not exceed five hundred thousand dollars ($500,000).

For purposes of the Section 162(m) performance-based compensation exception, any award that is denominated in shares of Office Depot common stock may be settled in cash based on the fair market value of the award as of the applicable vesting or payment date.

Adjustments

The Committee shall make equitable adjustments in the number and class of securities available for issuance under the 2015 Plan (including under any awards then outstanding), the number and type of securities subject to the individual limits set forth in the 2015 Plan, and the terms of any outstanding award, as it determines are necessary and appropriate, to reflect any merger, reorganization, consolidation, recapitalization, reclassification, stock split, reverse stock split, spin-off combination, exchange of shares, distribution to stockholders (other than an ordinary cash dividend), or similar corporate transaction or event.

Performance Shares and Units

The Committee will specify the terms of a performance share or performance unit award in the award agreement. A performance share will have an initial value equal to the fair market value of a share on the date of grant. A performance unit will have an initial value that is established by the Committee at the time of grant. In addition to any non-performance terms applicable to the performance share or performance unit, the Committee will set one or more performance goals which, depending on the extent to which they are met, will determine the number or value of the performance share or unit that will be paid out to the participant. The Committee may provide for payment of earned performance shares/units in cash, shares of Office Depot s common stock, other Office Depot securities or any combination thereof. The Committee will also specify any restrictions applicable to the performance share or performance unit award such as continued service, the length of the restriction period and whether any circumstances, such as death, disability, or a change in control, shorten or terminate the restriction period.

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Performance shares/units will not possess voting rights and will accrue dividend equivalents only to the extent provided in the award agreement evidencing the award; provided, however, that rights to dividend equivalents are permitted only to the extent they comply with, or are exempt from, Section 409A of the Code (referred to in this proxy statement/prospectus as Section 409A). Any rights to dividends or dividend equivalents on performance shares/units or any other award subject to performance conditions will be subject to the same restrictions on vesting and payment as the underlying award. With respect to covered employees, the Committee may apply any restrictions it deems appropriate to the payment of dividends declared with respect to performance shares/units such that the dividends or performance shares/units maintain eligibility for the performance-based compensation exception under Section 162(m).

Performance Measures

For awards under the 2015 Plan that are intended to qualify under the performance-based compensation provisions of Section 162(m), the performance measure or measures to be used for purposes of such awards must be chosen from among the following: earnings, earnings before income taxes; earnings before interest and taxes (referred to in this proxy statement/prospectus as EBIT); earnings before interest, taxes, depreciation and amortization (referred to in this proxy statement/prospectus as EBITDA); earnings before interest, taxes, depreciation, amortization and rent (referred to in this proxy statement/prospectus as EBITDAR); gross margin; operating margin; profit margin; market value added; market share; revenue; revenue growth; return measures (including but not limited to return on equity, return on stockholders equity, return on investment, return on assets, return on net assets, return on capital, return on sales, and return on invested capital); total stockholder return (either in absolute terms or relative to that of a peer group determined by the Committee); profit; economic profit; capitalized economic profit; operating profit; after-tax profit; net operating profit after tax (referred to in this proxy statement/prospectus as NOPAT); pre-tax profit; cash; cash flow measures (including but not limited to operating cash flow; free cash flow; cash flow return; cash flow per share; and free cash flow per share); earnings per share (referred to in this proxy statement/prospectus as EPS); consolidated pre-tax earnings; net earnings; operating earnings; segment income; economic value added; net income; net income from continuing operations available to common stockholders excluding special items; operating income; adjusted operating income; assets; sales; net sales; sales volume; sales growth; net sales growth; comparable store sales; sales per square foot; inventory turnover; inventory turnover ratio; productivity ratios; debt/capital ratio; return on total capital; cost; unit cost; cost control; expense targets or ratios, charge-off levels; operating efficiency; operating expenses; customer satisfaction; improvement in or attainment of expense levels; working capital; working capital targets; improvement in or attainment of working capital levels; debt; debt to equity ratio; debt reduction; capital targets; capital expenditures; price/earnings growth ratio; acquisitions, dispositions, projects or other specific events, transactions or strategic milestones; Office Depot s common stock price (and stock price appreciation, either in absolute terms or in relationship to the appreciation among members of a peer group determined by the Committee); and book value per share. All criteria may be measured on a GAAP basis, adjusted GAAP basis, or non GAAP basis. Approval of the 2015 Plan will constitute approval of these performance goals for purposes of the requirements of Section 162(m). The Committee may also establish other performance measures for awards that are not intended to qualify for the performance-based compensation exception from Section 162(m).

A performance objective may be described in terms of company-wide objectives or objectives that are related to a specific division, subsidiary, employer, department, region, or function in which the participant is employed or as some combination of these (as alternatives or otherwise). A performance objective may be measured on an absolute basis or relative to a pre-established target, results for a previous year, the performance of other corporations, or a stock market or other index. The Committee will specify the period over which the performance goals for a particular award will be measured.

The Committee will determine whether the applicable performance goals have been met with respect to a particular award following the end of the applicable performance period. For an award that is intended to qualify for the performance-based compensation exception from Section 162(m), the award may not be paid out unless and until the Committee has made a final written certification that the performance goal intended to permit such award to satisfy the exception has, in fact, been satisfied.

In determining whether any performance goal has been satisfied, the Committee may exclude any or all items that are unusual or non-recurring, including but not limited to (i) charges, costs, benefits, gains or income associated with reorganizations or restructurings of Office Depot and its subsidiaries, discontinued operations, goodwill, other intangible assets, long-lived assets (non-cash), real estate strategy (e.g., costs related to lease terminations or facility closure obligations), litigation or the resolution of litigation (e.g., attorneys fees, settlements or judgments), or currency or commodity fluctuations; and (ii) the effects of changes in applicable laws, regulations or accounting principles. In addition, the Committee may adjust any performance goal for a performance period as it deems equitable to recognize unusual or non-recurring events affecting Office Depot and its subsidiaries, changes in tax laws or regulations or accounting procedures, mergers, acquisitions and divestitures, or any other factors as the Committee may determine. In the case of an award that is intended to qualify for the performance-based compensation exception from Section 162(m), such exclusions and adjustments may only apply to the extent the Committee specifies in writing (not later than the time performance goals are required to be established) which exclusions and adjustments the Committee will apply to determine whether a performance objective has been satisfied, as well as an objective manner for applying them, or to the extent that the Committee determines (if such determination is memorialized in writing) that they may apply without adversely affecting the award s qualification for the performance-based compensation exception. The Committee may not increase the amount payable under an award intended to qualify for the performance-based compensation exception except as a result of an adjustment or exclusion described above.

Restricted Stock and Restricted Stock Units

The Committee will specify the terms of a restricted stock or RSU award in the award agreement, including the number of shares of restricted stock or number of RSUs; the purchase price, if any, to be paid for such restricted stock or RSU (which may be equal to or less than the fair market value of a share and may be zero, subject to such minimum consideration as may be required by applicable law); any restrictions applicable to the restricted stock or RSU such as continued service or achievement of performance goals; the length of the restriction period and whether any circumstances, such as death, disability, or a change in control, shorten or terminate the restriction period; the rights of the participant during the restriction period to vote and receive dividends in the case of restricted stock or to receive dividend equivalents in the case of RSUs that accrue dividend equivalents; and whether RSUs will be settled in cash, shares of Office Depot s common stock, other Office Depot securities or any combination thereof. The restriction period may be of any duration. The Committee may provide in the restricted stock or RSU award agreement for lapse of the restriction period in monthly or longer installments over the course of the restriction period.

Generally, a participant who receives a restricted stock award will have (during and after the restriction period), all of the rights of a stockholder of Office Depot with respect to that award, including the right to vote the shares and the right to receive dividends and other distributions to the extent, if any, such shares possess such rights. However, the Committee may require that during the restriction period, any dividends on such shares of restricted stock will be (i) automatically deferred and reinvested in additional restricted stock subject to the same restrictions as the underlying award, or (ii) paid to Office Depot for the account of the participant and held pending and subject to the same restrictions on vesting as the underlying award; provided, however, that to the extent that any dividends are deferred, reinvested or otherwise not paid when such dividends would otherwise normally be paid, all terms and conditions for such delayed payment shall be included in the award agreement; and such deferral, reinvestment or delay in payment shall only be allowed to the extent it complies with, or is exempt from, the requirements of Section 409A.

A participant receiving an RSU award will not possess voting rights and will accrue dividend equivalents on such units only to the extent provided in the award agreement evidencing the award; provided, however, that rights to dividend equivalents shall only be allowed to the extent they comply with, or are exempt from,

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Section 409A. The Committee shall require that any such dividend equivalents be subject to the same restrictions on vesting and payment as the underlying award. With respect to covered employees, the Committee may apply any restrictions it deems appropriate to the payment of dividends declared with respect to restricted stock such that the dividends or restricted stock maintains eligibility for the performance-based compensation exception under Section 162(m).

Stock Options

An option provides the participant with the right to buy a specified number of shares at a specified price (referred to in this proxy statement/prospectus as the exercise price) after certain conditions have been met. The Committee may grant both NQSOs and ISOs under the 2015 Plan. The tax treatment of NQSOs is different from the tax treatment of ISOs as explained below. The Committee will determine and specify in the award agreement evidencing an option whether the option is an NQSO or ISO, the number of shares subject to the option, the exercise price of the option and the period of time during which the option may be exercised, any restrictions applicable to the option such as continued service, the length of the restriction period and whether any circumstances, such as death, disability, or a change in control, shorten or terminate the restriction period. Generally (except as otherwise described in the 2015 Plan), no option can be exercisable more than 10 years after the date of grant and the exercise price of a stock option must be at least equal to the fair market value of a share on the date of grant of the option. However, with respect to an ISO granted to a participant who is a stockholder holding more than 10% of Office Depot s total voting stock, the ISO cannot be exercisable more than five years after the date of grant and the exercise price must be at least equal to 110% of the fair market value of a share on the date of grant. ISOs cannot be granted under the 2015 Plan after [ ]. Dividend equivalents will not be paid with respect to options.

A participant may pay the exercise price under an option in cash; in a cash equivalent approved by the Committee; if approved by the Committee, by tendering previously acquired shares (or delivering a certification or attestation of ownership of such shares) having an aggregate fair market value at the time of exercise equal to the total option price (provided that the tendered shares must have been held by the participant for any period required by the Committee); or by a combination of these payment methods. The Committee may also allow cashless exercises as permitted under the Federal Reserve Board s Regulation T, subject to applicable securities law restrictions, or by any other means which the Committee determines to be consistent with the 2015 Plan s purpose and applicable law. No certificate representing a share (to the extent shares are so evidenced) will be delivered until the full option price has been paid.

Stock Appreciation Rights

A stock appreciation right (referred to in this proxy statement/prospectus as an SAR) entitles the participant to receive cash, shares of Office Depot s common stock, other company securities or any combination thereof, as the Committee may determine, in an amount equal to the excess of the fair market value of a share on the exercise date over the exercise price for the SAR, after certain conditions have been met. The Committee will determine and specify in the SAR award agreement the number of shares subject to the SAR, the SAR price (which generally must be at least equal to the fair market value of a share on the date of grant of the SAR) and the period of time during which the SAR may be exercised, any restrictions applicable to the SAR such as continued service, the length of the restriction period and whether any circumstances, such as death, disability, or a change in control, shorten or terminate the restriction period. Generally, no SAR can be exercisable more than 10 years after the date of grant. SARs may be granted in tandem with a stock option or independently. If a SAR is granted in tandem with a stock option, the participant may exercise the stock option or the SAR, but not both. Dividend equivalents will not be paid with respect to SARs.

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Other Awards

The Committee may grant other forms of equity-based or equity-related awards that the Committee determines to be consistent with the purpose of the 2015 Plan and the interests of Office Depot. These Other Awards may provide for cash payments based in whole or in part on the value or future value of shares, for the acquisition or future acquisition of shares of Office Depot common stock, or any combination thereof. Where the value of such an award is based on the difference in the value of a share at different points in time, the grant or exercise price must generally not be less than 100% of the fair market value of a share on the date of grant.

Termination of Employment

Subject to certain exceptions, generally, if a participant ceases to perform services for Office Depot and its subsidiaries for any reason (i) all of the participant s restricted stock, RSUs, performance shares, performance units and Other Awards that were not vested on the date of such cessation shall be forfeited immediately upon such cessation, (ii) all of the participant s stock options and SARs that were exercisable on the date of such cessation shall remain exercisable for, and shall otherwise terminate at the end of, a period of 90 days after the date of such cessation, but in no event after the expiration date of the stock options or SARs, and (iii) all of the participant s stock options and SARs that were not exercisable on the date of such cessation shall be forfeited immediately upon such cessation.

Change in Control

The Committee may, in its sole discretion, provide that a participant shall be eligible for a full or prorated Award in the event that both a change in control and a cessation of the participant s service relationship with Office Depot and its subsidiaries occurs or if the surviving entity in such change in control does not assume or replace the award in the change in control. With respect to awards that are subject to one or more performance objectives, the Committee may, in its sole discretion, provide that any such full or prorated award will be paid prior to when any or all such performance objectives are certified (or without regard to whether they are certified).

Transferability

No ISO may be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated, other than upon the participant s death, to a beneficiary or by will or the laws of descent and distribution. However, a participant who is an officer, including, but not limited to, a participant with the title: Vice President, Senior Vice President, Executive Vice President, President or Chief Executive Officer of Office Depot (collectively referred to in this proxy statement/prospectus as Officers) or an independent board member may transfer NQSOs to a Permitted Transferee (as defined in the 2015 Plan document) in accordance with procedures approved by the Committee. Except for a transfer of NQSOs by an Officer or independent board member to a Permitted Transferee, unless the Committee determines otherwise consistent with securities and other applicable laws, rules and regulations, (i) no award shall be sold, transferred, pledged, assigned or otherwise alienated or hypothecated by a participant other than upon the participant s death, to a beneficiary or by will or the laws of descent and distribution, and (ii) each option and SAR outstanding to a participant may be exercised during the participant s lifetime only by the participant or his or her guardian or legal representative (provided that an ISO may be exercised by such guardian or legal representative only if permitted by the Code and any regulations promulgated thereunder). In the event of a transfer to a Permitted Transferee or a transfer otherwise permitted by the Committee, appropriate evidence of any transfer to the Permitted Transferee shall be delivered to Office Depot at its principal executive office. If all or part of an Award is transferred to a Permitted Transferee, the Permitted Transferee s rights thereunder shall be subject to the same restrictions and limitations with respect to the award as the participant. Any permitted transfer of an award will be without payment of consideration by the Permitted Transferee.

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Amendment and Termination

The Office Depot board of directors or the Committee may at any time terminate and from time to time amend the 2015 Plan in whole or in part, but no such action shall materially adversely affect any rights or obligations with respect to any awards previously granted under the 2015 Plan unless such action is required by applicable law or any listing standards applicable to Office Depot s common stock or the affected participants consent in writing. To the extent required by Section 162(m) or Code section 422, other applicable law, or any such listing standards, no amendment shall be effective unless approved by the stockholders of Office Depot.

The Committee may amend an outstanding award agreement in a manner not inconsistent with the terms of the 2015 Plan, but the amendment will not be effective without the participant s written consent if the amendment is materially adverse to the participant. However, the Committee cannot reprice a stock option or SAR except in accordance with the adjustment provisions of the 2015 Plan (as described above) or in connection with a change in control. For this purpose, a repricing generally is an amendment to the terms of an outstanding stock option or SAR that would reduce the exercise price of that stock option or SAR or a cancellation of an outstanding stock option or SAR with a per share exercise price that is more than fair market value at the time of such cancellation in exchange for cash, another award or a stock option or SAR with an exercise price or SAR price that is less than the option exercise price or SAR price of the original stock option or SAR.

The Committee may provide in award agreements or in a separate policy that if a participant engages in detrimental activity, as defined in such award agreement or separate policy, the Committee may cancel, rescind, suspend, withhold or otherwise restrict or limit any unexpired, unexercised, unpaid or deferred award as of the first date the participant engages in the detrimental activity. The award agreement or separate policy may also provide that if the participant exercises an option or SAR, receives an RSU, performance share, performance unit, Other Award payout, or receives or vests in shares of Office Depot common stock under an award at any time during a time specified in such award agreement or separate policy, the participant shall be required to pay to Office Depot the excess of the then fair market value of the shares that were received with respect to the award (or if the participant previously disposed of such shares, the fair market value of such shares at the time of the disposition) over the total price paid by the participant for such shares.

Certain Federal Income Tax Consequences

The following is intended only as a brief summary of the federal income tax rules relevant to the primary types of awards available for issuance under the 2015 Plan and is based on the terms of the Code as currently in effect. The applicable statutory provisions are subject to change in the future (possibly with retroactive effect), as are their interpretations and applications. Because federal income tax consequences may vary as a result of individual circumstances, participants are encouraged to consult their personal tax advisors with respect to their tax consequences. The following summary is limited only to United States federal income tax treatment. It does not address state, local, gift, estate, social security or foreign tax consequences, which may be substantially different. Certain intended 2015 Plan participants are residents of foreign countries.

Awards of Shares; Restricted Stock Awards

A participant generally will recognize taxable ordinary income upon the receipt of shares as a stock award or restricted stock award if the shares are not subject to a substantial risk of forfeiture. The income recognized will be equal to the fair market value of the shares at the time of receipt less any purchase price paid for the shares. If the shares are subject to a substantial risk of forfeiture, the participant generally will recognize taxable ordinary income when the substantial risk of forfeiture lapses. If the substantial risk of forfeiture lapses in increments over several years, the participant will recognize income in each year in which the substantial risk of forfeiture lapses as to an increment. If the participant cannot sell the shares without being subject to suit under Section 16(b) of the Exchange Act (the short swing profits rule), the shares will be treated as subject to a substantial risk of forfeiture. The income recognized upon lapse of a substantial risk of forfeiture will be equal to

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the fair market value of the shares determined as of the time that the substantial risk of forfeiture lapses less any purchase price paid for the shares. Office Depot generally will be entitled to a deduction in an amount equal to the amount of ordinary income recognized by the participant, subject to the requirements of Section 162(m), as applicable.

Alternatively, if the shares are subject to a substantial risk of forfeiture, the participant may make a timely election under Section 83(b) of the Code (referred to in this proxy statement/prospectus as Section 83(b)) to recognize ordinary income for the taxable year in which the participant received the shares in an amount equal to the fair market value of the shares at that time. That income will be taxable at ordinary income tax rates. If a participant makes a timely Section 83(b) election, the participant will not recognize income at the time the substantial risk of forfeiture lapses with respect to the shares. At the time of disposition of the shares, a participant who has made a timely Section 83(b) election will recognize gain in an amount equal to the difference between the purchase price, if any, and the amount received on the disposition of the shares. The gain will be taxable at the applicable capital gains rate. If the participant forfeits the shares after making a Section 83(b) election, the participant is not entitled to a deduction with respect to the income recognized as a result of the election. To be timely, the Section 83(b) election must be made within 30 days after the participant receives the shares. Office Depot will generally be entitled to a deduction in an amount equal to the amount of ordinary income recognized by the participant at the time of the election.

Restricted Stock Units

A participant generally is not taxed upon the grant of an RSU. Generally, if an RSU is designed to be paid on or shortly after the RSU is no longer subject to a substantial risk of forfeiture, then the participant will recognize ordinary income equal to the amount of cash and the fair market value of the shares received by the participant (subject to the short swing profits rule), and Office Depot will be entitled to an income tax deduction for the same amount, subject to the requirements of Section 162(m), as applicable. However, if an RSU is not designed to be paid on or shortly after the RSU is no longer subject to a substantial risk of forfeiture, the RSU may be deemed a nonqualified deferred compensation plan under Section 409A. In that case, if the RSU is designed to meet the requirements of Section 409A, then the participant will recognize ordinary income equal to the amount of cash and the fair market value of the shares received by the participant, and Office Depot will be entitled to an income tax deduction for the same amount. However, if the RSU is not designed to meet the requirements of Section 409A, the participant will be subject to ordinary income when the substantial risk of forfeiture lapses as well as an additional twenty percent (20%) excise tax, and additional tax could be imposed each following year.

Performance Share/Unit Awards; Stock Appreciation Rights

A participant generally is not taxed upon the grant of a performance share/unit or SAR. The participant will recognize taxable income at the time of settlement of the performance share/unit or at the time of exercise of the SAR in an amount equal to the amount of cash and the fair market value of the shares received upon settlement or exercise (subject to the short swing profits rule). The income recognized will be taxable at ordinary income tax rates. Office Depot generally will be entitled to a deduction in an amount equal to the amount of ordinary income recognized by the participant, subject to the requirements of Section 162(m), as applicable. Any gain or loss recognized upon the disposition of the shares acquired pursuant to settlement of a performance share/unit or exercise of a SAR will qualify as long-term capital gain or loss if the shares have been held for more than one year after settlement or exercise.

Nonqualified Stock Options

A participant generally is not taxed upon the grant of an NQSO, unless the NQSO has a readily ascertainable fair market value. However, the participant must recognize ordinary income upon exercise of the NQSO in an amount equal to the difference between the NQSO exercise price and the fair market value of the

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shares acquired on the date of exercise (subject to the short swing profits rule). Office Depot generally will have a deduction in an amount equal to the amount of ordinary income recognized by the participant in Office Depot s tax year during which the participant recognizes ordinary income.

Upon the sale of shares acquired pursuant to the exercise of an NQSO, the participant will recognize capital gain or loss to the extent that the amount realized from the sale is different than the fair market value of the shares on the date of exercise (or, if the participant was subject to Section 16(b) of the Exchange Act and did not make a timely election under Section 83(b), the fair market value on the delayed determination date, if applicable). This gain or loss will be long-term capital gain or loss if the shares have been held for more than one year after exercise.

Incentive Stock Options

A participant is not taxed on the grant or exercise of an ISO. The difference between the exercise price and the fair market value of the shares covered by the ISO on the exercise date will, however, be a preference item for purposes of the alternative minimum tax. If a participant holds the shares acquired upon exercise of an ISO for at least two years following the ISO grant date and at least one year following exercise, the participant s gain, if any, upon a subsequent disposition of the shares is long-term capital gain. The amount of the gain is the difference between the proceeds received on disposition and the participant s basis in the shares (which generally equals the ISO exercise price). If a participant disposes of shares acquired pursuant to exercise of an ISO before satisfying these holding periods, the participant will recognize both ordinary income and capital gain in the year of disposition. Office Depot is not entitled to a federal income tax deduction on the grant or exercise of an ISO or on the participant s disposition of the shares after satisfying the holding period requirement described above. If the holding periods are not satisfied, Office Depot will be entitled to a deduction in the year the participant disposes of the shares in an amount equal to the ordinary income recognized by the participant.

In order for an option to qualify as an ISO for federal income tax purposes, the grant of the option must satisfy various other conditions specified in the Code. In the event an option intended to be an ISO fails to qualify as an ISO, it will be taxed as an NQSO as described above.

Golden Parachute Payments

The terms of the award agreement evidencing an award under the 2015 Plan may provide for accelerated vesting or accelerated payout of the award in connection with a change in ownership or control of Office Depot. In such event, certain amounts with respect to the award may be characterized as parachute payments under the golden parachute provisions of the Code. Under Section 280G of the Code, no federal income tax deduction is allowed to Office Depot for excess parachute payments made to disqualified individuals, and receipt of such payments subjects the recipient to a 20% excise tax under Section 4999 of the Code. For this purpose, disqualified individuals are generally officers, stockholders or highly compensated individuals performing services for Office Depot, and the term excess parachute payments includes payments in the nature of compensation which are contingent on a change in ownership or effective control of Office Depot, to the extent that such payments (in present value) equal or exceed three times the recipient s average annual taxable compensation from Office Depot for the previous five years. Certain payments for reasonable compensation for services rendered after a change of control and payments from tax-qualified plans are generally not included in determining excess parachute payments. If payments or accelerations may occur with respect to awards granted under the 2015 Plan, certain amounts in connection with such awards may possibly constitute parachute payments and be subject to these golden parachute tax provisions.

New 2015 Plan Benefits

Any future awards to executive officers, non-employee directors, employees and consultants of Office Depot under the 2015 Plan are discretionary and cannot be determined at this time. As a result, the benefits and amounts that will be received or allocated under the 2015 Plan are not determinable at this time, and Office Depot has not included a table that reflects such future awards.

The affirmative vote of holders of a majority of the shares of Office Depot common stock present in person or represented by proxy (as counted for purposes of determining the existence of a quorum) and entitled to vote at the annual meeting is required to approve Office Depot s 2015 Long-Term Incentive Plan.

THE OFFICE DEPOT BOARD OF DIRECTORS RECOMMENDS THAT OFFICE DEPOT STOCKHOLDERS VOTE FOR THE APPROVAL OF THE OFFICE DEPOT 2015 LONG-TERM INCENTIVE PLAN.

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EQUITY COMPENSATION PLAN INFORMATION

The table below summarizes the status of Office Depot s equity compensation plans at December 27, 2014:

	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average Exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	24,645,069	$ 1.58(1)	38,982,608(2)(3)

(1) The outstanding awards include RSUs, which have no exercise price. Excluding the impact of RSUs, the outstanding options had a weighted average exercise price of $4.53 per share.

(2) As of December 27, 2014, 12,742,136 shares were issuable under the 2007 Plan and 26,240,472 shares were issuable under the 2003 Plan. However, the shares available for future grants under the 2003 Plan are limited to new employees of Office Depot and legacy OfficeMax employees.

(3) The number of shares reported includes 6,360,217 performance share units reserved at target. In the event that the performance share units are paid above or below target, shares reserved for issuance under Office Depot s equity compensation plans will be adjusted accordingly.

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PROPOSAL VI: APPROVAL OF THE OFFICE DEPOT

CORPORATE ANNUAL BONUS PLAN

Overview

On [ ], 2015, the Office Depot board of directors unanimously adopted, contingent upon stockholder approval, the Office Depot Corporate Annual Bonus Plan (which is referred to in this proxy statement/prospectus as the Bonus Plan) under which officers and other key employees of Office Depot and its affiliates would be eligible to receive annual incentive awards based on the achievement of performance goals pursuant to awards granted on or after [ ], 2015. The Office Depot board of directors unanimously recommends that Office Depot stockholders approve the Bonus Plan. The Bonus Plan will become effective upon approval by Office Depot stockholders.

Section 162(m)

The Office Depot board of directors believes that it is in the best interests of Office Depot and its stockholders to maintain an annual bonus plan under which awards may qualify for deductibility for federal income tax purposes. Accordingly, the Bonus Plan is designed to permit the grant of awards that are intended to qualify as performance-based compensation to be exempt from the $1,000,000 deduction limit of Section 162(m). In general, under Section 162(m), in order for Office Depot to be able to deduct compensation in excess of $1,000,000 paid in any one year to certain executive officers (the Chief Executive Officer and three other executive officers (other than the Chief Financial Officer) identified as specified in Section 162(m) based on their compensation ranking), the compensation must qualify as performance-based. One of the requirements for performance-based compensation is that the material terms of the performance goals under which the compensation may be paid must be disclosed to and approved by Office Depot stockholders (in a separate vote with a majority of the votes cast in favor of approval) at least once every five years. For purposes of Section 162(m), the material terms include (1) the employees eligible to receive compensation under the Bonus Plan, (2) a description of the business criteria on which the performance goals are based, and (3) the maximum amount of compensation that can be paid to an employee under the performance goals in a specified time period. Each of these aspects is discussed below. Stockholder approval of the Bonus Plan will constitute approval of each of these aspects of the Bonus Plan for purposes of the approval requirements of Section 162(m).

In the event that the Compensation Committee determines that it is advisable to grant awards under the Bonus Plan that are not intended to qualify for the performance-based compensation exception from the deductibility limitations of Section 162(m), the Compensation Committee may grant such awards without satisfying the requirements of the exception. No assurance can be given that awards granted under the Bonus Plan will be fully deductible under Section 162(m).

Plan Summary

The following summary of the material terms of the Bonus Plan is qualified in its entirety by reference to the full text of the Bonus Plan, which is attached as **Annex E** to this proxy statement/prospectus. The Bonus Plan is not a qualified deferred compensation plan under Section 401(a) of the Code and is not intended to be an employee benefit plan within the meaning of ERISA.

Purpose of Bonus Plan

The purpose of the Bonus Plan is to provide annual incentive compensation to select employees of Office Depot and its direct and indirect subsidiaries who make substantial contributions to the success of Office Depot s business, to provide a means for eligible employees to participate in this success, and to assist in attracting and retaining the highest quality individuals to key positions.

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Overview of Bonus Plan Awards

The Bonus Plan provides the Compensation Committee with the authority to award annual bonus opportunities to eligible employees. The Bonus Plan provides for two types of awards: (i) those intended to comply with the Section 162(m) performance-based compensation exception (referred to in this proxy statement/prospectus as 162(m) awards), and (ii) those not intended to comply with such exception (referred to in this proxy statement/prospectus as general awards). Typically, general awards will be conditioned on performance, but these awards may consider factors (such as individual performance ratings) which would not qualify as pure Section 162(m) performance conditions. Office Depot will pay compensation earned under the Bonus Plan in cash or in shares of Office Depot common stock pursuant to a stockholder-approved long-term incentive compensation plan maintained by Office Depot or in a combination thereof.

Administration

The Bonus Plan will be administered by the Compensation Committee, which is composed entirely of non-employee directors who meet the criteria to be outside directors under Section 162(m). The Compensation Committee s powers include the authority, within the limitations set forth in the Bonus Plan, to select the persons to be granted awards, to construe and interpret the Bonus Plan, and to make reasonable rules and regulations for the administration of the Bonus Plan. The Compensation Committee may delegate its authority under the Bonus Plan to such individuals, including other members of the Office Depot board of directors and members of management, as the Compensation Committee may deem appropriate, provided that the Compensation Committee may not delegate its responsibilities with respect to a 162(m) award to the extent such delegation would cause the award to fail to satisfy the Section 162(m) exception for performance-based compensation.

Performance Periods

While the Bonus Plan permits awards to be granted with respect to performance periods of any length as specified by the Compensation Committee, it is anticipated that the Compensation Committee typically will grant awards under which performance will be measured over Office Depot s fiscal year. As a result, this description of the Bonus Plan refers to annual incentive awards that are based on Office Depot s fiscal year.

Eligibility to Receive Awards

All employees of Office Depot and its direct and indirect subsidiaries are eligible to receive awards under the Bonus Plan. The Compensation Committee or its delegates will select the employees who will receive awards under the Bonus Plan for a particular performance period. In general, it is expected that the Compensation Committee will grant 162(m) awards to the most senior executives with the goal of having the bonuses paid to those who are subject to the $1,000,000 deduction limit of 162(m) for a fiscal year be fully tax deductible. The Compensation Committee or its delegate may grant general awards to any eligible employee who makes substantial contributions to the success of Office Depot s business. Non-employee directors are not eligible to participate in the Bonus Plan. The number of employees who will receive awards for a particular performance period is neither fixed nor predetermined. Accordingly, it is not possible to anticipate the exact number of individuals who will receive awards under the Bonus Plan. However, currently there are approximately [ ] employees who are eligible for awards under the Bonus Plan.

162(m) Awards

For a 162(m) Award, the Compensation Committee will establish at least one performance goal that is intended to permit the award to comply with the Section 162(m) performance-based compensation exception and will determine the maximum dollar amount of compensation payable under the 162(m) award for attainment of such performance goal. However, in all cases the maximum aggregate dollar amount of compensation that may be payable to an individual participant with respect to one or more 162(m) awards granted in any single fiscal

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year of Office Depot and having performance period(s) of one fiscal year or less shall be $5 million; provided, however, that if one or more 162(m) awards granted in any single fiscal year of Office Depot have performance period(s) that span more than one fiscal year of Office Depot, then the maximum aggregate dollar amount of compensation that may be payable to the participant with respect to such 162(m) awards shall be $5 million multiplied by the total number of whole or partial fiscal years of Office Depot spanned by such performance periods.

The Compensation Committee must establish in writing the performance goal intended to permit the 162(m) award to satisfy the performance-based compensation exception within the first 90 days of the applicable fiscal year (or, if the performance period is expected to be less than 12 months, by the date on which 25% of the performance period has elapsed) and at a time when the outcome of the performance goal is substantially uncertain.

The Compensation Committee is expressly permitted to reduce (even to zero), but not increase, the amount that would otherwise be paid under a 162(m) award. As a result, in addition to specifying the performance goal intended to permit the 162(m) award to satisfy the performance-based compensation exception, the Compensation Committee may specify one or more additional performance goals, or such other conditions and criteria as it chooses, that it will apply to reduce the final amount payable to the participant under the 162(m) award.

For 162(m) awards, the performance measure or measures to be used for purposes of such awards must be chosen from among the following: earnings; earnings before income taxes; EBIT; EBITDA; EBITDAR; gross margin; operating margin; profit margin; market value added; market share; revenue; revenue growth; return measures (including but not limited to return on equity, return on stockholders equity, return on investment, return on assets, return on net assets, return on capital, return on sales, and return on invested capital); total stockholder return; profit; economic profit; capitalized economic profit; operating profit; after-tax profit; NOPAT; pre-tax profit; cash; cash flow measures (including but not limited to operating cash flow; free cash flow; cash flow return; cash flow per share; and free cash flow per share); EPS; consolidated pre-tax earnings; net earnings; operating earnings; segment income; economic value added; net income; net income from continuing operations available to common stockholders excluding special items; operating income; adjusted operating income; assets; sales; net sales; sales volume; sales growth; net sales growth; comparable store sales; sales per square foot; inventory turnover; inventory turnover ratio; productivity ratios; debt/capital ratio; return on total capital; cost; unit cost; cost control; expense targets or ratios, charge-off levels; operating efficiency; operating expenses; customer satisfaction; improvement in or attainment of expense levels; working capital; working capital targets; improvement in or attainment of working capital levels; debt; debt to equity ratio; debt reduction; capital targets; capital expenditures; price/earnings growth ratio; acquisitions, dispositions, projects or other specific events, transactions or strategic milestones; Office Depot s common stock price (and stock price appreciation, either in absolute terms or in relationship to the appreciation among members of a peer group determined by the Compensation Committee); and book value per share. All criteria may be measured on a GAAP basis, adjusted GAAP basis, or non-GAAP basis.

A performance objective may be described in terms of company-wide objectives or objectives that are related to a specific division, subsidiary, employer, department, region, or function in which the participant is employed or as some combination of these (as alternatives or otherwise). A performance objective may be measured on an absolute basis or relative to a pre-established target, results for a previous year, the performance of other corporations, or a stock market or other index.

The Compensation Committee will determine whether the applicable performance goals have been met with respect to a particular award following the end of the applicable performance period. For a 162(m) award, the award may not be paid out unless and until the Compensation Committee has made a final written certification that the performance goal intended to permit such award to satisfy the performance-based compensation exception has, in fact, been satisfied.

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In determining whether any performance goal has been satisfied, the Compensation Committee may exclude any or all extraordinary items and other items that are unusual or non-recurring. In addition, the Compensation Committee may adjust any performance goal for a performance period as it deems equitable to recognize unusual or non-recurring events affecting Office Depot and its subsidiaries, changes in tax laws or regulations or accounting procedures, mergers, acquisitions and divestitures, or any other factors as the Compensation Committee may determine. In the case of a 162(m) award, such exclusions and adjustments may only apply to the extent the Compensation Committee specifies in writing (not later than the time performance goals are required to be established) which exclusions and adjustments the Compensation Committee will apply to determine whether a performance objective has been satisfied, as well as an objective manner for applying them, or to the extent that the Compensation Committee determines (if such determination is memorialized in writing) that they may apply without adversely affecting the award s qualification for the performance-based compensation exception. The Compensation Committee may not increase the amount payable under a 162(m) award except as a result of an adjustment or exclusion described above.

General Awards

The amount payable under a general award may be stated as a dollar amount or as a percentage of the participant s base compensation. The Compensation Committee (or its delegate) may provide for a threshold level of performance below which no bonus will be paid and a maximum level of performance above which no additional amount will be paid, and it may provide for the payment of different amounts of compensation for different levels of performance. In establishing the terms of general awards, the Compensation Committee or its delegate may establish goals using the performance measures described above for 162(m) awards or may use any other goals or objectives.

Termination of Employment

Generally, if a participant terminates employment with Office Depot and its subsidiaries prior to the last day of a performance period, any award granted to the participant with respect to that performance period will be forfeited. However, the Compensation Committee may, in its sole discretion, provide that a participant will be eligible for a full or prorated award in the event of the participant s termination of employment in certain circumstances (including, but not limited to, death, disability, retirement or reduction in force). In the Compensation Committee s sole discretion, any such full or prorated award may be paid prior to when the performance goal is certified (or without regard to whether it is certified), provided that an opportunity to receive a 162(m) award may result in payment of the award prior to or without certification of the performance goal only in connection with death, disability, or change in control of Office Depot.

Change in Control

In the event of a change in control of Office Depot, outstanding awards will be treated as specified in the CIC Plan, as applicable, with respect to participants who participate in such plan at the time of the change in control. For other participants, the Compensation Committee may, in its sole discretion, provide that a participant will be eligible for a full or prorated award in the event of a change in control of Office Depot. In the Compensation Committee s sole discretion, any such full or prorated award may be paid prior to when the performance goal is certified (or without regard to whether it is certified).

Recoupment Policy

Awards under the Bonus Plan and amounts paid pursuant to awards under the Bonus Plan will be subject to the terms of Office Depot s recoupment (claw-back) policy as in effect from time to time. Pursuant to Office Depot s current recoupment policy, if Office Depot restates its reported financial results for periods beginning after January 1, 2010, the board of directors will review awards made under the Bonus Plan to executive officers based on financial results during the period subject to the restatement, and to the extent practicable and in the best interests of stockholders, will seek to recover or cancel any such awards that were based on having met or exceeded performance targets that would not have been met under the restated financial results.

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Amendment and Termination

The Compensation Committee may, at any time, amend, suspend or terminate the Bonus Plan. However, no amendment will become effective unless it is approved by the affirmative vote of Office Depot s stockholders if such approval is necessary for the continued validity of the Bonus Plan or if the failure to obtain such approval would adversely affect the compliance of the Bonus Plan with Section 162(m) or any other rule or regulation. No amendment or termination, when taken as a whole, shall adversely affect the compliance of any 162(m) award with the performance-based compensation exception unless the written documents related to such action expressly state the intent to do so.

Certain Federal Income Tax Consequences

Generally, (i) the grant of an award under the Bonus Plan will have no federal income tax consequences to the participant or Office Depot, and (ii) the payment of compensation to the participant pursuant to the award will be taxable to a participant as ordinary income in the year paid. However, the payment of compensation pursuant to an award may be deferred by the participant if such deferral is permitted under a deferral plan or arrangement approved by Office Depot (e.g., Office Depot s tax-qualified 401(k) plan). Office Depot intends for all payments under the Bonus Plan to be exempt from the rules for deferred compensation that are set forth in Section 409A or for these payments to comply with the requirements of Section 409A.

New Bonus Plan Benefits

No awards have been granted yet under the Bonus Plan. The Committee will grant future awards at its discretion. Office Depot cannot determine the number of awards that may be granted in the future.

The affirmative vote of holders of a majority of the shares of Office Depot common stock present in person or represented by proxy (as counted for purposes of determining the existence of a quorum) and entitled to vote at the annual meeting is required to approve the Office Depot Corporate Annual Bonus Plan.

THE OFFICE DEPOT BOARD OF DIRECTORS RECOMMENDS THAT OFFICE DEPOT STOCKHOLDERS VOTE FOR THE APPROVAL OF THE OFFICE DEPOT CORPORATE ANNUAL BONUS PLAN.

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PROPOSAL VII: RATIFYING THE OFFICE DEPOT AUDIT COMMITTEE S APPOINTMENT OF DELOITTE & TOUCHE LLP AS OFFICE DEPOT S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Office Depot s Independent Registered Public Accounting Firm

As indicated in the section entitled Audit Committee Report beginning on page [ ], and in accordance with the provisions of SOX, the Audit Committee of the Office Depot board of directors appointed Deloitte as Office Depot s independent registered public accounting firm to audit its consolidated financial statements and Office Depot s internal control over financial reporting for the fiscal year ended December 27, 2014. Deloitte has audited Office Depot s consolidated financial statements each year since 1990. Representatives of Deloitte will be present at Office Depot s annual meeting with the opportunity to make a statement if they desire to do so, and they will be available to respond to appropriate questions from stockholders. Office Depot s Audit Committee also has appointed Deloitte as its independent registered public accounting firm for 2015.

Although Office Depot s Audit Committee already has appointed Deloitte as its independent registered public accounting firm for 2015 and the vote of Office Depot s stockholders is not required for this action under Delaware law or SOX, as a matter of good corporate governance, Office Depot is submitting this item for stockholder approval. In the event that Office Depot does not receive the required vote, the Audit Committee will consider such vote when appointing Office Depot s independent registered public accounting firm for 2016.

Audit & Other Fees

The fees for Office Depot s independent registered public accounting firm for professional services rendered in connection with (i) the audit of Office Depot s annual financial statements as set forth in its Annual Report on Form 10-K for the fiscal years ended December 28, 2013 and December 27, 2014, (ii) the review of Office Depot s quarterly financial statements as set forth in its Quarterly Reports on Form 10-Q for each of its fiscal quarters during 2013 and 2014, and (iii) the audit of Office Depot s internal control over financial reporting with the objective of obtaining reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects, as well as fees paid to Office Depot s independent registered public accounting firm for audit-related work, tax compliance, tax planning and other consulting services are set forth below. The Audit Committee approved 100% of the fees related to the services discussed below.

Audit & Other Fees Paid to Deloitte & Touche LLP	Fiscal 2013	Fiscal 2014
Audit Fees	$ 11,152,716	$ 8,395,565
Audit Related Fees (as defined under the Sarbanes-Oxley Act of 2002)	$ 111,000	$ 22,142
Tax Fees	$ 206,456	$ 471,753
All Other Fees	$ 0	$ 2,615
Total Fees	$ 11,470,172	$ 8,892,075

Audit Fees Consists of fees for professional services rendered in connection with: (i) the audits of Office Depot s consolidated financial statements and the effectiveness of Office Depot s internal control over financial reporting for the fiscal years ended December 28, 2013 and December 27, 2014; (ii) the reviews of the consolidated financial statements included in each of Office Depot s Quarterly Reports on Form 10-Q during those fiscal years; (iii) consultations on accounting matters; (iv) statutory audit filings; and (v) SEC registration statements.

Audit Related Fees Consists of fees in 2014 primarily for the review of an SEC comment letter and in 2013 for review of an SEC comment letter and review of independent registered accounting firm s work papers in connection with the merger with OfficeMax.

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Tax Fees Consists of fees for tax compliance.

All Other Fees Consists primarily of fees for tax training.

Audit Committee Pre-Approval Policies and Procedures

The Audit Committee has established policies and procedures under which all audit and non-audit services performed by Office Depot s independent registered public accounting firm must be separately approved in advance by the Audit Committee. The policy also provides that the Audit Committee has delegated pre-approval authority to the Chair of the Audit Committee for non-audit services provided that the pre-approval of each service permitted by the Chair is limited to a pre-established threshold and reported to the full Audit Committee at its next meeting. All audit and non-audit services provided in the fiscal years 2013 and 2014 have been pre-approved by the Audit Committee in accordance with these policies and procedures.

A majority of the votes cast on the matter is required to ratify the appointment of Deloitte & Touche LLP as Office Depot s independent registered public accounting firm.

THE AUDIT COMMITTEE OF THE OFFICE DEPOT BOARD OF DIRECTORS RECOMMENDS THAT OFFICE DEPOT STOCKHOLDERS VOTE FOR THE APPOINTMENT OF DELOITTE & TOUCHE LLP AS OFFICE DEPOT S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM.

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EXECUTIVE AND DIRECTOR COMPENSATION

Compensation Discussion and Analysis

This compensation discussion and analysis (referred to in this proxy statement/prospectus as the CD&A) describes Office Depot s executive compensation programs and explains how the Office Depot Compensation Committee made its compensation decisions for Office Depot s named executive officers (also referred to in this CD&A as NEOs) for fiscal year 2014. The NEOs for 2014 are:

- Chairman and Chief Executive Officer, Roland Smith;
- President, North America, Mark Cosby;
- Executive Vice President and Chief Financial Officer, Stephen Hare;
- Executive Vice President and Chief People Officer, Michael Allison; and
- Executive Vice President, Chief Legal Officer and Corporate Secretary, Elisa Garcia.

Overview of 2014 Compensation

In connection with the Office Depot/OfficeMax merger, Office Depot made measurable progress in 2014 towards integrating both companies and creating a culture focused on achieving Office Depot s critical priorities and instilling its core values. By the end of 2014, Office Depot began to see positive results of the Office Depot/OfficeMax merger, including cost synergy realization and enhanced efficiencies, as Office Depot developed and executed its strategies for future growth. Office Depot s executives successfully executed key business initiatives that are yielding positive results. In particular, significant progress has been made towards achieving key objectives established by the Office Depot board of directors which Office Depot believes will position Office Depot for improved performance in 2014 and later years. Below is a summary of Office Depot s significant achievements from 2014:

- Built a new leadership team, comprised of executives from both Office Depot and OfficeMax as well as outside talent that allowed Office Depot to significantly exceed estimates of realizable synergy savings;
- Established a new, combined company high-performance culture that drives employee engagement and embodies Office Depot s five core values and ten guiding principles;
- Completed 168 U.S. retail store closures and achieved a store-to-store sales transfer rate of more than 30%;

Exceeded expectations for merger integration synergies:

- Realized approximately $290 million of synergies;
- Increased total expected annualized run rate synergies from an initial target range of $400 million $600 million to more than $750 million, including more than $100 million from Office Depot s retail portfolio optimization, by the end of 2016;
- Exited 2014 at a run rate of annualized merger integration synergies of more than $500 million; and

Nearly tripled adjusted operating income to $289 million from $99 million pro forma in 2013, significantly increasing profit margins. A reconciliation to operating income as of the fiscal year ended December 27, 2014 is attached as **Annex F** to this proxy statement/prospectus.

Immediately following the Office Depot/OfficeMax merger in November 2013, and into fiscal year 2014, the Compensation Committee reviewed the existing compensation programs of Office Depot and OfficeMax, as well as individual compensation arrangements of executive officers, with the understanding that there would be a considerable level of uncertainty and volatility throughout the course of the year in light of the fact that

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(1) Office Depot was onboarding and under the leadership of a new chief executive officer, (2) key management positions had yet to be filled, and (3) Office Depot was embarking on a significant integration and restructuring process as a result of the Office Depot/OfficeMax merger. The Compensation Committee also engaged in discussions with Office Depot s stockholders to understand their thoughts or concerns related to Office Depot s executive compensation programs. The Compensation Committee further examined best compensation practices within the industry where Office Depot competes for executive talent. Based on this review, and in consideration of the considerable challenges and uncertainties of the Office Depot/OfficeMax merger, the Compensation Committee designed a new executive compensation program. The revised program is designed to harmonize the previous programs of Office Depot and OfficeMax so that Office Depot s management team participates in a single, consistent compensation program. It is also intended to focus the management team on achieving the key financial and strategic goals that will enable a successful transaction and drive sustainable stockholder value creation. Office Depot s compensation philosophy continues to be based on achieving the following three objectives:

COMPENSATION PHILOSOPHY

Accountability for Business Performance	Tie compensation in large part to Office Depot s financial and operating performance, so that executives are held accountable through their compensation for the performance of the business for which they are responsible and for achieving Office Depot s Annual Operating Plan.
Accountability for Long-Term Performance	Include meaningful incentives to create long-term stockholder value while not incentivizing excessive risk taking.
Competition	Reflect the competitive marketplace, so Office Depot can attract, retain, and motivate talented executives throughout the volatility of business cycles.

What are the elements of Office Depot s NEO compensation packages?

The various elements of compensation paid by Office Depot are intended to reflect Office Depot s compensation philosophy and (1) provide an appropriate level of financial certainty through fixed compensation, (2) ensure that at least 50% of equity compensation is performance-based, and (3) create a balance of long-term and short-term incentives.

COMPENSATION ELEMENT	PURPOSE
Base Salary	Provide financial predictability and stability through fixed compensation that is less than a majority of total compensation at target; Provide a salary that is market competitive; Promote the retention of executives; and

	Provide fixed compensation that reflects the scope, scale and complexity of the executive s role.
Short-Term Incentives (Office Depot s Annual Cash Bonus Plan)	Align management and stockholder interests; Incentivize achievement of Office Depot s Annual Operating Plan; Provide market competitive cash compensation when targeted performance objectives are met; Provide appropriate incentives to exceed targeted results; and Pay meaningful incremental cash awards when results exceed target.
Long-Term Incentives (Office Depot s Long-Term Incentive Program, or LTIP)	Balance the short-term nature of other compensation elements; Align management and long-term stockholder interests; Incentivize achievement of Office Depot s Annual Operating Plan;

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	Focus Office Depot s executives on the achievement of long-term strategies and results; and Support the growth and profitability of each of Office Depot s revenue-generating business divisions.
Employment, Change of Control and Severance Arrangements	Enable Office Depot to attract and retain talented executives; Protect company interests through appropriate post-employment restrictive covenants, including non-competition and non-solicitation; When applicable, and if appropriate, ensure management is able to analyze any potential change in control transaction objectively; and When applicable, and if appropriate, provide for continuity of management in the event of a change in control.
Other Benefits	Executives generally participate in the same benefits programs as Office Depot s other employees. Special benefits and perquisites are limited and used only to attract and retain executive talent as competitively appropriate and necessary.

What were the key management changes in 2014?

Effective July 21, 2014, Mark Cosby was appointed President, North America, of Office Depot. Mr. Cosby s role includes oversight of Office Depot s retail, contract sales, e-commerce, merchandising, marketing, real estate and supply chain functions in North America. In connection with the appointment, Office Depot entered into a letter agreement with Mr. Cosby effective July 21, 2014. Mr. Cosby s annual base salary is $850,000, which may be increased from time to time, and he is entitled to participate in the Annual Cash Bonus Plan at a target attainment of 100% of annual base salary. Mr. Cosby s participation in the 2014 Annual Cash Bonus Plan will be pro-rated for time in position. Mr. Cosby is eligible to participate in Office Depot s Long-Term Incentive Plan starting with the 2014 fiscal year. Mr. Cosby is also entitled to participate in Office Depot s benefits programs in accordance with their terms. For additional information regarding the terms of the letter agreement with Mr. Cosby and Mr. Cosby s compensation package, please see the section entitled Summary of Office Depot Executive Agreements and Potential Payments Upon Termination or Change in Control Executive Agreements Agreements with Mark Cosby as President, North America beginning on page [ ]. In addition to Mr. Cosby s appointment as President, North America, Office Depot also filled other key management positions during 2014, including the hiring of a new Executive Vice President and Chief Strategy Officer and Executive Vice President, Retail.

What were the significant actions taken by the Compensation Committee in 2014?

During 2014, the following Compensation Committee actions were of particular significance:

The Compensation Committee changed the 2013 metrics for the Annual Cash Bonus Plan for fiscal 2014 from selling, general & administrative expense (referred to in this proxy statement/prospectus as SG&A), gross profit dollars and sales to a threshold funding metric based on free cash flow and a performance metric of adjusted operating income. The Compensation Committee believes that these two metrics incentivize achievement of Office Depot/OfficeMax merger synergies, are elements that directly impact stockholder value and are straight forward and understandable by all stakeholders. Actual payouts for fiscal 2014 were based on the level of adjusted operating income. The Compensation Committee had the ability to exercise negative discretion and decrease payouts if such bonuses were not, in the Compensation Committee s opinion, appropriately earned or should not be paid;

The Compensation Committee changed the performance period of the performance stock units from one-year to three-years to better tie the compensation program to long-term performance and promote retention. In addition, the Compensation Committee changed the metrics for the performance stock units for fiscal 2014 from EBIT and free cash flow to a threshold funding metric based on free cash flow and a performance metric of three-year cumulative adjusted operating income. While the performance metrics in the performance stock unit program are identical to those in the Office Depot Annual Cash Bonus Plan, the period over which results are measured is different. The Compensation Committee determined that in order for Office Depot to achieve its critical priorities, focusing management on free cash flow and adjusted operating income goals would provide a strong emphasis on capturing synergies, which is essential to the creation of stockholder value as well as a focus on driving revenue growth, which is imperative to the success of the Office Depot/OfficeMax merger. Focusing on adjusted operating income over a three-year period under the 2014 LTIP balances the one-year focus on this metric under the 2014 Annual Cash Bonus Plan. Actual payouts will be based on the level of cumulative adjusted operating income for the three-year performance period. The Compensation Committee has the ability to exercise negative discretion and decrease payouts if such awards were not, in the Compensation Committee s opinion, appropriately earned or should not be paid;

The Compensation Committee approved the CIC Plan for several key executives, including the NEOs (other than the CEO), pursuant to which Office Depot will provide certain severance pay and other benefits in the event of Office Depot s executives qualifying termination in connection with a change in control. The CIC Plan replaces the legacy change in control severance arrangements with a single plan as part of the harmonization of compensation arrangements following the Office Depot/OfficeMax merger and ensures that treatment for other NEOs is appropriately consistent with that of Office Depot s Chief Executive Officer. Ms. Garcia and Mr. Allison have legacy agreements with an expiration date of November 5, 2015, and may only participate in the CIC Plan upon the expiration of their legacy agreements; and

The Compensation Committee modified Office Depot s stock ownership guidelines for the executives, including the NEOs, to make the standards more robust and in line with current corporate governance trends. The revised guidelines require, among other things, that the NEOs satisfy the ownership requirement by holding Office Depot stock as a multiple of their base salary rather than as a fixed number of shares. Furthermore, the Compensation Committee changed the types of equity considered for the purposes of determining compliance with the stock ownership guidelines to only include earned or vested equity.

In addition to the actions taken by the Compensation Committee as described above, the Office Depot board of directors adopted an anti-pledging policy which prohibits pledging of Office Depot securities by Office Depot directors and executive officers.

What were the results of Office Depot s advisory vote to approve executive compensation?

At the 2014 annual meeting of stockholders, Office Depot stockholders were given the opportunity to cast an advisory vote for or against the compensation of Office Depot s NEOs in fiscal 2013. On the advisory say-on-pay vote, approximately 69% of the votes cast voted for Office Depot s executive compensation. The Compensation Committee considered the results of the vote and reviewed Office Depot s executive compensation program to ensure that the executive team and their compensation were appropriate to meet Office Depot s post-Office Depot/OfficeMax merger annual and long-term strategic and business objectives.

Prior to the 2014 annual meeting of stockholders, the chairman of the Compensation Committee, several members of the Compensation Committee and the lead director participated in discussions with investors collectively representing more than 50% of Office Depot s stock ownership. During the discussions, Office Depot sought to:

Understand what, if any, issues or comments that Office Depot stockholders might have regarding Office Depot s executive compensation program;

Review stockholder recommendations and opportunities for improvement with respect to Office Depot s pay models; and

Answer any questions stockholders might have on executive compensation and governance.

In response to Office Depot s discussions with stockholders and as part of Office Depot s ongoing evaluation of all elements of its executive compensation program, Office Depot took the following actions in fiscal year 2014:

- Enhanced its stock ownership guidelines by: (1) requiring that all NEOs satisfy the ownership requirement by holding Office Depot stock equal to a multiple of base salary rather than as a fixed number of shares, (2) eliminating the five-year grace period for compliance, and (3) revising the types of equity considered for purposes of determining compliance with the stock ownership guidelines to make the ownership requirement more robust; and

- Adopted an anti-pledging policy that prohibits pledging of Office Depot securities by Office Depot s directors and executive officers.

To ensure that investor feedback is considered in the design of Office Depot s executive compensation programs, it is Office Depot s standard practice to annually reach out to its stockholders regarding compensation matters. In the fall of 2014, prior to the design of Office Depot s 2015 executive compensation programs, the chairman of the Compensation Committee, along with the chief people officer, chief legal officer and vice president, investor relations met with, in person or via teleconference, holders of collectively more than 50% of Office Depot s outstanding shares. Based on discussions with investors, Office Depot identified some, selected concern about the use of common metrics in the annual and long-term plans. It was the Compensation Committee s original intent to select different long-term incentive metrics for 2015, however, given the continued emphasis on maximizing synergies from the Office Depot/OfficeMax merger and revenue growth to create stockholder value, together with the impending merger with Staples, the Compensation Committee decided to use free cash flow and adjusted operating income, which would keep management focused on achieving these critical priorities.

How do Office Depot s pay practices compare to best practices?

Office Depot s 2014 executive compensation program was based on a compensation philosophy developed by its Compensation Committee, with the advice of its independent compensation consultant, F.W. Cook. The Compensation Committee is guided by the following key principles in determining the compensation structure for Office Depot s executives:

WHAT OFFICE DEPOT DOES	WHAT OFFICE DEPOT DOESN T DO
ü *Independent compensation consultant* Office Depot s Compensation Committee receives advice from an independent compensation consultant, which reports directly to the Compensation Committee and provides no other direct services to Office Depot.	× *No tax gross ups* Other than for taxes for the receipt of relocation benefits, which are generally available to all of Office Depot s relocated employees and amounts for costs related to personal expenses associated with attending company sponsored events, none of Office Depot s NEOs receive gross-ups for taxes on personal benefits.
ü *Stock ownership guidelines* To further align the long-term interests of Office Depot s executives and its stockholders, the Office Depot board of directors has	× *No special retirement programs for executive officers* Office Depot s executive officers do not participate in any retirement program not generally

established robust stock ownership guidelines applicable to Office Depot s directors, CEO and other NEOs.	available to its employees.
ü *Thorough competitive benchmarking* Office Depot provides target compensation opportunities to its executives in a manner that reflects a competitive marketplace and allows Office Depot	× *No pledging of Office Depot stock* Office Depot s directors and executive officers are prohibited from pledging Office Depot stock.

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to attract, retain and motivate talented executives throughout the volatility of business cycles. Office Depot endeavors to design the executive compensation packages so that the total target direct compensation falls at or near the median of similarly-situated executives in Office Depot s peer group (as defined below).	
ü *Accountability for long-term performance* Office Depot establishes meaningful incentives in its executives compensation that create long-term stockholder value while not incentivizing excessive risk-taking.	× *No hedging* Office Depot s directors, executive officers and all other employees are prohibited from engaging in hedging transactions that could eliminate or limit the risks and rewards of Office Depot stock ownership.
ü *Pay for performance* Office Depot ties compensation to Office Depot s financial and operating performance so that executives are held accountable through their compensation for achieving Office Depot s annual operating plan.	× *No unapproved trading plans* Office Depot s directors and executive officers are prohibited from entering into securities trading plans pursuant to SEC Rule 10b5-1 without the pre-approval of Office Depot s chief legal officer and/or her designees; further, directors and executive officers must seek the approval of Office Depot s chief legal officer and/or her designees prior to trading.
ü *Annual stockholder say-on-pay vote* Because Office Depot values its stockholders input on Office Depot s executive compensation programs, the Office Depot board of directors has chosen to provide stockholders with the opportunity each year to vote to approve, on a non-binding, advisory basis, the compensation of the NEOs as described in Office Depot s proxy statement.	× *No dividends on unvested performance shares* Office Depot does not pay dividends or dividend equivalents on unearned and unvested performance shares.
ü *Limit perquisites to NEOs* Office Depot s NEOs are provided with limited types of perquisites and other personal benefits that the Compensation Committee feels are reasonable and consistent with Office Depot s overall compensation philosophy.	
ü *Recoupment of incentive compensation* If Office Depot restates its reported financial results for any period beginning after January 1, 2010, Office Depot s clawback policy allows the Office Depot board of directors to seek to recover or cancel any bonus and other awards made to Office Depot s executive officers that were based on having met or exceeded performance targets that would not have been met under Office Depot s restated financial results.	

How does Office Depot s compensation program support pay-for-performance?

The Compensation Committee annually reviews the total mix of compensation for Office Depot s NEOs, which includes a significant portion of variable performance-based incentives that are linked to the attainment of

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critical performance targets and changes in stockholder value. The Compensation Committee believes that each of these elements provides a meaningful reward opportunity to the NEOs, focuses Office Depot s leadership team on the key drivers of success for the near- and long-term, and therefore supports Office Depot s short-term and long-term strategic objectives and links realized pay directly to performance.

As seen in the charts below, and as earlier discussed, a significant portion of Office Depot s targeted compensation for its NEOs in 2014 was performance-based. More specifically, the compensation mix for Messrs. Smith, Hare, Cosby and Allison, and Ms. Garcia is reflected in the charts below.

Effective November 12, 2013, Mr. Smith was appointed Chairman and CEO of Office Depot and in determining Mr. Smith s compensation, the Committee recognized his important role in building the management team of the combined company and leading Office Depot through the post-Office Depot/OfficeMax merger integration process. However, Mr. Smith was not eligible to participate in the 2014 LTIP and therefore his 2014 compensation does not include any amounts with respect to said incentive program.

Mr. Hare was appointed CFO of Office Depot on December 2, 2013 and the compensatory arrangements for Mr. Hare did not allow for participantion in the 2014 LTIP.

Mr. Cosby was appointed President, North America of Office Depot on July 21, 2014 and received a new hire sign-on-equity award equal to a value of $1,000,000 and a sign-on bonus of $500,000. Neither the new hire sign-on equity award or the sign-on bonus are reflected in the chart. In addition, Mr. Cosby s salary and bonus were annualized for the purpose of this chart.

In 2013, Office Depot entered into a retention agreement with Mr. Allison under which he earned a retention payment of $500,000 paid on June 30, 2014. This retention award is not reflected in the chart.

What was the total direct compensation for Office Depot s NEOs during fiscal 2014?

Base Salaries

During 2014, the Compensation Committee reviewed the base salary of Office Depot s NEOs and considered the base salaries of comparable positions in its peer group, as discussed below under How is peer group data used by the Compensation Committee? , as well as Office Depot s NEOs performance and changes in responsibility. The Compensation Committee generally structures base salary to approximate the median of Office Depot s peer group.

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In fiscal 2014, after reviewing the peer group data for Office Depot s NEOs and after further consideration of the expanded scope and complexity of their roles following the Office Depot/OfficeMax merger, the Compensation Committee determined that a 15% base salary increase for Ms. Garcia, and an approximately 16.7% base salary increase for Mr. Allison were warranted to bring their targeted cash compensation to the median of the peer group.

For additional information regarding the base salaries of Office Depot s NEOs as of December 27, 2014, please refer to the Summary Compensation Table.

Annual Cash Bonus Plan

In fiscal 2014, the Compensation Committee simplified Office Depot s 2014 Annual Cash Bonus Plan by choosing adjusted operating income as the new performance metric for all of Office Depot s NEOs except for Mr. Cosby who began his employment in July 2014. In fiscal year 2013, the metrics for the Annual Cash Bonus Plan included SG&A expense, gross profit dollars and sales. For fiscal 2014, the Compensation Committee reviewed the Annual Operating Plan approved by the Office Depot board of directors and the key performance measures for Office Depot s business. The Compensation Committee determined to structure the 2014 Annual Cash Bonus Plan with free cash flow as a threshold funding metric and adjusted operating income as the primary performance metric.

In determining the performance targets for fiscal 2014, the Compensation Committee, employing rigorous compensation and incentive goal setting processes, chose performance targets that reflected stretch goals. Accordingly, if Office Depot s free cash flow was lower than negative $400 million, no bonus would have been paid under the Annual Cash Bonus Plan regardless of how Office Depot performed on other metrics. This threshold free cash flow funding metric was also intended to incentivize management to focus on expense reduction and capturing synergies from the Office Depot/OfficeMax merger. In addition, greater cash flow leads to liquidity growth and creditor and vendor confidence. Due to Office Depot successfully capturing and exceeding expectations surrounding its Office Depot/OfficeMax merger integration synergies, the achievement of which was uncertain when the Compensation Committee set its performance targets in 2013, Office Depot attained the free cash flow target.

Actual payouts under the Annual Cash Bonus Plan were based on the realized level of adjusted operating income and the Compensation Committee s exercise of negative discretion to decrease payouts if such bonuses were not, in the Compensation Committee s opinion, appropriately earned or should not be paid. The Compensation Committee selected adjusted operating income as the primary performance metric because it focused management on the key short-term drivers of sustainable value creation, including revenue generation, cost reduction and synergy realization, each of which is critical in driving earnings improvement. The Compensation Committee believed that the adjusted operating income metric directly impacts stockholder value and is easy to communicate to Office Depot s various constituencies. For fiscal year 2014, the Compensation Committee set the target adjusted operating income goal at $164 million, which was approximately 65% above Office Depot s pro forma adjusted operating income for 2013 of $99 million. The maximum adjusted operating income target of $197 million was intended to be a stretch goal that was approximately 100% above pro forma adjusted operating income for 2013 and was intended to be very difficult to achieve. Notwithstanding the uncertainty at the beginning of the performance period for 2014 related to the onboarding of a new Chief Executive Officer, building a new management team and embarking on a significant integration and restructuring process as a result of the Office Depot/OfficeMax merger, Office Depot exceeded its performance goals for 2014, nearly tripling adjusted operating income to $289 million from pro forma $99 million in 2013.

The 2014 bonus metric was designed to allow for payouts to be determined within the range of threshold and maximum, so long as the minimum free cash flow performance threshold was achieved. Office Depot s 2014 Annual Cash Bonus Plan payout was capped at 150% of target payout, as the Compensation Committee believed this cap was market competitive and, given the difficulties in predicting performance in the first full year

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following the Office Depot/OfficeMax merger, fair to both management and Office Depot stockholders to protect against a windfall if the target goal was not as challenging as expected.

When considering whether Office Depot has reached the target performance metric for a payout under the Annual Cash Bonus Plan, the Compensation Committee may determine to exclude significant unplanned and extraordinary items that may distort Office Depot s performance after the Finance & Integration Committee has concluded that such adjustments were unplanned and extraordinary. This practice ensures that Office Depot s executives will not be unduly influenced in their day-to-day decision-making because they would neither benefit nor be penalized as a result of certain unexpected and uncontrollable events or strategic initiatives that may positively or negatively affect the performance metric in the short-term.

In 2014, the Compensation Committee determined that certain expenses and adjustments, which the Finance & Integration Committee determined were unplanned and extraordinary, would be excluded from the determination of performance. These adjustments include adjustments to reflect the sale of OfficeMax de Mexico, impairments related to Office Depot s North American stores and goodwill, restructuring charges, merger integration expenses and significant legal accruals. These items are quantified in the footnotes to the financial statements included in Office Depot s Annual Report on Form 10-K for the fiscal year ended December 27, 2014. These extraordinary and unplanned items resulted in net adjustments to the calculation of achievement of the adjusted operating income metric.

For purposes of determining the level of achievement for each of the bonus metrics under the 2014 Annual Cash Bonus Plan for all of the NEOs (other than Mr. Cosby), the Compensation Committee reviewed Office Depot s 2014 audited financial statements approved by the Office Depot board s Audit Committee. For fiscal year 2014, Office Depot achieved the free cash flow funding metric with free cash flow of $33 million and with adjusted operating income of $289 million. Office Depot s significant achievement above the performance metric target was due to management s significant achievement in realizing Office Depot/OfficeMax merger synergies. While Office Depot expected to realize approximately $170 million in total annual run-rate synergies during 2014 and end the year with annual run-rate synergies of approximately $340 million, actual achievement at the end of 2014 in these two measures was $290 million and $500 million, respectively. As a result of this significant achievement above targeted metrics, the Compensation Committee authorized bonuses under the 2014 Annual Cash Bonus Plan to be paid at 150% of target to all of the NEOs (other than Mr. Cosby).

When Mr. Cosby joined Office Depot in July 2014, the Compensation Committee determined that because Mr. Cosby as President, North America is primarily responsible for the operating results of the North American Division, his 2014 Annual Cash Bonus would be based on the same free cash flow threshold funding metric as the other NEOs but that his primary performance metric would also be based in part on a separate North American Division adjusted operating income target. Actual payouts under Mr. Cosby s 2014 Annual Cash Bonus were based (1) 75% on the realized level of the North America Division s adjusted operating income, (2) 25% on the realized level of total company adjusted operating income, and (3) the Compensation Committee s exercise of negative discretion to decrease payouts to an appropriate level. Further, Mr. Cosby s 2014 Annual Cash Bonus would be based on a target attainment of 100% of annual base salary pro-rated in 2014 based on his date of hire. For fiscal year 2014, the North American Division achieved adjusted operating income of $236 million, and the Compensation Committee authorized a bonus to Mr. Cosby to be paid at 150% of target.

2014 Bonus Metric	Threshold Parameter (50%	Target Parameter (100% Payout)	Maximum Parameter (150% Payout)	2014 Performance

	Payout)			
Adjusted Operating Income	$ 148 million	$ 164 million	$ 197 million	$ 289 million
North American Adjusted Operating Income	$ 103 million	$ 114 million	$ 137 million	$ 236 million

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The threshold, target and maximum payout for each NEO are disclosed in the Estimated Future Payouts Under Non-Equity Incentive Plan Awards column of the Grants of Plan-Based Awards table below. The actual dollar amounts earned by the Office Depot NEOs in 2014, pursuant to the 2014 Annual Cash Bonus Plan, are disclosed in the Non-Equity Incentive Plan Compensation column of the Summary Compensation Table below.

2014 Long-Term Incentive Program

The purpose of Office Depot s long-term incentive program is to help retain Office Depot s executive talent and further align the long-term interests of management with those of Office Depot stockholders. The objectives of long-term incentives and retention must be balanced such that successful, high-achieving employees remain motivated and committed even in periods of temporary market downturns or volatility in performance. As such, the Compensation Committee structured the 2014 Long-Term Incentive Program (referred to in this proxy statement/prospectus as the 2014 LTIP) for the NEOs (other than the CEO and CFO) consisting of:

(1) 50% restricted stock units, which contain only a service condition, with vesting in three equal annual installments; and

(2) 50% performance stock units, which contain both a performance and service condition, with cliff vesting after three years.

In fiscal 2014, the Compensation Committee revised the performance measurement period for the performance stock units granted under the 2014 LTIP from a one-year performance period to a three-year performance period to better link the compensation program to long-term performance. In addition, the Compensation Committee revised the structure for the 2014 LTIP from one that used the two performance metrics of EBIT and free cash flow to one that is intended to qualify for tax deductibility under Section 162(m) with free cash flow as a threshold funding metric and cumulative adjusted operating income as the sole performance metric. The Compensation Committee determined that the sole performance metric of adjusted operating income would more closely align the interests of Office Depot s executive officers with its stockholders and encourage long-term value creation for Office Depot. As with the 2014 Annual Cash Bonus Plan, actual payouts will be based on the level of adjusted operating income.

The performance metric for the performance stock units will be based on the achievement of a cumulative adjusted operating income target for Office Depot s 2014-2016 fiscal years. The payouts under this metric are designed to be calculated upon achievement of a result exceeding such target (subject to a maximum payout of 150% above target), or upon an achievement below such target, but above a threshold. The target payout for the performance shares was set taking into consideration the median of the peer group. If actual cumulative adjusted operating income over the three-year performance period ending fiscal year 2016 is less than threshold, then the performance stock units will be forfeited. In addition, the Compensation Committee selected a three-year performance period for the performance stock units to provide sufficient alignment between management and long-term stockholder interests and serve as a retention tool for employees participating in the 2014 LTIP.

Why did Office Depot use the same performance measures in both its Annual and Long-Term Incentives Plans?

For 2014, the Compensation Committee concluded that, given the difficulties in predicting performance following the Office Depot/OfficeMax merger, adjusted operating income would be the key driver of stockholder value in the first year after the Office Depot/OfficeMax merger because it focuses on achievement of Office Depot/OfficeMax merger synergies and revenue generation. In addition, the Compensation Committee believed that the management team would perform better when it is focused on one reinforced, well understood metric that balances revenue, cost and profit objectives. The use of adjusted operating income would allow management to appropriately focus on driving down costs and achieving forecasted synergies, but also grow the top line. While the 2014 Annual Cash Bonus Plan and the performance stock units granted under the 2014 LTIP both used

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the funding metric of free cash flow and the performance metric of adjusted operating income, the performance periods for the 2014 cash bonus and 2014 LTIP performance stock units are different, which ensures a balanced focus over the near- and long-term. The three-year performance period for the performance stock units granted under the 2014 LTIP ensures that NEOs are focused on sustainable, long-term performance. Furthermore, Office Depot has various controls in place to mitigate potential risk-taking as a result of the use of a single performance metric. These controls include a clawback policy, negative discretion used by the Compensation Committee to ensure that annual bonus and performance stock unit payouts are appropriate as well as robust executive stock ownership guidelines to ensure that NEOs are long-time stockholders of Office Depot.

What are the key decisions of the Compensation Committee on 2015 executive compensation?

Although in fiscal 2014 Office Depot exceeded expectations for capturing merger integration synergies from the Office Depot/OfficeMax merger, Office Depot faces certain challenges associated with understanding where synergy opportunities lie within the Office Depot/OfficeMax combined company. In order to continue to align executive compensation to the interests of Office Depot s stockholders as Office Depot continues to identify and capture synergies during Office Depot s integration process with OfficeMax, the Compensation Committee decided to maintain for fiscal year 2015 Office Depot s existing performance metrics. In addition, the Compensation Committee adjusted the LTIP performance period from a three-year performance period to a one-year performance period in order to create greater focus on delivering the budget in the year in which a merger is pending. This objective was deemed critical by the Compensation Committee because performance often slips in situations in which companies face a long lag between merger announcement and closing. Notably, prior to the Office Depot/OfficeMax merger, the Compensation Committee anticipated the use of relative total shareholder return in the LTIP but subsequently decided against introduction of this metric for 2015 since the stock price performance would be heavily influenced by the merger transaction.

Executive Compensation Process and Governance

What was the process used to determine executive compensation in 2014?

During 2014, the Compensation Committee engaged F.W. Cook as its independent compensation consultant to provide the Compensation Committee with peer group data and to review and advise on executive compensation matters, including:

- Overall compensation philosophy;
- Design of Office Depot s short-term and long-term incentive programs;
- Peer group (as defined below) for 2014;
- Executive compensation disclosure and discussion of best practices for such disclosure; and

Benchmarking of certain policies and practices, including the director and executive stock ownership guidelines.

Members of management, including Office Depot s CEO, Mr. Smith, provided input to the Compensation Committee regarding executive compensation. Office Depot s management engaged Towers Watson to assist management in its executive compensation recommendations. Management provided input for Committee consideration regarding the performance metrics for Office Depot s 2014 Annual Cash Bonus Plan and 2014 LTIP. In addition, the Compensation Committee also consulted with management to arrive at the proper alignment of its compensation philosophy with the Office Depot s executive compensation programs and practices.

For further discussion of the Compensation Committee and its role in setting compensation, and the role F.W. Cook during 2014, please see the section entitled Committees of the Office Depot Board of Directors Compensation Committee beginning on page [ ].

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How is peer group data used by the Compensation Committee?

The Compensation Committee believes benchmarking is a useful method to gauge both the compensation level and compensation mix for executives within competitive job markets that are relevant to Office Depot. The Compensation Committee reviews data gathered from the proxy statements of Office Depot s peer group (as defined below) for benchmarking purposes in its review and analysis of base salaries, bonuses, long-term incentives, and benefits/perquisites to establish Office Depot s executive compensation program.

The Compensation Committee developed the following criteria to select the Office Depot s peer group:

- Companies with revenues within one-half to two and one-half times Office Depot s revenue;
- Specialty retail companies with Office Depot s same Global Industry Classical Standard code;
- Companies with a mix of business-to-business and business-to-customer business models;
- Companies with global operations;
- Companies with a significant distribution function; and
- Companies with whom Office Depot competes for executive talent.

Companies selected for the peer group were required to have a number of the characteristics described above, but not necessarily all of them.

Peer group data is generally reviewed annually to determine if modifications to the peer group or the criteria used to determine the peer group are necessary. In April 2014, the Compensation Committee, in consultation with F.W. Cook, reviewed Office Depot s 2014 peer group to account for Office Depot s growth since the Office Depot/OfficeMax merger. The peer group was modified to include companies for which Office Depot s revenues in comparison would be at the median to the 75th percentile and Office Depot s market cap would be at the 25th percentile.

The following companies comprised Office Depot s peer group for 2014 (referred to in this proxy statement/prospectus as the peer group):

Aramark Corporation	Family Dollar Stores, Inc.	Rite Aid Corporation
Arrow Electronics, Inc.	GameStop Corp.	Staples, Inc.
AutoNation, Inc.	Genuine Parts Company	

Avnet, Inc.	J.C. Penney Company, Inc.	Tech Data Corporation
Bed Bath & Beyond Inc.	Kohl s Corporation	The Gap, Inc.
Best Buy Co., Inc.	L Brands Inc.	The TJX Companies, Inc.
Dollar General Corporation	Macy s, Inc.	W.W. Grainger, Inc.

In addition to the benchmarking results, in making executive compensation decisions, the Compensation Committee generally considers:

- Office Depot s financial performance and the financial performance of the peer group when setting executive compensation;
- Individual performance, tenure and responsibilities in the executive s current position;
- Target total direct compensation structures (i.e., sum of salary, annual bonus, and cash and equity awards);
- Variable compensation program design; and/or
- Benefit and perquisite offerings.

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When making compensation decisions, the Compensation Committee considers each element of compensation individually (i.e. base salary, short-term incentives and long-term incentives), but also considers the target total direct compensation and mix of compensation paid to the NEOs.

Does the Compensation Committee take tax and accounting consequences into account when designing executive compensation?

Section 162(m) generally does not allow a tax deduction to public companies for compensation in excess of $1 million paid to the CEO or any of the other NEOs, excluding the CFO. Certain compensation is specifically exempt from the deduction limit to the extent that it does not exceed $1 million during any fiscal year or is performance-based as defined in Section 162(m). The Compensation Committee strives to structure NEO compensation to be exempt from the deductibility limits set in Section 162(m) whenever possible. However, the Compensation Committee believes that tax deductibility is but one factor to consider in developing an appropriate compensation package for executives. As a result, the Compensation Committee reserves and will exercise its discretion in this area to design a compensation program that serves the long-term interests of Office Depot, but which may not qualify for tax deductibility as a result of Section 162(m).

In fiscal year 2014, a portion of the compensation paid to Office Depot s NEOs will not be deductible for tax purposes pursuant to Section 162(m).

In addition to Section 162(m), the Compensation Committee considers other tax and accounting provisions in developing the pay programs for the NEOs, including:

- The special rules applicable to fair value based methods of accounting for stock compensation; and
- The overall income tax rules applicable to various forms of compensation.

While the Compensation Committee generally tries to compensate the NEOs in a manner that produces favorable tax and accounting treatment, the main objective is to develop fair and equitable compensation arrangements that appropriately incentivize, reward, and retain the NEOs and aligns Office Depot s performance goals with stockholder returns.

Share usage requirements and resulting potential stockholder dilution from equity compensation awards is also considered by the Compensation Committee in determining the size of long-term incentive grants.

Does Office Depot have change of control agreements with its NEOs?

The Compensation Committee believes that change in control agreements effectively incentivize executives to remain engaged and strive to create stockholder value in the event Office Depot becomes an acquisition target or is targeting another company for acquisition, despite the risk of job loss or the loss of equity vesting opportunity. In addition, these arrangements are necessary to attract and retain qualified executives who may have other job alternatives that may appear to them to be less risky absent these arrangements, and these arrangements are particularly important to Office Depot given the high levels of competition for executive talent in the retail sector.

In 2014, the Compensation Committee approved the CIC Plan pursuant to which Office Depot will provide certain severance pay and other benefits to several key executives, including the NEOs (other than the CEO), who are viewed by Office Depot as critical to the continued leadership of Office Depot in the event of a change in control. Office Depot s use of a planned approach provides many benefits when compared to entering into individual change of control agreements with each NEO. In most instances, this method ensures consistent terms and provisions and allows Office Depot flexibility to amend or change its practices in response to market trends and best practices. Office Depot s CIC Plan includes features considered to be best practices including a double trigger for change of control benefits.

For a detailed description of Office Depot s change in control agreements, please see the section entitled Summary of Office Depot Executive Agreements and Potential Payments upon Termination or Change in Control beginning on page [ ]. Mr. Smith s change in control provisions are included in his employment agreement, as described in the section entitled Summary of Office Depot Executive Agreements and Potential Payments upon Termination or Change in Control Benefits Upon Termination or Change in Control Under Executive Agreements beginning on page [ ].

What types of perquisites are NEOs eligible to receive?

Office Depot provides the NEOs with a set of core benefits that are generally available to Office Depot s other full-time employees (e.g., coverage for medical, dental, vision care, prescription drugs, annual physical, basic life insurance, long-term disability coverage), plus voluntary benefits that an NEO may select (e.g., supplemental life insurance).

In addition, Office Depot has a matching contribution to the 401(k) plan for all participants, including the NEOs, which is equal to 50% of employee deferrals on the first 4% of eligible earnings (up to plan limits). Although this matching contribution is below market, the Compensation Committee believes it is important to offer a benefit of this nature to further motivate and retain employees.

Consistent with the peer group and the current trend in executive compensation, Office Depot limits the perquisites provided to Office Depot s NEOs. Other than the car allowances provided to Office Depot s NEOs, perquisites are reserved for the attraction and retention of executive talent and to allow NEOs to efficiently handle the responsibilities of their position. Office Depot Aircraft Personal Use Policy states that the use of Office Depot-leased aircraft will be limited to the Chief Executive Officer and other executives as extenuating circumstance may require. Please see the Summary Compensation Table and the footnotes to such table for further information concerning any such perquisites paid to Office Depot s NEOs.

Do the Compensation Committee and Audit Committee review incentive plans to ensure that they do not encourage excessive risk-taking?

The Compensation Committee and Audit Committee jointly meet annually to review a report prepared by Office Depot s Internal Audit Department upon such Department s review of the design of each of the incentive plans for Office Depot s regions, certain classifications of employees and business lines, and other relevant plans. Such report assesses whether or not any inappropriate actions had been taken under such plans, or whether such plans had any features to incentivize risk-taking.

The committees jointly reported to the Office Depot board of directors that they do not believe that any aspects of the 2014 compensation program encouraged the NEOs to take unnecessary and excessive risks. Additionally, the financial goals set forth in the corporate annual cash bonus plan and the long-term incentive program are based upon performance targets that the Compensation Committee believes are attainable without the need to take inappropriate risks or make material changes to Office Depot s business or strategy. Furthermore, the Long-Term Incentive Plan awards vest over a three-year period to encourage a longer-term perspective. Finally, the equity component of Office Depot s compensation program, coupled with Office Depot s stock ownership guidelines, align executive and long-term stockholder interests because value is linked to changes in Office Depot stock price.

Does the Office Depot board of directors have a clawback policy for bonuses and awards paid to NEOs in the event Office Depot restates its financial results?

In February 2010, the Office Depot board of directors adopted a policy for recoupment of incentive compensation (referred to in this proxy statement/prospectus as the clawback policy). The clawback policy provides that if Office Depot restates its reported financial results for any period beginning after January 1, 2010,

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the board of directors will review the bonus and other awards made to executive officers based on financial results during the period subject to the restatement. To the extent practicable and in the best interests of stockholders, the Office Depot board of directors will seek to recover or cancel any such awards that were based on having met or exceeded performance targets that would not have been met under the restated financial results.

Are there any restrictions on the ability of Office Depot s NEOs to engage in transactions involving Office Depot stock?

In February 2011, the Office Depot board of directors adopted an anti-hedging policy which prohibits hedging transactions with respect to Office Depot securities by Office Depot directors, executive officers and all other employees.

Furthermore, in October 2014, the Office Depot board of directors adopted an anti-pledging policy which prohibits its directors and executive officers from using Office Depot stock as collateral for any borrowing.

Are the NEOs subject to any minimum requirements regarding ownership of Office Depot stock?

The Compensation Committee believes that the NEOs should maintain a meaningful equity interest in Office Depot through the ownership of stock. As such, the following stock ownership guidelines are in place for Office Depot s NEOs:

Position	Stock Ownership Requirement
CEO	6x annual base salary
All other NEOs	3x annual base salary

In 2014, Office Depot revised its stock ownership guidelines to be more robust and reflect current corporate governance trends. First, Office Depot required that all NEOs satisfy the ownership requirement by holding Office Depot stock equal to a multiple of base salary rather than as a fixed number of shares. This requires NEOs to hold more shares in the event that Office Depot s stock price decreases. Second, Office Depot eliminated the five-year stock ownership grace period after becoming a Section 16(b) officer of Office Depot for NEOs. The CEO and NEOs are now only permitted to sell stock before meeting the ownership requirements if they retain 50% of the net shares (after shares are disposed of to pay for taxes and acquisition), which is in line with peer group practice. Third, Office Depot changed the types of equity considered for purposes of determining compliance with the stock ownership guidelines to equity that is earned or vested, in order to make the ownership requirement more robust, which is defined as the following:

- Shares held outright (including restricted stock for which the restrictions have lapsed and shares purchased on the open market);
- Vested RSUs that have been deferred for tax purposes; and
- Shares held in 401(k) accounts.

The current guidelines are deemed competitive according to the market data provided by F.W. Cook. The Compensation Committee annually reviews each NEO s progress toward meeting the ownership guidelines.

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COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

During the 2014 fiscal year, the Compensation Committee of the Office Depot board of directors was comprised of the following directors: Mr. David M. Szymanski (Chair), Ms. Cynthia T. Jamison and Messrs. V. James Marino and Michael J. Massey. Mr. Jeffrey C. Smith was also a member of the Compensation Committee until his resignation on September 10, 2014. Ms. Cynthia T. Jamison has served as a member of the Compensation Committee since October 16, 2014. During the 2014 fiscal year, all members of the Committee were independent directors, and no member was an employee or former employee of Office Depot. In addition, none of Office Depot s executive officers served on the board of directors or Compensation Committee (or other committee serving an equivalent function) of another entity whose executive officer served on Office Depot s Compensation Committee.

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COMPENSATION COMMITTEE REPORT

The information contained in this report shall not be deemed to be soliciting material or filed or incorporated by reference in future filings with the SEC, or subject to the liabilities of Section 18 of the Exchange Act, except to the extent that it is specifically incorporated by reference into a document filed under the Securities Act of 1933, as amended, or the Exchange Act.

The Compensation Committee of the Office Depot board of directors has reviewed and discussed this Compensation Discussion and Analysis required by Item 402(b) of Regulation S-K with Office Depot s management and, based on such review and discussion, the Compensation Committee recommended to the Office Depot board of directors that the Compensation Discussion and Analysis be included in this proxy statement/prospectus and in Office Depot s annual report on Form 10-K for the fiscal year ended December 27, 2014.

The Compensation Committee:

David M. Szymanski (Chair)

Cynthia T. Jamison

James Marino

Michael J. Massey

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COMPENSATION PROGRAMS RISK ASSESSMENT

In 2015, the Compensation Committee of the Office Depot board of directors, in a joint meeting with the Audit Committee, assessed Office Depot s 2014 compensation programs and practices and concluded that such programs and practices do not create risks that are reasonably likely to have a material adverse effect on Office Depot.

Office Depot conducted a risk assessment that included a detailed qualitative and quantitative analysis of its compensation programs to which employees at all levels of the organization may participate, including the NEOs. The Compensation Committee also considers how the design of Office Depot s compensation programs compares to compensation programs maintained by Office Depot s peer companies. Based on Office Depot s risk assessment, and the reviews done by the Compensation and Audit Committees, the Compensation Committee believes that Office Depot s 2014 compensation programs have been appropriately designed to attract and retain talent and properly incentivize employees to act in the best interests of Office Depot.

Office Depot has programs and features that are designed to ensure that its employees, including the NEOs, are not encouraged to take unnecessary risks in managing Office Depot s business, including:

- Oversight of compensation programs (or components of programs) by the Compensation Committee;
- Discretion provided to the Compensation Committee (including negative discretion) to set targets, monitor performance and determine final incentive award payouts;
- Oversight of compensation programs (or components of programs) by a broad-based group of functions within Office Depot, including the Human Resources, Legal and Internal Audit departments;
- A variety of programs that provide focus on both short-and long-term goals and that provide a balanced mixture of cash and equity compensation;
- Incentives focused primarily on the use of financial metrics based on the annual operating plan which is approved by the Office Depot board of directors;
- Service-based vesting conditions with respect to equity-based awards; and
- An incentive pay recoupment policy which provides for recoupment of incentive compensation in the event of a financial restatement.

Office Depot periodically monitors its incentive plans throughout the year to ensure that such plans do not encourage undue risk taking and appropriately balance risk and reward consistent with Office Depot s enterprise risk management efforts.

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SUMMARY COMPENSATION TABLE

The following table provides information regarding Office Depot s chief executive officer (Mr. Roland Smith), chief financial officer (Mr. Stephen Hare) and the three other most highly compensated officers in 2014 (Mr. Mark Cosby, Ms. Elisa D. Garcia and Mr. Michael Allison), determined in accordance with the applicable SEC disclosure rules. The table provides information for 2012 and 2013 if the executive officer was included in Office Depot s Summary Compensation Table for those years.

Summary Compensation Table for Fiscal Years 2012 2014

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
ed Officers and Principal ons	Year	Salary[1] ($)	Bonus ($)	Stock Awards[2] ($)	Option Awards[2] ($)	Non-Equity Incentive Plan Compensation ($)	Change in Pension Value and NQ Deferred Compensation Earnings[3] ($)	All Other Compensation[4] ($)	Tota ($)
d Smith	2014	$ 1,400,000	$	$	$	$ 3,150,000	$	$ 544,280	$ 5,094
Executive Officer	2013	$ 177,692	$ 2,350,000	$ 12,500,000	$ 4,473,000	$	$	$ 148,581	$ 19,649
en Hare	2014	$ 750,000	$	$	$	$ 956,250	$	$ 202,211	$ 1,908
tive Vice lent and Chief Financial er	2013	$ 57,692	$ 500,000	$ 2,028,000	$ 1,525,000	$	$	$ 21,200	$ 4,131
Cosby lent, North America	2014	$ 375,962	$ 500,000[5]	$ 3,500,000	$	$ 563,943	$	$ 68,525	$ 5,008
ael Allison	2014	$ 525,000	$ 500,000[6]	$ 900,000	$	$ 667,292	$	$ 99,789	$ 2,692
tive Vice lent and Chief People er	2013	$ 450,000	$	$ 1,744,200	$	$ 360,167	$	$ 62,122	$ 2,616
D. Garcia	2014	$ 575,000	$	$ 900,000	$	$ 723,542	$	$ 50,800	$ 2,249
tive Vice	2013	$ 500,000	$ 500,000	$ 1,744,200	$	$ 391,667	$	$ 35,700	$ 3,171
lent and Chief Legal er	2012	$ 485,000	$ 500,000	$ 321,200	$	$ 300,737	$	$ 37,500	$ 1,644

(1) Column (c) is used to record salary amounts that include cash compensation earned by each NEO during fiscal years 2014, 2013 and 2012 as well as any amounts earned in those years but contributed into an NEO s 401(k) Plan at the election of the NEO. Certain of Office Depot s NEOs received prorated salaries in either 2013 or 2014, as applicable, due to the commencement date of their employment with Office Depot. The dollar amount in column (c) for Mr. Smith reflects his 2013 salary prorated for a November 12, 2013 start date. The dollar amount in column (c) for Mr. Hare reflects his 2013 salary prorated for a December 2, 2013 start date. The dollar amount in column (c) for Mr. Cosby reflects his 2014 salary prorated for a July 21, 2014 start date.

(2)

The dollar amounts in columns (e) and (f) reflect the aggregate grant date fair value of equity awards granted within the fiscal year under the 2007 Plan and the 2003 Plan, as applicable, in accordance with FASB ASC Topic 718 for stock-based compensation. These amounts reflect the total grant date fair value for these awards, and do not correspond to the actual value that will be recognized as income by each of the NEOs when received. Assumptions used in the calculation of these award amounts are included in Notes 1 and 13 to the consolidated financial statements included in Office Depot s Annual Report on Form 10-K for the year ended December 27, 2014. For 2014, the aggregate grant date fair value of equity awards reported in column (e) reflects the grant date fair value of performance-based stock units plus the grant date fair value of time-vested restricted stock units granted to the NEOs. The grant date fair value of the performance-based stock units at the maximum level of achievement is $2,625,000 for Mr. Cosby and $675,000 for Mr. Allison and Ms. Garcia. Mr. Smith and Mr. Hare did not receive equity awards in 2014 because the grants of equity awards made to them in 2013 were intended to cover long-term incentives for 2013 and 2014.

(3) Unless otherwise specified in this footnote, the amounts in column (g) reflect cash awards earned under the 2014 Annual Cash Bonus Plan, which is discussed in more detail under the section entitled Compensation Philosophy Annual Cash Bonus Plan. In addition, amounts also include the performance cash payout of the third tranche of the 2012 Long-Term Incentive Program for Mr. Allison and Ms. Garcia. For the 2014 Annual Cash Bonus, the amount reported was based on fiscal year 2014 performance and was paid to all of the NEOs in March of 2015. The performance cash which was based upon fiscal year 2012 performance is subject to vesting in the following manner: 1/3 of the award was paid to NEOs in March 2013 after the 2012 results were certified by the Compensation Committee, while the remaining 2/3 of the award was paid in equal installments in March 2014 and March 2015 provided that the NEO remained employed with Office Depot. Accordingly, the final 1/3 tranche is reported as earned by the eligible NEOs in 2014.

(4) The dollar amounts in column (i) summarize the amounts included in the Other Compensation Table for Fiscal Year 2014 that follows, which reflects the types and dollar amounts of perquisites and other personal benefits provided to the NEOs during the fiscal year 2014. For purposes of computing the dollar amounts of the items listed in the Other Compensation Table, except as otherwise noted, the actual incremental costs to Office Depot of providing the perquisites and other personal benefits to the NEOs was used. Each perquisite and other personal benefit included in the Other Compensation Table that follows is described in more detail in the narratives immediately following the table.

(5) The dollar amount in column (d) for Mr. Cosby represents a sign-on bonus paid to Mr. Cosby pursuant to the terms of his letter agreement and sign-on bonus agreement described under the section entitled Summary of Office Depot Executive Agreements and

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Potential Payments upon Termination or Change of Control Executive Agreements Agreements with Mark Cosby as President, North America beginning on page [ ]. This amount is contingent upon his continued service with Office Depot for 12 months following his start date.

(6) The dollar amount in column (d) for Mr. Allison represents a retention bonus paid to him pursuant to the terms of his retention agreement described under the section entitled Summary of Office Depot Executive Agreements and Potential Payments upon Termination or Change of Control Executive Agreements Agreements with Michael Allison as Executive Vice President and Chief People Officer beginning on page [ ].

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OTHER COMPENSATION TABLE FOR FISCAL YEAR 2014

Other Compensation Table for Fiscal Year 2014
Summary Compensation Table, Column (i) Components

(a)	(b)	(c)	(d)	(e)	(f)	(g)
Named Officers	**Car Allowance[1] ($)**	**401k Match[2] ($)**	**Personal Aircraft Usage[3] ($)**	**Relocation[4] ($)**	**Other[5] ($)**	**Total ($)**
Roland Smith	$ 25,000	$ 5,200	$ 84,737	$ 429,343	$	$ 544,280
Stephen Hare	$ 15,600	$ 5,200	$	$ 181,411	$	$ 202,211
Mark Cosby	$ 6,900	$	$	$ 31,625	$ 30,000	$ 68,525
Michael Allison	$ 15,600	$ 5,200	$	$	$ 78,989	$ 99,789
Elisa D. Garcia	$ 15,600	$ 5,200	$	$	$ 30,000	$ 50,800

(1) Column (b) reflects the car allowance of each NEO during fiscal year 2014 as part of the Executive Car Allowance Program.

(2) Column (c) reflects Office Depot cost of matching contributions under Office Depot s 401(k) Plan of up to 2% of eligible compensation for the 2014 fiscal year up to the IRS annual compensation limits.

(3) The amount in column (d) reflects the fiscal year 2014 incremental cost of personal use of company-leased aircraft. The amount includes the actual cost of fuel and additives, per hour accruals of maintenance service plans, trip-related crew hotels and meals, in-flight food and beverages, landing and ground handling fees, hangar or aircraft parking costs, certain other smaller variable costs for each personal trip leg plus an allocation of maintenance costs based on the per mile cost to maintain the aircraft multiplied by the number of personal miles flown. Fixed costs that would be incurred in any event to operate company aircraft (e.g., aircraft and hangar lease costs, depreciation, and flight crew salaries) are not included.

(4) Column (e) reflects amounts earned by the NEOs in fiscal year 2014 for payments made to the NEOs and to third parties on behalf of the NEOs for non-qualified (taxable) and qualified (non-taxable) expenses associated with Office Depot s Executive Relocation Program. These amounts include $144,009, $12,582 and $38,496 in tax gross-ups related to the relocation payments for Messrs. Smith, Cosby and Hare, respectively.

(5) The amount in column (f) represents the value of all other perquisites and benefits earned by each NEO during the 2014 fiscal year. The amounts for Mr. Cosby and Ms. Garcia represent the cost of company matching contributions on behalf of the NEO to eligible charitable organizations under the Executive Matching Gifts Program. The amount for Mr. Allison includes (i) $30,000 in company matching charitable contributions and (ii) $48,989 for costs related to personal expenses associated with his spouse attending company-sponsored events, of which $20,551 is the related tax gross-up.

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GRANTS OF PLAN BASED AWARDS IN FISCAL YEAR 2014

Grants of Plan-Based Awards in Fiscal Year 2014

(a)	(b)	(c-e)			(f-h)			(i)	(j)	(k)	(l)
ned Officers	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards(1)			Estimated Future Payouts Under Equity Incentive Plan Awards(2)			All Other Stock Awards: Number of Shares or Units(3) (#)	All Other Option Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Option Awards ($/Sh)	Grant Date Fair Val of Stoc and Option Awards ($)
		Threshold ($)	Target ($)	Maximum ($)	Threshold (#)	Target (#)	Maximum (#)				
and Smith	12/29/2013	$ 1,050,000	$ 2,100,000	$ 3,150,000							
phen Hare	12/29/2013	$ 318,750	$ 637,500	$ 956,250							
k Cosby	7/21/2014	$ 187,981	$ 375,962	$ 563,943							
	7/21/2014				172,584	345,167	517,751				$ 1,750,0
	7/21/2014							345,167			$ 1,750,0
hael Allison	12/29/2013	$ 196,875	$ 393,750	$ 590,625							
	3/28/2014				54,745	109,489	164,234				$ 450,0
	3/28/2014							109,489			$ 450,0
a D. Garcia	12/29/2013	$ 215,625	$ 431,250	$ 646,875							
	3/28/2014				54,745	109,489	164,234				$ 450,0
	3/28/2014							109,489			$ 450,0

(1) Column (c) reflects the minimum payments each NEO could expect to receive if Office Depot reached at least its threshold performance goal set by the Compensation Committee in fiscal year 2014 under the 2014 Annual Cash Bonus Plan. Threshold was set at 50% of target for all NEOs. The financial performance goal was targeted to pay out at 100% upon achievement with a maximum payout of 150% of target to be paid if target was exceeded. Column (d) reflects the target payments each NEO could expect to receive if Office Depot reached its target performance goals in 2014 under the 2014 Annual Cash Bonus Plan. Each NEO s target annual bonus is expressed as a percentage of such officer s bonus eligible earnings. For 2014, the target bonus percentage was 150% of bonus eligible earnings for Mr. Smith, 100% for Mr. Cosby, 85% for Mr. Hare and 75% for Mr. Allison and Ms. Garcia. Column (e) reflects the maximum payout each NEO could expect to receive if target was exceeded. Performance below threshold resulted in no bonus being paid. The bonus payouts were interpolated at a single rate between threshold and target and at a lower rate between target and maximum. See the section entitled Executive and Director Compensation Compensation Discussion and Analysis What was the total direct compensation for Office Depot s NEOs during fiscal 2014? Annual Cash Bonus Plan beginning on page [ ] of this proxy statement/prospectus for additional details on the 2014 Annual Cash Bonus Plan.

(2) Columns (f) through (h) reflect the threshold, target and maximum payouts for performance stock units granted pursuant to Office Depot s 2007 Plan for Mr. Allison and Ms. Garcia and 2003 Plan for Mr. Cosby. NEOs will be eligible to earn all or a portion of an amount in excess of their target share award based on Office Depot s financial

performance target for Office Depot s three-year cumulative fiscal period running from 2014 through 2016 relative to the threshold, target, and maximum levels established by the Compensation Committee. In addition to Office Depot satisfying at least the threshold performance condition, NEOs must also satisfy the service condition to become vested in their eligible award by remaining continuously employed by Office Depot from the date of grant until the vesting date on the third anniversary of the grant date. Further description of the NEO s 2014 long-term incentive award is discussed in the section entitled Executive and Director Compensation Compensation Discussion and Analysis What was the total direct compensation for Office Depot s NEOs during fiscal 2014? 2014 Long-Term Incentive Program beginning on page [ ].

(3) Column (i) represents time-vested RSUs granted pursuant to Office Depot s 2007 Plan for Mr. Allison and Ms. Garcia and 2003 Plan for Mr. Cosby. The RSUs will vest one-third on each of the first, second and third anniversaries of the grant date, provided that each NEO is continuously employed by Office Depot from the grant date until each such anniversary date.

(4) Column (l) is computed in accordance with FASB ASC Topic 718 for stock-based compensation. See Notes 1 and 13 of the consolidated financial statements in Office Depot s Annual Report on Form 10-K for the year ended December 27, 2014 regarding assumptions underlying the valuation of equity awards. The grant date fair value of the equity incentive plan awards are based on the probable outcome at target. These amounts do not correspond to the actual value that will be recognized as income by each of the NEOs when received.

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OUTSTANDING EQUITY AWARDS AT 2014 FISCAL YEAR END

Named Officers	Number of Securities Underlying Unexercised Options Exercisable (#)	Number of Securities Underlying Unexercised Options Unexercisable (#)	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested ($)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($)
Outstanding Equity Awards at 2014 Fiscal Year-End									
	Option Awards					Stock Awards			
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
Roland Smith	500,000[(1)]	1,000,000		$ 5.21	11/12/23				
						1,199,616[(2)]	$ 10,604,605	1,199,616[(2)]	$ 10,604,605
Stephen Hare	166,666[(1)]	333,334		$ 5.35	12/2/23				
						229,533[(3)]	$ 2,029,072	149,533[(3)]	$ 1,321,872
Mark Cosby						345,167[(4)]	$ 3,051,276	345,167[(4)]	$ 3,051,276
Michael Allison	15,000[(5)]			$ 7.7100	3/8/17				
	3,118[(6)]			$ 5.1300	6/8/17				
	25,000[(7)]			$ 4.2700	5/3/18				
	55,000[(8)]			$ 5.3400	7/19/18				
						30,418[(9)]	$ 268,895		
						167,200[(10)]	$ 1,478,048		
						109,489[(11)]	$ 967,883	109,489	$ 967,883
Elisa D. Garcia	75,000[(12)]			$ 0.8500	3/4/16				
	112,500[(12)]			$ 1.0625	3/4/16				
	112,500[(13)]			$ 7.7100	3/8/17				
	112,500[(13)]			$ 9.6380	3/8/17				
	35,466[(6)]			$ 5.1300	6/8/17				
	80,000[(14)]			$ 5.3400	5/3/18				
						30,418[(9)]	$ 268,895		
						167,200[(10)]	$ 1,478,048		
						109,489[(11)]	$ 967,883	109,489	$ 967,883

(1) Represents grants of non-qualified stock options awarded to Messrs. Smith and Hare on November 12, 2013 and December 2, 2013, respectively, under the 2007 Plan in connection with commencement of employment with Office Depot. These options vest in three equal installments on the first, second and third anniversaries of the grant date so long as the NEO is continuously employed through those dates.

(2) On November 13, 2013, Mr. Smith was granted two awards under the 2003 Plan. The first grant consists of 1,199,616 performance shares at target with an eligible payout of up to 150% of the target shares based on the achievement of certain financial measures established by the Compensation Committee over the 3-year performance period ending on December 31, 2016. The payout of the performance grant is dependent upon the attainment of the specific metrics established by the Compensation Committee. Mr. Smith received a grant of 1,199,616 time-vested RSUs with a service period ending on November 12, 2016. These grants are intended to cover long-term incentives for 2014 and 2015.

(3) On December 2, 2013, Mr. Hare was granted two awards under the 2003 Plan. The first grant consists of 149,533 performance shares at target with an eligible payout of up to 150% of the target shares based on the achievement of certain financial measures established by the Compensation Committee over the 3-year performance period ending on December 31, 2016 and will cliff vest upon attainment, if any, of the specific performance criteria so long as Mr. Hare is continuously employed by Office Depot from the grant date through the performance end date. Mr. Hare received a grant of 229,533 time-vested RSUs with a service period ending on December 2, 2016. These grants were intended to cover long-term incentives for 2014.

(4) On July 21, 2014, in connection with the commencement of Mr. Cosby s employment with Office Depot, he was granted two awards under the 2003 Plan. The first grant consists of 345,167 performance stock units at target with an eligible payout of up to 150% of the target shares based on the achievement of certain financial measures established by the Compensation Committee over the 3-year cumulative performance period ending on December 31, 2016. Amounts will cliff vest upon attainment, if any, of the specific performance criteria so long as Mr. Cosby is continuously employed by Office Depot through the third anniversary of the grant date. Mr. Cosby received a grant of 345,167 time-vested RSUs with a grant date of July 21, 2014. These RSUs vest in three equal installments on the first, second and third anniversaries of the grant date so long as Mr. Cosby is continuously employed through those dates.

(5) Prior to his appointment to the executive committee in July of 2011, Mr. Allison was granted at-the-money non-qualified stock options on March 8, 2010 under the 2007 Plan as part of the annual grant to non-executives. These options vested in three equal annual installments beginning on the first anniversary of the grant date.

(6) Represents new at-the-money non-qualified stock options granted to Ms. Garcia and Mr. Allison, as applicable, in exchange for old out-of-the-money non-qualified stock options as part of the Offer to Exchange that Office Depot offered to its non-executive employees on June 8, 2010 following stockholder approval. Mr. Allison and Ms. Garcia were not NEOs for 2009 and therefore were eligible to participate in the exchange.

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(7) Prior to his appointment to the executive committee in July of 2011, Mr. Allison was granted at-the-money non-qualified stock options on May 3, 2011 under the 2007 Plan as part of the annual grant to non-executives. These options vested in three equal installments beginning on the first anniversary of the grant date.

(8) Upon his appointment to the executive committee, Mr. Allison was granted premium-priced non-qualified stock options on July 19, 2011 under the 2007 Plan. These options vested in three equal installments beginning on the first anniversary of the grant date.

(9) Represents two grants awarded to Mr. Allison and Ms. Garcia on March 16, 2012 under the 2007 Plan. The first grant of restricted stock shares is subject to vesting based on a service requirement, and the second grant of RSUs is subject to vesting based on both performance and service requirements. The service component under both awards requires that the shares vest in three equal annual installments beginning on the first anniversary of the grant date as long as Mr. Allison and Ms. Garcia are continuously employed through those dates. The performance component under the second grant was based on a financial metric for Office Depot s 2012 fiscal year.

(10) Represents two grants awarded to Mr. Allison and Ms. Garcia on February 18, 2013 under the 2007 Plan. The first grant of restricted stock shares is subject to vesting based on a service requirement, and the second grant of RSUs is subject to vesting based on both performance and service requirements. The service component under both awards requires that the shares vest in three equal annual installments beginning on the first anniversary of the grant date as long as Mr. Allison and Ms. Garcia are continuously employed through those dates. The performance component under the second grant was based on a financial metric for Office Depot s 2013 fiscal year.

(11) Represents two grants awarded to Mr. Allison and Ms. Garcia on March 28, 2014 under the 2007 Plan. The first grant of RSUs is subject to vesting based on a service requirement with one-third of the total award vesting on each of the first, second and third anniversaries of the grant date so long as Mr. Allison is continuously employed through those dates. The second grant of RSUs is subject to vesting based on both performance and service requirements. The performance component under the second grant was based on a cumulative financial metric for Office Depot s 2014 2016 fiscal years and will vest in one lump sum on the third anniversary of the grant date.

(12) Represents an annual grant of non-qualified stock options awarded to Ms. Garcia on March 4, 2009 under the 2007 Plan. 50% of the grant consisted of at-the-money options and 50% consisted of premium-priced options. The options vested in three equal annual installments beginning on the first anniversary of the grant date.

(13) Represents an annual grant of non-qualified stock options awarded to Ms. Garcia on March 8, 2010 under the 2007 Plan. 50% of the grant consisted of at-the-money options and 50% consisted of premium-priced options. The options vested in three equal annual installments beginning on the first anniversary of the grant date.

(14) Represents an annual grant of premium-priced non-qualified stock options awarded to Ms. Garcia on May 3, 2011 under the 2007 Plan which vested in three equal annual installments beginning on the first anniversary of the grant date.

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OPTION EXERCISES AND STOCK VESTED IN FISCAL YEAR 2014

Option Exercises and Stock Vested in Fiscal Year 2014				
	Option Awards		Stock Awards	
(a)	(b)	(c)	(d)	(e)
Named Officers	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise ($)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting[(1)] ($)
Michael Allison			129,890	$647,809
Elisa D. Garcia			129,889	$638,420

(1) Value of restricted stock and/or RSUs calculated by multiplying the number of shares by the fair market value of Office Depot common stock on The Nasdaq Global Select Market on the vesting date.

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DIRECTOR COMPENSATION

Annual Retainer Fee

The Compensation Committee of the Office Depot board of directors set the current compensation for the non-management directors at an annual targeted economic value (referred to in this proxy statement/prospectus as the annual retainer fee) of $200,000, with $75,000 to be in the form of cash, payable in equal quarterly installments at the end of each quarter during which the director served; no deferrals of cash payments are permitted by the directors. The remaining $125,000 of the annual retainer fee must be taken in the form of RSUs. The reason why Office Depot s director compensation program is structured to have the majority of the annual retainer fee payable in equity is to more closely align Office Depot s directors compensation with the interests of Office Depot stockholders. The equity payment is typically granted in a lump sum as soon as administratively practicable following the release of election results from the annual stockholder meeting, which is generally held in April, and is automatically deferred and distributed in shares six months following termination of service on the board of directors. By granting equity compensation to directors using RSUs, the long-term interest of the directors in Office Depot is achieved without the additional accounting expenses from the use of a stock option grant.

The lead director and Audit Committee Chair each receive additional compensation of $25,000 annually for serving in those roles, the Compensation Committee Chair and Finance & Integration Chair each receive additional compensation of $20,000 annually for serving in their respective roles, and the Corporate Governance and Nominating Committee Chair receives an additional $15,000 annually. The additional compensation for services as the Lead director or as a committee chair must be taken in the form of RSUs.

The current amount of the annual retainer fee for Office Depot s non-management directors was approximately at the median compensation of the boards of directors of Office Depot s peer group for fiscal year 2010. Since then, each year the Compensation Committee reviews Office Depot s Directors Compensation Program. At its review in December 2014, and based on compensation provided to non-management directors of the peer group, no changes were recommended to the dollar amount of the annual retainer fee payable to Office Depot s non-management directors for 2015.

Director Stock Ownership Guidelines

Office Depot directors are required to own five times the directors annual cash retainer, or $375,000 (excluding chair retainer fees) in shares of Office Depot common stock. Furthermore, Office Depot directors must retain 100% of net shares awarded (after shares are disposed of to pay for taxes and acquisition) until termination of their service on the board of directors.

The Compensation Committee reviews the stock ownership guidelines for Office Depot directors annually, with the assistance from its independent Compensation Committee consultant, to ensure that such guidelines align with best market practices, including the practices of a majority of Office Depot s peer group, and with management s ownership guidelines. In addition, the Compensation Committee annually reviews each director s progress toward meeting the ownership guidelines.

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DIRECTOR COMPENSATION TABLE FOR FISCAL YEAR 2014

Director Compensation Table for Fiscal Year 2014							
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
Name	Fees Earned or Paid in Cash ($)	Stock Awards(1)(2)(3) ($)	Option Awards(4) ($)	Non-Equity Incentive Plan Compensation ($)	Change in Pension Value and NQ Deferred Compensation Earnings ($)	All Other Compensation(5) ($)	Total(6) ($)
Warren Bryant	$ 75,000	$ 125,000				$ 30,000	$ 230,000
Francesca Ruiz de Luzuriaga	$ 75,000	$ 162,500					$ 237,500
Rakesh Gangwal	$ 75,000	$ 125,000					$ 200,000
Cynthia Jamison	$ 75,000	$ 125,000					$ 200,000
James Marino	$ 75,000	$ 125,000					$ 200,000
Michael Massey	$ 75,000	$ 125,000				$ 2,000	$ 202,000
Jeffrey Smith	$ 51,970	$ 125,000					$ 176,970
David Szymanski	$ 75,000	$ 155,000					$ 230,000
Nigel Travis	$ 75,000	$ 165,000				$ 30,000	$ 270,000
Joseph Vassalluzzo	$ 75,000	$ 155,000				$ 25,000	$ 255,000

(1) The dollar amounts in column (c) reflect the aggregate grant date fair value of equity awards granted within the fiscal year in accordance with the FASB Accounting Standards Codification Topic 718 for stock-based compensation. These amounts reflect the total grant date fair value for these awards, and do not correspond to the actual cash value that will be recognized by each of the directors when received. See Notes 1 and 13 of the consolidated financial statements in Office Depot s Annual Report filed on Form 10-K for the fiscal year ending December 27, 2014 regarding the underlying assumptions used in the valuation of equity awards.

(2) The Equity Compensation Paid to Directors for Fiscal Year 2014 table that follows represents the aggregate grant date fair value of awards of restricted stock granted to Office Depot s directors under Office Depot s LTIP in 2014. Annual awards are calculated by a dollar value that is then translated into restricted stock based on the closing stock price on the date of grant.

(3) As of December 27, 2014, the aggregate number of stock awards, consisting of restricted stock units convertible into shares of Office Depot s common stock, outstanding at fiscal year-end for Office Depot s directors are set forth as follows: Warren Bryant 243,048, Francesca Ruiz de Luzuriaga 234,225, Rakesh Gangwal 551,874, Cynthia Jamison 24,752, James Marino 159,652, Michael Massey 49,077, Jeffrey Smith 24,752, David Szymanski 232,730, Nigel Travis 83,280, and Joseph Vassalluzzo 30,733. All restricted stock units are fully vested as of December 27, 2014, but distribution is deferred until six months following the director s separation from service with Office Depot. Please see the table Equity Compensation Paid to Directors for Fiscal Year 2014 that follows for all equity granted in 2014.

(4)

As of December 27, 2014, the aggregate number of option awards outstanding at fiscal year-end for Office Depot s directors are set forth as follows: Warren Bryant 1,178, Francesca de Luzuriaga 12,164, and Rakesh Gangwal 20,667.

(5) All Other Compensation consists of company matching contributions on behalf of the directors to eligible charitable organizations. In addition, Messrs. Bryant, Gangwal, Szymanski and Ms. Luzuriaga also received cash dividends which had accrued on restricted stock which had been granted to them as legacy OfficeMax directors.

(6) Office Depot directors receive annual compensation of: (a) $75,000 in cash, prorated for time in position, and (b) the remainder of the annual retainer fees and chair fees, if applicable, in restricted stock as discussed further in the section entitled Director Compensation beginning on page [ ].

(7) Jeffrey Smith resigned from his position on Office Depot s board of directors on September 10, 2014.

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EQUITY COMPENSATION PAID TO DIRECTORS FOR FISCAL YEAR 2014

Equity Compensation Paid to Directors for Fiscal Year 2014

(a) Directors	(b) Grant Date	(c) Option Awards (#)	(d) Grant Date Fair Value of Option Awards ($)	(e) Stock Awards (#)	(f) Grant Date Fair Value of Stock Awards[1] ($)	(g) Total Value of Equity Awards for 2014 ($)
Warren Bryant	5/8/14			24,752	$ 5.05	$ 125,000
Francesca Ruiz de Luzuriaga	1/8/14			2,525	$ 4.95	$ 12,500
	5/8/14			29,703	$ 5.05	$ 150,000
Rakesh Gangwal	5/8/14			24,752	$ 5.05	$ 125,000
Cynthia Jamison	5/8/14			24,752	$ 5.05	$ 125,000
James Marino	5/8/14			24,752	$ 5.05	$ 125,000
Michael Massey	5/8/14			24,752	$ 5.05	$ 125,000
Jeffrey Smith	5/8/14			24,752	$ 5.05	$ 125,000
David Szymanski	1/8/14			2,020	$ 4.95	$ 10,000
	5/8/14			28,713	$ 5.05	$ 145,000
Nigel Travis	5/8/14			32,673	$ 5.05	$ 165,000
Joseph Vassalluzzo	1/8/14			2,020	$ 4.95	$ 10,000
	5/8/14			28,713	$ 5.05	$ 145,000

(1) Amounts are determined using the closing stock price of Office Depot s common stock on the grant date. See footnote 2 in the previous Director Compensation Table for Fiscal Year 2014 for additional information.

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SUMMARY OF OFFICE DEPOT EXECUTIVE AGREEMENTS AND POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE IN CONTROL

Overview

This section summarizes the key agreements governing the employment of the Office Depot named executive officers: Roland C. Smith, Stephen E. Hare, Mark Cosby, Michael Allison, and Elisa D. Garcia C. It also summarizes the potential payments that the NEOs stand to receive upon termination or a change in control of Office Depot. Providing these considerations allows Office Depot to attract top talent in a competitive sector, allows executives to focus on their jobs without distraction, and ensures that critical executives will remain committed to Office Depot s mission in the event of a change of control.

The receipt of severance benefits are conditioned on the NEO s agreement to a standard release, as well as continued observance of confidentiality, non-compete, and non-solicitation provisions in their agreements.

Key Definitions

Cause. Generally, Cause is defined in this section as any of the following:

- Willful failure to perform material duties (other than any such failure resulting from incapacity due to physical or mental illness);
- Willful failure to comply with any valid and legal directive of (as to Mr. Smith) the Office Depot board of directors or (as to Mr. Hare, Mr. Cosby, Mr. Allison, and Ms. Garcia) the CEO;
- Engagement in dishonesty, illegal conduct or misconduct, which is, in each case, materially injurious to Office Depot or its affiliates;
- Embezzlement, misappropriation or fraud, whether or not related to employment with Office Depot;
- Conviction of or plea of guilty or nolo contendere to a crime that constitutes a felony (or state law equivalent) or a crime that constitutes a misdemeanor involving moral turpitude;
- Willful violation of a material policy of Office Depot; or
- Material breach of any material obligation in any written agreement with Office Depot or (as to Mr. Hare and Mr. Cosby) the willful unauthorized disclosure of confidential information.

Change in Control. Generally, Change in Control is defined in this section as the following events:

Any person or group, other than an exempt person, is or becomes the beneficial owner of 30% or more of the combined voting power of Office Depot without the approval of the Office Depot board of directors;

Any person, other than an exempt person, is or becomes the beneficial owner of greater than 50% of the combined voting power of the outstanding securities of Office Depot;

During any two consecutive year period, individuals whose election by the Office Depot board of directors were approved by at least one-half or (as to Mr. Smith) two-thirds of the directors then still in office cease for any reason to constitute a majority of the Office Depot board of directors;

Consummation of a merger or consolidation of Office Depot with any other corporation (subject to certain exceptions);

Sale or disposition by Office Depot of all or substantially all of Office Depot s assets, other than a sale to an exempt person; or

Approval by stockholders of a plan of complete liquidation or dissolution of Office Depot.

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For the purposes of the change in control agreement currently in effect for Mr. Allison and Ms. Garcia, the merger with OfficeMax in November 2013 constituted a Change in Control, and Mr. Allison and Ms. Garcia are still within the 24 month Change in Control period.

Disability. Generally, Disability is defined in this section as:

- Inability, due to physical or mental incapacity, to substantially perform duties and responsibilities for one hundred eighty (180) days out of any three hundred sixty-five (365) day period or one hundred twenty (120) consecutive days; or

- Eligibility to receive long-term disability benefits under Office Depot s long-term disability plan.

Under Mr. Hare s equity compensation agreements, he will only be considered Disabled if he has been determined to be eligible to commence benefits under Office Depot s long-term disability program.

Good Reason. Generally, Good Reason is defined in this section as the occurrence of any of the following during the executive s employment:

- Reduction in base salary;

- Reduction in target bonus opportunity;

- Relocation of executive s principal place of employment by more than 25 miles (as to Mr. Smith) or by more than 50 miles (as to other NEOs);

- Failure of Office Depot to obtain a satisfactory agreement from any successor to assume and agree to perform the employment or compensation agreement; or

- Material diminution in executive s authority, duties or responsibilities (other than temporarily due to physical or mental incapacitation).

- As to the employment agreement for Mr. Smith and the letter agreements for Mr. Cosby and Mr. Hare, Good Reason also includes:

  - Any material breach by Office Depot of any material provision of the executive s employment agreement.

Under the new and legacy CIC Plan, Good Reason also includes:

Material reduction in the aggregate benefits and compensation or material failure to comply with compensation and benefits provisions, as applicable.

As to Mr. Smith, Good Reason also includes:

Non-renewal of executive s employment agreement by Office Depot;

Office Depot s failure to nominate executive for election to the board of directors;

Office Depot s removal of executive from the board of directors other than for Cause;

Office Depot s removal of executive from the position of chairman of the board of directors (other than for Cause) unless the New York Stock Exchange or regulatory changes require separation of the positions of Chairman and CEO;

Stockholders failure to elect or re-elect executive to the board of directors;

Board s failure to elect or re-elect executive as chairman of the board of directors (other than for Cause) unless New York Stock Exchange or regulatory changes require separation of the positions of chairman and CEO; or

Material adverse change in reporting structure.

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Executive Agreements

Agreements with Roland Smith as Chairman and CEO

Employment Agreement. Office Depot s Chairman and Chief Executive Officer, Mr. Roland Smith, is employed pursuant to the terms of an employment agreement effective November 12, 2013. Pursuant to the terms of the agreement, Mr. Smith is eligible to receive the following:

- Base salary of $1,400,000 per annum, subject to annual review by the Office Depot board of directors for possible increase (but not decrease);
- Annual target bonus equal to 150% or up to 300% of his base salary starting in 2014, based on achievement of certain performance goals to be established by the Office Depot board of directors or the Compensation Committee; and
- Certain benefits and perquisites.

During fiscal year 2014, Mr. Smith s salary was $1,400,000 and his bonus target payout was 150% of base salary.

Non-Qualified Stock Option Award Agreement. On November 12, 2013, Office Depot entered into a 2013 non-qualified stock option award agreement with Mr. Smith. Pursuant to the agreement, Office Depot granted Mr. Smith on November 12, 2013, an option to purchase 1,500,000 shares of Office Depot common stock at an exercise price of $5.21 per share, the closing price of the common stock on the New York Stock Exchange on November 12, 2013. The option will vest and become exercisable with respect to 33% of the option shares on each of the first three anniversaries of the grant date. No portion of the option may be exercised after the option s expiration date of November 12, 2023. Except as otherwise provided in the agreement, the option is subject to all the terms and conditions of the 2007 Plan.

Restricted Stock Unit Award Agreement. On November 12, 2013, Office Depot also entered into a 2013 restricted stock unit award agreement with Mr. Smith. Pursuant to the agreement, Office Depot granted Mr. Smith 1,199,616 RSUs on November 12, 2013. The RSUs will vest on the third anniversary of the effective date of the agreement, if Mr. Smith is continuously employed by Office Depot or any subsidiary of Office Depot from November 12, 2013 until the third anniversary of the effective date of the agreement. Office Depot will pay the vested portion of the RSUs to Mr. Smith within 30 days after his separation from service with Office Depot and its subsidiaries (or six-months after his separation from service, if such delay is required by Section 409A, and any unvested portion of the RSUs will be forfeited on the date of such payment. Each payable RSU will be paid by the issuance to Mr. Smith of one share of Office Depot common stock. Except as otherwise provided in the agreement, the RSUs are subject to all the terms and conditions of the 2003 Plan.

Performance Stock Unit Award Agreement. On November 12, 2013, Office Depot entered into a 2013 performance share award agreement with Mr. Smith. Pursuant to the agreement, on November 12, 2013, the effective date, Office Depot granted Mr. Smith the right to earn shares of Office Depot common stock based upon satisfaction of certain performance measures. The target number of performance shares is 1,199,616. Except as otherwise provided in the agreement, the performance shares are subject to all the terms and conditions of the 2003 Plan.

Mr. Smith is eligible to earn up to 150% of his target award based on the level of Office Depot s achievement of performance measures for the performance period beginning on December 29, 2013, and ending on December 31, 2016 relative to threshold, target and maximum performance levels established by the Compensation Committee. If Office Depot does not achieve the threshold performance level for a performance measure, the performance shares associated with that performance measure will be forfeited. If Office Depot s achievement level is at least equal to a performance measure s threshold level, Mr. Smith will be eligible to receive a portion of the performance shares associated with the performance measure in an amount based on an interpolation model specified by the Compensation Committee.

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The Compensation Committee will determine based on Office Depot s achievement the number of performance shares, if any, that Mr. Smith is eligible to earn, as soon as practicable after the performance period. In general, Mr. Smith will vest in the eligible award on the date the Compensation Committee determines the eligible award if he remains continuously employed by Office Depot or any subsidiary of Office Depot during the performance period, and he will immediately forfeit the performance shares upon his termination of such employment prior to the end of the performance period.

Pursuant to these agreements, the option, the RSUs, and performance shares may not be transferred and are subject to Mr. Smith s compliance with the non-compete, confidentiality and non-solicitation covenants in his employment agreement.

Agreements with Stephen Hare as Executive Vice President and Chief Financial Officer

Letter Agreement. Office Depot s Executive Vice President and Chief Financial Officer, Mr. Stephen Hare, is employed pursuant to the terms of a letter agreement, effective December 2, 2013. Pursuant to the terms of the agreement, Mr. Hare is eligible to receive the following:

- Base salary of $750,000 per annum, which may be increased from time to time;
- Lump sum cash initial performance bonus up to $500,000, which will be determined by the Compensation Committee, based upon his achievement of certain performance objectives;
- Annual target bonus equal to 85% or up to 170% of his base salary starting in 2014, based on achievement of performance goals established by the Office Depot board of directors or the Compensation Committee;
- Equity awards on a basis no less favorable than is provided to other similarly situated executives of Office Depot, starting with Office Depot s 2015 fiscal year; and
- Certain benefits and perquisites.

During fiscal year 2014, Mr. Hare s salary was $750,000 and his bonus target payout was 85% of base salary.

Non-Qualified Stock Option Award Agreement. On December 2, 2013, Office Depot also entered into an option agreement with Mr. Hare. Pursuant to the agreement, Office Depot granted Mr. Hare an option to purchase 500,000 shares of Office Depot common stock at an exercise price of $5.35 per share, Office Depot stock s closing price on the New York Stock Exchange on December 2, 2013. The option would vest and become exercisable with respect to 33% of the option shares on each of the first and second anniversaries of the grant date and as to all remaining option shares on the third anniversary of the grant date, provided that Mr. Hare is continuously employed by Office Depot or a subsidiary of Office Depot on each such anniversary date. No portion of the option may be exercised after its expiration date of December 2, 2023. Except as otherwise provided in the agreement, the option is subject to all the terms and conditions of the 2007 Plan.

Restricted Stock Unit Award Agreement. On December 2, 2013, Office Depot entered into an RSU agreement with Mr. Hare, pursuant to which Office Depot granted Mr. Hare 229,533 RSUs. The RSUs will vest on the third anniversary of the effective date if Mr. Hare is continuously employed by Office Depot or any subsidiary of Office Depot from the effective date until the third anniversary of the effective date. Each vested RSU will be paid by the issuance to Mr. Hare of one share of common stock. Except as otherwise provided in the agreement, the RSUs are subject to all the terms and conditions of the 2003 Plan.

Performance Share Award Agreement. As described above, Office Depot entered into a performance share agreement with Mr. Hare on December 2, 2013. Pursuant to the agreement, Office Depot granted Mr. Hare on December 2, 2013, the right to earn performance shares based upon satisfaction of performance measures. The target award is 149,553 shares. Except as otherwise provided in the agreement, the performance shares are subject to all the terms and conditions of the 2003 Plan.

Mr. Hare is eligible to earn up to 150% of the target award based on the level of Office Depot s achievement of performance measures for the performance period beginning on December 29, 2013, and ending on December 31, 2016 relative to threshold, target and maximum performance levels established by the Compensation Committee. If Office Depot does not achieve the threshold performance level for a performance measure, the performance shares associated with that performance measure will be forfeited. If Office Depot s achievement level is at least equal to the threshold level or above the target level for a performance measure, Mr. Hare will be eligible to earn a portion of, or increased number of performance shares relative to, the target award of the performance shares, as applicable, associated with the performance measure in an amount based on an interpolation model specified by the Compensation Committee.

The Compensation Committee will determine based on Office Depot s achievement the number of performance shares, if any, that Mr. Hare is eligible to earn, as soon as practicable after the performance period. In general, Mr. Hare will vest in the award on the date the Compensation Committee determines the award if he remains continuously employed by Office Depot or any subsidiary of Office Depot during the performance period.

Pursuant to these agreements, the option is subject to transfer restrictions, the RSUs and performance shares may not be transferred, and all are subject to Mr. Hare s compliance with the non-compete, confidentiality and non-solicitation covenants in the Associate Non-Competition, Confidentiality and Non-Solicitation Agreement.

Change in Control Agreement. Mr. Hare and Office Depot are also parties to the CIC Plan, the terms of which are described below.

Agreements with Mark Cosby as President, North America

Letter Agreement. Office Depot s President, North America, Mark Cosby, is employed pursuant to the terms of a letter agreement dated July 21, 2014. Pursuant to the terms of the letter agreement, Mr. Cosby is eligible to receive the following:

- Annual base salary of $850,000, which may be increased from time to time;

- Sign-on bonus of $500,000 (the terms of which are described in the sign-on bonus agreement referenced herein);

- Sign-on equity award equal to a value of $1,000,000 based on the closing stock price of Office Depot common stock on July 21, 2014 and allocated as follows: (i) 50% in restricted stock units which contain only a service condition, with vesting occurring in one-third installments on each of the first three anniversaries of the grant date as long as Mr. Cosby is continuously employed by Office Depot through each anniversary date, and (ii) 50% in restricted stock units which contain both a performance and a service condition, with performance attainment determined based on the performance metrics approved by the Compensation Committee;

- Annual equity award equal to a value of $2,500,000 granted on the same terms as the sign-on equity award;

Right to participate in Office Depot s bonus plans and equity plans for senior executive officers; and

Certain benefits and perquisites.

During fiscal year 2014, Mr. Cosby s salary was $850,000 and his bonus target payout was 100% of base salary.

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Sign-On Bonus Agreement. On July 21, 2014, Office Depot also entered into a sign-on bonus agreement with Mr. Cosby. Mr. Cosby is eligible to receive a sign-on bonus in the amount of $500,000, payable following completion of Mr. Cosby s first ninety (90) days of continuous service. If Mr. Cosby terminates his employment with Office Depot or is terminated by Office Depot for misconduct, attendance, job abandonment, resignation, or is otherwise ineligible to work, Mr. Cosby is required to reimburse Office Depot for 100% of his sign-on bonus within a year of his start date.

Change in Control Agreement. Mr. Cosby and Office Depot are also parties to the CIC Plan, the terms of which are described below.

Agreements with Michael Allison as Executive Vice President and Chief People Officer

Promotion Letter Agreement. Office Depot s Executive Vice President and Chief People Officer, Mr. Michael Allison, is employed pursuant to the terms of a promotion letter agreement dated July 14, 2011, which replaces and supersedes Mr. Allison s prior letter agreement dated July 3, 2006, and the amendment to offer letter dated December 31, 2008. Pursuant to the terms of the promotion letter agreement, Mr. Allison is eligible to receive the following:

- Base salary of $400,000 per annum, subject to review by the Compensation Committee;
- Right to participate in Office Depot s bonus plans and equity plans for senior executive officers; and
- Certain benefits and perquisites.

During fiscal year 2014, Mr. Allison s salary was $525,000 and his bonus target payout was 75% of base salary.

Retention Agreement. Under the retention agreement between Office Depot and Mr. Allison dated August 21, 2013, Mr. Allison earned a retention payment of $500,000, payable in a single lump sum. The retention payment vested on June 30, 2014**.**

Change in Control Agreement. Mr. Allison and Office Depot are also parties to a change in control agreement dated July 21, 2011, amended on February 21, 2013, the terms of which are described below.

Agreements with Elisa Garcia as Executive Vice President and Chief Legal Officer

Letter Agreement. Office Depot s Executive Vice President, Chief Legal Officer and Secretary, Ms. Elisa D. Garcia C., is employed pursuant to the terms of a letter agreement dated May 15, 2007, which was subsequently amended effective December 31, 2008 to bring the agreement into documentary compliance with Section 409A. Pursuant to the terms of such letter agreement, Ms. Garcia is eligible to receive the following:

- Base salary of $440,000 per annum, subject to annual review by the Compensation Committee;

- Right to participate in Office Depot s bonus plans and equity plans for senior executive officers; and

- Certain benefits and perquisites.

During fiscal year 2014, Ms. Garcia s salary was $575,000 and her bonus target payout was 75% of base salary.

Change in Control Agreement. Ms. Garcia and Office Depot are also parties to a change in control agreement dated December 17, 2010, amended on February 21, 2013, the terms of which are described below.

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Benefits Upon Termination or Change in Control Under Executive Agreements

Roland Smith

Termination with Cause or without Good Reason. Mr. Smith s employment is terminable at will by either Mr. Smith or Office Depot. If Mr. Smith s employment is terminated because he does not extend his employment agreement, by Office Depot for Cause , by Mr. Smith without Good Reason , automatically by Mr. Smith s death or by Office Depot due to Disability, then Mr. Smith will be eligible to receive:

- Any accrued but unpaid base salary;
- Any accrued but unused vacation;
- Earned but unpaid annual bonus for the most recently completed calendar year;
- Reimbursement for unreimbursed business expenses; and
- Any other employee benefits (excluding equity compensation) as to which he may be eligible, (collectively referred to in this proxy statement/prospectus as the Accrued Items).

Termination without Cause or with Good Reason. If Mr. Smith is terminated without Cause or Mr. Smith terminates his employment for Good Reason, then Mr. Smith will be eligible to receive, subject to certain requirements and on the terms set forth in his agreement, the Accrued Items and:

- Lump sum payment equal to two times the sum of his base salary and target bonus for the year in which the termination occurs;
- Pro-rata annual bonus payment calculated based on actual performance for the year of termination; and
- Reimbursement of COBRA payments for up to 18 months on the terms set forth in his employment agreement.

Treatment of Roland Smith s Equity Compensation. The options granted to Mr. Smith on November 12, 2013 will vest and become exercisable with respect to thirty-three percent of the option shares on each of the first and second anniversaries of the grant date and all remaining option shares on the third anniversary of the grant date. Upon termination of Mr. Smith s employment, the portion of the option that is unvested on the termination date will be forfeited and cancelled upon termination and the portion of the option that is vested and exercisable will remain exercisable until the earlier of the expiration date and the date that is 12 months after the termination date (such earlier date being referred to in this proxy statement/prospectus as the Last Exercisable Date). However, if Mr. Smith s employment with Office Depot and its subsidiaries is terminated in certain circumstances, the option may vest or be forfeited and cancelled on other terms:

If Mr. Smith s employment is terminated for Cause, the option will be cancelled and forfeited upon termination;

If Mr. Smith s employment is terminated due to his death or Disability, the option will fully vest and become exercisable upon termination and will remain exercisable until the Last Exercisable Date;

In the event of his involuntary termination of employment without Cause or his termination of employment for Good Reason, in either case prior to the effective date of a Change in Control or more than 12 months after the effective date of a Change in Control, upon termination the option will vest and become exercisable with respect to the portion of the option that is scheduled to vest during the 12-month period following the date of his employment termination, all other unvested portions of the option will be cancelled and forfeited, and the exercisable portions of the option will remain exercisable until the Last Exercisable Date; and

In the event of his involuntary termination of employment without Cause or his termination of employment for Good Reason, in either case within 12 months after the effective date of a Change in Control, the option will fully vest and become exercisable upon termination and will remain exercisable until Last Exercisable Date.

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The RSUs granted to Mr. Smith on November 12, 2013 will vest on the third anniversary of the grant date. In general, upon Mr. Smith s separation from service with Office Depot and its subsidiaries, the RSUs awarded to him that are unvested on the separation date will be immediately forfeited. However, if Mr. Smith separates from service with Office Depot and its subsidiaries in certain circumstances, the RSUs may vest on other terms:

- If Mr. Smith separates due to his death or Disability, the RSUs will vest upon separation;
- In the event of his separation without Cause or for Good Reason, in either case prior to the effective date of a Change in Control or more than 12 months after the effective date of a Change in Control, upon separation a pro rata portion of the RSUs will vest, calculated as described in the restricted stock unit award agreement;
- In the event of his involuntary separation without Cause or his separation for Good Reason, in either case within 12 months after the effective date of a Change in Control, the RSUs will fully vest upon the date of separation.

The performance shares granted to Mr. Smith on November 12, 2013 will be subject to the achievement of the performance measures during the performance period ending on December 31, 2016. In general, Mr. Smith will immediately forfeit the performance shares upon his termination of employment prior to the end of the performance period. However, if Mr. Smith s employment with Office Depot and its subsidiaries is terminated prior to the end of the performance period due to his death or Disability or without Cause or for Good Reason, Mr. Smith will vest in a pro rata portion of the eligible award (if any), which consists of the number of performance shares that the Compensation Committee determines that Mr. Smith is eligible to earn following December 31, 2016, calculated on the basis set forth in his performance share agreement.

Change in Control. The treatment of Mr. Smith in the event of a Change in Control is provided for in the various agreements setting forth the terms of his employment and compensation. Where Mr. Smith is terminated within 12 months following a Change in Control (as defined in his employment agreement with Office Depot), he will receive the same payments as described above in the termination section for termination without Cause or for Good Reason except that the bonus calculation will be based upon either the year in which the termination occurs or the year immediately preceding the year in which the Change in Control occurs, whichever results in a larger payment.

In the event of a Change in Control, if the option is not assumed, substituted or otherwise continued on an equivalent basis by the surviving entity in the Change in Control, the option will become fully vested on the effective date of the Change in Control and shall be cancelled in exchange for a cash payment in an amount equal to (a) the excess of the Fair Market Value (as defined in the 2007 Plan) per share of the Office Depot common stock subject to the option immediately prior to the effective date of the Change in Control over the per share exercise price, multiplied by (b) the number of shares of Office Depot common stock subject to the option.

In the event of a Change in Control, if the RSUs are not assumed, substituted or otherwise continued on an equivalent basis by the surviving entity in the Change in Control, the RSUs shall become fully vested on the effective date of the Change in Control and shall represent the right to receive the applicable Change in Control transaction consideration (if any) on the same basis as holders of Office Depot common stock at the time of payment of the RSUs.

In the event of a Change in Control, (i) with respect to any portion of the performance shares associated with performance measures that are market-based (as specified in the performance share agreement), performance shall be measured as of the effective date of the Change in Control, and (ii) with respect to any portion of the performance shares associated with non-market-based performance measures (as specified in the performance share agreement), performance shall be deemed to be achieved at target. Within 60 days following the effective date of the Change in Control, the Compensation Committee will determine the number of performance shares, if any, that Mr. Smith is eligible to earn (referred to in this proxy statement/prospectus as the

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CIC Award). The market-based and non-market-based performance measures will be set by the Compensation Committee within 90 days after the Effective Date.

In general, Mr. Smith will vest in the CIC Award on the date the Compensation Committee determines the CIC Award provided that he remains continuously employed by Office Depot or any subsidiary of Office Depot from the Effective Date through the end of the applicable performance period, and he will immediately forfeit the CIC Award upon his termination of such employment prior to the end of the applicable performance period. However, if Mr. Smith s employment with Office Depot and its subsidiaries is terminated in certain circumstances, the CIC Award may vest or be forfeited on other terms: (i) in the event of Mr. Smith s involuntary termination of employment without Cause or his termination of employment for Good Reason, in either case within 12 months after the effective date of a Change in Control, he will fully vest in the CIC Award on the date of employment termination; and (ii) in the event of Mr. Smith s involuntary termination of employment without Cause or his termination of employment for Good Reason, in either case more than 12 months after the effective date of a Change in Control, Mr. Smith will vest in a pro rata portion of the CIC Award (if any), which portion shall be calculated on the basis described in the performance share agreement. However, if in the event of a Change in Control the CIC Award is not assumed, substituted or otherwise continued on an equivalent basis by the surviving entity in the Change in Control, the CIC Award shall become fully vested on the effective date of the Change in Control.

Other NEOs

Termination Without Cause or With Good Reason. Pursuant to their individual employment agreements, if (i) Mr. Hare or Mr. Cosby are terminated by Office Depot without Cause or if they voluntarily terminate their employment with Good Reason or (ii) if Mr. Allison or Ms. Garcia are terminated due to no fault of their own, then Office Depot will pay them the following:

- 18 months of annual base salary in effect on the date of termination;

- 18 times the difference between Office Depot s monthly COBRA for the type of coverage in effect for executive on the date of termination and the applicable active employee monthly premium for such coverage; and

- Pro-rata annual bonus calculated based on actual performance for the year of termination, payable at the same time as payments are made to other active participants in the annual bonus plan.

Mr. Allison and Ms. Garcia are eligible to receive the target annual bonus for the calendar year prior to the year of termination, where that annual bonus has not been paid as of the date of termination. Mr. Hare s severance benefits are not subject to mitigation or offset of future or potential earnings.

Treatment of Stephen Hare s Equity Compensation. The options granted to Mr. Hare on December 2, 2013 will vest and become exercisable with respect to thirty-three percent of the option shares on each of the first and second anniversaries of the grant date and with respect to all remaining option shares on the third anniversary of the grant date, provided that Mr. Hare is continuously employed by Office Depot or any subsidiary from the grant date until each such anniversary date. In addition, Mr. Hare received a grant of RSUs in 2013 and 2015 which vest on the third anniversary of the respective grant date. Generally, upon termination of Mr. Hare s employment prior to the third anniversary of the grant date, the portions of the option shares and RSU award that are unvested on the termination date will be forfeited and cancelled. The exceptions to this are as follows:

If termination is due to death or disability, the option shares and RSUs will vest and become exercisable as to a pro rata portion of the option shares and RSUs; the remainder shall be forfeited.

If termination is by Office Depot without Cause or by Mr. Hare with Good Reason prior to a change in control, Mr. Hare will vest in a pro rata portion of the option shares and RSUs and the remainder shall be forfeited.

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If termination is by Office Depot without cause or by Mr. Hare with Good Reason after a change in control within the period of enhanced severance benefits due to a change in control, the option shares and RSUs will become fully vested and exercisable as to all option shares, to the extent it has not previously vested and become exercisable, on the date of such employment termination.

If the termination takes place after a change in control and after the period of enhanced severance benefits, then Mr. Hare will vest in a pro rata portion of the option shares and RSUs and the remainder will be forfeited.

Regardless of whether Mr. Hare is terminated, if the option shares or RSUs are not assumed, substituted or otherwise continued on an equivalent basis by the surviving entity in a Change in Control, (i) the option shares shall become fully vested on the effective date of the Change in Control and shall be cancelled in connection with such Change in Control in exchange for a cash payment upon such Change in Control and (ii) the RSUs shall become fully vested on the effective date of the Change in Control.

If Mr. Hare terminates employment (i) by voluntarily terminating employment after completing at least five years of service, (ii) as a result of an involuntary termination without Cause, resignation for Good Reason, death, or termination on account of Disability, or (iii) due to Retirement (as defined in the 2007 Plan), then the portion of the option shares that is vested and exercisable on the termination date will remain exercisable until the earlier of its expiration date and the date that is 12 months after the termination date; otherwise, the portion of the option that is vested and exercisable on the date of termination will remain exercisable until the earlier of its expiration date and the date that is 90 days after the termination date.

Regarding Mr. Hare s performance shares, the Compensation Committee will determine the number of performance shares, if any, that Mr. Hare is eligible to earn as soon as practicable following December 31, 2016. Upon the Compensation Committee s determination of Mr. Hare s performance with respect to the performance shares, Mr. Hare will immediately forfeit all performance shares other than his eligible award. To become vested in all or a portion of the eligible award, Mr. Hare must satisfy certain employment requirements. In general, Mr. Hare will vest in the performance stock award on the date the Compensation Committee determines the eligible award if he remains continuously employed by Office Depot or any subsidiary of Office Depot during the performance period, and he will immediately forfeit the performance shares upon his termination of such employment prior to the end of the performance period (December 31, 2016).

If Mr. Hare terminates employment with Office Depot and its subsidiaries prior to December 31, 2016 due to death or disability, he will vest in a pro rata portion of his eligible award (if any) on the date on which the Compensation Committee determines his eligible award and will forfeit the remainder of his eligible award (if any) on such date. If termination is by Office Depot without Cause or by Mr. Hare with Good Reason prior to December 31, 2016 and prior to a Change in Control, he will vest in a pro rata portion of eligible award and the remainder of the eligible award (if any) will be forfeited.

In the event of a Change in Control, (i) with respect to any portion of the performance shares associated with performance measures that are market-based (as specified in the agreement), performance shall be measured as of the effective date of the Change in Control, and (ii) with respect to any portion of the performance shares associated with non-market-based performance measures (as specified in his performance share agreement), performance shall be deemed to be achieved at target.

The option shares are subject to transfer restrictions; the RSUs and performance shares may not be transferred. All awards are subject to Mr. Hare s compliance with the non-competition, confidentiality and non-solicitation covenants in the applicable agreements.

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New Executive Change in Control Severance Plan

***Background*.** Effective August 1, 2014, Office Depot adopted a new CIC Plan, to provide severance pay and other benefits to certain eligible NEOs. By the end of 2015, all non-CEO NEOs will be covered by this plan.

***Applicability*.** Mark Cosby and Stephen Hare are participating in the CIC Plan. The change in control severance provisions in Michael Allison s and Elisa Garcia s individual agreements were triggered on November 5, 2013 with respect to the merger with OfficeMax. They will become eligible for participation in the CIC Plan after November 5, 2015 when the provisions in their individual agreements expire.

The severance pay and other benefits payable to an executive after a Change in Control under the CIC Plan will be paid in lieu of, and not in addition to, any severance benefits payable under any executive s existing offer letter, severance arrangement or other program or agreement on account of the executive s termination of employment with Office Depot.

***Triggering Events*.** Pursuant to the CIC Plan, an executive will be eligible to receive certain severance pay and other benefits upon a separation from service that is initiated by (i) Office Depot other than for Cause, or (ii) the executive for Good Reason, in either case during the time period commencing on the effective date of a Change in Control and until the earlier of (x) the two-year anniversary of the Change in Control trigger date, or (y) the date of the executive s separation from service by reason of Disability or death.

An executive will also be eligible to receive certain severance pay and other benefits if their separation from service is initiated by (a) Office Depot without Cause during the six-month period ending on the Change in Control trigger date at the request of a third party engaging in a transaction or series of transactions that would result in a Change in Control and in contemplation of a Change in Control, or (b) the executive for Good Reason during the six-month period ending on the Change in Control trigger date.

Payments. Under the CIC Plan, qualifying NEOs will be eligible to receive severance pay and other benefits as follows (collectively referred to in this proxy statement/prospectus as the NEO Severance Benefits):

i. *Pro-Rata Bonus for Year of Termination.* A lump sum cash payment equal to the pro-rata portion of the NEO s annual cash bonus based on actual achievement of the performance goals applicable for the performance period.

ii. *Prior Year Bonus.* If the termination causes the NEO to forfeit payment of the NEO s annual cash bonus for a completed performance period, a lump sum cash payment equal to the full amount of the annual cash bonus which the NEO would have received based on actual achievement of the performance goals.

iii. *Change In Control Severance Amount.* An amount equal to two (2) times the sum of the NEO s (i) base salary and (ii) Average Annual Bonus (as defined in the CIC Plan).

iv. *COBRA Payment.* An amount equal to eighteen (18) times the monthly COBRA premium in effect on the date of the NEO s separation from service for the type of Office Depot provided group health plan coverage in effect for the NEO (e.g., family coverage) less the active employee premium for such coverage in effect on the date of the separation from service.

v. *Equity and Long-Term Incentives.* Any outstanding equity or long-term compensation grant shall be treated in accordance with the terms of the applicable equity or long-term incentive compensation plan or award agreement under which the grant or award was made.

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vi. *Outplacement.* Subject to the requirements of Section 409A as described in the CIC Plan, within sixty (60) days following the date of an NEO s separation from service, Office Depot will make available a twenty-four (24) month executive outplacement services package for such NEO.

Any payment or benefit received or to be received by an NEO (whether payable under the terms of this CIC Plan or any other plan or arrangement with Office Depot or its affiliates) that would constitute a parachute payment within the meaning of Code Section 280G will be reduced to the extent necessary so that no portion will be subject to any excise tax but only if, by reason of such reduction, the net after-tax benefit received by such NEO exceeds the net after-tax benefit that would be received by such NEO if no reduction was made.

Conditions and Obligations. The receipt of severance benefits by an eligible NEO is subject to the execution by the NEO of a release (referred to in this proxy statement/prospectus as the Release), which contains customary restrictive covenants regarding release of claims against Office Depot, confidentiality, non-competition (twenty-four (24) months), non-solicitation (twelve (12) months), non-disparagement and cooperation. The Release must be delivered to Office Depot within the time period specified in the CIC Plan.

Legacy Change in Control Agreement

At the time of the Office Depot/OfficeMax merger, Michael Allison and Elisa Garcia were subject to Office Depot s legacy change in control agreement which provided for severance protections for two years from the date of a change of control. Under these legacy change in control agreements, in the event that such executive officer s employment is terminated by Office Depot without cause or initiated by the executive officer for good reason on or before November 5, 2015, the legacy change in control agreements provide that the covered executive officers will receive:

- all vested and accrued, but unpaid, salary and benefits earned through the termination date;
- a lump-sum cash severance payment equal to two times the sum of (x) the executive officer s annual base salary including any applicable car allowance and (y) the executive officer s target annual bonus for the fiscal year in which the date of the termination of employment occurs;
- an additional cash payment equal to the executive officer s prorated target annual bonus amount for the fiscal year in which the date of termination of employment occurs;
- a lump-sum cash payment equal to eighteen times Office Depot s monthly COBRA premium for the executive officer in effect on the date of termination of employment; and
- an executive outplacement services package for a period of 24 months.

After November 5, 2015, the severance protections from the legacy change in control agreement will expire and the executive s treatment will be determined according to the CIC Plan described above.

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TABULAR INFORMATION REGARDING POTENTIAL PAYMENTS UPON TERMINATION

OR A CHANGE IN CONTROL

The following tables quantify the potential termination and change in control payment amounts assuming a hypothetical triggering event had occurred under each of the NEO employment agreements, change in control agreements and equity plans as of December 27, 2014. The terms and conditions of the post-employment and change in control provisions for each of the NEOs are described in detail above.

Potential Payments Upon Termination or a Change in Control

Roland Smith[1]

	Termination Resulting from Death (a)	Termination Resulting from Disability (b)	Termination Resulting from Retirement[2] (c)	Termination for Cause (d)	Involuntary Termination or Resignation w/ Good Reason Prior To Change in Control (w/o Cause) (e)	Involuntary Termination or Resignation w/ Good Reason Upon or After Change in Control (w/o Cause) (f)	Termination for All Other Reasons (Voluntary) (g)	Change in Control without Termination (h)
Bonus Long-Term Incentive or Performance Plan	$ 3,150,000[3]	$ 3,150,000[3]	$	$	$	$	$	$
2013 Restricted Stock	$ 10,604,605[4]	$ 10,604,605[4]	$	$	$ 3,970,674[5]	$ 10,604,605[4]	$	$
2013 Performance Shares	$ 3,515,499[6]	$ 3,515,499[6]	$	$	$ 3,515,499[6]	$ 10,604,605[7]	$	$
2013 Stock Options	$ 3,630,000[8]	$ 3,630,000[8]			$ 1,815,000[9]	$ 3,630,000[8]		
Cash Severance	$	$	$	$	$ 10,167,434[10]	$ 10,167,434[11]	$	$
Total for Mr. Smith	**$ 20,900,104**	**$ 20,900,104**	**$**	**$**	**$ 19,468,607**	**$ 35,006,644**	**$**	**$**

(1) Mr. Smith was appointed Chairman and CEO of Office Depot on November 13, 2013, subsequent to the merger with OfficeMax and, therefore, not considered to be in a change in control period, which means that his termination of employment on December 26, 2014 would be considered to be a termination prior to the occurrence

of a change in control.

(2) Retirement is generally treated as a voluntary termination for all programs and agreements except the 2003 Plan. Mr. Smith s 2013 restricted stock unit award agreement and 2013 performance share award agreement supersede the terms of the 2003 Plan as it relates to retirement, and provide that upon retirement Mr. Smith will not be entitled to payment of these awards.

(3) Represents a lump sum payment equal to the pro-rata bonus, if any, that Mr. Smith would have earned for the year in which his termination occurs based on the actual achievement of applicable performance goals for such year.

(4) In the event of his involuntary separation from service with Office Depot due to death or Disability, or his separation from service with Office Depot without Cause or for Good Reason, in either case within 12 months following a change in control, Mr. Smith fully vests in his 2013 Restricted Stock Unit Award on the date of his termination. The amount included in the table reflects the number of shares that would vest multiplied by the closing stock price of Office Depot s stock on December 26, 2014 of $8.84.

(5) In the event of his separation from service with Office Depot without Cause or for Good Reason, in either case prior to the effective date of a change in control, Mr. Smith will vest in his 2013 Restricted Stock Unit Award, prorated for service performed from the grant date through his termination date. The amount included in the table reflects the number of shares that would vest multiplied by the closing stock price of Office Depot s stock on December 26, 2014 of $8.84.

(6) In the event of his involuntary separation from service with Office Depot due to death or Disability, or his separation from service with Office Depot without Cause or for Good Reason prior to the effective date of a change in control, Mr. Smith will vest in his 2013 Performance Share Award, prorated for service performed from the beginning of the performance period through his termination date. The amount included in the table reflects the number of shares that would vest multiplied by the closing stock price of Office Depot s stock on December 26, 2014 of $8.84.

(7) In the event of his involuntary separation from service with Office Depot without Cause or for Good Reason, in either case within 12 months following a change in control, Mr. Smith fully vests in his 2013 Performance Share Award at target on the date of his termination. The amount included in the table reflects the number of shares that would vest multiplied by the closing stock price of Office Depot s stock on December 26, 2014 of $8.84.

(8) In the event of his involuntary separation from service with Office Depot due to death or Disability, or his separation from service with Office Depot without Cause or for Good Reason, in either case within 12 months following a change in control, Mr. Smith fully vests in the unvested portion of his 2013 Nonqualified Stock Option Award on the date of his termination. The amount included in the table reflects the number of options that would vest multiplied by the difference between the closing stock price of Office Depot s stock on December 26, 2014 of $8.84 and the option exercise price of $5.21.

(9) In the event of his separation from service with Office Depot without Cause or for Good Reason, in either case prior to the effective date of a change in control, Mr. Smith will vest in one-third of his 2013 Nonqualified Stock Option Award on the date of his termination. The amount included in the table reflects the number of options that would vest multiplied by the difference between the closing stock price of Office Depot s stock on December 26, 2014 of $8.84 and the option exercise price of $5.21.

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(10) Reflects a payment under Mr. Smith s employment agreement dated November 12, 2013 equal to the sum of: (i) two times the sum of Mr. Smith s base salary in effect on December 26, 2014 and Mr. Smith s target annual bonus, (ii) a payment equal to the pro-rata annual bonus for the 2014 performance period based on actual results, and (iii) 18 months of COBRA based on the rate in effect on the date of his termination.

(11) Reflects a payment under Mr. Smith s employment agreement dated November 12, 2013 equal to the sum of: (i) two times the sum of: Mr. Smith s base salary in effect on December 26, 2014 and Mr. Smith s target annual bonus (or if greater, the year immediately preceding the year in which the Change in Control occurs), (ii) a payment equal to the pro-rata annual bonus for the 2014 performance period based on actual results, and (iii) 18 months of COBRA premiums based on the rate in effect on the date of his termination. In the event of a change in control, as defined under Section 280G of the Code, and a termination of Mr. Smith s employment on December 26, 2014, the total payments for Mr. Smith under the foregoing arrangement equal $35,006,644, including $24,839,210 for the accelerated vesting of his restricted stock, performance shares and stock options. However, these payments are subject to reduction if the parachute amounts associated with the payments under Section 280G of the Code equal or exceed three times Mr. Smith s average taxable compensation received from Office Depot for the five-year period ending December 31, 2013, and if he would receive more on an after-tax basis by reducing the payments than he would receive by getting all the payments and paying the 20% excise tax imposed by Section 4999 of the Code. Under the provisions, the severance payable to Mr. Smith would not be reduced, as his after-tax benefit is higher in the event he receives all severance payments and incurs all applicable income and excise taxes.

Stephen Hare[1]

	Termination Resulting from Death (a)	Termination Resulting from Disability (b)	Termination Resulting from Retirement[2] (c)	Termination for Cause (d)	Involuntary Termination or Resignation w/ Good Reason Prior To Change in Control (w/o Cause) (e)	Involuntary Termination or Resignation w/ Good Reason Upon or After Change in Control (w/o Cause) (f)	Termination for All Other Reasons (Voluntary) (g)	Change in Control without Termination (h)
Bonus Benefits	$ 956,250[3]	$ 956,250[3]	$	$	$	$	$	$
Outplacement Services	$	$	$	$	$	$ 30,000[4]	$	$
Long-Term Incentive or Performance Plan								
2013 Restricted Stock	$ 722,683[5]	$ 722,683[5]	$	$	$ 722,683[5]	$ 2,029,072[6]	$	$
2013 Performance Shares	$ 438,210[7]	$ 438,210[7]	$	$	$ 438,210[7]	$ 1,321,872[8]		$

2013 Stock Options	$ 39,845[9]	$ 39,845[9]	$	$	$ 39,845[9]	$ 1,163,336[10]		
Cash Severance	$	$	$	$	$ 2,099,760[11]	$ 3,749,760[12]	$	$
Total for Mr. Hare	**$ 2,156,988**	**$ 2,156,988**	**$**	**$**	**$ 3,300,498**	**$ 8,294,040**	**$**	**$**

(1) Mr. Hare was appointed CFO of Office Depot on December 2, 2013, subsequent to the merger with OfficeMax. Therefore, Mr. Hare is not within a change in control period, which means that his termination of employment on December 26, 2014 would be considered to be a termination prior to the occurrence of a change in control.

(2) Retirement is generally treated as a voluntary termination for all programs and agreements except the 2003 Plan. Mr. Hare s 2013 restricted stock unit award agreement and 2013 performance share award agreement supersede the terms of the 2003 Plan as it relates to retirement and provide that upon retirement Mr. Hare will not be entitled to payment of these awards.

(3) In the event of his separation from service with Office Depot due to death or Disability, Mr. Hare is entitled to a pro-rata payment under the 2014 Annual Bonus Plan calculated based on actual performance for the fiscal year in which the termination occurs.

(4) Reflects the value of a 24-month outplacement services package under the new CIC Plan.

(5) In the event of his separation from service with Office Depot due to death, Disability, or without Cause or for Good Reason, in either case prior to the effective date of a change in control, Mr. Hare will vest in his 2013 Restricted Stock Unit Award, prorated for service performed from the grant date through his termination date. The amount included in the table reflects the number of shares that would vest multiplied by the closing stock price of Office Depot s stock on December 26, 2014 of $8.84.

(6) In the event of his involuntary separation from service with Office Depot without Cause or for Good Reason, in either case within 12 months following a change in control, Mr. Hare fully vests in his 2013 Restricted Stock Unit Award on the date of his termination. The amount included in the table reflects the number of shares that would vest multiplied by the closing stock price of Office Depot s stock on December 26, 2014 of $8.84.

(7) In the event of his involuntary separation from service with Office Depot due to death or Disability, or his separation from service with Office Depot without Cause or for Good Reason prior to the effective date of a change in control, Mr. Hare will vest in his 2013 Performance Share Award, prorated for service performed from the beginning of the performance period through his termination date. The amount included in the table reflects the number of shares that would vest multiplied by the closing stock price of Office Depot s stock on December 26, 2014 of $8.84.

(8) In the event of his involuntary separation from service with Office Depot without Cause or for Good Reason, in either case within 12 months following a change in control, Mr. Hare fully vests in his 2013 Performance Share Award at target on the date of his termination. The amount included in the table reflects the number of shares that would vest multiplied by the closing stock price of Office Depot s stock on December 26, 2014 of $8.84.

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(9) In the event of his involuntary separation from service with Office Depot due to death or Disability, or his separation from service with Office Depot without Cause or for Good Reason, in either case prior to the effective date of a change in control, Mr. Hare will vest in the unvested portion of his 2013 Nonqualified Stock Option Award, prorated for service performed from the beginning of the grant date through his termination date. The amount included in the table reflects the number of options that would vest multiplied by the difference between the closing stock price of Office Depot s stock on December 26, 2014 of $8.84 and the option exercise price of $5.35.

(10) In the event of his involuntary separation from service with Office Depot without Cause or for Good Reason, in either case within 12 months following a change in control, Mr. Hare fully vests in the unvested portion of his 2013 Nonqualified Stock Option Award on the date of his termination. The amount included in the table reflects the number of options that would vest multiplied by the difference between the closing stock price of Office Depot s stock on December 26, 2014 of $8.84 and the option exercise price of $5.35.

(11) Reflects a payment under Mr. Hare s Employment Offer Letter dated December 2, 2013 equal to the sum of: (i) 18 times the sum of Mr. Hare s monthly base salary in effect on December 26, 2014 and (ii) 18 times the difference of Office Depot s monthly COBRA premium for the type of Office Depot provided group health plan coverage in effect on that date for Mr. Hare and his active employee charge for such coverage, and (iii) a pro-rata bonus calculated based on actual performance under Office Depot s annual bonus plan for the fiscal year in which the termination occurs.

(12) Reflects a payment under the new CIC Plan equal to the sum of: (i) two times the sum of: Mr. Hare s base salary in effect on December 26, 2014 and Mr. Hare s target annual bonus, (ii) a payment equal to the pro-rata annual bonus for the 2014 performance period based on actual results, and (iii) an amount equal to 18 times the COBRA premium in effect on December 26, 2014 for the type of Office Depot provided group health plan coverage in effect for Mr. Hare less the active employee charge for such coverage. In the event of a change in control, as defined under Section 280G of the Code, and a termination of Mr. Hare s employment on December 26, 2014, the total payments for Mr. Hare under the foregoing arrangement equal $8,294,040, including $4,514,280 for the accelerated vesting of his restricted stock, performance shares and stock options. However, these payments are subject to reduction if the parachute amounts associated with the payments under Section 280G of the Code equal or exceed three times Mr. Hare s average taxable compensation received from Office Depot for the five-year period ending December 31, 2013, and if he would receive more on an after-tax basis by reducing the payments than he would receive by getting all the payments and paying the 20% excise tax imposed by Section 4999 of the Code. Under the provisions, the severance payable to Mr. Hare would not be reduced, as his after-tax benefit is higher in the event he receives all severance payments and incurs all applicable income and excise taxes.

Mark Cosby[1]

	Termination Resulting from Death (a)	Termination Resulting from Disability (b)	Termination Resulting from Retirement[2] (c)	Termination for Cause (d)	Involuntary Termination or Resignation w/ Good Reason Prior To Change in Control (w/o Cause) (e)	Involuntary Termination or Resignation w/ Good Reason Upon or After Change in Control (w/o Cause) (f)	Termination for All Other Reasons (Voluntary) (g)	Change in Control without Termination (h)

Bonus Benefits	$ 563,943(3)	$ 563,943(3)	$	$	$	$	$	$
Outplacement Services	$	$	$	$	$	$ 30,000(4)	$	$
Long-Term Incentive or Performance Plan								
2014 Restricted Stock	$ 3,051,276(5)	$ 3,051,276(5)	$	$	$	$ 3,051,276(5)	$	$
2014 Performance Shares	$ 443,062(6)	$ 443,062(6)	$	$	$	$ 443,062(6)		$
Cash Severance	$	$	$	$	$ 1,856,943(7)	$ 3,981,943(8)	$	$
Total for Mr. Cosby	**$ 4,058,281**	**$ 4,058,281**	**$**	**$**	**$ 1,856,943**	**$ 7,506,281**	**$**	**$**

(1) Mr. Cosby was appointed President, North America on July 21, 2014, subsequent to the merger with OfficeMax. Therefore, Mr. Cosby is not within a change in control period, which means that his termination of employment on December 26, 2014 would be considered to be a termination prior to the occurrence of a change in control.

(2) Retirement is generally treated as a voluntary termination for all programs and agreements except the 2003 Plan. Mr. Cosby s 2014 restricted stock unit award agreement and 2014 performance share award agreement supersede the terms of the 2003 Plan as it relates to retirement, and provide that upon retirement Mr. Cosby will not be entitled to payment of these awards.

(3) In the event of his separation from service with Office Depot due to death or Disability, Mr. Cosby is entitled to a pro-rata payment under the 2014 Annual Bonus Plan calculated based on actual performance for the fiscal year in which the termination occurs.

(4) Reflects the value of a 24-month outplacement services package under the new CIC Plan.

(5) In the event of his separation from service with Office Depot due to death, Disability, or without Cause or for Good Reason, in either case within 24 months following a change in control, Mr. Cosby will fully vest in his 2014 Restricted Stock Unit Award on his termination date. The amount included in the table reflects the number of shares that would vest multiplied by the closing stock price of Office Depot s stock on December 26, 2014 of $8.84.

(6) In the event of his involuntary separation from service with Office Depot due to death or Disability, or his separation from service with Office Depot without Cause or for Good Reason, in either case within 24 months following a change in control, Mr. Cosby will vest in his 2014 Performance Share Award, prorated for service performed from the grant date through his termination date. The amount included in the table reflects the number of shares that would vest multiplied by the closing stock price of Office Depot s stock on December 26, 2014 of $8.84.

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(7) Reflects a payment under Mr. Cosby s Employment Offer Letter dated July 14, 2014 equal to the sum of: (i) 18 times the sum of Mr. Cosby s monthly base salary in effect on December 26, 2014 and (ii) 18 times the difference of Office Depot s monthly COBRA premium for the type of Office Depot provided group health plan coverage in effect on that date for Mr. Cosby and his active employee charge for such coverage, and (iii) a pro-rata bonus calculated based on actual performance under Office Depot s annual bonus plan for the fiscal year in which the termination occurs.

(8) Reflects a payment under the new CIC Plan equal to the sum of: (i) two times the sum of Mr. Cosby s base salary in effect on December 26, 2014 and Mr. Cosby s target annual bonus, (ii) a payment equal to the pro-rata annual bonus for the 2014 performance period based on actual results, and (iii) an amount equal to 18 times the monthly COBRA premium in effect on December 26, 2014 for the type of Office Depot provided group health plan coverage in effect for Mr. Cosby less the active employee charge for such coverage. In the event of a change in control, as defined under Section 280G of the Code, and a termination of Mr. Cosby s employment on December 26, 2014, the total payments for Mr. Cosby under the foregoing arrangement equal $7,506,281, including $3,494,338 for the accelerated vesting of his restricted stock and performance shares. However, these payments are subject to reduction if the parachute amounts associated with the payments under Section 280G of the Code equal or exceed three times Mr. Cosby s average taxable compensation received from Office Depot for the five-year period ending December 31, 2014, and if he would receive more on an after-tax basis by reducing the payments than he would receive by getting all the payments and paying the 20% excise tax imposed by Section 4999 of the Code. Under the provisions, the cash severance portion of his payments would be reduced by the minimum amount necessary to bring the total of all the payments to a level where the 20% excise tax is not triggered. The amount of the reduction in the severance payment would be $995,205 and after this reduction the total payments to Mr. Cosby would equal $6,511,077.

Michael Allison[1]

	Termination Resulting from Death (a)	Termination Resulting from Disability (b)	Termination Resulting from Retirement (c)	Termination for Cause (d)	Involuntary Termination or Resignation w/ Good Reason Prior To Change in Control (w/o Cause) (e)	Involuntary Termination or Resignation w/ Good Reason Upon or After Change in Control (w/o Cause) (f)	Termination for All Other Reasons (Voluntary) (g)	Change in Control without Termination (h)
Bonus Benefits	$ 393,750[2]	$ 393,750[2]	$	$	$	$	$	$ 202,125[3]
Outplacement Services	$	$	$	$	$ 30,000[4]	$ 30,000[4]	$	$
Long-Term Incentive or Performance Plan[5]	$ 2,714,826[6]	$ 2,714,826[6]	$	$	$ 1,007,919[7]	$ 2,714,826[6]	$	$ 1,746,943[9]

Restricted Stock								
Performance Shares	$ 242,192(9)	$ 242,192(9)	$	$	$	$ 242,192(9)		$
Performance Cash	$ 76,667(10)	$ 76,667(10)	$	$	$ 76,667(10)	$ 76,667(10)	$	$
Cash Severance	$	$	$	$	$ 2,286,894(11)	$ 2,286,894(11)	$	$
Total for Mr. Allison	**$ 3,427,435**	**$ 3,427,435**	**$**	**$**	**$ 3,401,480**	**$ 5,350,579**	**$**	**$ 1,949,068**

(1) As of December 26, 2014, Mr. Allison was still within his 24-month change in control period from the prior merger with OfficeMax on November 5, 2013 and is entitled to the severance benefits under his Change in Control Agreement dated July 21, 2011 and as amended on February 21, 2013 (referred to in this proxy statement/prospectus as the MA CIC Agreement). Mr. Allison is not entitled to receive a severance payment resulting from a termination for any other reason during the change in control period. All of the columns in the table above for Mr. Allison, except column (f), represent payments he would receive upon his termination on December 26, 2014 under the MA CIC Agreement which was triggered by the merger with OfficeMax on November 5, 2013. Column (f) reflects payments that Mr. Allison would receive had there been an additional hypothetical change in control on December 26, 2014.

(2) In the event of his separation from service with Office Depot due to death or Disability, (as defined in the MA CIC Agreement) Mr. Allison is entitled to a pro-rata target bonus for the fiscal year in which his termination occurs.

(3) Reflects the minimum annual bonus under the MA CIC Agreement for the 2014 fiscal year provided that he was employed at the end of the 2014 fiscal year. The minimum annual bonus is equal to his highest annual bonus earned under the bonus plan with respect to the 2010, 2011 and 2012 fiscal years. Mr. Allison s highest bonus was earned under the bonus plan during the 2012 fiscal year. The actual bonus earned for the 2014 fiscal year was $590,625 and was earned in lieu of this payment.

(4) Reflects the value of a 24-month outplacement services package under the MA CIC Agreement.

(5) Equity granted to Mr. Allison under Office Depot s long-term incentive plans is not covered under the MA CIC Agreement. The treatment of all equity upon a change in control or for a termination following a change in control is addressed separately in the 2007 Plan and/or Mr. Allison s award agreements with Office Depot.

(6) In the event of his separation from service with Office Depot due to death or Disability, (as defined under Office Depot s long-term disability program) or without Cause or for Good Reason (as defined in the MA CIC Agreement), in either case within 24 months following a change in control, Mr. Allison will fully vest in all unvested restricted stock remaining on his termination date. The amount included in the table reflects the number of shares that would vest multiplied by the closing stock price of Office Depot s stock on December 26, 2014 of $8.84.

(7) In the event of his separation from service with Office Depot without Cause or for Good Reason (both as defined in the MA CIC Agreement) prior to a change in control, Mr. Allison will vest in the first two-thirds of his 2013 restricted stock awards (to the extent that

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portion of the awards have not previously vested) on the date of his termination of employment during the 24-month period following the closing of the Office Depot/OfficeMax merger on November 5, 2013. In addition, pursuant to the Office Depot Omnibus Amendment to Outstanding Equity and Long-Term Incentive Awards, Mr. Allison will fully vest in the remaining unvested portion of his 2012 restricted stock awards. The amount included in column (e) reflects the number of shares that would vest multiplied by the closing stock price of Office Depot s stock on December 26, 2014 of $8.84.

(8) In the event of a Change in Control (as defined in the 2007 Plan) other than the merger with OfficeMax, all unvested restricted shares granted under the 2012 and 2013 long-term incentive programs will vest immediately prior to the date of such Change in Control. The amount included in the table reflects the number of shares that would vest multiplied by the closing stock price of Office Depot s stock on December 26, 2014 of $8.84.

(9) In the event of his involuntary separation from service with Office Depot due to death or Disability (as defined in his 2014 performance stock agreement), or his separation from service with Office Depot without Cause or for Good Reason (both as defined in the MA CIC Agreement), in either case within 24 months following a change in control, Mr. Allison will partially vest in his 2014 Performance Share Award, prorated for service performed from the grant date through his termination date. The amount included in column (f) reflects the number of shares that would vest multiplied by the closing stock price of Office Depot s stock on December 26, 2014 of $8.84.

(10) Reflects full vesting of the last tranche of Mr. Allison s 2012 performance cash award.

(11) Reflects a payment under the MA CIC Agreement equal to the sum of: (i) two times the sum of: Mr. Allison s base salary (including car allowance) in effect on December 26, 2014 and Mr. Allison s 2014 target bonus, (ii) Mr. Allison s pro-rated 2014 target bonus, (iii) the product of 18 and the monthly COBRA premium on December 26, 2014 for the type of group health plan coverage in effect for Mr. Allison on December 26, 2014. Under Mr. Allison s CIC Agreement, if his termination is due to death or disability after the change in control, Mr. Allison is entitled to his pro-rated 2014 target bonus, which is $393,750. In the event of a change in control, as defined under Section 280G of the Code, and a termination of Mr. Allison s employment on December 26, 2014, the total payments for Mr. Allison under the foregoing arrangement equal $5,350,579 including $3,033,685 for the accelerated vesting of his restricted stock, performance shares and performance cash. However, these payments are subject to reduction if the parachute amounts associated with the payments under Section 280G of the Code equal or exceed three times Mr. Allison s average taxable compensation received from Office Depot for the five-year period ending December 31, 2013, and if he would receive more on an after tax-basis by reducing the payments than he would receive by getting all the payments and paying the 20% excise tax imposed by Section 4999 of the Code. Under the provisions, the cash severance portion of his payments would be reduced by the minimum amount necessary to bring the total of all the payments to a level where the 20% excise tax is not triggered. Under the provisions, the severance payable to Mr. Allison would not be reduced, as his after-tax benefit is higher in the event he receives all severance payments and incurs all applicable income and excise taxes.

Elisa Garcia(1)

	Termination Resulting from Death	Termination Resulting from Disability	Termination Resulting from Retirement	Termination for Cause	Involuntary Termination or Resignation w/ Good Reason Prior To Change in Control	Involuntary Termination or Resignation w/ Good Reason Upon or After Change in Control	Termination for All Other Reasons (Voluntary)	Change in Control without Termination

	(a)	(b)	(c)	(d)	(w/o Cause) (e)	(w/o Cause) (f)	(g)	(h)
Bonus	$ 431,250(2)	$ 431,250(2)	$	$	$	$	$	$ 300,737(3)
Benefits								
Outplacement Services	$	$	$	$	$ 30,000(4)	$ 30,000(4)	$	$
Long-Term Incentive or Performance Plan(5)								
Restricted Stock	$ 2,714,826(6)	$ 2,714,826(6)	$	$	$ 1,007,919(7)	$ 2,714,826(6)	$	$ 1,746,943(8)
Performance Shares	$ 242,192(9)	$ 242,192(9)	$	$	$	$ 242,192(9)	$	$
Performance Cash	$ 76,667(10)	$ 76,667(10)	$	$	$ 76,667(10)	$ 76,667(10)	$	$
Cash Severance	$	$	$	$	$ 2,499,151(11)	$ 2,499,151(11)	$	$
Total for Ms. Garcia	**$ 3,464,935**	**$ 3,464,935**	**$**	**$**	**$ 3,613,737**	**$ 5,562,836**	**$**	**$ 2,047,680**

(1) As of December 26, 2014, Ms. Garcia was still within her 24-month change in control period from the prior merger with OfficeMax on November 5, 2013 and is entitled to the severance benefits under her Change in Control Agreement dated December 17, 2010, as amended on February 21, 2013 (referred to in this proxy statement/prospectus as the EG CIC Agreement). Ms. Garcia is not entitled to receive a severance payment resulting from a termination for any other reason during the change in control period. All of the columns in the table above for Ms. Garcia, except column (f), represent payments she would receive upon her termination on December 26, 2014 under the EG CIC Agreement which was triggered by the merger with OfficeMax on November 5, 2013. Column (f) reflects payments that Ms. Garcia would receive had there been an additional hypothetical change in control on December 26, 2014.

(2) In the event of her separation from service with Office Depot due to death or Disability (as defined in the EG CIC Agreement), Ms. Garcia is entitled to a pro-rata target bonus for the fiscal year in which her termination occurs.

(3) Reflects the minimum annual bonus under the EG CIC Agreement for the fiscal year provided that she was employed at the end of the 2014 fiscal year. The minimum annual bonus is equal to her highest annual bonus earned under the bonus plan with respect to the 2010, 2011 and 2012 fiscal years. Ms. Garcia s highest bonus was earned under the bonus plan during the 2012 fiscal year. The actual bonus earned for the 2014 fiscal year was $646,875 and was earned in lieu of this payment.

(4) Reflects the value of a 24-month outplacement services package under the EG CIC Agreement.

(5) Equity granted to Ms. Garcia under Office Depot s long-term incentive plan is not covered under the EG CIC Agreement. The treatment of all equity upon a change in control or for a termination following a change in control is addressed separately in the 2007 Plan and/or Ms. Garcia s award agreements with Office Depot.

(6) In the event of her separation from service with Office Depot due to death or Disability (as defined under Office Depot s long-term disability program), or without Cause or for Good Reason (as defined in the EG CIC Agreement), in either case within 24 months following a change in control, Ms. Garcia will fully vest in all unvested restricted stock remaining on her termination date. The amount included in the table reflects the number of shares that would vest multiplied by the closing stock price of Office Depot s stock on December 26, 2014 of $8.84.

(7) In the event of her separation from service with Office Depot without Cause or for Good Reason (both as defined in the EG CIC Agreement) prior to a change in control, Ms. Garcia will vest in the first two-thirds of her 2013 restricted stock awards (to the extent that portion of the award has not previously vested) on the date of her termination of employment during the 24-month period following the closing of the Office Depot/OfficeMax merger on November 5, 2013. In addition, pursuant to the Office Depot Omnibus Amendment to Outstanding Equity and Long-Term Incentive Awards, Ms. Garcia will fully vest in the remaining unvested portion of her 2012 restricted stock awards. The amount included in column (e) reflects the number of shares that would vest multiplied by the closing stock price of Office Depot s stock on December 26, 2014 of $8.84.

(8) In the event of a Change in Control (as defined in the 2007 Plan) other than the merger with OfficeMax, all unvested restricted shares granted under the 2012 and 2013 long-term incentive programs will vest immediately prior to the date of such Change in Control. The amount included in the table reflects the number of shares that would vest multiplied by the closing stock price of Office Depot s stock on December 26, 2014 of $8.84.

(9) In the event of her involuntary separation from service with Office Depot due to death or Disability (as defined in her 2014 performance stock agreement), or her separation from service with Office Depot without Cause or for Good Reason (both as defined in the EG CIC Agreement), in either case within 24 months following a change in control, Ms. Garcia will partially vest in her 2014 Performance Share Award, prorated for service performed from the grant date through her termination date. The amount included in column (f) reflects the number of shares that would vest multiplied by the closing stock price of Office Depot s stock on December 26, 2014 of $8.84.

(10) Reflects full vesting of the last tranche of Ms. Garcia s 2012 performance cash award.

(11) Reflects a payment under the EG CIC Agreement equal to the sum of: (i) two times the sum of: Ms. Garcia s base salary (including car allowance) in effect on December 26, 2014 and Ms. Garcia s 2014 target bonus, (ii) Ms. Garcia s pro-rated 2014 target bonus, (iii) the product of 18 and the monthly COBRA premium on December 26, 2014 for the type of group health plan coverage in effect for Ms. Garcia on December 26, 2014. Under the EG CIC Agreement, if her termination is due to death or disability after the change in control, Ms. Garcia is entitled to her prorated 2014 target bonus, which is $431,250. In the event of a change in control, as defined under Section 280G of the Code, and a termination of Ms. Garcia s employment on December 26, 2014, the total payments for Ms. Garcia under the foregoing arrangement equal $5,562,836 including $3,033,685 or the accelerated vesting of her restricted stock, performance shares and performance cash. However, these payments are subject to reduction if the parachute amounts associated with the payments under Section 280G of the Code equal or exceed three times Ms. Garcia s average taxable compensation received from Office Depot for the five-year period ending December 31, 2013, and if she would receive more on an after-tax basis by reducing the payments than she would receive by getting all the payments and paying the 20% excise tax imposed by Section 4999 of the Code. Under the provisions, the cash severance portion of her payments would be reduced by

the minimum amount necessary to bring the total of all the payments to a level where the 20% excise tax is not triggered. No reduction in severance payments applies, as Ms. Garcia s total payments do not equal or exceed three times her average taxable compensation.

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OFFICE DEPOT STOCK OWNERSHIP INFORMATION

Office Depot s Largest Stockholders; Ownership by Office Depot s Directors and Executive Officers

Office Depot has provided a stock ownership table below that contains certain information about Office Depot stockholders whom Office Depot believes are the beneficial owners of more than five percent (5%) of the outstanding common stock of Office Depot, as well as information regarding stock ownership by Office Depot s directors, NEOs and its directors and executive officers as a group as of March 10, 2015, unless otherwise indicated. Except as described below, Office Depot knows of no person that beneficially owns more than 5% of its outstanding common stock, based solely upon filings made with the SEC.

Except as otherwise noted below, each person or entity named in the following table has the sole voting and investment power with respect to all shares of Office Depot common stock that he, she or it beneficially owns.

Name of Beneficial Owner	Beneficial Ownership(1)	Beneficial Ownership Percentage(2)
Starboard Value LP and related entities(3) 830 Third Avenue, 3rd Floor, New York, NY 10022	53,312,311	9.8%
AllianceBernstein L.P.(4) 1345 Avenues of the Americas, New York, NY 10105	46,327,880	8.5%
Blackrock, Inc.(5) 40 East 52nd Street, New York, NY 10022	41,244,852	7.6%
The Vanguard Group(6) 100 Vanguard Blvd., Malvern, PA 19355	31,426,381	5.8%
Board of Directors and NEOs(7)		
Roland C. Smith	550,000	*
Warren F. Bryant	10,097	*
Rakesh Gangwal	23,586	*
Cynthia Jamison	16,461	*
V. James Marino	0	