

OFFICE DEPOT INC.

Related Person Transactions Policy

The purpose of this Related Person Transactions Policy (the “Policy”) of the Governance Committee of Office Depot, Inc. (the “Company”) is to set forth policies and procedures governing the Governance Committee’s review and approval or ratification of transactions between the Company, on the one hand, and an executive officer or director or an immediate family member, on the other hand.

Application of this Policy

This Policy applies to all related person transactions. A “related person transaction” is any transaction:

- In which the Company was or is to be a participant;
- In which the amount exceeds \$120,000;
- In which any related person had, or will have a direct or indirect material interest;
- Including any contribution of \$120,000 or more to a charitable organization in which a related person is a trustee, director, executive officer or has a similar relationship.
- A “related person” is:
 - Any person who, since the beginning of the last fiscal year of the Company, is or was an executive officer or director of the Company or an immediate family member of such person; or
 - Any security holder who is known by the Company to own of record or beneficially more than five percent of any class of the Company’s voting securities at the time of the transaction (each, a “5% holder”) or an immediate family member of such person.

“Immediate family member” means any child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law of such executive officer or director, and any person (other than a tenant or employee) sharing the household of such executive officer or director.

For purposes of this Policy, related person transactions with the Company shall be defined as including transactions in which any subsidiary of the Company participates.

Statement of Policy

No related person transaction shall be approved or ratified if such transaction is contrary to the best interests of the Company. Unless different terms are specifically approved or ratified by the Governance Committee, any approved or ratified transaction must be on terms that are no less favorable to the Company 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 Governance Committee for review and pre-approval or ratification pursuant to the procedures set forth below.

Review and Approval Procedures

Each related person shall be responsible for notifying the General Counsel of any potential related person transaction in which such person or any member of his or her immediate family may be directly or indirectly involved as soon he or she becomes aware of such a transaction. Except in circumstances where such transaction is expected to qualify as an Ordinary Course Transaction (as defined below), such notification should be made prior to the time that the transaction is entered into and such notice shall provide the General Counsel and the Governance Committee a reasonable opportunity, under the circumstances, for the required review of such transaction to be conducted before execution.

Unless the Governance Committee otherwise determines after having been notified, any proposed transaction directly between the Company and any executive officer or director, and anyone known to be a member of the immediately family of any such person should be reviewed and approved prior to the time that such transaction is entered into.

While the General Counsel should be notified of any related party transaction that is expected to qualify as an Ordinary Course Transaction, Ordinary Course Transactions shall not be a related person transaction and do not require Governance Committee approval under this Policy. "Ordinary Course Transaction" means a transaction that occurs between the Company or any of its subsidiaries and any entity (i) for which any related person serves as an executive officer, partner, principal, member or in any similar executive or governing capacity, or (ii) in which such related person has an economic interest that does not afford such related person control over such entity, and such transaction occurs in the ordinary course of business on terms and conditions that are no less favorable to the Company or, if applicable, a subsidiary than would otherwise apply to a similar transaction with an unrelated party. All immaterial relationships and transactions identified in the Instructions to Item 404(a) of Regulation S-K are incorporated into this policy, and accordingly, all such immaterial relationships or transactions are not related person transactions and do not require approval under this Policy. See Annex A which restates the Instructions to Item 404(a).

The General Counsel of the Company shall be responsible for making the initial determination as to whether any transaction appears to be within the scope required to be disclosed pursuant to Item 404(a) of Regulation S-K or whether such transaction is, in fact, an Ordinary Course Transaction. The General Counsel shall take all reasonable steps to ensure that all related person transactions or any series of similar transactions required to be disclosed pursuant to Item 404(a) of Regulation S-K are presented to the Governance Committee for pre-approval or ratification, if required under this Policy, at the Committee's next regularly scheduled meeting, or by consent in lieu of a meeting if deemed appropriate.

If a potential related person transaction involves the General Counsel, the Chief Financial Officer shall assume the responsibilities of the General Counsel described above.

Disclosure; Annual Review, Assessment and Affirmation

The Governance Committee shall review and assess the adequacy of this Policy annually and adopt any changes it deems necessary. The General Counsel shall distribute this Policy to each executive officer and director and each natural person known to the Company to be a 5% holder of the Company. Annually, each executive officer and director of the Company shall acknowledge their familiarity and compliance with this Policy.

Relationship with Conflicts of Interest Policy

This Policy shall in no way be deemed to supersede or otherwise modify or contradict the Board's existing policy on director conflicts of interest which is included in the Company's Corporate Governance Guidelines.

Annex A

Instructions to Item 404(a) of Regulation S-K

1. For the purposes of paragraph (a) of this Item, the term *related person* means:
 - (a) Any person who was in any of the following categories at any time during the specified period for which disclosure under paragraph (a) of this Item is required:
 - (i) Any director or executive officer of the registrant;
 - (ii) Any nominee for director, when the information called for by paragraph (a) of this Item is being presented in a proxy or information statement relating to the election of that nominee for director; or
 - (iii) Any immediate family member of a director or executive officer of the registrant, or of any nominee for director when the information called for by paragraph (a) of this Item is being presented in a proxy or information statement relating to the election of that nominee for director, which means any child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law of such director, executive officer or nominee for director, and any person (other than a tenant or employee) sharing the household of such director, executive officer or nominee for director; and
 - (b) Any person who was in any of the following categories when a transaction in which such person had a direct or indirect material interest occurred or existed:
 - (i) A security holder covered by Item 403(a) (§ 229.403(a)); or
 - (ii) Any immediate family member of any such security holder, which means any child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law of such security holder, and any person (other than a tenant or employee) sharing the household of such security holder.
2. For purposes of paragraph (a) of this Item, a transaction includes, but is not limited to, any financial transaction, arrangement or relationship (including any indebtedness or guarantee of indebtedness) or any series of similar transactions, arrangements or relationships.
3. The amount involved in the transaction shall be computed by determining the dollar value of the amount involved in the transaction in question, which shall include:
 - (a) In the case of any lease or other transaction providing for periodic payments or installments, the aggregate amount of all periodic payments or installments due on or after the beginning of the registrant's last fiscal year, including any required or optional payments due during or at the conclusion of the lease or other transaction providing for periodic payments or installments; and
 - (b) In the case of indebtedness, the largest aggregate amount of all indebtedness outstanding at any time since the beginning of the registrant's last fiscal year and all amounts of interest payable on it during the last fiscal year.
4. In the case of a transaction involving indebtedness:

- (a) The following items of indebtedness may be excluded from the calculation of the amount of indebtedness and need not be disclosed: Amounts due from the related person for purchases of goods and services subject to usual trade terms, for ordinary business travel and expense payments and for other transactions in the ordinary course of business;
 - (b) Disclosure need not be provided of any indebtedness transaction for the related persons specified in Instruction 1.b. to paragraph (a) of this Item; and
 - (c) If the lender is a bank, savings and loan association, or broker-dealer extending credit under Federal Reserve Regulation T (12 CFR part 220) and the loans are not disclosed as nonaccrual, past due, restructured or potential problems (see Item III.C.1. and 2. of Industry Guide 3, Statistical Disclosure by Bank Holding Companies (17 CFR 229.802(c))), disclosure under paragraph (a) of this Item may consist of a statement, if such is the case, that the loans to such persons:
 - (i) Were made in the ordinary course of business;
 - (ii) Were made on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable loans with persons not related to the lender; and
 - (iii) Did not involve more than the normal risk of collectibility or present other unfavorable features.
5. (a) Disclosure of an employment relationship or transaction involving an executive officer and any related compensation solely resulting from that employment relationship or transaction need not be provided pursuant to paragraph (a) of this Item if:
- (i) The compensation arising from the relationship or transaction is reported pursuant to Item 402 (§ 229.402); or
 - (ii) The executive officer is not an immediate family member (as specified in Instruction 1 to paragraph (a) of this Item) and such compensation would have been reported under Item 402 (§ 229.402) as compensation earned for services to the registrant if the executive officer was a named executive officer as that term is defined in Item 402(a)(3) (§ 229.402(a)(3)), and such compensation had been approved, or recommended to the board of directors of the registrant for approval, by the compensation committee of the board of directors (or group of independent directors performing a similar function) of the registrant.
- (b) Disclosure of compensation to a director need not be provided pursuant to paragraph (a) of this Item if the compensation is reported pursuant to Item 402(k) (§ 229.402(k)).
6. A person who has a position or relationship with a firm, corporation, or other entity that engages in a transaction with the registrant shall not be deemed to have an indirect material interest within the meaning of paragraph (a) of this Item where:
- (a) The interest arises only:
 - (i) From such person's position as a director of another corporation or organization that is a party to the transaction; or
 - (ii) From the direct or indirect ownership by such person and all other persons specified in Instruction 1 to paragraph (a) of this Item, in the aggregate, of less

than a ten percent equity interest in another person (other than a partnership) which is a party to the transaction; or

(iii) From both such position and ownership; or

(b) The interest arises only from such person's position as a limited partner in a partnership in which the person and all other persons specified in Instruction 1 to paragraph (a) of this Item, have an interest of less than ten percent, and the person is not a general partner of and does not hold another position in the partnership.

7. Disclosure need not be provided pursuant to paragraph (a) of this Item if:

(a) The transaction is one where the rates or charges involved in the transaction are determined by competitive bids, or the transaction involves the rendering of services as a common or contract carrier, or public utility, at rates or charges fixed in conformity with law or governmental authority;

(b) The transaction involves services as a bank depository of funds, transfer agent, registrar, trustee under a trust indenture, or similar services; or

(c) The interest of the related person arises solely from the ownership of a class of equity securities of the registrant and all holders of that class of equity securities of the registrant received the same benefit on a pro rata basis.