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UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-K

(Mark One)

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

For the fiscal year ended December 28, 2013

or

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

For the transition period from _____ to _____

Commission file number 1-10948

Office Depot, Inc.

(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	**59-2663954** (I.R.S. Employer Identification No.)
6600 North Military Trail, Boca Raton, Florida (Address of principal executive offices)	**33496** (Zip Code)

(561) 438-4800
(Registrant's telephone number, including area code)
Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, par value $0.01 per share	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days: Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files): Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☒

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer" "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒	Accelerated filer ☐	Non-accelerated filer ☐ (Do not check if a smaller reporting company)	Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

The aggregate market value of voting stock held by non-affiliates of the registrant as of June 30, 2013 (based on the closing market price on the Composite Tape on June 28, 2013) was approximately $1,096,514,976 (determined by subtracting from the number of shares outstanding on that date the number of shares held by affiliates of Office Depot, Inc.).

The number of shares outstanding of the registrant's common stock, as of the latest practicable date: At January 25, 2014, there were 532,327,658 outstanding shares of Office Depot, Inc. Common Stock, $0.01 par value.

Documents Incorporated by Reference:

Certain information required for Part III of this Annual Report on Form 10-K is incorporated by reference to the Office Depot, Inc. definitive Proxy Statement for its 2014 Annual Meeting of Shareholders, which shall be filed with the Securities and Exchange Commission pursuant to Regulation 14A of the Securities Act of 1934, as amended, within 120 days of Office Depot, Inc.'s fiscal year end.

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PART I

Forward-Looking Statements

This Annual Report on Form 10-K ("Annual Report") contains forward-looking statements, within the meaning of the Private Securities Litigation Reform Act of 1995 (the "Reform Act"), that involve risks and uncertainties. These forward-looking statements include both historical information and other information that can be used to infer future performance. Examples of historical information include annual financial statements and the commentary on past performance contained in Part II — Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations" ("MD&A"). While certain information has specifically been identified as being forward-looking in the context of its presentation, we caution you that, with the exception of information that is historical, all the information contained in this Annual Report should be considered to be "forward-looking statements" as referred to in the Reform Act. Without limiting the generality of the preceding sentence, any time we use the words "estimate," "project," "intend," "expect," "believe," "anticipate," "continue" and similar expressions, we intend to clearly express that the information deals with possible future events and is forward-looking in nature. Certain information in our MD&A is clearly forward-looking in nature, and without limiting the generality of the preceding cautionary statements, we specifically advise you to consider all of our MD&A in the light of the cautionary statements set forth herein.

Much of the information in this Annual Report that looks towards future performance of Office Depot, Inc. and its subsidiaries is based on various factors and important assumptions about future events that may or may not actually come true. As a result, our operations and financial results in the future could differ materially and substantially from those we have discussed in this Annual Report. Significant factors that could impact our future results are provided in Part I — Item 1A. "Risk Factors" included in this Annual Report. Other risk factors are incorporated into the text of our MD&A, which should itself be considered a statement of future risks and uncertainties, as well as management's view of our businesses.

In this Annual Report, unless the context otherwise requires, the "Company", "Office Depot", "we", "us", and "our" refer to Office Depot, Inc. and its subsidiaries.

Item 1. Business

Merger

On November 5, 2013, the Company completed its merger with OfficeMax Incorporated ("OfficeMax") in an all-stock transaction (the "Merger"). In connection with the Merger, each outstanding share of OfficeMax common stock was converted into 2.69 shares of Office Depot common stock. The Company issued approximately 240 million shares of Office Depot, Inc. common stock to former holders of OfficeMax common stock, representing approximately 45% of the approximately 530 million total shares of outstanding Company common stock.

Office Depot was determined to be the accounting acquirer. In this all-stock transaction, only Office Depot common stock was transferred, the Office Depot shareholders received approximately 55% of the voting interest of the combined company and other factors were equally shared between the two former companies, including representation on the combined entity's Board of Directors, or were further indicators of the Company being the accounting acquirer. OfficeMax's financial results from the Merger date through December 28, 2013, are included in our Consolidated Statement of Operations, as discussed herein.

Integration

Integration planning commenced shortly after the announcement of the Merger in February 2013, while the Federal Trade Commission ("FTC") conducted an investigation of the proposed Merger. On November 1, 2013, the Company received notice that the FTC had closed its investigation and the transaction closed on November 5, 2013 when all other closing conditions were met.

The Company's by-laws provide that during the four-year period following the Merger, the Board of Directors will be comprised of five (5) independent directors designated by the continuing OfficeMax Directors Committee and five (5) independent directors designated by the continuing Office Depot Directors Committee. These independent directors appointed Roland C. Smith as Chairman and Chief Executive Officer on November 12, 2013 for a total of eleven (11) directors and Stephen E. Hare as Executive Vice President and Chief Financial Officer on December 2, 2013. We are conducting a search for two additional senior positions: President, North America and Executive Vice President, Chief Strategy Officer.

The task of integration continued with the selection of Boca Raton, Florida for the Company's corporate headquarters. The next step was the organization design and talent selection, which was completed through mid-level management during the first quarter of 2014. The talent selection will be completed for the entire Company in March, 2014.

We expect the full integration process to take several years, with the initial focus on management consolidation and process integration. Work streams are underway in the Retail, Contract and Direct channels, and in Supply Chain, Real Estate, Merchandising, Marketing, Human Resources, Legal, Finance, and Information Technology. Integration activities that likely will have a multi-year horizon include, but are not limited to, harmonizing brands, product and vendor selections, system integration, store formats, store and supply chain integration.

The priorities are maintaining business and customer continuity while identifying and accelerating synergies and integrating organizations, processes and systems.

The integration activities will transform the way the Company operates over the next few years. The remaining discussion of the "Business" section in this Annual Report addresses the way the Company operates currently; however, the integration will significantly impact most of these processes in future periods.

The Company

Office Depot 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, Florida. Office Depot's common stock is traded on the New York Stock Exchange (the "NYSE") under the ticker symbol ODP. Following completion of the Merger, the OfficeMax common stock ceased trading on, and was delisted from, the NYSE.

The Company has decided to align its business along the three reportable segments (or "Divisions") historically utilized by Office Depot: North American Retail Division, North American Business Solutions Division and International Division. Following the date of the Merger, the former OfficeMax U.S. Retail business is included in the North American Retail Division. The former OfficeMax United States and Canada Contract business is included in the North American Business Solutions Division. The former OfficeMax businesses in Australia, New Zealand and Mexico are included in the International Division.

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. Office Depot currently operates under the Office Depot® and OfficeMax® brands and utilizes other proprietary company and product brand names.

The Company's primary websites are www.officedepot.com and www.officemax.com. The Company's primary brands are discussed in the "Intellectual Property" section below.

Additional information regarding our Divisions and operations in geographic areas is presented below in Part II — Item 7. "MD&A" and in Note 19, "Segment Information," of the Consolidated Financial Statements located in Part IV — Item 15. "Exhibits and Financial Statement Schedules" of this Annual Report.

Fiscal Year

Our fiscal year results are based on a 52- or 53-week retail calendar ending on the last Saturday in December. Fiscal year 2011 is based on 53 weeks, with a 14-week fourth quarter. Fiscal years 2013 and 2012 include 52 weeks, each with a 13-week fourth quarter. Fiscal years 2013, 2012, and 2011 ended on December 28, 2013, December 29, 2012, and December 31, 2011, respectively. The Company's businesses in Canada, Australia and New Zealand, which were incorporated in the Company's operations as a result of the Merger in November 2013, maintain calendar years with December 31 year-ends.

North American Retail Division

The North American Retail Division sells a broad assortment of merchandise through our chain of office supply stores throughout the United States, including Puerto Rico and the U.S. Virgin Islands. We currently offer office supplies, technology products and solutions, business machines and related supplies, facilities products, and office furniture from national brands as well as our own brands. Refer to the "Merchandising" section below for additional product information. Most retail stores also offer copy and print services, as discussed in the "Copy & Print Depot™ and OfficeMax ImPress™" section below.

At the end of 2013, the North American Retail Division operated 1,912 office supply stores, including 823 stores resulting from the Merger. The count of open stores may include locations temporarily closed for remodels or other factors. We have a broad representation across North America with the largest concentration of our retail stores in Texas, Florida, California and Illinois. The majority of our retail stores are located in leased facilities that currently average over 20,000 square feet; however, most new store openings and store remodels have been in facilities smaller than the Company's current average square footage.

During 2012, we developed a retail strategy that included planned downsizing of a significant number of stores or closing lower-contributing stores at the end of their lease terms. Following the date of the Merger, the Company began the assessment of how best to manage the combined portfolio of stores under the Office Depot and OfficeMax banners. This assessment is expected to result in exit costs associated with facility closures and product harmonization. Closures may include Office Depot and OfficeMax locations. Refer to Part II — Item 7. "MD&A" for additional information on the store activity.

Refer to the "North American Supply Chain" discussion below for additional information on our supply chain network.

Sales and marketing efforts are integral to understanding the Divisions' processes and management. These efforts are addressed after the Divisions discussions.

North American Business Solutions Division

The North American Business Solutions Division sells nationally branded and our own brands' office supplies, technology products, cleaning and breakroom supplies, office furniture, certain services, and other solutions to customers in Canada and the United States, including Puerto Rico, and the U.S. Virgin Islands. Office Depot customers are served by a dedicated sales force, through catalogs, telesales, electronically through our Internet sites, and limited store locations in Canada. Refer to the "Merchandising" section below for additional product information. The North American Business Solutions Division also offers copy and print services, as discussed in the "Copy & Print Depot™ and OfficeMax ImPress™" section below.

Our contract sales channel employs a dedicated inside and field sales force that services the office supply needs to a range of small, medium and large-sized businesses. Part of our contract business is also with various schools, local, state and national governmental agencies. We also enter into agreements with consortiums to sell to various entities and across industries, including governmental and non-profit entities for non-exclusive buying arrangements. Sales to our contract customers that are fulfilled at retail locations are included in the results of our North American Retail Division, while honoring their contract pricing, as applicable.

Our direct sales channel is tailored to serve small- to medium-sized customers. Direct customers can order products from our catalogs, by phone or through our public websites (www.officedepot.com and www.officemax.com), including our public website devoted to technology products (www.techdepot.com). Refer to the "North American Supply Chain" discussion below for additional information on our supply chain network.

Copy & Print Depot™ and OfficeMax ImPress™

Office Depot Copy & Print Depot™ and OfficeMax ImPress™ provide printing, digital imaging, reproduction, mailing, shipping through UPS, FedEx, and the U.S. Postal Service, and other services. We also maintain nationwide availability of personal computer ("PC") support and network installation service that provides our customers with in-home, in-office and in-store support for their technology needs. Our in-store Copy & Print Depot™ and OfficeMax ImPress™, as well as regional print facilities, support our North American Retail Division and North American Business Solutions Division. Sales are recognized by the respective division based on how the customer order is placed.

North American Supply Chain

The Company operates a network of distribution center (or "DC") and crossdock facilities across the United States, Puerto Rico, and Canada. Crossdocks are flow-through facilities where bulk merchandise is sorted for distribution and shipped to fulfill the inventory needs of our retail stores and customers. Certain of our DCs are combination facilities, in which both DC and crossdock activities are performed. The DC and crossdock facilities' costs, including real estate, technology, labor and inventory, are allocated to the North American Retail Division and North American Business Solutions Division based on the relative services provided. Certain of the DCs in the OfficeMax network are larger facilities primarily serving the retail business. The integration of the two companies may impact how these facilities operate in future periods.

Inventory is held in our DCs at levels we believe sufficient to meet current and anticipated customer needs. Certain purchases are sent directly from the manufacturer to our customers or retail stores. Some supply chain facilities and some retail locations also house sales offices, showrooms, and administrative offices supporting our contract sales channel.

As of December 28, 2013, we operated 91 DC and crossdock facilities in the United States and Canada, which includes 76 facilities added in 2013 as a result of the Merger.

Out-bound delivery and inbound direct import operations are currently provided by us and third-party carriers.

International Division

In recent years, the International Division has undergone significant restructuring activities, including disposing of assets and streamlining processes, primarily in Europe. These activities have helped to lower operating expenses. In late 2013, Division management outlined a plan that is expected to be more responsive to customer needs and further improve processes. The Division will realign the organization from a country-focus to a cross-European channel-focus. We plan for these changes to be implemented throughout 2014.

The International Division sells office products and services through direct mail catalogs, contract sales forces, Internet sites and retail stores, primarily through Company-owned operations, but also through joint ventures, and to a lesser extent, licensing and franchise agreements, alliances and other arrangements. We also offer copy and print services to our customers in Europe through our e-commerce business and certain retail locations. Refer to the "Merchandising" section below for additional product information.

As of December 28, 2013, Office Depot sold to customers in 55 countries throughout Europe, Asia/Pacific, and Latin America. Outside of North America, the Company operates wholly-owned entities, majority-owned entities or participates in other ventures covering 30 countries and has alliances in an additional 25 countries.

As of December 28, 2013, the International Division operated, through wholly-owned or majority-owned entities, 237 retail stores in France, South Korea, Sweden, New Zealand, Australia, and Mexico. In addition, we participate under licensing and merchandise arrangements in South Korea, Israel, Dominican Republic and the Middle East. As result of the Merger, we operate in New Zealand, Australia and Mexico.

In the third quarter of 2013, we sold our 50 percent investment in Office Depot de Mexico S.A. de C.V. ("Office Depot de Mexico"), a joint venture selling office products and services in Mexico, Central America, and South America. Since we participated equally in this business with a partner, we accounted for the activity under the equity method and joint venture sales are neither reflected in our revenues nor in our consolidated retail comparable store statistics. Our portion of joint venture results up to the date of sale is included in Other income (expense), net in the Consolidated Statements of Operations.

The Company maintains DCs and call centers throughout Europe, Latin America and Asia/Pacific to support these operations. Refer to Part I — Item 2. "Properties" for additional information on the International Division stores and DCs count and Part II — Item 7. "MD&A" for stores activity.

The International Division has separate regional headquarters for Europe in The Netherlands and for Asia in Hong Kong.

Merchandising

Our merchandising strategy is to meet our customers' needs by offering a broad selection of country and regional branded office products, as well as our own branded products and services. The selection of our own branded products has increased in breadth and level of sophistication over time. We currently offer products under various labels, including Office Depot®, OfficeMax®, Viking Office Products®, Foray®, Ativa®, Grand & Toy®, TUL®, and DiVOGA ®.

We classify our products into three categories: (1) supplies, (2) technology, and (3) furniture and other. The supplies category includes products such as paper, binders, writing instruments, and school supplies. The technology category includes products such as desktop and laptop computers, monitors, tablets, printers, ink and toner, cables, software, digital cameras, telephones, and wireless communications products. The furniture and other category includes products such as desks, chairs, luggage, sales in our copy and print centers, and other miscellaneous items.

As part of integration activities, the companies jointly reviewed product groupings to be used in future internal and external reporting. Certain groupings historically reported externally by Office Depot have been recast to conform to this aligned presentation. The amounts in the table include OfficeMax sales since November 5, 2013 through the end of the year. Total Company sales by product group were as follows:

	2013	2012	2011
Supplies	**46.6%**	45.8%	44.6%
Technology	**40.6%**	41.8%	43.5%
Furniture and other	**12.8%**	12.4%	11.9%
	100.0%	100.0%	100.0%

We buy substantially all of our merchandise directly from manufacturers, industry wholesalers, and other primary suppliers, including direct sourcing of our own brands products from domestic and offshore sources. We also enter into arrangements with vendors that can lower our unit product costs if certain volume thresholds or other criteria are met. For additional discussion regarding these arrangements, refer to "Critical Accounting Policies" in Part II — Item 7. "MD&A".

We operate separate merchandising functions in North America, Europe and Asia/Pacific as well as in our joint ventures. Each group is responsible for selecting, purchasing and pricing merchandise as well as managing the

product life cycle of our inventory. In recent years, we have increasingly used global offerings across all regions to further reduce our product cost while maintaining product quality.

We operate global sourcing offices in China (Shenzhen and Hangzhou) and Taiwan (Taipei), which allow us to better manage our product sourcing, logistics and quality assurance. These offices consolidate our purchasing power with Asian factories and, in turn, help us to increase the scope of our own branded offerings.

Sales and Marketing

Our marketing programs are designed to attract new customers and to drive frequency of customer visits to our stores and websites. We regularly advertise in major newspapers in most of our North American markets. We also advertise through local and national radio, network and cable television advertising campaigns, and direct marketing efforts, such as the Internet and social networking.

We offer customer loyalty programs that provide customers with rewards that can be applied to future Office Depot and OfficeMax purchases or other incentives. These programs enable us to market more effectively to our customers. These programs may change in popularity in the future, and we may make alterations to them from time to time.

We perform periodic competitive pricing analyses to monitor each market, and prices are adjusted as necessary to further our competitive positioning. We generally target our everyday pricing to be competitive with other resellers of office products.

We acquire new customers by selectively mailing specially designed catalogs and by making on-premises sales calls to prospective customers. We also make outbound sales calls using dedicated agents through our telephone account management program. We obtain the names of prospective customers in new and existing markets through the purchase of selected lists from outside marketing information services and other sources as well as through the use of a proprietary mailing list system. We also acquire customers through e-mail marketing campaigns and online affiliates. No single customer in any of our Divisions accounts for more than 10% of our total sales or accounts receivable.

Our business is somewhat seasonal, with sales generally trending lower in the second quarter, following the “back-to-business” sales cycle in the first quarter and preceding the “back-to-school” sales cycle in the third quarter and the holiday sales cycle in the fourth quarter. Certain working capital components may build and recede during the year reflecting established selling cycles. Business cycles can and have impacted our operations and financial position when compared to other periods.

With the exception of online purchases placed or fulfilled in our retail locations, online sales activities are reported in the North American Business Solutions or International Divisions, as appropriate.

Intellectual Property

We currently operate under the Office Depot® and OfficeMax® brand names. As part of the integration activities, we anticipate reviewing brands and trademarks for future usage. We hold trademark registrations domestically and worldwide and have numerous other applications pending worldwide for the names “Office Depot”, “Viking”, “Ativa”, “Foray”, “Realspace”, “OfficeMax”, “TUL”, “DiVOGA” and others. As with all domestic trademarks, our trademark registrations in the United States are for a ten year period and are renewable every ten years, prior to their respective expirations, as long as the trademarks are used in the regular course of trade.

Industry and Competition

We operate in a highly competitive environment in all three Divisions. We compete with office supply stores, wholesale clubs, discount stores, mass merchandisers, Internet-based companies, food and drug stores, computer and electronics superstores and direct marketing companies. These companies, in varying degrees, compete with us in substantially all of our current markets. Increased competition in the office products markets, together with increased advertising, has heightened price awareness among end-users. Such heightened price awareness has led to margin pressure on office products and impacted our results. In addition to price, competition is also based on customer service, the quality and breadth of product selection and convenient locations. Other office supply retail companies market similarly to us in terms of store format, pricing strategy, product selection and product availability in the markets where we operate, primarily those in the United States. Some of our competitors are larger than us and have greater financial resources, which affords them greater purchasing power, increased financial flexibility and more capital resources for expansion and improvement, which may enable them to compete more effectively. We anticipate that in the future we will continue to face competition from these companies.

We believe our customer service and the efficiency and convenience for our customers from our combined contract and retail distribution channels helps our North American Business Solutions Division to compete with other business-to-business office products distributors. Our ability to network our distribution centers into an integrated system enables us to serve large national accounts that rely on us to deliver consistent products, prices and services to multiple locations, and to meet the needs of medium and small businesses at a competitive cost.

We believe our North American Retail Division segment competes based on the quality of our customer service, our store formats, the breadth and depth of our merchandise offering and our pricing.

Internationally, we compete on a similar basis to North America. Our International Division sells through contract and catalog channels and operates retail stores in 18 countries. Additionally, our International Division provides office products and services in another 37 countries through joint ventures, licensing and franchise agreements, cross-border transactions, alliances and other arrangements.

Employees

As of January 25, 2014, we had approximately 64,000 employees worldwide. In certain international locations, changes in staffing or work arrangements may need approval of local works councils or other bodies.

Environmental Matters

As both a significant user and seller of paper products, we have developed environmental practices that are values-based and market-driven. Our environmental initiatives center on three guiding principles: (1) recycling and pollution reduction; (2) sustainable forest management; and (3) issue awareness and market development for environmentally preferable products. We offer thousands of different products containing recycled content, including from 35% to 100% post-consumer waste content paper, and technology recycling services in our retail stores.

Office Depot continues to implement environmental programs in line with our stated environmental vision to “increasingly buy green, be green and sell green” – including environmental sensitivity in our packaging, operations and sales offerings. Our ‘Green’ retail store prototype design is based on our Austin, Texas store, which received a Leadership in Energy and Environmental Design (“LEED”) Gold Certification from the United States Green Building Council in December 2008. In 2010, the United States Green Building Council awarded our global headquarters in Boca Raton, Florida a LEED Gold Certification under the Operations and Maintenance rating system and we were the first office supplies retailer with a headquarters building certified under any of the LEED rating systems. Additional information on our green product offerings can be found at www.officedepot.com/buygreen.

As a result of the Merger, we are subject to a variety of environmental laws and regulations related to historical operations of paper and forest products businesses and timberland assets. We record environmental and asbestos liabilities and accrue losses associated with these obligations when probable and reasonably estimable. We record a separate insurance recovery receivable when considered probable.

Available Information

We make available, free of charge, on the "Investor Relations" section of our website www.officedepot.com, our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), as soon as reasonably practicable after we electronically file or furnish such materials to the United States Securities and Exchange Commission ("SEC"). In addition, the public may read and copy any of the materials we file with the SEC at the SEC's Public Reference Room at 100 F Street, NE, Washington DC 20549. The public may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC maintains an Internet site that contains reports, proxy and information statements and other information regarding issuers, such as the company, that file electronically with the SEC. The address of that website is www.sec.gov.

Additionally, our corporate governance materials, including our bylaws; corporate governance guidelines; charters of the Audit, Compensation, Finance and Integration, and Corporate Governance and Nominating Committees; and code of ethical behavior may also be found under the "Investor Relations" section of our website.

Our Executive Officers

Michael Allison — Age: 56

Mr. Allison was appointed as our Executive Vice President and Chief People Officer in December 2013. From July 2011 until December 2013, Mr. Allison was our Executive Vice President, Human Resources. Mr. Allison joined Office Depot in September 2006 as Vice President, Human Resources. Prior to joining Office Depot, Mr. Allison served as Executive Vice President of Human Resources for Victoria's Secret Direct from February, 2001 to September, 2005. Prior to Victoria's Secret, he was Senior Vice President of Human Resources for Bank One, and Senior Vice President and Director of Human Resources for National City Bank.

Elisa D. Garcia C. — Age: 56

Ms. Garcia was appointed as our Executive Vice President, Chief Legal Officer and Corporate Secretary in December 2013. From July 2007 until December 2013, Ms. Garcia was our Executive Vice President, General Counsel and Corporate Secretary. Ms. Garcia is responsible for global legal and compliance matters, loss prevention, safety and government relations. Prior to joining Office Depot, Ms. Garcia served as Executive Vice President, General Counsel and Corporate Secretary of Domino's Pizza, Inc. from April 2000 until May 2007. Prior to joining Domino's Pizza, Ms. Garcia served as Latin American Regional Counsel for Philip Morris International, and Corporate Counsel for GAF Corporation.

Stephen Hare — Age: 60

Mr. Hare was appointed as our Executive Vice President and Chief Financial Officer in December 2013. Prior to joining the Company, Mr. Hare served as the Senior Vice President and Chief Financial Officer of The Wendy's Company, a restaurant owner, operator and franchisor, from July 2011 until September 2013. Mr. Hare also served as the Senior Vice President and Chief Financial Officer of Wendy's/Arby's Group, Inc., a position he held from October 2008 until July 2011. He also served as Chief Financial Officer of Arby's Restaurant Group, Inc., a restaurant owner, operator and franchisor ("Arby's"), from June 2006 until the sale of Arby's by The

Wendy's Company in July 2011. Prior to joining The Wendy's Company, Mr. Hare served as an Executive Vice President of Cadmus Communications Corporation ("Cadmus"), a leading publisher of scientific, technical, medical, and scholarly journals, and as President of Publisher Services Group, a division of Cadmus, from January 2003 to June 2006, and as the Executive Vice President, Chief Financial Officer of Cadmus from September 2001 to January 2003. Mr. Hare currently serves as a director of Hanger, Inc., a provider of orthotic and prosthetic products and services that enhance human physical capability.

Kim Moehler — Age: 45

Ms. Moehler was appointed as our Senior Vice President and Controller in March 2012, and Senior Vice President, Finance and Chief Accounting Officer in December 2013. Ms. Moehler previously served as Senior Vice President, Finance — North American Retail and North America Financial Planning & Analysis from February 2012 until March 2012, and as our Senior Vice President, Finance North American Retail from September 2006 through February 2012. From May 2000 through September 2006, Ms. Moehler served in director and vice president finance positions at the Company. Ms. Moehler joined Office Depot in February 1999 as Senior Manager, Budget & Finance Reporting. Before Office Depot, Ms. Moehler was employed with Advantica Corporation (owner of Denny's restaurants), leaving as the Director of Field Finance. Ms. Moehler is a licensed CPA.

Steven Schmidt — Age: 59

Mr. Schmidt was appointed as our Executive Vice President and President of International in November 2011 after serving as our Executive Vice President, Corporate Strategy and New Business Development from July 2011 until November 2011, and as our President, North American Business Solutions from July 2007 until November 2011. Prior to joining Office Depot, Mr. Schmidt spent 11 years with the ACNielsen Corporation, most recently serving as President and Chief Executive Officer. Prior to joining ACNielsen, Mr. Schmidt spent eight years at the Pillsbury Food Company, serving as President of its Canadian and Southeast Asian operations. He has also held management positions at PepsiCo and Procter & Gamble.

Roland Smith — Age 59

Mr. Smith was appointed as our 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, and has been a Director of Wendy's since 2007. 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. 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 ("Carmike") board of directors since June 2009, and also serves as Chairman of the Compensation and Nominating Committee and as a member of the Executive Committee of Carmike's board.

Item 1A. Risk Factors.

In addition to risks and uncertainties in the ordinary course of business that are common to all businesses, important factors that are specific to our industry and our Company could materially impact our future performance and results. We have provided below a list of risk factors that should be reviewed when considering investing in our securities.

Our ongoing business is subject to certain risks related to our merger with OfficeMax.

As described elsewhere in this Annual Report, we completed a merger with OfficeMax on November 5, 2013, pursuant to which OfficeMax became an indirect, wholly-owned subsidiary of our Company. The Merger involved the integration of two companies that previously operated independently with principal offices in two distinct locations. We are devoting significant management attention and resources to integrating the companies. However, the Merger may present certain risks to our business and operations including, among other things, risks that:

- the businesses of Office Depot and OfficeMax may not be integrated successfully or such integration may take longer, be more difficult, time-consuming or costly to accomplish than expected;
- we may experience business disruption following the Merger, including adverse effects on employee retention;
- we may be unable to avoid potential liabilities and unforeseen increased expenses or delays associated with the Merger and integration;
- there may be unanticipated changes in the markets for the combined Company's business segments;
- branding or rebranding initiatives may involve substantial costs and may not be favorably received by customers;
- there may be unanticipated downturns in business relationships with customers;
- there may be competitive pressures on the combined Company's sales and pricing;
- there may be increases in the cost of material, energy and other production costs, or unexpected costs that cannot be recouped in product pricing;
- we may be unable to successfully manage the complex integration of systems, technology, networks and other assets of the combined Company in a manner that minimizes any adverse impact on our customers, vendors, suppliers, employees and other constituencies; and
- the combined Company may have difficulty in maintaining its long-term credit rating.

Accordingly, there can be no assurance that: (i) the Merger will result in the realization of the full benefits of synergies, innovation and operational efficiencies that we currently expect; (ii) that these benefits will be achieved within the anticipated timeframe: (iii) that we will be able to fully and accurately measure any such synergies; or (iv) that we will be able to implement new strategies to transform the newly combined Company. Failure to successfully integrate the businesses and realize the projected synergies, innovation and operational efficiencies may have a material adverse effect on our business and financial results.

Our business is highly competitive and failure to adequately differentiate ourselves or respond the decline in general office supplies sales or to shifting consumer demands could adversely impact our financial performance.

The office products market is highly competitive and we compete locally, domestically and internationally with office supply stores, including Staples, wholesale clubs such as Costco and BJs, mass merchandisers such as Wal-Mart and Target, computer and electronics superstores such as Best Buy, Internet-based companies such as Amazon.com, food and drug stores, discount stores, and direct marketing companies. Many competitors have also increased their presence by broadening their assortments or broadening from retail into the delivery and e-commerce channels, while others have substantially greater financial resources to devote to sourcing, marketing and selling their products. Product pricing is also becoming ever more competitive, particularly among competitors on the Internet. In order to achieve and maintain expected profitability levels, we must continue to grow by adding new customers and taking market share from competitors. In addition, consumers are utilizing more technology and purchasing less paper, ink and toner, physical file storage and general office supplies. If we are unable to: (i) provide technology solutions and services that meet consumer needs; (ii) continuously stock products that are up-to-date and among the latest trends in the rapidly changing technological environment; (iii) differentiate ourselves from other retailers who sell similar products; and (iv) effectively compete, our sales and financial performance could be negatively impacted.

If we are unable to successfully maintain a relevant multichannel experience for our customers, our results of operations could be adversely affected.

With the increasing use of computers, tablets, mobile phones and other devices to shop in our stores and online, we offer full and mobile versions of our websites (www.officedepot.com and www.officemax.com) and applications for mobile phones and tablets. In addition, we are increasing the use of social media as a means of interacting with our customers and enhancing their shopping experiences. Multichannel retailing is rapidly evolving and we must keep pace with the changing expectations of our customers and new developments by our competitors. If we are unable to attract and retain team members or contract third parties with the specialized skills needed to support our multichannel platforms, or are unable to implement improvements to our customer-facing technology in a timely manner, our ability to compete and our results of operations could be adversely affected. In addition, if our website and our other customer-facing technology systems do not function as designed, the customer experience could be negatively affected, resulting in a loss of customer confidence and satisfaction, and lost sales, which could adversely affect our reputation and results of operations.

We do a significant amount of business with government entities, various purchasing consortiums, and through sole- or limited- source distribution arrangements, and loss of this business could negatively impact our results.

One of our largest U.S. customer groups consists of various state and local governments, government agencies and non-profit organizations. Contracting with state and local governments is highly competitive, subject to federal and state procurement laws, requires more restrictive contract terms and can be expensive and time-consuming. Bidding such contracts often requires that we incur significant upfront time and expense without any assurance that we will win a contract. Our ability to compete successfully for and retain business with the federal and various state and local governments is highly dependent on cost-effective performance and is also sensitive to changes in national and international priorities and U.S., state and local government budgets, which in the current economy continue to decrease. We also service a substantial amount of business through agreements with purchasing consortiums and other sole- or limited-source distribution arrangements. If we are unsuccessful in retaining these customers, or if there is a significant reduction in sales under any of these arrangements, it could adversely impact our financial results.

Current macroeconomic conditions have had and may continue to adversely affect our business and financial performance.

Our operating results and performance depend significantly on worldwide economic conditions and their impact on business and consumer spending. The decline in business and consumer spending resulting from the global recession has caused our comparable store sales to continue to decline from prior periods and we have experienced similar declines in most of our other domestic and international businesses. Our business and financial performance may continue to be adversely affected by current and future economic conditions, including, without limitation, the level of consumer debt, high levels of unemployment, higher interest rates and the ability of our customers to obtain credit, which may cause a continued or further decline in business and consumer spending.

Increases in fuel and other commodity prices could have an adverse impact on our earnings.

We operate a large network of stores, delivery centers, and delivery vehicles around the globe. As such, we purchase significant amounts of fuel needed to transport products to our stores and customers as well as shipping costs to import products from overseas. While we may hedge our anticipated fuel purchases, the underlying commodity costs associated with this transport activity have been volatile in recent years and disruptions in availability of fuel could cause our operating costs to rise significantly to the extent not covered by our hedges. Additionally, other commodity prices, such as paper, may increase and we may not be able to pass along such costs to our customers. Fluctuations in the availability or cost of our energy and other commodity prices could have a material adverse effect on our profitability.

Our business may be adversely affected by the actions of and risks associated with our third-party vendors.

We purchase products for resale under credit arrangements with our vendors and have been able to negotiate payment terms that are approximately equal in length to the time it takes to sell the vendor's products. When the global economy is experiencing weakness as it has over the last five years, vendors may seek credit insurance to protect against non-payment of amounts due to them. If we continue to experience declining operating performance, and if we experience severe liquidity challenges, vendors may demand that we accelerate our payment for their products or require cash on delivery, which could have an adverse impact on our operating cash flow and result in severe stress on our liquidity. Borrowings under our existing credit facility could reach maximum levels under such circumstances, causing us to seek alternative liquidity measures, but we may not be able to meet our obligations as they become due until we secure such alternative measures.

We use and resell many manufacturers' branded items and services and are therefore dependent on the availability and pricing of key products and services including ink, toner, paper and technology products. As a reseller, we cannot control the supply, design, function, cost or vendor-required conditions of sale of many of the products we offer for sale. Disruptions in the availability of these products or the products and services we consume may adversely affect our sales and result in customer dissatisfaction. Further, we cannot control the cost of manufacturers' products, and cost increases must either be passed along to our customers or will result in erosion of our earnings. Failure to identify desirable products and make them available to our customers when desired and at attractive prices could have an adverse effect on our business and our results of operations. In addition, a material interruption in service by the carriers that ship goods within our supply chain may adversely affect our sales. Many of our vendors are small or medium sized businesses which are impacted by current macroeconomic conditions, both in the U.S., Asia and other locations. We may have no warning before a vendor fails, which may have an adverse effect on our business and results of operations.

Our product offering also includes many of our own proprietary branded products. While we have focused on the quality of our proprietary branded products, we rely on third party manufacturers for these products. Such third-party manufacturers may prove to be unreliable, the quality of our globally sourced products may not meet our expectations, such products may not meet applicable regulatory requirements which may require us to recall

those products, or such products may infringe upon the intellectual property rights of third parties. Furthermore, economic and political conditions in areas of the world where we source such products may adversely affect the availability and cost of such products. In addition, our proprietary branded products compete with other manufacturers' branded items that we offer. As we continue to increase the number and types of proprietary branded products that we sell, we may adversely affect our relationships with our vendors, who may decide to reduce their product offerings through us and may increase their product offerings through our competitors. Finally, if any of our customers are harmed by our proprietary branded products, they may bring product liability and other claims against us. Any of these circumstances could have an adverse effect on our business and financial performance.

Disruption of global sourcing activities and our own brands quality concerns could negatively impact brand reputation and earnings.

Economic and civil unrest in areas of the world where we source products, as well as shipping and dockage issues, could adversely impact the availability or cost of our products, or both. Most of our goods imported to the U.S. arrive from Asia through ports located on the U.S. west coast and we are therefore subject to potential disruption due to labor unrest, security issues or natural disasters affecting any or all of these ports. In addition, in recent years, we have substantially increased the number and types of products that we sell under our own brands including Office Depot®, OfficeMax® and other proprietary brands. While we have focused on the quality of our proprietary branded products, we rely on third parties to manufacture these products. Such third-party manufacturers may prove to be unreliable, the quality of our globally sourced products may vary from our expectations and standards, such products may not meet applicable regulatory requirements which may require us to recall those products, or such products may infringe upon the intellectual property rights of third parties. Moreover, as we seek indemnities from the manufacturers of these products, the uncertainty of realization of any such indemnity and the lack of understanding of U.S. product liability laws in certain parts of Asia make it more likely that we may have to respond to claims or complaints from our customers.

A downgrade in our credit ratings or a general disruption in the credit markets could make it more difficult for us to access funds, refinance indebtedness, obtain new funding or issue securities.

Historically, we have generated positive cash flow from operating activities and have had access to broad financial markets that provide the liquidity we need to operate our business. Together, these sources have been used to fund operating and working capital needs, as well as invest in business expansion through new store openings, capital improvements and acquisitions. Due to the downturn in the global economy, our operating results have declined. Further deterioration in our financial results or the impact of significant Merger and integration costs could negatively impact our credit ratings, our liquidity and our access to the capital markets. If we need to refinance all or a portion of that indebtedness, there is no assurance that we will be able to secure such refinancing at the same or more favorable terms than the terms of our existing indebtedness.

A default under our credit facility could significantly restrict our access to funding and adversely impact our operations.

Our asset based credit facility contains a fixed charge coverage ratio covenant that is operative only when borrowing availability is below $125 million or prior to a restricted transaction, such as incurring additional indebtedness, acquisitions, dispositions, dividends, or share repurchases. The agreement governing our credit facility (the "Credit Agreement") also contains representations, warranties, affirmative and negative covenants, and default provisions. A breach of any of these covenants could result in a default under our Credit Agreement. Upon the occurrence of an event of default under our Credit Agreement, the lenders could elect to declare all amounts outstanding to be immediately due and payable and terminate all commitments to extend further credit. If the lenders were to accelerate the repayment of borrowings, we may not have sufficient assets to repay our asset based credit facility and our other indebtedness. Also, should there be an event of default, or a need to obtain waivers following an event of default, we may be subject to higher borrowing costs and/or more restrictive

covenants in future periods. Acceleration of our obligations under our credit facilities would permit the holders of our other material debt to accelerate their obligations.

We have incurred significant impairment charges and we continue to incur significant impairment charges.

During 2012 and 2013, we recognized significant non-cash asset impairment charges related to under-performing stores in North America. These charges reflect greater than anticipated downturns in sales at certain lower performing stores. We assess past performance and make estimates and projections of future performance quarterly at an individual store level. Reduced sales, our shift in strategy to be less promotional, as well as competitive factors and changes in consumer spending habits resulted in a downward adjustment of anticipated future cash flows for the individual stores that resulted in the impairment. We foresee challenges in the market and economy that could adversely impact our operations. To the extent that forward-looking sales and operating assumptions are not achieved and are subsequently reduced, or if we commit to a more aggressive store downsizing strategy, including allocating capital to further modify store formats, additional impairment charges may result. Further, the Company has begun to develop a new real estate strategy since the completion of its Merger. Decisions made about store count, format and location could result in additional asset impairment charges.

Additionally, in 2013, we recognized a $44 million International Division goodwill impairment. This goodwill impairment resulted from the disposition of our investment in Office Depot de Mexico and the associated return of cash to the U.S. parent, which caused the carrying value of the International Division reporting unit to exceed its fair value.

As of December 28, 2013, we have goodwill amounting to $398 million, of which $377 million relates to the Merger. Because that transaction was recently completed and the purchase price has not yet been finalized, the goodwill resulting from the Merger has not been allocated to the segments. The Merger-related goodwill will be tested for impairment annually on the first day of the third quarter or earlier if indicators of possible impairment are identified.

Changes in the numerous variables associated with the judgments, assumptions and estimates we make, in assessing the appropriate valuation of our goodwill, including changes resulting from macroeconomic challenges in international markets, or disposition of components within reporting units, could in the future require a reduction of goodwill and recognition of related non-cash impairment charges. If we were required to further impair our store assets or our goodwill, it could have a material adverse effect on our business and results of operations.

Our quarterly operating results are subject to fluctuation due to the seasonality of our business.

Our business is somewhat seasonal, with sales generally trending lower in the second quarter, following the “back-to-business” sales cycle in the first quarter and preceding the “back-to-school” sales cycle in the third quarter and the holiday sales cycle in the fourth quarter. As a result, our operating results have fluctuated from quarter to quarter in the past, with sales and profitability being generally stronger in the second half of our fiscal year than the first half of our fiscal year. Factors that could also cause these quarterly fluctuations include: the pricing behavior of our competitors; the types and mix of products sold; the level of advertising and promotional expenses; the expense and outcome of pending litigation; severe weather; macroeconomic factors that affect consumer confidence; and the other risk factors described in this section. Most of our operating expenses, such as occupancy costs and associate salaries, are not variable, and so short term adjustments to reflect quarterly results are difficult. As a result, if sales in certain quarters are significantly below expectations, we may not be able to proportionately reduce operating expenses for that quarter, and therefore such a sales shortfall would have an adverse effect on our net income for the quarter.

We have retained responsibility for liabilities of acquired companies that may adversely affect our financial results.

OfficeMax sponsors noncontributory defined benefit pension plans covering certain terminated employees, vested employees, retirees, and some active employees (the "Pension Plans"). The Pension Plans are under-funded and we may be required to make contributions in subsequent years in order to maintain required funding levels, which would have an adverse impact on our cash flows and our financial results. Additional future contributions to the Pension Plans, financial market performance and Internal Revenue Service ("IRS") funding requirements could materially change these expected payments.

In connection with OfficeMax's sale of its paper, forest products and timberland assets in 2004, OfficeMax agreed to assume responsibility for certain liabilities of the businesses sold. These obligations include liabilities related to environmental, asbestos, health and safety, tax, litigation and employee benefit matters. Some of these retained liabilities could turn out to be significant, which could have an adverse effect on our results of operations. Our exposure to these liabilities could harm our ability to compete with other office products distributors, who would not typically be subject to similar liabilities.

Changes in tax laws in any of the multiple jurisdictions in which we operate can cause fluctuations in our overall tax rate impacting our reported earnings.

Our global tax rate is derived from a combination of applicable tax rates in the various domestic and international jurisdictions in which we operate. Depending upon the sources of our income, any agreements we may have with taxing authorities in various jurisdictions, and the tax filing positions we take in these jurisdictions, our overall tax rate may fluctuate significantly from other companies or even our own past tax rates. At any given point in time, we base our estimate of an annual effective tax rate upon a calculated mix of the tax rates applicable to our Company and to estimates of the amount of income likely to be generated in any given geography. The loss of one or more agreements with taxing jurisdictions, a change in the mix of our business from year to year and from country to country, changes in rules related to accounting for income taxes, changes in tax laws in any of the multiple jurisdictions in which we operate or adverse outcomes from the tax audits that regularly are in process in any of the jurisdictions in which we operate could result in an unfavorable change in our overall tax rate.

Loss of key personnel could have an adverse impact on our business.

We depend on our executive management team and other key personnel, and the loss of certain personnel could result in the loss of management continuity and institutional knowledge. We depend heavily upon our retail labor force to identify new customers and provide desired products and personalized customer service to existing customers. The market for qualified employees, with the right talent and competencies, is highly competitive, and may subject us to increased labor costs during periods of low unemployment. The loss of the services of key employees or the inability to attract additional qualified managers may adversely affect our ability to conduct operations in our stores in accordance with the standards that we have set.

We also depend on our executive officers as well as other key personnel. Although certain members of our executive team have entered into agreements relating to their employment with us, most of our key personnel are not bound by employment agreements, and those with employment or retention agreements are bound only for a limited period of time. If we are unable to retain our key personnel, we may be unable to successfully develop and implement our business plans, which may have an adverse effect on our business.

We are subject to legal proceedings and legal compliance risks.

We are involved in various legal proceedings, which from time to time may involve class action lawsuits, state and federal governmental inquiries, audits and investigations, employment, tort, consumer litigation and intellectual property litigation. At times, such matters may involve directors and/or executive officers. Certain of

these legal proceedings, including government investigations, may be a significant distraction to management and could expose our Company to significant liability, including damages, fines, penalties, attorneys' fees and costs, and non-monetary sanctions, including suspensions and debarments from doing business with certain government agencies, any of which could have a material adverse effect on our business and results of operations.

Failure to successfully manage our domestic and international business could have an adverse effect on our operations and financial results.

Circumstances outside of our control could negatively impact anticipated store openings, joint ventures and franchise arrangements. We cannot provide assurance that our new store openings, including some newly sized or formatted stores or retail concepts, will be successful. There may be unintended consequences of adding joint venture and franchising partners to the Office Depot model, such as the potential for compromised operational control in certain countries and inconsistent international brand image. These joint venture and franchise arrangements may also add complexity to our processes and may require unanticipated operational adjustments in the future that could adversely impact our operations and financial results.

Our international operations subject us to risks as foreign currency fluctuations, potential unfavorable foreign trade policies or unstable political and economic conditions.

As of December 28, 2013, we sold to customers in 57 countries throughout North America, Europe, Asia/Pacific, and Latin America. We operate wholly-owned entities, majority-owned entities and participate in joint ventures and alliances globally. Sales from our operations outside the U.S. are denominated in local currency, which must be translated into U.S. dollars for reporting purposes and therefore our consolidated earnings can be significantly impacted by fluctuations in world currency markets. We are required to comply with multiple foreign laws and regulations that may differ substantially from country to country, requiring significant management attention and cost. In addition, the business cultures in certain areas of the world are different than those that prevail in the U.S., and we may be at a competitive disadvantage against other companies that do not have to comply with standards of financial controls or business integrity that we are committed to maintaining as a U.S. publicly traded company.

Changes in the regulatory environment may increase our expenses and may negatively impact our business.

We are subject to regulatory matters relating to our corporate conduct and the conduct of our business, including securities laws, consumer protection laws, advertising regulations, and wage and hour regulations and anti-corruption legislation. Certain jurisdictions have taken a particularly aggressive stance with respect to such matters and have implemented new initiatives and reforms, including more stringent disclosure and compliance requirements. To the extent that we are subject to more challenging regulatory environments and enhanced legal and regulatory requirements, such exposure could have a material adverse effect on our business, including the added cost of increased compliance measures that we may determine to be necessary.

We could be adversely affected by violations of the U.S. Foreign Corrupt Practices Act and similar worldwide anti-bribery laws.

The U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act and similar anti-bribery laws in other jurisdictions generally prohibit companies and their intermediaries from making improper payments for the purpose of obtaining or retaining business. Recent years have seen a substantial increase in anti-bribery law enforcement activity with more frequent and aggressive investigations and enforcement proceedings by both the Department of Justice and the U.S. Securities and Exchange Commission, increased enforcement activity by non-U.S. regulators and increases in criminal and civil proceedings brought against companies and individuals. Our policies mandate compliance with all anti-bribery laws. However, we operate in certain countries that are recognized as having governmental and commercial corruption. Our internal control policies and procedures may

not always protect us from reckless or criminal acts committed by our employees or third-party intermediaries. Violations of these anti-bribery laws may result in criminal or civil sanctions, which could have a material adverse effect on our business, financial condition and results of operations.

Healthcare reform legislation could adversely affect our future profitability and financial condition.

Rising healthcare costs and interest in universal healthcare coverage in the United States have resulted in government and private sector initiatives proposing significant healthcare reforms. The Patient Protection and Affordable Care Act, signed into law on March 23, 2010, is expected to increase our annual employee health care costs, with the most significant increases commencing in 2015. We cannot predict the extent of the effect of this statute, or any future state or federal healthcare legislation or regulation, will have on us. However, an expansion in government's role in the U.S. healthcare industry could result in significant long-term costs to us, which could in turn adversely affect our future profitability and financial condition.

Disruptions of our computer systems could adversely affect our operations.

We rely heavily on computer systems to process transactions, manage our inventory and supply-chain and to summarize and analyze our global business. If our systems are damaged or fail to function properly, or, if we do not replace or upgrade certain systems, we may incur substantial costs to repair or replace them and may experience an interruption of our normal business activities or loss of critical data. We are undertaking certain system enhancements and conversions to increase productivity and efficiency, that, if not done properly, could divert the attention of our workforce and constrain for some time our ability to provide the level of service our customers demand. Also, once implemented, the new systems and technology may not provide the intended efficiencies or anticipated benefits and could add costs and complications to our ongoing operations.

A breach of our information technology systems could adversely affect our reputation, business partner and customer relationships and operations and result in high costs.

Through our sales, marketing activities, and use of third party information, we collect and store certain personally identifiable information that our customers provide to purchase products or services, enroll in promotional programs, register on our website, or otherwise communicate and interact with us. This may include but is not limited to names, addresses, phone numbers, driver license numbers, e-mail addresses, contact preferences, personally identifiable information stored on electronic devices, and payment account information, including credit and debit card information. We also gather and retain information about our employees in the normal course of business. We may share information about such persons with vendors that assist with certain aspects of our business. In addition, our online operations depend upon the secure transmission of confidential information over public networks, such as information permitting cashless payments.

We have instituted safeguards for the protection of such information. These security measures may be compromised as a result of third party security breaches, burglaries, cyber attack, errors by employees or employees of third parties, faulty password management, misappropriation of data by employees, vendors or unaffiliated third-parties, or other irregularity, and result in persons obtaining unauthorized access to our data or accounts. Despite instituted safeguards for the protection of such information, we cannot be certain that all of our systems and those of our vendors and unaffiliated third-parties are entirely free from vulnerability to attack or compromise. We may experience a breach of our systems and may be unable to protect sensitive data and integrity of our systems or prevent fraudulent purchases. Moreover, an alleged or actual security breach that affects our systems or results in the unauthorized release of personally identifiable information could:

- materially damage our reputation and brand, negatively affect customer satisfaction and loyalty, expose us to negative publicity, individual claims or consumer class actions, administrative, civil or criminal investigations or actions, and infringe on proprietary information; and

- cause us to incur substantial costs, including but not limited to costs associated with remediation for stolen assets or information, payments of customer incentives for the maintenance of business relationships after an attack, litigation costs, lost revenues resulting from unauthorized use of proprietary information or the failure to retain or attract customers following an attack, and increased cyber security protection costs.

Our business could be disrupted due to weather-related factors.

Our operations are heavily concentrated in the Southern and Midwestern U.S. (including Illinois, Ohio, Florida and the Gulf Coast). Because of our concentration in the Southern U.S., we may be more susceptible than some of our competitors to the effects of tropical weather disturbances, such as tornadoes and hurricanes. In addition, winter storm conditions in areas that have a large concentration of our business activities could also result in reduced demand for our products, lost retail sales, supply chain constraints or other business disruptions. We believe that we have taken reasonable precautions to prepare for weather-related events, but our precautions may not be adequate to mitigate the adverse effect of such events in the future.

The unionization of a significant portion of our workforce could increase our overall costs and adversely affect our operations.

We have a large employee base and while our management believes that our employee relations are good, we cannot be assured that we will not experience organization efforts from labor unions. The potential for unionization could increase if federal legislation is passed that would facilitate labor organization. Significant union representation would require us to negotiate wages, salaries, benefits and other terms with many of our employees collectively and could adversely affect our results of operations by significantly increasing our labor costs or otherwise restricting our ability to maximize the efficiency of our operations.

Disclaimer of Obligation to Update

We assume no obligation (and specifically disclaim any such obligation) to update these Risk Factors or any other forward-looking statements contained in this Annual Report to reflect actual results, changes in assumptions or other factors affecting such forward-looking statements.

Item 1B. Unresolved Staff Comments.

None.

Item 2. Properties.

As of December 28, 2013, our wholly-owned entities operated the following retail stores, which are presented in the tables below by Division and location. In addition, the Company's majority-owned joint-venture in Mexico operates 93 retail stores.

STORES

North American Retail Division

State	#	State	#
UNITED STATES:			
Alabama	30	Montana	7
Alaska	6	Nebraska	16
Arizona	42	Nevada	32
Arkansas	14	New Jersey	12
California	198	New Mexico	15
Colorado	65	New York	36
Connecticut	6	North Carolina	64
Delaware	1	North Dakota	5
District of Columbia	1	Ohio	61
Florida	191	Oklahoma	18
Georgia	79	Oregon	29
Hawaii	11	Pennsylvania	34
Idaho	11	Puerto Rico	19
Illinois	93	Rhode Island	1
Indiana	34	South Carolina	26
Iowa	10	South Dakota	5
Kansas	18	Tennessee	45
Kentucky	24	Texas	222
Louisiana	40	Utah	21
Maine	1	U.S. Virgin Islands	2
Maryland	26	Virginia	46
Massachusetts	7	Washington	54
Michigan	56	West Virginia	5
Minnesota	48	Wisconsin	49
Mississippi	22	Wyoming	4
Missouri	50	TOTAL UNITED STATES	1,912

North American Business Solutions Division

Country	#
Canada	19

International Division

Country	#
Australia	6
France	55
New Zealand	16
South Korea	20
Sweden	47
TOTAL	144

As of December 28, 2013, we had 81 supply chain facilities in 36 U.S. states, which support our North American Retail and North American Business Solutions Divisions and 10 supply chain facilities in Canada, which support our North American Business Solutions Divisions. As of December 28, 2013, we also had 36 DCs in 15 countries, outside of the United States and Canada, which support our International Division. The following tables set forth the locations of our supply chain facilities as of December 28, 2013.

DCs and Crossdock Facilities (United States)

State	#	State	#
Alabama	1	Minnesota	2
Arizona	2	Mississippi	1
California	6	Missouri	1
Colorado	2	Nevada	1
Connecticut	1	New Hampshire	1
Delaware	1	New Jersey	1
Florida	6	New York	1
Georgia	2	North Carolina	2
Hawaii	6	Ohio	4
Idaho	1	Oregon	2
Illinois	4	Pennsylvania	6
Indiana	2	Puerto-Rico	1
Kansas	1	Tennessee	2
Kentucky	2	Texas	6
Maine	2	Utah	1
Maryland	1	Virginia	2
Massachusetts	1	Washington	4
Michigan	1	Wisconsin	1
		TOTAL	81

DCs and Crossdocks (International)

Country	#	Country	#
Australia	11	Italy	1
Belgium	1	New Zealand	3
Canada	10	South Korea	1
China	3	Spain	1
Czech Republic	1	Sweden	1
France	5	Switzerland	1
Germany	2	The Netherlands	1
Ireland	1	United Kingdom	3
		TOTAL	46

Our corporate offices in Boca Raton, FL and Naperville, IL consist of approximately 625,000 square feet and 360,000 square feet of leased office space, respectively. We selected Boca Raton as the location for our corporate headquarters and will transition operations from Naperville to Boca Raton. The Naperville lease agreement expires in 2017. We also lease a corporate office in Venlo, The Netherlands which is approximately 210,000 square feet and we lease other administrative offices. Each of our facilities is considered to be in good condition, adequate for its purpose and suitably utilized according to the individual nature and requirements of the relevant operations.

Although we own a small number of our retail store locations, most of our facilities are leased or subleased.

Item 3. Legal Proceedings.

The Company is involved in litigation arising in the normal course of business. While, from time to time, claims are asserted that make demands for a large sum of money (including, from time to time, actions which are asserted to be maintainable as class action suits), the Company does not believe that contingent liabilities related to these matters (including the matters discussed below), either individually or in the aggregate, will materially affect the Company's financial position, results of operations or cash flows.

In addition, in the ordinary course of business, sales to and transactions with government customers may be subject to lawsuits, investigations, audits and review by governmental authorities and regulatory agencies, with which the Company cooperates. Many of these lawsuits, investigations, audits and reviews are resolved without material impact to the Company. While claims in these matters may at times assert large demands, the Company does not believe that contingent liabilities related to these matters, either individually or in the aggregate, will materially affect its financial position, results of operations or cash flows. In addition to the foregoing, State of California et. al. ex. rel. David Sherwin v. Office Depot was filed in Superior Court for the State of California, Los Angeles County, and unsealed on October 19, 2012. This lawsuit relates to allegations regarding certain pricing practices in California under now expired agreements that were in place between 2001 and 2011, pursuant to which state, local and non-profit agencies purchased office supplies (the "Purchasing Agreements") from us. This action seeks as relief monetary damages. This lawsuit is now pending in the Superior Court of the State of California for the County of Los Angeles after a remand order entered by the judge on January 29, 2014 in the United States District Court for the Central District of California. The Company believes that adequate provisions have been made for probable losses on one claim in this matter and such amounts are not material. However, in light of the early stages of the other claims and the inherent uncertainty of litigation, the Company is unable to reasonably determine the full effect of the potential liability in the matter. Office Depot intends to vigorously defend itself in this lawsuit. Additionally, during the first quarter of 2011, the Company was notified that the United States Department of Justice ("DOJ") commenced an investigation into certain pricing practices related to the Purchasing Agreement. The Company has cooperated with the DOJ on this matter.

On February 20, 2013, Office Depot and OfficeMax announced a definitive agreement under which the companies would combine in an all-stock merger-of-equals transaction. Between February 25, 2013 and March 29, 2013, six putative class action lawsuits were filed by purported OfficeMax shareholders in the Circuit Court of the Eighteenth Judicial Circuit in DuPage County, Illinois ("Court") challenging the transaction and alleging that the defendant companies and individual members of OfficeMax's Board of Directors violated applicable laws by breaching their fiduciary duties and/or aiding and abetting such breaches. The plaintiffs sought, among other things, injunctive relief and rescission, as well as fees and costs. The lawsuits were consolidated as Venkata S. Donepudi v. OfficeMax Incorporated et. al. Subsequently, two similar lawsuits were filed in the United States District Court for the Northern District of Illinois. Like the state court lawsuits, the federal actions alleged that the disclosure in the joint proxy statement/prospectus was inadequate. On June 25, 2013, the parties entered into a Memorandum of Understanding ("MOU") regarding settlement of the litigation. In consideration for the settlement and release, Office Depot and OfficeMax made certain supplemental disclosures to the joint proxy statement/prospectus. The MOU contemplates that the parties will attempt in good faith to agree to a stipulation of settlement to be submitted to the court for approval. A Stipulation of Settlement was entered into on November 6, 2013, and filed with the Court on November 7, 2013. The Court granted preliminary approval of the settlement on November 11, 2013, and final settlement approval was entered by the Court on January 21, 2014. The amount paid in this settlement was not material to the Company's financial statements.

In addition to the foregoing, Heitzenrater v. OfficeMax North America, Inc., et al. was filed in the United States District Court for the Western District of New York in September 2012 as a putative class action alleging violations of the Fair Labor Standards Act and New York Labor Law. The complaint alleges that OfficeMax misclassified its assistant store managers as exempt employees. The Company believes that adequate provisions have been made for probable losses and such amounts are not material. However, in light of the early stage of the

case and the inherent uncertainty of litigation, the Company is unable to reasonably determine the full effect of the potential liability in the matter. OfficeMax intends to vigorously defend itself in this lawsuit. Further, Kyle Rivet v. Office Depot, Inc., is pending in the United States District Court for the District of New Jersey. The complaint similarly alleges that Office Depot misclassified its assistant store managers as exempt employees. The Company believes in this case as well that adequate provisions have been made for probable losses and such amounts are not material. However, in light of the early stage of the case and the inherent uncertainty of litigation, the Company is unable to reasonably determine the full effect of the potential liability in these matters. Office Depot intends to vigorously defend itself in these lawsuits.

OfficeMax is named a defendant in a number of lawsuits, claims, and proceedings arising out of the operation of certain paper and forest products assets prior to those assets being sold in 2004, for which OfficeMax agreed to retain responsibility. Also, as part of that sale, OfficeMax agreed to retain responsibility for all pending or threatened proceedings and future proceedings alleging asbestos-related injuries arising out of the operation of the paper and forest products assets prior to the closing of the sale. The Company does not believe any of these OfficeMax retained proceedings are material to the Company's business.

Item 4. Mine Safety Disclosures.

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

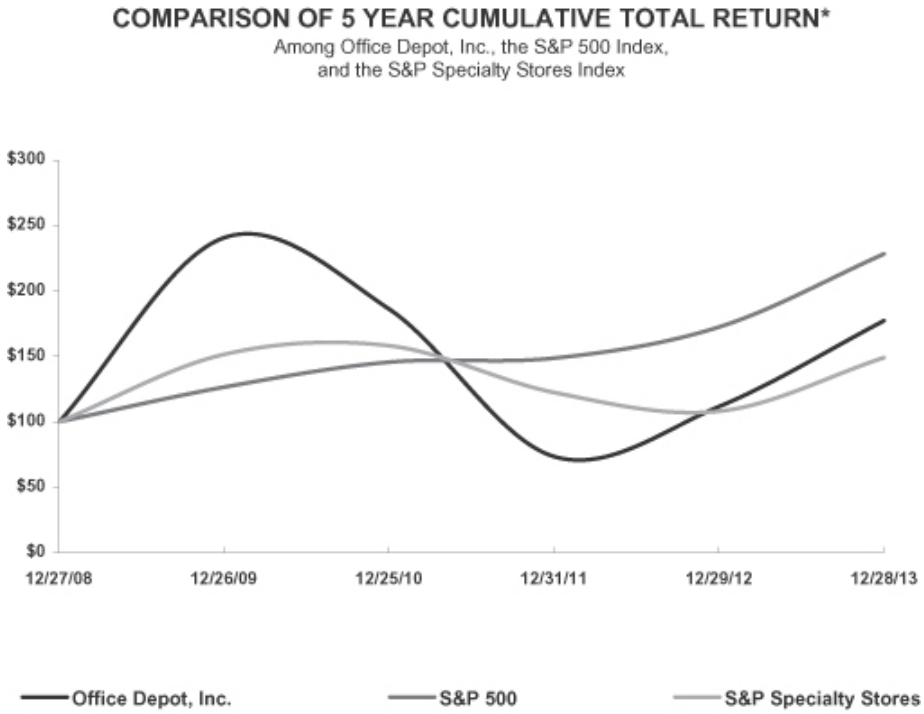
Our common stock is listed on the New York Stock Exchange ("NYSE") under the symbol "ODP." As of the close of business on January 25, 2014, there were 9,065 holders of record of our common stock. The last reported sale price of the common stock on the NYSE on January 25, 2014 was $5.00.

The following table sets forth, for the periods indicated, the high and low sale prices of our common stock. These prices do not include retail mark-ups, markdowns or commission.

	High	Low
2013		
First Quarter	**$6.10**	**$3.40**
Second Quarter	**4.51**	**3.55**
Third Quarter	**4.85**	**3.86**
Fourth Quarter	**5.85**	**4.53**
2012		
First Quarter	$3.81	$2.08
Second Quarter	3.50	1.98
Third Quarter	2.85	1.51
Fourth Quarter	3.62	2.24

At December 28, 2013, pursuant to an indenture, dated as of March 14, 2012, we have restrictions on the amount of cash dividends we can pay. We have never declared or paid cash dividends on our common stock and do not anticipate declaring or paying any cash dividends on our common stock in the foreseeable future.

The following graph compares the five-year cumulative total shareholder return on our common stock with the cumulative total returns of the S&P 500 index and the S&P Specialty Stores index.



*$100 invested on 12/27/08 in stock or 12/31/08 in index, including reinvestment of dividends.
Index calculated on month-end basis.

The foregoing graph shall not be deemed to be filed as part of this Annual Report and does not constitute soliciting material and should not be deemed filed or incorporated by reference into any other filing of the Company under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except to the extent we specifically incorporate the graph by reference.

Item 6. Selected Financial Data.

The following table sets forth selected consolidated financial data at and for each of the five fiscal years in the period ended December 28, 2013. It should be read in conjunction with the Consolidated Financial Statements and Notes thereto in Part IV — Item 15. "Exhibits and Financial Statement Schedules" and Part II — Item 7. "MD&A" of this Annual Report.

(In millions, except per share amounts and statistical data)	**2013[1]**	2012	2011[2]	2010	2009
Statements of Operations Data:					
Sales	**$ 11,242**	$ 10,696	$ 11,489	$ 11,633	$ 12,144
Net income (loss) [3][4][5][6]	**$ (20)**	$ (77)	$ 96	$ (46)	$ (599)
Net income (loss) attributable to Office Depot, Inc. [3][4][5][6]	**$ (20)**	$ (77)	$ 96	$ (45)	$ (596)
Net income (loss) available to common shareholders [3][4][5][6]	**$ (93)**	$ (110)	$ 60	$ (82)	$ (627)
Net earnings (loss) per share:					
Basic	**$ (0.29)**	$ (0.39)	$ 0.22	$ (0.30)	$ (2.30)
Diluted	**$ (0.29)**	$ (0.39)	$ 0.22	$ (0.30)	$ (2.30)
Statistical Data:					
Facilities open at end of period:					
United States:					
Office supply stores	**1,912**	1,112	1,131	1,147	1,152
Distribution centers and crossdock facilities	**81**	15	15	16	21
International[7]:					
Office supply stores	**163**	123	131	97	137
Distribution centers and crossdock facilities	**46**	23	27	26	39
Call centers	**19**	21	22	25	29
Total square footage — North American Retail Division	**43,642,514**	25,518,027	26,556,126	27,559,184	28,109,844
Percentage of sales by segment:					
North American Retail Division	**41.0%**	41.7%	42.4%	42.7%	42.1%
North American Business Solutions Division	**31.8%**	30.0%	28.4%	28.3%	28.7%
International Division	**27.2%**	28.3%	29.2%	29.0%	29.2%
Balance Sheet Data:					
Total assets	**$ 7,477**	$ 4,011	$ 4,251	$ 4,569	$ 4,890
Long-term recourse debt, excluding current maturities	**696**	485	648	660	663
Redeemable preferred stock, net	**—**	386	364	356	355

[1] On November 5, 2013, the Company merged with OfficeMax. Statement of operations data and percentage of sales by segment include OfficeMax's results from the Merger date 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, Inc., and Net income available to common shareholders includes a $382 million pre-tax gain on sale of investment, $70 million of asset impairment charges, and $201 million of Merger-related, restructuring, and other operating expenses. Net income (loss) available to common shareholders includes $45 million of dividends related to the redemption of the redeemable preferred stock. Refer to MD&A for additional information.

(2) Includes 53 weeks in accordance with our 52 — 53 week reporting convention.

(3) Fiscal year 2012 Net income (loss), Net income attributable to Office Depot, Inc., and Net income available to common shareholders 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. Refer to MD&A for additional information.

(4) Fiscal year 2011 Net income (loss), Net income attributable to Office Depot, Inc., and Net income available to common shareholders 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. Refer to MD&A for additional information.

(5) Fiscal year 2010 Net income (loss), Net loss attributable to Office Depot, Inc., and Net loss available to common shareholders 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.

(6) Fiscal year 2009 Net income (loss), Net loss attributable to Office Depot, Inc., and Net loss available to common shareholders include charges of approximately $253 million relating to facility closures and other items and approximately $322 million to establish valuation allowances on certain deferred tax assets.

(7) Includes 144 facilities operated by our International Division and 19 facilities in Canada operated by our North American Business Solutions Division.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

RESULTS OF OPERATIONS

OVERVIEW

Our business is comprised of three segments. The North American Retail Division includes our retail stores in the United States, including Puerto Rico and the U.S. Virgin Islands, which offer office supplies, technology products and solutions, business machines and related supplies, facilities products, and office furniture. Most stores also have a copy and print center offering printing, reproduction, mailing and shipping. The North American Business Solutions Division sells office supply products and services in Canada and the United States, including Puerto Rico and the U.S. Virgin Islands. North American Business Solutions Division customers are served through dedicated sales forces, through catalogs, telesales, and electronically through our Internet sites. Our International Division sells office products and services through direct mail catalogs, contract sales forces, Internet sites, and retail stores in Europe, Asia/Pacific, and Mexico. Following the date of the Merger, (i) the former OfficeMax U.S. Retail business is included in the North American Retail Division; (ii) the former OfficeMax U.S. and Canada Contract business is included in the North American Business Solutions Division; and (iii) the former OfficeMax business in Australia, New Zealand and Mexico is included in the International Division.

During the fourth quarter of 2013, we modified our measure of segment operating results for management reporting purposes to exclude from the determination of Division operating income the impacts of asset impairments, restructuring-related activities and certain other charges and credits. These activities are being managed at the Corporate level. In the Consolidated Statements of Operations, the restructuring and other charges and credits are presented on the line item Merger, restructuring and other operating expense, net. Prior period operating expenses have been recast to conform to the current period for the line item presentation and the change in measurement of Division operating income (loss). Refer to Note 19, "Segment Information," in Notes to the Consolidated Financial Statements for additional segment information. These changes in presentation did not impact Consolidated Operating income (loss), Net income (loss), or Earnings (loss) per share for the prior periods.

A summary of factors important to understanding our results for 2013 is provided below. A more detailed comparison to prior years is included in the narrative that follows this overview.

Merger

- On November 5, 2013, the Company completed its Merger with OfficeMax. In connection with the Merger, each outstanding former share of OfficeMax common stock was converted into 2.69 shares of Office Depot common stock. The Company issued approximately 240 million shares of Office Depot, Inc. common stock to former holders of OfficeMax common stock, representing approximately 45% of the approximately 530 million total shares of Company common stock outstanding after the Merger. Additionally, employee based stock options and restricted stock were converted into mirror awards exercisable or earned in Office Depot, Inc. common stock. OfficeMax's financial results from the Merger date through December 28, 2013 are included in our Consolidated Statement of Operations.

- The impact of the Merger on total Company sales is as follows:

(In millions)	2013 Total Company Sales	2013 OfficeMax Contribution	2012 Sales	% Change Total Company Sales	% Change Excluding OfficeMax Contribution
North American Retail Division	**$ 4,614**	**$ 384**	$ 4,458	3%	(5)%
North American Business Solutions Division	**3,580**	**422**	3,215	11%	(2)%
International Division	**3,048**	**133**	3,023	1%	(4)%
Total	**$ 11,242**	**$ 939**	$10,696	5%	(4)%

- The OfficeMax business had a small positive impact at the individual Division operating income level, but was a net loss of $39 million at the total Company level, primarily from Merger-related expenses.

Other Significant Factors Impacting Total Company Results and Liquidity

- Gross margin decreased 36 basis points in 2013 compared to 2012, following a 17 basis point increase in the prior year to year comparison. Competitive pressures in the International Division impacted the 2013 comparison to 2012.

- Total Company Selling, general and administrative expenses increased in 2013 compared to 2012, reflecting the addition of OfficeMax operating expenses since the date of the Merger. Excluding OfficeMax operating expenses, Selling and general and administrative expenses were lower across all Divisions, reflecting lower payroll and advertising expenses, as well as operational efficiencies.

- Non-cash store asset impairment charges of $26 million and $123 million were recorded in 2013 and 2012, respectively. Additionally, $15 million of intangible asset impairment charges were recognized in 2012 related to decreased performance in Sweden.

- We recognized $201 million of Merger, restructuring, and other operating expenses, net in 2013. This line item includes $180 million of expenses related to the Merger transaction and integration activities, primarily investment banking, professional fees, employee related expenses for termination benefits, employee incentives, and certain shareholder-related expenses. This amount does not include Merger expenses incurred by OfficeMax prior to the Merger date. Significant Merger and integration costs are expected to continue. This line item in 2013 also includes $21 million of expenses associated with continued restructuring activities, primarily in Europe. Restructuring and other operating expenses totaled $56 million recognized in each of the years of 2012 and 2011.

- Interest income increased in 2013 primarily due to the impact of OfficeMax Timber Notes income from the Merger date through year end. Interest expenses in 2013 remained the same as 2012. The increase in interest expense related to the OfficeMax debt was offset by the decline in interest expense resulting primarily from the maturity in August 2013 of $150 million of the 6.25% senior notes.

- On July 2013, we completed the sale of our investment in Office Depot de Mexico to our former joint venture partner for $675 million in net cash. We recognized a pre-tax gain on the disposition of the joint venture of $382 million in 2013. The disposition of this joint venture triggered recognition of $44 million of goodwill impairment in the third quarter of 2013, which is recorded in the Asset impairments line in our Consolidated Statement of Operations.

- The effective tax rate for 2013 was 116%, reflecting tax expense on the gain on the joint venture sale and the impacts of nondeductible goodwill impairment and Merger expenses, as well as valuation allowances limiting recognition of deferred tax assets. Because of the valuation allowances and changes in the mix of earnings among jurisdictions, the Company continues to experience significant effective tax rate volatility within the year and across years.

- In 2013, cash payments on preferred stock totaled $470 million, including $407 million of liquidation preference paid to redeem the preferred stock and $63 million of cash classified as dividends. Dividends on the Consolidated Statement of Operations included amounts earned at the stated contractual dividend rate, the premium paid on retirement and an amount representing the difference between the liquidation preference and carrying value of the preferred stock.

- The most dilutive loss per share was $(0.29) in 2013 compared to a loss per share of $(0.39) in 2012. The 2013 EPS was positively impacted by the gain on the joint venture sale and negatively impacted by goodwill and other asset impairments, Merger expenses and restructuring charges. The weighted average shares used for the 2013 EPS calculation include the impact of issuing approximately 240 million shares from November 5 to December 28, 2013.

- At the end of 2013, we had $955 million in cash and cash equivalents and $1.1 billion available on our asset based credit facility. Cash flow from operating activities was a use of $107 million for 2013.

OPERATING RESULTS

Discussion of additional income and expense items, including material charges and credits and changes in interest and income taxes follows our review of segment results.

NORTH AMERICAN RETAIL DIVISION

(In millions)	**2013**	2012	2011
Sales	**$ 4,614**	$ 4,458	$ 4,870
% change	**3%**	(8)%	(2)%
Division operating income	**$ 8**	$ 24	$ 42
% of sales	**0.2%**	0.5%	0.9%
Comparable store sales decline	**(4)%**	(5)%	(2)%

Sales in our North American Retail Division increased 3% in 2013, primarily as a result of the addition of OfficeMax sales from the Merger date through year end of $384 million. Excluding the OfficeMax sales, 2013 sales would have decreased 5%. Sales decreased 8% in 2012 and 2% in 2011. Fiscal year 2011 included a 53rd week based on our retail calendar, compared to 52 weeks in 2013 and 2012. This additional week added approximately $78 million of sales in fiscal year 2011 and contributed to the decline in 2012. Excluding the OfficeMax sales in 2013, the total sales decline in each of the three years was also impacted by store closures. The Company believes that some shoppers continue to purchase in Company stores in proximity to closed locations and online or through catalogs. Online and catalog sales are reported in the North American Business Solutions Division. While store closures result in lower sales in the North American Retail Division, they are typically lower performing stores and future Division operating income may benefit.

Comparable store sales in 2013 from the 1,071 Office Depot branded stores that were open for more than one year decreased 4%. Sales in the OfficeMax stores for the period from the Merger date to the end of 2013 generally reflect the trends experienced in the Office Depot stores. Comparable store sales in 2012 from the 1,079 stores that were open for more than one year decreased 5%. Transaction counts and average order values were lower each of the three years, consistent with the comparable store sales declines. Lower transaction counts reflect lower customer traffic. The decline in average order values reflect, in part, declines in technology sales as customers continue to reduce purchases in this overall category and switch from laptops to tablets that have a lower selling price. Sales in Copy and Print Depot increased in all three years, as the Company continued to increase awareness of in-store offerings. During 2013, sales of ink and toner were lower. Our decision to reduce promotions in select categories contributed to lower sales in both 2012 and 2011, but promotional activity was not significantly different in 2013. Also during 2013, the Company updated its accounting policy for estimating gift card liability that ultimately will not be redeemed, or breakage, based on Company-specific historical information.

Our comparable store sales relate to stores that have been open for at least one year. Stores are removed from the comparable sales calculation during remodeling and if significantly downsized. As the Company refines its real estate strategy and the integration of Office Depot and OfficeMax stores progresses, comparable store sales may be impacted as customers migrate from closed to nearby stores which remain open.

The North American Retail Division reported operating income of $8 million in 2013, compared to $24 million in 2012 and $42 million in 2011. Division operating income in all periods was negatively affected by the impact our comparable sales volume decline had on gross profit and fixed operating expenses (the "flow through impact"). In 2013, based on sales trends, the Division recorded a $13 million inventory markdown related to product with a short selling cycle. Additionally, higher freight charges were largely offset by lower property costs. Excluding the OfficeMax impact, operating expenses in 2013 decreased from lower payroll and advertising costs, as well as a benefit from settlement of a dispute. Operating expenses in 2012 included higher allocated support costs, partially offset by lower Division payroll and variable pay. Operating expenses in 2011 include costs incurred to drive increased customer focused selling activities. These costs were offset by a positive contribution from the 53rd week in 2011, decreased advertising expenses and benefits recognized from changes to our private label credit card program. Division operating income in 2013 includes the positive contribution from the Merger.

At the end of 2013, we operated 1,912 retail stores in the United States, Puerto Rico and the U.S. Virgin Islands, including 823 retail stores resulting from the Merger. Store opening and closing activity for the last three years has been as follows:

	Open at Beginning of Period	OfficeMax Merger	Closed	Opened	Open at End of Period
2011	1,147	—	25	9	1,131
2012	1,131	—	23	4	1,112
2013	**1,112**	**829**(1)	**33**	**4**	**1,912**

(1) Store count as of November 5, 2013.

We have recognized significant non-cash store asset impairment charges related to under-performing stores and the 2012 retail strategy review (the "2012 Retail Strategy") and we are in the process of assessing our store portfolio as part of the integration of the Merger. Refer to "Corporate and other" discussion below for additional information.

The Company has begun the assessment of how best to manage the combined portfolio of stores under the Office Depot and OfficeMax banners. This assessment is expected to result in exit costs associated with facility closures and product harmonization. Closures may include Office Depot and OfficeMax locations. Charges associated with these decisions will be reported on the Merger, restructuring and other operating expense, net line in the Consolidated Statement of Operations and be reflected in Corporate reporting, and not included in the determination of Division income in future periods.

NORTH AMERICAN BUSINESS SOLUTIONS DIVISION

(In millions)	**2013**	2012	2011
Sales	**$3,580**	$3,215	$3,262
% change	**11%**	(1)%	(1)%
Division operating income	**$ 113**	$ 110	$ 78
% of sales	**3.2%**	3.4%	2.4%

Sales in our North American Business Solutions Division increased 11% in 2013, primarily as a result of the addition of OfficeMax sales from the Merger date through year end of $422 million. Excluding the OfficeMax sales, 2013 sales would have decreased 2%. Sales decreased 1% in both 2012 and 2011. The 53rd week added approximately $34 million of sales to the Division in 2011 and contributed to the decline in 2012. Sales in the OfficeMax business for the period from the Merger date to the end of 2013 declined compared to their historical sales at a rate generally equivalent to that of the Office Depot business. Sales contribution in 2013 from the Office Depot business decreased 2%, reflecting a 2% decline in the contract channel and a slight decline in the direct channel. During 2013, the Company restructured and relocated the focused technology selling effort in the contract channel and anticipated this negative impact on sales. This change is projected to lower future operating costs and have an overall positive impact on future operating income. Additionally, during 2013, the contract channel experienced declines in sales to the federal government customers as they continue to experience budgetary pressures. Sales in the remaining portions of the contract channel were flat in 2013. Increased sales during 2013 to state and local governments and education accounts were offset by declines in sales to large and enterprise-level accounts. Online sales through the direct channel increased during 2013, reflecting efforts to enhance the Internet shopping offering and experience. The increased online sales were offset by reduced catalog and call center sales. We anticipate this shift in customer shopping preference will continue. Total sales in both the direct and contract channels decreased slightly in 2012 after considering the 53 rd week in 2011. Sales to large and global accounts increased in both 2012 and 2011. Sales to state and local government accounts decreased in both periods reflecting continuation of budgetary pressures as well as the termination of a significant public consortium agreement relating to 2011 sales. Sales to small-to medium-sized businesses for the Division decreased in 2012 and increased in 2011, reflecting the 53rd week of sales in 2011. On a product category basis for the total Division, copy and print and cleaning and breakroom sales increased in each of the three years, while sales in the supplies category decreased. Furniture sales increased in 2013 and decreased slightly in 2012.

Division operating income for 2013 was $113 million in 2013, compared to $110 million in 2012 and $78 million in 2011. Division operating income in 2013 reflects the continued trend of lower operating expenses, partially offset by legal expenses, relatively constant gross profit margin and a positive contribution from the Merger. The Division operating income increase in 2012 reflects benefits from higher gross profit margin and lower operating expenses. Fiscal year 2011 included benefits discrete to the period from removing recourse provisions and changing terms and conditions in the Office Depot private label credit card program and adjustments relating to customer incentives. The impact of the 53rd week was relatively neutral to the Division's overall operating income for 2011.

As a result of the Merger we added 22 stores in Canada of which 3 stores were closed from the Merger date through year end. These locations primarily service the contract and other small business customers and, accordingly, are included in results of the North America Business Solutions Division.

INTERNATIONAL DIVISION

(In millions)	**2013**	2012	2011
Sales	**$ 3,048**	$ 3,023	$ 3,357
% change	**1%**	(10)%	(1)%
% change in constant currency sales	**(5)%**	(5)%	(5)%
Division operating income	**$ 34**	$ 36	$ 66
% of sales	**1.1%**	1.2%	2.0%

Sales in our International Division in U.S. dollars increased 1% in 2013, primarily as a result of the addition of OfficeMax sales from the Merger date through the year end of $133 million. Excluding the OfficeMax sales, 2013 sales would have decreased 4%. Sales decreased 10% in 2012 and 1% in 2011. Excluding the OfficeMax sales, constant currency sales decreased 5% in 2013 and 5% in 2012 and 2011. The 53rd week added approximately $28 million to total Division sales in 2011, contributing to the decline in 2012. Sales in the OfficeMax business for the period from the Merger date to the end of 2013 declined compared to their historical sales at a rate generally equivalent to that of the Office Depot business. For the remaining Office Depot business, contract channel sales in constant currencies decreased 5% in 2013 and 2% in 2012. The trend reflects competitive pressures and soft economic conditions in Europe. The Company has also elected not to continue with certain unprofitable contract accounts. Constant currency sales in the direct channel declined 6% in 2013 and 10% in 2012. The Company has focused on improving this trend in the direct channel through website improvements and customer awareness and has seen consistent quarterly improvements since mid-2012. Retail sales were lower in 2013, reflecting the disposition of stores in Hungary in late 2012.

Division operating income totaled $34 million in 2013, compared to $36 million in 2012 and $66 million in 2011. The decrease in Division operating income in 2013 and 2012 reflects the negative flow-through impact of lower sales, partially offset by operational efficiencies. The OfficeMax contribution was slightly positive since the date of the Merger. Operating expenses decreased across the Division in both 2013 and 2012, reflecting benefits from current and prior period restructuring activities. The Division expects to continue restructuring activities during 2014 to align the organization from a geographic-focus to a channel-focus. Costs associated with restructuring activities are reported at the Corporate level and discussed in the “Restructuring and other operating expenses, net” section below.

For U.S. reporting, the International Division’s sales are translated into U.S. dollars at average exchange rates experienced during the year. The Division’s reported sales were positively impacted by approximately $52 million in 2013 and negatively impacted by $160 million in 2012 from changes in foreign currency exchange rates. Internally, we analyze our international operations in terms of local currency performance to allow focus on operating trends and results.

International Division store count and activity is summarized below:

	Office Supply Stores			
	Open at Beginning of Period	Opened/ Acquired	Closed/ Changed Designation	Open at End of Period
Company-Owned Stores	97	43(1)	9	131
Operated by Joint Ventures	215	18	1	232
Franchise and Licensing Arrangements	143	45	5	183
Total stores 2011	455	106	15	546
Company-Owned Stores	131	4	12	123
Operated by Joint Ventures	232	16	—	248
Franchise and Licensing Arrangements	183	7	44(2)	146
Total stores 2012	546	27	56	517
Company-Owned Stores	**123**	**25(4)**	**4**	**144**
Operated by Joint Ventures	**248**	**96(4)**	**251(3)**	**93**
Franchise and Licensing Arrangements	**146**	**8**	**39**	**115**
Total stores 2013	**517**	**129**	**294**	**352**

(1) 40 of these stores relate to the acquisition of an entity in Sweden.

(2) 38 of these stores relate to the termination of the Thailand license agreement.

(3) 249 store closures relate to the sale of the Company's interest in Office Depot de Mexico.

(4) 22 Company–owned stores and 93 stores operated by joint venture relate to the Merger.

CORPORATE AND OTHER

Asset Impairments, Merger, Restructuring, Other Charges and Credits

In recent years, we have taken actions to adapt to changing and competitive conditions. These actions include closing stores and distribution centers, consolidating functional activities, disposing of businesses and assets, and improving process efficiencies. We have also recognized significant asset impairment charges related to stores and intangible assets. During 2013, we have also incurred significant expenses associated with the Merger and integration. These activities are managed at the Corporate level and, accordingly, are not included in the determination of Division income for management reporting or external disclosures. Each of these expense items are expected to continue in future periods. During 2012, we recognized a credit related to settlement of a dispute with the seller of a business acquired in 2003.

The line items in our Consolidated Statements of Operations impacted by these Corporate activities are presented in the table below, followed by a narrative discussion of the significant matters.

(In millions)	**2013**	2012	2011
Cost of goods sold and occupancy costs	**$ —**	$ —	$ 2
Recovery of purchase price	**—**	(68)	—
Asset impairments	**70**	139	—
Merger, restructuring, and other operating expenses, net	**201**	56	56
Total charges and credits impact on Operating income (loss)	**$ 271**	$ 127	$ 58

In addition to these charges and credits, certain Selling, general and administrative expenses are not allocated to the Divisions and are managed at the Corporate level. Those expenses are addressed in the section "Unallocated Costs" below.

Recovery of purchase price

The sale and purchase agreement ("SPA") associated with the 2003 European acquisition included a provision whereby the seller was required to pay an amount to the Company if the acquired pension plan was determined to be underfunded based on 2008 plan data. The unfunded obligation amount calculated by the plan's actuary based on that data was disputed by the seller. While the matter was still pending, in 2011, the seller paid GBP 5.5 million ($9 million, measured at then-current exchange rates) to the Company to allow for future monthly payments to the pension plan. In January 2012, the Company and the seller entered into a settlement agreement that settled all claims by either party for this and any other matter under the original SPA. The seller paid an additional GBP 32.2 million (approximately $50 million, measured at then-current exchange rates) to the Company in February 2012. Following this cash receipt in February 2012, the Company contributed the GBP 37.7 million (approximately $58 million at then-current exchange rates) to the pension plan, resulting in the plan changing from an unfunded liability position to a net asset position. There are no additional funding requirements while the plan is in a surplus position.

This pension provision of the SPA was disclosed in 2003 and subsequent periods as a matter that would reduce goodwill when the plan was remeasured and cash received. However, all goodwill associated with this transaction was impaired in 2008, and because the remeasurement process had not yet begun, no estimate of the potential payment to the Company could be made at that time. Consistent with disclosures subsequent to the 2008 goodwill impairment, resolution of this matter in the first quarter of 2012 was reflected as a credit to operating expense. The cash received from the seller, reversal of an accrued liability as a result of the settlement agreement, fees incurred in 2012, and fee reimbursement from the seller have been reported in Recovery of purchase price in the Consolidated Statements of Operations for 2012, totaling $68 million. An additional expense of $5 million of costs related to this arrangement is included in Merger, restructuring and other operating expenses, net, resulting in a net increase in operating profit for 2012 of $63 million. Refer to Note 14, "Employee Benefit Plans — Pension Plans-Europe" of the Consolidated Financial Statements for additional information about this pension plan.

Asset impairments

Asset impairments in 2013 and 2012, include $26 million and $123 million, respectively, related to under-performing stores in North America, as well as $44 million and $15 million primarily related to intangible asset impairment related to international assets, respectively. Additional information about these two separate charges is provided below. An additional $11 million asset impairment charge was recognized in the North American Retail Division during 2011 because it was viewed as operational at that time.

2012 Retail Strategy

In response to customer buying patterns, the Company conducted a review during 2012 of each Office Depot store location and developed a revised retail strategy. This review included a decision to downsize, relocate or close many stores as their lease term came to optional renewal periods over the next several years. Generally, higher performing stores were not identified for change in format or location. Those stores identified for downsizing, were either to small- or medium-size formats, depending on the perceived need in the local market. This review contributed to the $123 million asset impairment charge recognized in 2012 as the assumed lease terms and related cash flow contributions for many stores were shortened in our asset impairment model. The analysis also included lowering sales projections, holding gross margins relatively constant, but increasing operating costs for payroll and other items. The resulting negative flow-through of lower sales contributed to the significant 2012 impairment charge.

Asset impairment charges of $26 million were recognized during 2013, as the Company continued to experience sales declines and certain stores did not meet cash flow projections. The current outlook on sales in our asset impairment model is a decline consistent with current experience with gradual improvement. This trend reflects

our view that a portion of the sales previously made in our retail locations may be migrating to our online and other channels, but because those sales are not fulfilled out of the retail store, they are not considered cash flow sources in this impairment analysis. Gross margin assumptions have been held constant at our current actual levels and we have assumed operating costs consistent with recent actual results and planned activities.

2014 Real Estate Review

As our review progresses of how best to manage the combined portfolio of Office Depot and OfficeMax stores, we are likely to experience volatility in results. In addition to charges for severance, product harmonization, and facility closure costs that will be recognized as decisions are made and communicated, we may experience volatility from the timing of recognition of impairment charges followed by credits related to capital leases and deferred rent accounts when the leases are terminated or modified. The accounting impacts of future period actions likely will differ for Office Depot stores and OfficeMax stores as the OfficeMax stores were recorded at estimated fair value on November 5, 2013 and certain deferred lease balances were eliminated in purchase accounting.

To the extent that forward-looking sales and operating assumptions in the current portfolio are not achieved and are subsequently reduced, or more stores are closed, additional impairment charges may result. Store performance lower than current projections may also result in additional 2014 quarterly asset impairment charges. However, at the end of 2013, the impairment analysis reflects the company's best estimate of future performance.

Intangible asset impairments

As previously disclosed, a reporting unit of the International Division included operating subsidiaries in Europe and ownership of the investment in Office Depot de Mexico. A substantial majority of the estimated fair value of the reporting unit over its carrying value related to the joint venture and we disclosed that if the joint venture were to be removed from the reporting unit, all of the goodwill in that reporting unit likely would be impaired. Following the July 2013 sale of our interest in Office Depot de Mexico and return of cash proceeds to the U.S. parent company, the fair value of the reporting unit with goodwill decreased below its carrying value and the $44 million of goodwill was fully impaired.

The $14 million charge recognized in 2012 related to impairment of amortizing intangible assets associated with a prior acquisition of operations in Sweden that experienced a downturn in performance and certain operational difficulties.

Merger, restructuring and other operating expenses, net

Merger

During 2013, we recognized $180 million of Merger-related expenses, including (i) $80 million related to transaction and integration activities primarily investment banking, legal, accounting, and integration; (ii) $92 million of employee related expenses for cash termination benefits, acceleration of share-based compensation for departing employees and certain incentives to retain and motivate employees, and (iii) $8 million of certain shareholder-related and other expenses. These expenses reflect amounts incurred by Office Depot before receiving approval of the Merger, as well as costs incurred by the combined entity following Merger approval. It is expected that significant Merger expenses will continue to be incurred in future periods as decisions are made about facility closures, product harmonization, organizational structure and other integration activities. Such future amounts are likely to be material. This caption in 2013 also includes certain shareholder-related expenses incurred to provide shareholders with information relating to the composition of the Board of Directors.

Refer to Note 2, “Merger, Acquisitions and Dispositions” and Note 3, “Merger, Restructuring, and Other Accruals”, in Notes to the Consolidated Financial Statements for additional information.

Restructuring and other operating expenses, net

During 2013, we recognized $21 million of net restructuring costs, primarily for activities in Europe. These charges include severance and other costs for organizational changes intended to promote operational efficiency in future periods, as well as a net benefit from the reversal of cumulative translation account balances following the liquidation of certain subsidiaries.

Restructuring and other operating expenses, net were $56 million in 2012 and $56 million in 2011. Both periods include severance and lease and other restructuring accruals, primarily related to the consolidation and elimination of functions in Europe, as well as Company-wide process improvement initiatives, and in 2011, closure of stores in Canada. Additionally, in 2012, the Company recognized $5 million of expense related to the purchase price recovery discussed above.

The past restructuring activity has contributed to lower operating costs. We expect the restructuring activity in Europe to continue. In late 2013, the Division began an organizational realignment from a country-based focus to a Europe-wide focus by channel. This realignment, and related cost to implement, is expected to continue throughout 2014.

Unallocated Costs

The Company allocates to the Divisions functional support costs that are considered to be directly or closely related to segment activity. Those allocated costs are included in the measurement of Division operating income (loss). Other companies may charge more or less of functional support costs to their segments, and our results therefore may not be comparable to similarly titled measures used by other companies. The unallocated costs primarily consist of the building that is used for the Company’s corporate headquarters and personnel not directly supporting the Divisions, including certain executive, finance, audit and similar functions. Following the Merger, unallocated costs also include certain pension expense or credit related to the frozen OfficeMax pension and other benefit plans.

Unallocated costs were $89 million, $74 million, and $96 million in 2013, 2012, and 2011, respectively. The unallocated cost increase in 2013 reflects $6 million from the addition of OfficeMax since November 2013 and higher variable pay, partially offset by reductions in functional area expenses not allocated to the Divisions. Corporate general and administrative expenses decreased in 2012 from lower variable pay and lower unallocated support costs.

Other Income and Expense

(In millions)	**2013**	2012	2011
Interest income	**$ 5**	$ 2	$ 1
Interest expense	**(69)**	(69)	(33)
Loss on extinguishment of debt	**—**	(12)	—
Gain on disposition of joint venture	**382**	—	—
Other income (expense), net	**14**	35	31

Interest income in 2013 includes $3 million related to OfficeMax Timber Notes since the Merger date. Interest income on the Timber Notes is expected to be approximately $21 million in 2014, including amortization of the fair value adjustment recorded in purchase accounting. The associated non-recourse debt added $3 million of interest expense since the Merger date and is expected to be approximately $20 million in 2014, including amortization of the fair value adjustment recorded in purchase accounting. Refer to Note 7, “Timber Notes/Non-

Recourse Debt", in Notes to Consolidated Financial Statements for additional information. Interest expense in 2013 also reflects the maturity in August 2013 of $150 million of the 6.25% senior notes. In 2011, interest expense was impacted by the reversal of accrued interest of $32 million following settlement of certain uncertain tax positions.

On March 15, 2012, we completed a cash tender offer to purchase up to $250 million aggregate principal amount of 6.25% Senior Notes due 2013. The total consideration for each $1,000.00 note surrendered was $1,050.00. Additionally, tender fees and a proportionate amount of deferred debt issue costs and a deferred cash flow hedge gain were included in the measurement of the $12.1 million extinguishment costs reported in our Consolidated Statement of Operations for 2012.

The pre-tax Gain on disposition of joint venture of $382 million results from the July 2013 sale of the investment in Office Depot de Mexico for the Mexican Peso amount of 8,777 million in cash ($680 million at then-current exchange rates). The gain is net of third party fees, as well as recognition of $39 million of cumulative translation loss released from other comprehensive income because the subsidiary holding the investment was substantially liquidated. The removal of this investment from the related reporting unit resulted in an impairment of goodwill. Both the gain on disposition and the related impairment charge were recognized at the Corporate level and not included in the determination of Division income.

Other income (expense), net includes our earnings of joint venture investments, gains and losses related to foreign exchange transactions, and investment results from our deferred compensation plans. The sale of the investment in Office Depot de Mexico had a significant impact on the comparison of Other income (expense), net to the prior years. Our portion of the joint venture results for the year-to-date 2013 was $13 million compared to $32 million in 2012 and $34 million in 2011. These results also were impacted by foreign currency and other gains and losses in all periods.

Income Taxes

(In millions)	**2013**	2012	2011
Income tax expense (benefit)	**$ 147**	$ 2	$ (63)
Effective income tax rate*	**116%**	(2)%	(193)%

* Income taxes as a percentage of earnings (loss) before income taxes.

The effective tax rate of 116% includes $140 million of U.S. and Mexico income tax expense resulting from the sale of our investment in Office Depot de Mexico. In addition, no benefit was recognized for certain Merger-related expenses and the International Division's goodwill impairment since these items are not deductible for income tax purposes. Because of significant valuation allowances that remain in the U.S. and certain foreign jurisdictions, deferred tax benefits are not recognized on certain loss generating entities. Within our international operations, statutory tax expense is generally lower compared to the aggregate U.S. federal and state income tax rates. This is further impacted by favorable tax rulings within our international operations.

For 2012, the effective tax rate results from recognizing tax expense in jurisdictions with pre-tax income while being precluded from recognizing deferred tax benefits on pre-tax losses in the U.S. and certain international jurisdictions that are subject to valuation allowances. Additionally, the pension settlement was a non-taxable transaction and the full year tax rate includes a net $14 million tax benefit from an approved tax loss carryback. The effective rate also reflects the impact on deferred tax asset from a tax rate change in an international jurisdiction.

The effective tax rate for 2011 reflects benefits from settlements of uncertain tax positions ("UTPs") and from the reversal of valuation allowances on deferred tax assets. The 2011 rate includes the reversal of $81 million of UTP accruals following closure of tax audits and the expiration of the statute of limitations on previously open

tax years. In addition, 2011 includes approximately $9 million of discrete benefits from the release of valuation allowances in certain European countries because of improved performance in those jurisdictions. Partially offsetting these tax benefits is income tax expense recognized for tax-paying entities.

Following the recognition of significant valuation allowances in 2009, we have regularly experienced substantial volatility in our effective tax rate in interim periods and across years. Because deferred income tax benefits cannot be recognized in several jurisdictions, changes in the amount, mix and timing of pre-tax earnings in tax paying jurisdictions can have a significant impact on the overall effective tax rate. This interim and full year volatility is likely to continue in future periods until the valuation allowances can be released.

The Company has reached a settlement with the IRS Appeals Division to close the previously-disclosed IRS deemed royalty assessment relating to 2009 and 2010 foreign operations. The settlement was subject to the Congressional Joint Committee on Taxation approval, which was received during the second quarter of 2013. The resolution of this matter has closed all known disputes with the IRS relating to tax years 2009 and 2010 and resulted in a refund of approximately $14 million, which was received during the third quarter of 2013, from a previously approved carryback of a tax accounting method change. In 2013, the Company also received final resolution of the IRS deemed royalty assessment relating to 2011 foreign operations, which resulted in no change to the Company's 2011 U.S. federal income tax return.

We file a U.S. federal income tax return and other income tax returns in various states and foreign jurisdictions. Generally, we are subject to routine examination for years 2006 and forward in our foreign jurisdictions and for years 2010 and forward in our state jurisdictions. The acquired OfficeMax U.S. consolidated group is no longer subject to U.S. federal and state income tax examinations for years before 2010 and 2006, respectively. It is reasonably possible that some audits will close within the next twelve months, which we do not believe would result in a change to our accrued uncertain tax positions.

Refer to Note 9, "Income Taxes," in the Notes to Consolidated Financial Statements for additional tax discussion.

Preferred Stock Dividends

In accordance with certain OfficeMax Merger-related agreements, which we entered into with the holders of our preferred stock concurrently with the execution of the Merger Agreement, we redeemed the preferred stock, with 50 percent redeemed upon shareholder approval in July and the remaining 50 percent redeemed immediately prior to closing of the Merger in November 2013. A total of $431 million in cash payments for full redemption of the preferred stock in 2013, included the liquidation preference of $407 million and redemption premium of $24 million measured at 6% of the liquidation preference.

Preferred stock dividends for 2013 in our Consolidated Statement of Operations were $73 million, including $28 million regular dividends and $45 million related to the redemptions. The $45 million is comprised of $24 million redemption premium and $21 million representing the difference between liquidation preference and carrying value of the preferred stock. The liquidation preference exceeded the carrying value because of initial issuance costs and paid-in-kind dividends recorded for accounting purposes at fair value.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity

In 2011, we entered into an Amended and Restated Credit Agreement with a group of lenders. Additional amendments to the Amended and Restated Credit Agreement have been entered into and were effective February 2012 and November 2013 (the Amended and Restated Credit Agreement including all amendments is referred to as the "Amended Credit Agreement"). The Amended Credit Agreement provides for an asset based, multi-currency revolving credit facility of up to $1.25 billion and expires May 25, 2016. Refer to Note 8, "Debt," of our Consolidated Financial Statements for additional information.

At December 28, 2013, we had $955 million in cash and cash equivalents and approximately $1.1 billion available under the Amended Credit Agreement based on the December 2013 borrowing base certificate, for a total liquidity of approximately $2.1 billion. Approximately $353 million of cash and cash equivalents was held outside the United States and could result in additional tax expense if repatriated. Refer to Note 9, "Income Taxes" of the Consolidated Financial Statements for additional information. We consider our resources adequate to satisfy our cash needs for at least the next twelve months.

At December 28, 2013, no amounts were drawn under the Amended Credit Agreement and there were no amounts outstanding at any time during 2013. There were letters of credit outstanding under the Amended Credit Agreement at the end of the year totaling $110 million.

The Company had short-term borrowings of $3 million at December 28, 2013 under various local currency credit facilities for international subsidiaries that had an effective interest rate at the end of the year of approximately 6%. The maximum month end amount occurred in November 2013 at approximately $5 million and the maximum monthly average amount occurred in December 2013 at approximately $4 million. The majority of these short-term borrowings represent outstanding balances on uncommitted lines of credit, which do not contain financial covenants.

The Company was in compliance with all applicable financial covenants at December 28, 2013.

OfficeMax is the borrower under several conduit tax-exempt bond financings, also referred to as revenue bonds, pursuant to which it is obligated to provide copies of its Annual Report on Form 10-K as filed with the SEC and the annual report to shareholders, including its annual financial statements, to the bond trustees and to file such financial information disclosure with EMMA, the electronic information database of the Municipal Securities Rulemaking Board. Following the Merger with Office Depot, OfficeMax is no longer a reporting company and will no longer prepare audited financial statements because its financial statements are consolidated with those of its parent company, Office Depot. In light of the Merger, the Company determined to issue a guaranty of the bonds. The Company has launched a process to obtain the requisite consents to substitute the Annual Report and audited consolidated financial statements of Office Depot, as guarantor of the bonds, for those of OfficeMax. Failure to provide the OfficeMax annual financial statements within 120 days of the Company's fiscal 2013 year-end, along with any applicable cure periods, could give rise to a technical default under the loan agreements in which case bondholders could exercise remedies, including acceleration of amounts due under the bond documents. In the event that the Company is not able to obtain the requisite consents for one or more series of bonds, the Company has the ability to redeem the bonds at par.

We have incurred $180 million in expenses associated primarily with the Merger and integration actions and $21 million in restructuring expenses associated primarily with actions taken in Europe. Significant Merger and restructuring expenses are expected to continue to be incurred in future periods.

In connection with the Merger, the Company assumed obligations under the OfficeMax U.S. pension plans. Expected Company contributions in 2014, 2015, and 2016 are $50 million, $28 million, and $22 million, respectively. The 2014 funding is greater than the 2013 minimum funding requirements for OfficeMax. Excess contributions made in prior years satisfied almost all of the cash contribution requirements in 2013. The amounts funded will be presented as Operating activity outflows in the Consolidated Statement of Cash Flows.

Cash Flows

Cash provided by (used in) operating, investing and financing activities is summarized as follows:

(In millions)	**2013**	2012	2011
Operating activities	**$ (107)**	$ 179	$ 200
Investing activities	**1,028**	(30)	(157)
Financing activities	**(640)**	(55)	(98)

Operating Activities

Cash used by operating activities was $107 million in 2013 compared to cash generated from operating activities of $179 million and $200 million in 2012 and 2011, respectively. Cash flow used in operating activities is negatively impacted by the payment of $147 million of income taxes related to the Company's gain on the disposition of the investment in Office Depot de Mexico. The source of cash from this gain is shown in Investing activities. In 2012, the Company recognized a credit in earnings as the Recovery of purchase price from a 2003 business combination. The cash portion of this recovery is reclassified out of operating activities and reflected as a source of cash in investing activities. However, that cash was required by the original purchase agreement to be contributed to the acquired pension plan. The pension funding during 2012 is presented as a use of cash in operating activities.

Changes in net working capital for the year-to-date 2013 resulted in a $77 million use of cash compared to $36 million in 2012 and $180 million in 2011. The change in accounts receivable in 2013 was influenced by the timing of certain vendor arrangements, largely offset by proceeds from an account receivable factoring agreement in France. The decrease in receivables in 2012 and 2011 reflects lower sales, improved collections, and certain changes in vendor purchase arrangements that impacted working capital requirements. The increase in inventories in 2013 reflects building above prior year levels for the back to business selling cycle. Inventory balances were lower at the end of 2012 as a result of initiatives to better manage working capital. In 2013, there was a use of cash in prepaid expenses and other assets as well as in trade accounts payable, accrued expenses, and other current and long-term liabilities. The 2011 caption includes the $66 million and $32 million non-cash accrual reversals. Working capital is influenced by a number of factors, including the aging of inventory and timing of vendor payments. The timing of payments is subject to variability during the year depending on a variety of factors, including the flow of goods, credit terms, timing of promotions, vendor production planning, new product introductions and working capital management. The working capital changes in 2013 were also impacted by the timing of the Merger, which caused the consolidated cash flows to reflect the changes in the OfficeMax working capital accounts from the Merger date through December 28, 2013. For our accounting policy on cash management, refer to Note 1, "Summary of Significant Accounting Policies," of the Consolidated Financial Statements.

During 2011, we received a $25 million dividend from the joint venture Office Depot de Mexico, which was sold in 2013.

Investing Activities

Net cash provided by investing activities was $1,028 million in 2013 compared to a use of cash of $30 million in 2012, and $157 million in 2011. The source of cash in 2013 results primarily from $675 million in net proceeds from the disposition of the joint venture Office Depot de Mexico and $460 million in cash acquired from OfficeMax at the Merger date. The cash proceeds from the sale of Office Depot de Mexico provided additional liquidity for the preferred stock retirement, debt maturity and for the needs of the combined Company for Merger-related expenses. A $35 million return of investment in Boise Cascade Holdings, L.L.C also contributed to the source of cash in 2013. The $73 million of acquisition, net of cash acquired in 2011 was for the acquisition of an entity in Sweden that occurred during the first quarter of 2011. Approximately $47 million was placed in a restricted cash escrow account in 2010 and released in 2011 to fund the Swedish acquisition.

In 2012, we recovered $50 million from purchase price as discussed above and released $9 million of cash placed in escrow in 2011 related to the same matter. We invested $137 million, $120 million and $130 million in capital expenditures during 2013, 2012 and 2011, respectively. The 2013 capital expenditures relate to new stores and relocations, internal initiatives and various capital projects. Proceeds from the disposition of assets in 2012 included $12 million from a sale and lease back of an International warehouse, $10 million from sale of properties in North America, and $9 million from cash proceeds related to a 2010 sale of one operating subsidiary in the International Division.

Financing Activities

Cash used in financing activities was approximately $640 million in 2013, compared to $55 million in the 2012 and $98 million in 2011. The Company redeemed 50% of its preferred stock in July of 2013 and the remaining 50% in November 2013 with total cash payment of $431 million. The redemption payment of $431 million includes the liquidation preference of $407 million and redemption premium of $24 million, measured at 106% of the liquidation preference. The premium of $24 million is included in the $63 million dividend of preferred stock. Contractual dividends on preferred stock were paid in cash in 2013 and 2011 and paid-in-kind during 2012.

During 2012, the Company completed the settlement of a cash tender offer to purchase up to $250 million aggregate principal amount of its outstanding 6.25% senior notes due 2013. The Company also issued $250 million aggregate principal amount of 9.75% senior secured notes due March 15, 2019. The tender activity resulted in a $13 million cash loss on extinguishment of debt. Additionally, new issuance costs and costs to amend a separate borrowing agreement totaled $8 million. In August 2013, the Company repaid the $150 million of 6.25% senior notes at maturity. Net repayment on long- and short-term borrowings amounted to $21 million in 2013, $35 million in 2012 and $59 million in 2011.

Off-Balance Sheet Arrangements

As of December 28, 2013, we lease retail stores and other facilities and equipment under operating lease agreements, which are included in the table below. In addition, Note 17, “Commitments and Contingencies,” of the Consolidated Financial Statements in Part IV — Item 15. “Exhibits and Financial Statement Schedules” of this Annual Report describes certain of our arrangements that contain indemnifications.

Contractual Obligations

The following table summarizes our contractual cash obligations at December 28, 2013, and the effect such obligations are expected to have on liquidity and cash flow in future periods. Some of the figures included in this table are based on management's estimates and assumptions about these obligations, including their duration, the possibility of renewal, anticipated actions by third parties and other factors. Because these estimates and assumptions are necessarily subjective, the amounts we will actually pay in future periods may vary from those reflected in the table.

	Payments Due by Period				
(In millions)	Total	2014	2015-2016	2017-2018	Thereafter
Contractual Obligations					
Recourse debt:					
Long-term debt obligations [1]	$ 793	$ 44	$ 104	$ 80	$ 565
Short-term borrowings [2]	3	3	—	—	—
Capital lease obligations [3]	318	38	71	58	151
Non-recourse debt [4]	735	—	—	—	735
Operating lease obligations [5]	2,878	726	1,070	535	547
Purchase obligations [6]	98	85	8	3	2
Pension obligations [7]	130	50	50	10	20
Total contractual cash obligations	$4,955	$946	$1,303	$686	$ 2,020

(1) Long-term obligations consist primarily of expected payments (principal and interest) on our $250 million 9.75% Senior Secured Notes and $186 million of revenue bonds at various interest rates.

(2) Short-term borrowings consist of amounts outstanding under credit facilities for certain of our international subsidiaries.

(3) The present value of these obligations is included on our Consolidated Balance Sheets. Refer to Note 8, "Debt," of the Consolidated Financial Statements for additional information about our capital lease obligations.

(4) There is no recourse against the Company on the Securitization Notes as recourse is limited to proceeds from the pledged Installment Notes receivable and underlying guaranty. The non-recourse debt remains outstanding until it is legally extinguished, which will be when paid in cash or when the Installment Notes and related guaranty is transferred to and accepted by the Securitization Note holders. Interest payments on non-recourse debt will be completely offset by interest income received on the Installment Notes. Accordingly, interest expense on the non-recourse debt is not included in this table.

(5) The operating lease obligations presented reflect future minimum lease payments due under the non-cancelable portions of our leases, as of December 28, 2013. Some of our retail store leases require percentage rentals on sales above specified minimums and contain escalation clauses. The minimum lease payments shown in the table above do not include contingent rental expense and have not been reduced by sublease income of $56 million. Some lease agreements provide us with the option to renew the lease or purchase the leased property. Our future operating lease obligations would change if we exercised these renewal options and if we entered into additional operating lease agreements. Our operating lease obligations are described in Note 10, "Leases," of the Consolidated Financial Statements.

(6) Purchase obligations include all commitments to purchase goods or services of either a fixed or minimum quantity that are enforceable and legally binding on us that meet any of the following criteria: (1) they are non-cancelable, (2) we would incur a penalty if the agreement was cancelled, or (3) we must make specified minimum payments even if we do not take delivery of the contracted products or services. If the obligation is non-cancelable, the entire value of the contract is included in the table. If the obligation is cancelable, but we would incur a penalty if cancelled, the dollar amount of the penalty is included as a purchase obligation.

If we can unilaterally terminate the agreement simply by providing a certain number of days notice or by paying a termination fee, we have included the amount of the termination fee or the amount that would be paid over the "notice period." As of December 28, 2013, purchase obligations include television, radio and newspaper advertising, telephone services, certain fixed assets and software licenses and service and maintenance contracts for information technology. Contracts that can be unilaterally terminated without a penalty have not been included.

(7) Actuarially-determined liabilities related to pension and postretirement benefits are recorded based on estimates and assumptions. Key factors used in developing estimates of these liabilities include assumptions related to discount rates, rates of return on investments, future compensation costs, healthcare cost trends, benefit payment patterns and other factors. Changes in assumptions related to the measurement of funded status could have a material impact on the amount reported. Pension obligations in the table above represent the estimated, minimum contributions required per Internal Revenue Service funding rules.

Our Consolidated Balance Sheet as of December 28, 2013 includes $719 million and $163 million classified as Deferred income taxes and other long-term liabilities and Pension and post-employment obligations, net, respectively. Deferred income taxes and other long-term liabilities primarily consist of net long-term deferred income taxes, deferred lease credits, certain liabilities under our deferred compensation plans, and accruals for uncertain tax positions and environmental accruals. Certain of these liabilities have been excluded from the above table as either the amounts are fully funded or the timing and/or the amount of any cash payment is uncertain. Refer to Note 9, "Income Taxes," of the Consolidated Financial Statements for additional information regarding our deferred tax positions and accruals for uncertain tax positions and Note 14, "Employee Benefit Plans," for a discussion of our employee benefit plans.

In addition to the above, we have outstanding letters of credit totaling $110 million at December 28, 2013.

In accordance with an amended and restated joint venture agreement, the minority owner of Grupo OfficeMax S. de R.L. de C.V. ("Grupo OfficeMax") can elect to require the Company to purchase the minority owner's 49% interest in the joint venture if certain earnings targets are achieved. Earnings targets are calculated quarterly on a rolling four-quarter basis. Accordingly, the targets may be achieved in one quarter but not in the next. If the earnings targets are achieved and the minority owner elects to require the Company to purchase the minority owner's interest, the purchase price is based on the joint venture's earnings and the current market multiples of similar companies. At the end of 2013, Grupo OfficeMax has not met the earnings targets and the noncontrolling interest is recorded at its carrying value, which represents the fair value at the Merger date, adjusted for the losses of Grupo OfficeMax since the Merger date.

CRITICAL ACCOUNTING POLICIES

Our Consolidated Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States of America. Preparation of these statements requires management to make judgments and estimates. Some accounting policies have a significant impact on amounts reported in these financial statements. A summary of significant accounting policies can be found in Note 1, "Summary of Significant Accounting Policies," of the Consolidated Financial Statements. We have also identified certain accounting policies that we consider critical to understanding our business and our results of operations and we have provided below additional information on those policies.

Merger impacts — The Company completed the Merger in November 2013. The process of integrating the two companies has begun, but will continue for some time. The Company used various valuation methodologies to estimate the fair value of assets acquired and liabilities assumed, including using a market participant perspective when applying cost, income and relief from royalty analyses, supplemented with market appraisals where appropriate, Pension and other benefits plans were revalued using current estimates of interest and earnings rates, as well as cost trends. Significant judgments and estimates were required in preparing these fair value estimates. In addition to the accounting uncertainties and estimates inherent in preparing the Company's financial

statements on an on-going basis, the Merger is expected to have incremental impacts that currently cannot be quantified. Decisions about product offerings, brand usage, facility closures, and employee levels are expected to result in restructuring-related charges with the anticipation that these actions will contribute to synergies to be realized in future periods. Accordingly, accounting policies and estimates such as, but not limited to, inventory valuation, asset impairments, goodwill and other intangible assets, closed store accruals and income taxes may have additional Merger-related impacts beyond what is described in the sections below.

Vendor arrangements — Inventory purchases from vendors are generally under arrangements that automatically renew until cancelled with periodic updates or annual negotiated agreements. Many of these arrangements require the vendors to make payments to us or provide credits to be used against purchases if and when certain conditions are met. We refer to these arrangements as “vendor programs.” Vendor programs fall into two broad categories, with some underlying sub-categories. The first category is volume-based rebates. Under those arrangements, our product costs per unit decline as higher volumes of purchases are reached. Current accounting rules provide that companies with a sound basis for estimating their full year purchases, and therefore the ultimate rebate level, can use that estimate to value inventory and cost of goods sold throughout the year. We believe our history of purchases with many vendors provides us with a basis for our estimates of purchase volume. If the anticipated volume of purchases is not reached, however, or if we form the belief at any point in the year that it is not likely to be reached, cost of goods sold and the remaining inventory balances are adjusted to reflect that change in our outlook. We review sales projections and related purchases against vendor program estimates at least quarterly and adjust these balances accordingly. In recent years, we have reduced the number of arrangements that contain this tiered purchase rebate mechanism in exchange for a lower product cost throughout the year. Continued elimination of tiered arrangements could further reduce the potential variability in gross margin from changes in volume-based estimates.

The second broad category of arrangements with our vendors is event-based programs. These arrangements can take many forms, including advertising support, special pricing offered by certain of our vendors for a limited time, payments for special placement or promotion of a product, reimbursement of costs incurred to launch a vendor’s product, and various other special programs. These payments are classified as a reduction of costs of goods sold or inventory, based on the nature of the program and the sell-through of the inventory. Some arrangements may meet the specific, incremental, identifiable cost criteria that allow for direct operating expense offset, but such arrangements are not significant.

Vendor programs are recognized throughout the year based on judgment and estimates and amounts due from vendors are generally settled throughout the year based on purchase volumes. The final amounts due from vendors are generally known soon after year-end. Substantially all vendor program receivables outstanding at the end of the year are settled within the three months immediately following year-end. We believe that our historical collection rates of these receivables provide a sound basis for our estimates of anticipated vendor payments throughout the year.

Inventory valuation — Inventories are valued at the lower of weighted average cost or market value. We monitor active inventory for excessive quantities and slow-moving items and record adjustments as necessary to lower the value if the anticipated realizable amount is below cost. We also identify merchandise that we plan to discontinue or have begun to phase out and assess the estimated recoverability of the carrying value. This includes consideration of the quantity of the merchandise, the rate of sale, and our assessment of current and projected market conditions and anticipated vendor programs. If necessary, we record a charge to cost of sales to reduce the carrying value of this merchandise to our estimate of the lower of cost or realizable amount. Additional promotional activities may be initiated and markdowns may be taken as considered appropriate until the product is sold or otherwise disposed. Estimates and judgments are required in determining what items to stock and at what level, and what items to discontinue and how to value them prior to sale.

We also recognize an expense in cost of sales for our estimate of physical inventory loss from theft, short shipments and other factors — referred to as inventory shrink. During the year, we adjust the estimate of our inventory shrink rate accrual following on-hand adjustments and our physical inventory count results. These changes in estimates may result in volatility within the year or impact comparisons to other periods.

Merger-related decisions about harmonizing product assortment could result in inventory mark downs in future periods.

Asset impairments — Store assets are reviewed quarterly for recoverability of their asset carrying amounts. The analysis uses input from retail store operations and the Company's accounting and finance personnel that organizationally report to the chief financial officer. These projections are based on management's estimates of store-level sales, gross margins, direct expenses, exercise of future lease renewal options, where applicable, and resulting cash flows and, by their nature, include judgments about how current initiatives will impact future performance. If the anticipated cash flows of a store cannot support the carrying value of its assets, the assets are written down to estimated fair value using Level 3 inputs. Store asset impairment charges of $26 million and $124 million for 2013 and 2012, respectively, are included in Asset impairments in the Consolidated Statements of Operations. These charges are measured as the difference between the carrying value of the assets and their estimated fair value, typically calculated as the discounted amount of the estimated cash flow, including estimated salvage value.

Important assumptions used in these projections include an assessment of future overall economic conditions, our ability to control future costs, maintain aspects of positive performance, and successfully implement initiatives designed to enhance sales and gross margins. To the extent that management's estimates of future performance are not realized, future assessments could result in material impairment charges. Unless individual store performance improves, future impairment charges may result.

Merger-related store decisions could result in additional asset impairment charges in future periods.

Goodwill and other intangible assets — We will perform the annual review of goodwill related to the Merger on the first day of the third quarter, or sooner if indicators of potential impairment are identified. Because the purchase price allocation related to the Merger has not yet been finalized, goodwill has not been allocated to the reporting units. We will review performance and other indicators during 2014 and determine at that time if the goodwill test associated with the Merger should be evaluated on a qualitative or quantitative basis. If quantitative, the process we would expect to use, and have used historically, compares the book value of net assets to the fair value of the reporting units. If the fair value is determined to be less than the book value or qualitative factors indicate that it is more likely than not that goodwill is impaired, a second step is performed to compute the amount of impairment as the difference between the estimated fair value of goodwill and the carrying value at the testing date. We estimate the fair value of the reporting units using discounted cash flow and certain market value data. During 2013, a goodwill impairment charge of $44 million was recognized following the sale of our investment in Office Depot de Mexico.

Of the goodwill recognized at December 28, 2013, approximately $377 million relates to the Merger transaction. Approximately $19 million of goodwill existed prior to the Merger and is recorded in the North American Business Solutions Division's reporting unit. The estimated fair value of the reporting unit exceeded its carrying value.

If our future performance is below our projections, goodwill and other intangible asset impairment charges can result.

Fair value of the indefinite lived trade name is obtained using a discounted cash flow analysis. These fair value methods require significant judgment assumptions and estimates, including industry economic factors and future profitability.

Closed store accruals — We regularly assess the performance of each retail store against historical patterns and projections of future profitability. These assessments are based on management's estimates for sales levels, gross margin attainments, and cash flow generation. If, as a result of these evaluations, management determines that a store will not achieve certain operating performance targets, we may decide to close the store prior to the end of its lease term. At the point of closure, we recognize a liability for the remaining costs related to the property, reduced by an estimate of any sublease income. The calculation of this liability requires us to make assumptions and to apply judgment regarding the remaining term of the lease (including vacancy period), anticipated sublease income, and costs associated with vacating the premises. Lease commitments with no economic benefit to the Company are discounted at the credit-adjusted discount rate at the time of each location closure. With assistance from independent third parties to assess market conditions, we periodically review these judgments and estimates and adjust the liability accordingly. Future fluctuations in the economy and the market demand for commercial properties could result in material changes in this liability. Costs associated with facility closures that are considered part of on-going operations are included in Selling, general and administrative expenses in our Consolidated Statements of Operations. However, costs associated with facility closures that are related to Merger and restructuring activities are and, in future periods will be, presented in Merger, restructuring and other operating activities, net in our Consolidated Statements of Operations.

Pensions and other postretirement benefits — The Company sponsors noncontributory defined benefit pension plans covering certain terminated employees, vested employees, retirees, and some active employees, primarily in North American Business Solutions Division, as well as a limited number of European employees. These plans are frozen and do not allow new entrants. The Company assumed responsibility for sponsoring various OfficeMax retiree medical benefit plans and life insurance plans existent at the Merger date, including plans related to operations in Canada. At December 28, 2013, the funded status of our existing and assumed OfficeMax defined benefit pension and other postretirement benefit plans was a liability of $145 million. Changes in assumptions related to the measurement of funded status could have a material impact on the amount reported. We are required to calculate our pension expense and liabilities using actuarial assumptions, including a discount rate and long-term asset rate of return. We base our North America plans' discount rate assumption on the rates of return for a theoretical portfolio of high-grade corporate bonds (rated AA- or better) with cash flows that generally match our expected benefit payments in future years. The discount rate for the European plan is derived based on long-term UK government fixed income yields, having regard to the proportion of assets in each asset class. We base our long-term asset rate of return assumption on the average rate of earnings expected on invested assets. We believe that the accounting estimate related to pensions is a critical accounting estimate because it is highly susceptible to change from period to period, based on the performance of plan assets, actuarial valuations and changes in interest rates, and the effect on our financial position and results of operations could be material.

Income taxes — Income tax accounting requires management to make estimates and apply judgments to events that will be recognized in one period under rules that apply to financial reporting and in a different period in our tax returns. In particular, judgment is required when estimating the value of future tax deductions, tax credits, and the realizability of net operating loss carryforwards (NOLs), as represented by deferred tax assets. When we believe the realization of all or a portion of a deferred tax asset is not likely, we establish a valuation allowance. Changes in judgments that increase or decrease these valuation allowances impact current earnings. Our effective tax rate in future periods may be positively or negatively impacted by changes in related judgments about valuation allowances or pre-tax operations.

In addition to judgments associated with valuation accounts, our current tax provision can be affected by our mix of income and identification or resolution of uncertain tax positions. Because income from domestic and international sources may be taxed at different rates, the shift in mix during a year or over years can cause the effective tax rate to change. We base our rate during the year on our best estimate of an annual effective rate, and update that estimate quarterly, with the cumulative effect of a change in the anticipated annual rate reflected in the tax provision of that period. Such changes can result in significant interim reporting volatility. This volatility can result from changes in our projected earnings levels, the mix of income, the impact of valuation allowances in certain jurisdictions and the interim accounting rules applied to entities expected to pay taxes on a full year basis, but recognizing losses in an interim period.

Environmental and asbestos reserves — Environmental and asbestos liabilities that relate to the operation of the paper and forest products businesses and timberland assets prior to the sale of the paper, forest products and timberland assets are liabilities of the Company as a result of the Merger. We are subject to a variety of environmental laws and regulations. We estimate our environmental liabilities and insurance receivables based on various assumptions and judgments, as we cannot predict with certainty the total response and remedial costs, our share of total costs, the extent to which contributions will be available from other parties or the amount of time necessary to complete any remediation. In making these judgments and assumptions, we consider, among other things, the activity to date at particular sites, information obtained through consultation with applicable regulatory authorities and third-party consultants and contractors and our historical experience at other sites that are judged to be comparable. Due to the number of uncertainties and variables associated with these assumptions and judgments and the effects of changes in governmental regulation and environmental technologies, the precision of the resulting estimates of the related liabilities and insurance receivables are subject to uncertainty. We regularly monitor our estimated exposure to our environmental and asbestos liabilities. As additional information becomes known, our estimates may change.

SIGNIFICANT TRENDS, DEVELOPMENTS AND UNCERTAINTIES

Competitive Factors — Over the years, we have seen continued development and growth of competitors in all segments of our business. In particular, mass merchandisers and warehouse clubs, as well as grocery and drugstore chains, have increased their assortment of home office merchandise, attracting additional back-to-school customers and year-round casual shoppers. Warehouse clubs have expanded beyond their in-store assortment by adding catalogs and websites from which a much broader assortment of products may be ordered. We also face competition from other office supply stores that compete directly with us in numerous markets. This competition is likely to result in increased competitive pressures on pricing, product selection and services provided. Many of these retail competitors, including discounters, warehouse clubs, and drug stores and grocery chains, carry basic office supply products. Some of them also feature technology products. Many of them may price certain of these offerings lower than we do, but they have not shown an indication of greatly expanding their somewhat limited product offerings at this time. This trend towards a proliferation of retailers offering a limited assortment of office products is a potentially serious trend in our industry that could shift purchasing away from office supply specialty retailers and adversely impact our results.

We have seen substantial growth in the number of competitors that offer office products over the Internet, as well as the breadth and depth of their product offerings. In addition to large numbers of smaller Internet providers featuring special price incentives and one-time deals (such as close-outs), we are experiencing strong competitive pressures from large Internet providers such as Amazon and Walmart that offer a full assortment of office products through direct sales and, in the case of Amazon, acting as a “storefront” for other specialty office product providers. Another trend in our industry has been consolidation, as competitors in office supply stores and the copy/print channel have been acquired and consolidated into larger, well-capitalized corporations. This trend towards consolidation, coupled with acquisitions by financially strong organizations, is potentially a significant trend in our industry that could impact our results.

Additionally, consumers are utilizing more technology and purchasing less paper, ink and toner, physical file storage and general office supplies.

We regularly consider these and other competitive factors when we establish both offensive and defensive aspects of our overall business strategy and operating plans.

Economic Factors — Our customers in the North American Retail Division and the International Division and many of our customers in the North American Business Solutions Division are predominantly small and home office businesses. Accordingly, spending by these customers is affected by macroeconomic conditions, such as changes in the housing market and commodity costs, credit availability and other factors. The downturn in the global economy experienced in recent years negatively impacted our sales and profits.

Liquidity Factors — Historically, we have generated positive cash flow from operating activities and have had access to broad financial markets that provide the liquidity we need to operate our business. Together, these sources have been used to fund operating and working capital needs, as well as invest in business expansion through new store openings, capital improvements and acquisitions. Due to the downturn in the global economy, our operating results have declined. We have in place a $1.25 billion asset based credit facility to provide liquidity, subject to availability as specified in the agreement. Further deterioration in our financial results could negatively impact our credit ratings, our liquidity and our access to the capital markets.

MARKET SENSITIVE RISKS AND POSITIONS

We have adopted an enterprise risk management process patterned after the principles set out by the Committee of Sponsoring Organizations (COSO) in 2004. Management utilizes a common view of exposure identification and risk management. A process is in place for periodic risk reviews and identification of appropriate mitigation strategies.

We have market risk exposure related to interest rates, foreign currency exchange rates, and commodities. Market risk is measured as the potential negative impact on earnings, cash flows or fair values resulting from a hypothetical change in interest rates or foreign currency exchange rates over the next year. Interest rate changes on obligations may result from external market factors, as well as changes in our credit rating. We manage our exposure to market risks at the corporate level. The portfolio of interest-sensitive assets and liabilities is monitored to provide liquidity necessary to satisfy anticipated short-term needs. Our risk management policies allow the use of specified financial instruments for hedging purposes only; speculation on interest rates, foreign currency rates, or commodities is not permitted.

Interest Rate Risk

We are exposed to the impact of interest rate changes on cash, cash equivalents, noncontributory defined benefit pension plans, and debt obligations. The impact on cash and short-term investments held at December 28, 2013 from a hypothetical 10% decrease in interest rates would be a decrease in interest income of less than $1 million.

The following tables provide information about our debt portfolio outstanding as of December 28, 2013 that is sensitive to changes in interest rates. The following table does not include our obligations for pension plans and other post retirement benefits, although market risk also arises within our defined benefit pension plans to the extent that the obligations of the pension plans are not fully matched by assets with determinable cash flows. We sponsor U.S. noncontributory defined benefit pension plans covering certain terminated employees, vested employees, retirees, and some active employees. These plans were acquired in the Merger transaction and have been frozen since 2003. Our active employees and all inactive participants who are covered by these plans are no longer accruing additional benefits. However, the pension plans obligations are still subject to change due to fluctuations in long-term interest rates as well as factors impacting actuarial valuations, such as retirement rates and pension plan participants' increased life expectancies. In addition to changes in pension plan obligations, the amount of plan assets available to pay benefits, contribution levels and expense are also impacted by the return on the pension plan assets. The pension plan assets include U.S. equities, international equities, global equities and fixed-income securities, the cash flows of which change as equity prices and interest rates vary. The risk is that market movements in equity prices and interest rates could result in assets that are insufficient over time to cover the level of projected obligations. This in turn could result in significant changes in pension expense and funded status, further impacting future required contributions. Management, together with the trustees who act on behalf of the pension plan beneficiaries, assess the level of this risk using reports prepared by independent external actuaries and investment advisors and take action, where appropriate, in terms of setting investment strategy and agreed contribution levels.

	2013			2012		
(In millions)	**Carrying Value**	**Fair Value**	**Risk Sensitivity**	Carrying Value	Fair Value	Risk Sensitivity
Financial assets:						
Timber notes receivable	**$ 945**	**$ 933**	**$ 25**	$ —	$ —	$ —
Boise investment	**$ 46**	**$ 47**	**$ —**	$ —	$ —	$ —
Financial liabilities:						
Recourse debt:						
6.25% Senior Notes	**$ —**	**$ —**	**$ —**	$ 150	$ 154	$ —
9.75% Senior Secured Notes, due 2019	**$ 250**	**$ 290**	**$ 6**	$ 250	$ 266	$ 5
7.35% debentures, due 2016	**$ 18**	**$ 19**	**$ —**	$ —	$ —	$ —
Revenue bonds, due in varying amounts periodically through 2029	**$ 186**	**$ 186**	**$ 6**	$ —	$ —	$ —
American & Foreign Power Company, Inc. 5% debentures, due 2030	**$ 13**	**$ 13**	**$ 1**	$ —	$ —	$ —
Non-recourse debt	**$ 859**	**$ 851**	**$ 22**	$ —	$ —	$ —

The risk sensitivity of fixed rate debt reflects the estimated increase in fair value from a 50 basis point decrease in interest rates, calculated on a discounted cash flow basis. The sensitivity of variable rate debt reflects the possible increase in interest expense during the next period from a 50 basis point change in interest rates prevailing at year-end.

Foreign Exchange Rate Risk

We conduct business through entities in various countries outside the United States where their functional currency is not the U.S. dollar. While we sell directly or indirectly to customers in 57 countries, the principal operations of our International Division are in countries with Euro, British Pound, Canadian Dollar, Australian Dollar, New Zealand Dollar and Mexican Peso functional currencies. We continue to assess our exposure to foreign currency fluctuation against the U.S. dollar. As of December 28, 2013, a 10% change in the applicable foreign exchange rates would result in an increase or decrease in our pretax earnings of approximately $2 million.

Although operations generally are conducted in the relevant local currency, we also are subject to foreign exchange transaction exposure when our subsidiaries transact business in a currency other than their own functional currency. This exposure arises primarily from inventory purchases in a foreign currency. At December 28, 2013, there was $9 million of foreign exchange forward contracts hedging inventory exposures. The highest amount outstanding at any point during 2013 was $35 million during the month of September. Also, from time-to-time, we enter into foreign exchange forward transactions to protect against possible changes in exchange rates related to scheduled or anticipated cash movements among our operating entities. At December 28, 2013, there were $51 million of foreign exchange forward contracts to hedge these movements.

Generally, we evaluate the performance of our international businesses by focusing on the results of the business in local currency, and not with regard to the translation into U.S. dollars, as the latter is impacted by external factors.

Commodities Risk

We operate a large network of stores and delivery centers around the world. As such, we purchase significant amounts of fuel needed to transport products to our stores and customers as well as pay shipping costs to import products from overseas. We are exposed to potential changes in the underlying commodity costs associated with this transport activity. As of December 28, 2013, a 10% change in domestic commodity costs would result in an increase or decrease in our operating profit of approximately $8 million.

INFLATION AND SEASONALITY

Although we cannot determine the precise effects of inflation on our business, we do not believe inflation has had a material impact on our sales or the results of our operations. We consider our business to be somewhat seasonal, with sales generally trending lower in the second quarter, following the “back-to-business” sales cycle in the first quarter and preceding the “back-to-school” sales cycle in the third quarter and the holiday sales cycle in the fourth quarter. Certain working capital components may build and recede during the year reflecting established selling cycles. Business cycles can and have impacted our operations and financial position when compared to other periods.

NEW ACCOUNTING STANDARDS

Effective for years beginning after December 15, 2013, transactions or events that result in companies losing a controlling interest in a foreign entity will cause the release of the related cumulative translation adjustment (“CTA”) amounts. Under current accounting rules, release of CTA only follows complete or substantially complete liquidation of a foreign entity. While there are no actions in process that would be impacted by this change in accounting, the Company continues to evaluate its foreign entities’ operations and future periods could be affected.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

Refer to information in the “Market Sensitive Risks and Positions” subsection of Part II — Item 7. “MD&A” of this Annual Report.

Item 8. Financial Statements and Supplementary Data.

Refer to Part IV — Item 15(a) of this Annual Report.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

None.

Item 9A. Controls and Procedures.

Disclosure Controls and Procedures

Based on management's evaluation which included the participation of the Company's Chief Executive Officer ("CEO"), and Chief Financial Officer ("CFO"), as of December 28, 2013, the Company's CEO and CFO concluded that the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended ("the Act")), were effective to provide reasonable assurance that information required to be disclosed by the Company in reports that the Company files or submits under the Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms and that such information is accumulated and communicated to the Company's management, including the CEO and CFO, to allow timely decisions regarding required disclosures.

Changes in Internal Controls

We are in the process of integrating OfficeMax Incorporated and its subsidiaries ('OfficeMax") into our overall internal control over financial reporting processes.

Except as described above, there have been no changes in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Management's Report on Internal Control Over Financial Reporting

Management of Office Depot is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rule 13a-15(f) under the Act. Our Internal Control structure is designed to provide reasonable assurance to our management and the Board of Directors regarding the reliability of financial reporting and the preparation and fair presentation of published financial statements.

Because of inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risks that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In evaluating our Internal Control, we used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in *Internal Control — Integrated Framework (1992).* Based on our assessment, management has concluded that the Company's internal control over financial reporting was effective as of December 28, 2013.

The scope of management's assessment of the effectiveness of our internal control over financial reporting included all of our consolidated operations except for the operations of OfficeMax, which the Company acquired in November 2013. OfficeMax's operations represented 53% of our consolidated total assets and 8% of our consolidated sales as of and for the year ended December 28, 2013.

Our internal control over financial reporting as of December 28, 2013, has been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their report provided below.

Item 9B. Other Information.

Pursuant to the terms of Roland Smith's Employment Agreement, dated as of November 12, 2013, Mr. Smith is eligible to receive a lump sum cash initial bonus of up to $2,000,000 based on his achievement of the following objectives on or prior to December 31, 2013. At a meeting of the Board on February 20, 2014, the Board determined that Mr. Smith had exceeded the Board's expectation in meeting the goals set forth in the Employment Agreement in advance of the December 31, 2013 date, and determined, based on the Compensation Committee's recommendation, that he be awarded an actual bonus payment of $2,350,000, payable no later than March 15, 2014, as required by the Employment Agreement.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
Office Depot, Inc.
Boca Raton, Florida

We have audited the internal control over financial reporting of Office Depot, Inc. and subsidiaries (the "Company") as of December 28, 2013, based on criteria established in *Internal Control — Integrated Framework (1992)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. As described in Management's Report on Internal Control Over Financial Reporting, management excluded from its assessment the internal control over financial reporting at OfficeMax Incorporated, which was acquired on November 5, 2013 and whose financial statements constitute 53% of total assets and 8% of sales of the consolidated financial statement amounts as of and for the fiscal year ended December 28, 2013. Accordingly, our audit did not include the internal control over financial reporting at OfficeMax Incorporated. The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed by, or under the supervision of, the company's principal executive and principal financial officers, or persons performing similar functions, and effected by the company's board of directors, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 28, 2013, based on the criteria established in *Internal Control — Integrated Framework (1992)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated financial statements and financial statement schedule as of and for the fiscal year ended December 28, 2013 of the Company and our reports dated February 25, 2014 expressed an unqualified opinion on those financial statements and financial statement schedule.

/s/ DELOITTE & TOUCHE LLP
Certified Public Accountants

Boca Raton, Florida
February 25, 2014

PART III

Item 10. Directors, Executive Officers and Corporate Governance.

Information concerning our executive officers is set forth in Part 1 — Item 1. “Business” of this Annual Report under the caption “Executive Officers of the Registrant.”

Information required by this item with respect to our directors and the nomination process will be contained under the heading “Election of Directors” in the proxy statement for our 2014 Annual Meeting of Shareholders to be filed with the SEC (the “Proxy Statement”) within 120 days after the end of our fiscal year, which information is incorporated by reference in this Annual Report.

Information required by this item with respect to our audit committee and our audit committee financial experts will be contained in the Proxy Statement under the heading “Committees of Our Board of Directors — Audit Committee” and is incorporated by reference in this Annual Report.

Information required by this item with respect to compliance with Section 16(a) of the Exchange Act will be contained in the Proxy Statement under the heading “Section 16(a) Beneficial Ownership Reporting Compliance” and is incorporated by reference in this Annual Report.

Our Code of Ethical Behavior is in compliance with applicable rules of the SEC that apply to our principal executive officer, our principal financial officer, and our principal accounting officer or controller, or persons performing similar functions. A copy of the Code of Ethical Behavior is available free of charge on the “Investor Relations” section of our website at www.officedepot.com. We intend to satisfy any disclosure requirement under Item 5.05 of Form 8-K regarding an amendment to, or waiver from, a provision of this Code of Ethical Behavior by posting such information on our website at the address and location specified above.

Item 11. Executive Compensation.

Information required by this item with respect to executive compensation and director compensation will be contained in the Proxy Statement under the headings “Compensation Discussion & Analysis” and “Director Compensation,” respectively, and is incorporated by reference in this Annual Report.

The information required by this item with respect to compensation committee interlocks and insider participation will be contained in the Proxy Statement under the heading “Compensation Committee Interlocks and Insider Participation” and is incorporated by reference in this Annual Report.

The compensation committee report required by this item will be contained in the Proxy Statement under the heading “Compensation Committee Report” and is incorporated by reference in this Annual Report.

The information required by this item with respect to compensation policies and practices as they relate to the Company’s risk management will be contained in the Proxy Statement under the heading “Board of Directors’ Role in Risk Oversight” and is incorporated by reference in this Annual Report.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

Information required by this item with respect to security ownership of certain beneficial owners and management will be contained in the Proxy Statement under the heading “Stock Ownership Information” and is incorporated by reference in this Annual Report.

Item 13. Certain Relationships and Related Transactions, and Director Independence.

Information required by this item with respect to such contractual relationships and director independence will be contained in the Proxy Statement under the headings “Related Person Transactions Policy” and “Director Independence,” respectively, and is incorporated by reference in this Annual Report.

Item 14. Principal Accountant Fees and Services.

Information with respect to principal accounting fees and services and pre-approval policies will be contained in the Proxy Statement under the headings “Audit & Other Fees” and “Audit Committee Pre-Approval Policies and Procedures” respectively, and is incorporated by reference in this Annual Report.

PART IV

Item 15. Exhibits and Financial Statement Schedules.

(a) The following documents are filed as a part of this report:

1. The financial statements listed in “Index to Financial Statements.”

2. The financial statement schedules listed in “Index to Financial Statement Schedules.”

3. The exhibits listed in the “Index to Exhibits.”

(b) Exhibit 99

1. Financial statements of Office Depot de Mexico, S.A. de C.V. and Subsidiaries as of July 9, 2013 (Unaudited) and December 31, 2012

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized on this 25th day of February 2014.

OFFICE DEPOT, INC.

By: /s/ ROLAND C. SMITH
Roland C. Smith
Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant in the capacities indicated on February 25, 2014.

Signature	Capacity
/s/ ROLAND C. SMITH Roland C. Smith	Chief Executive Officer (Principal Executive Officer) and Chairman, Board of Directors
/s/ STEPHEN E. HARE Stephen E. Hare	Executive Vice President and Chief Financial Officer (Principal Financial Officer)
/s/ KIM MOEHLER Kim Moehler	Senior Vice President and Controller (Principal Accounting Officer)
/s/ WARREN BRYANT Warren Bryant	Director
/s/ RAKESH GANGWAL Rakesh Gangwal	Director
/s/ CYNTHIA T. JAMISON Cynthia T. Jamison	Director
/s/ FRANCESCA RUIZ DE LUZURIAGA Francesca Ruiz de Luzuriaga	Director
/s/ V. JAMES MARINO V. James Marino	Director
/s/ MICHAEL J. MASSEY Michael J. Massey	Director
/s/ JEFFREY C. SMITH Jeffrey C. Smith	Director
/s/ DAVID M. SZYMANSKI David M. Szymanski	Director
/s/ NIGEL TRAVIS Nigel Travis	Director
/s/ JOSEPH S. VASSALLUZZO Joseph S. Vassalluzzo	Director

INDEX TO FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
Office Depot, Inc.
Boca Raton, Florida

We have audited the accompanying consolidated balance sheets of Office Depot, Inc. and subsidiaries (the "Company") as of December 28, 2013 and December 29, 2012, and the related consolidated statements of operations, comprehensive income (loss), stockholders' equity, and cash flows for each of the three fiscal years in the period ended December 28, 2013. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Office Depot, Inc. and subsidiaries as of December 28, 2013 and December 29, 2012, and the results of their operations and their cash flows for each of the three fiscal years in the period ended December 28, 2013, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company's internal control over financial reporting as of December 28, 2013, based on the criteria established in *Internal Control — Integrated Framework (1992)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 25, 2014 expressed an unqualified opinion on the Company's internal control over financial reporting.

/s/ DELOITTE & TOUCHE LLP
Certified Public Accountants

Boca Raton, Florida
February 25, 2014

OFFICE DEPOT, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(In millions, except per share amounts)

	2013	2012	2011
Sales	**$11,242**	$10,696	$11,489
Cost of goods sold and occupancy costs	**8,616**	8,160	8,784
Gross profit	**2,626**	2,536	2,705
Selling, general and administrative expenses	**2,560**	2,440	2,604
Recovery of purchase price	**—**	(68)	—
Asset impairments	**70**	139	11
Merger, restructuring, and other operating expenses, net	**201**	56	56
Operating income (loss)	**(205)**	(31)	34
Other income (expense):			
Interest income	**5**	2	1
Interest expense	**(69)**	(69)	(33)
Loss on extinguishment of debt	**—**	(12)	—
Gain on disposition of joint venture	**382**	—	—
Other income (expense), net	**14**	35	31
Income (loss) before income taxes	**127**	(75)	33
Income tax expense (benefit)	**147**	2	(63)
Net income (loss)	**(20)**	(77)	96
Preferred stock dividends	**73**	33	36
Net income (loss) attributable to common stockholders	**$ (93)**	$ (110)	$ 60
Net earnings (loss) per share:			
Basic	**$ (0.29)**	$ (0.39)	$ 0.22
Diluted	**(0.29)**	(0.39)	0.22

The accompanying notes to consolidated financial statements are an integral part of these statements.

OFFICE DEPOT, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(In millions)

	2013	2012	2011
Net income (loss)	**$(20)**	$(77)	$ 96
Other comprehensive income (loss), net of tax, where applicable:			
Foreign currency translation adjustments	**47**	23	(22)
Amortization of gain on cash flow hedge	**—**	(2)	(2)
Change in deferred pension, net of $10 million of deferred income taxes in 2013	**12**	(3)	(6)
Change in deferred cash flow hedge	**—**	—	1
Total other comprehensive income (loss), net of tax, where applicable	**59**	18	(29)
Comprehensive income (loss)	**$ 39**	$(59)	$ 67

The accompanying notes to consolidated financial statements are an integral part of these statements.

OFFICE DEPOT, INC.
CONSOLIDATED BALANCE SHEETS
(In millions, except shares and par value)

	December 28, 2013	December 29, 2012
ASSETS		
Current assets:		
Cash and cash equivalents	**$ 955**	$ 671
Receivables, net	**1,333**	804
Inventories	**1,812**	1,051
Prepaid expenses and other current assets	**296**	171
Total current assets	**4,396**	2,697
Property and equipment, net	**1,309**	856
Goodwill	**398**	64
Other intangible assets, net	**113**	17
Timber notes receivable	**945**	—
Deferred income taxes	**35**	33
Other assets	**281**	344
Total assets	**$ 7,477**	$ 4,011
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Trade accounts payable	**$ 1,426**	$ 935
Accrued expenses and other current liabilities	**1,463**	932
Income taxes payable	**4**	5
Short-term borrowings and current maturities of long-term debt	**29**	174
Total current liabilities	**2,922**	2,046
Deferred income taxes and other long-term liabilities	**719**	429
Pension and post-employment obligations, net	**163**	3
Long-term debt, net of current maturities	**696**	485
Non-recourse debt	**859**	—
Total liabilities	**5,359**	2,963
Commitments and contingencies		
Redeemable preferred stock, net (liquidation preference — $407 in 2012)	**—**	386
Noncontrolling interest in joint venture	**54**	—
Stockholders' equity:		
Office Depot, Inc. stockholders' equity:		
Common stock — authorized 800,000,000 shares of $.01 par value; issued shares — 536,629,760 in 2013 and 291,734,027 in 2012	**5**	3
Additional paid-in capital	**2,480**	1,120
Accumulated other comprehensive income	**272**	213
Accumulated deficit	**(636)**	(616)
Treasury stock, at cost — 5,915,268 shares in 2013 and 2012	**(58)**	(58)
Total Office Depot, Inc. stockholders' equity	**2,063**	662
Noncontrolling interests	**1**	—
Total equity	**2,064**	662
Total liabilities and stockholders' equity	**$ 7,477**	$ 4,011

The accompanying notes to consolidated financial statements are an integral part of these statements.

OFFICE DEPOT, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In millions)

	2013	2012	2011
Cash flows from operating activities:			
Net income (loss)	**$ (20)**	$ (77)	$ 96
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:			
Depreciation and amortization	**209**	203	211
Charges for losses on inventories and receivables	**59**	65	56
Earnings from equity method investments	**(14)**	(30)	(31)
Loss on extinguishment of debt	**—**	13	—
Recovery of purchase price	**—**	(58)	—
Pension plan funding	**—**	(58)	—
Dividends received	**—**	—	25
Asset impairments	**70**	139	11
Compensation expense for share-based payments	**38**	14	14
Gain on disposition of joint venture	**(382)**	—	—
Deferred income taxes and deferred tax asset valuation allowances	**8**	1	(15)
Loss (gain) on disposition of assets	**(3)**	(2)	4
Other	**5**	5	9
Changes in assets and liabilities:			
Decrease (increase) in receivables	**(2)**	44	100
Decrease (increase) in inventories	**(34)**	53	54
Net decrease (increase) in prepaid expenses and other assets	**(2)**	—	26
Net decrease in trade accounts payable, accrued expenses and other current and other long-term liabilities	**(39)**	(133)	(360)
Total adjustments	**(87)**	256	104
Net cash provided by (used in) operating activities	**(107)**	179	200
Cash flows from investing activities:			
Capital expenditures	**(137)**	(120)	(130)
Acquired cash in Merger and acquisition, net of cash acquired in 2011	**457**	—	(73)
Proceeds from disposition of joint venture, net	**675**	—	—
Return of investment in Boise Cascade Holdings, L.L.C.	**35**	—	—
Recovery of purchase price	**—**	50	—
Release of restricted cash	**—**	9	47
Restricted cash	**(4)**	—	(9)
Proceeds from disposition of assets and other	**2**	31	8
Net cash provided by (used in) investing activities	**1,028**	(30)	(157)
Cash flows from financing activities:			
Net proceeds from employee share-based transactions	**3**	2	—
Advance received	**—**	—	9
Payment for noncontrolling interests	**—**	(1)	(1)
Loss on extinguishment of debt	**—**	(13)	—
Debt retirement	**(150)**	(250)	—
Debt issuance	**—**	250	—
Debt related fees	**(1)**	(8)	(10)
Redemption of redeemable preferred stock	**(407)**	—	—
Dividends on redeemable preferred stock	**(63)**	—	(37)
Proceeds from issuance of borrowings	**23**	22	10
Payments on long- and short-term borrowings	**(45)**	(57)	(69)
Net cash used in financing activities	**(640)**	(55)	(98)
Effect of exchange rate changes on cash and cash equivalents	**3**	6	(1)
Net increase (decrease) in cash and cash equivalents	**284**	100	(56)
Cash and cash equivalents at beginning of period	**671**	571	627
Cash and cash equivalents at end of period	**$ 955**	$ 671	$ 571

The accompanying notes to consolidated financial statements are an integral part of these statements.

OFFICE DEPOT, INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(In millions, except share amounts)

	Common Stock Shares	Common Stock Amount	Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Treasury Stock	Noncontrolling Interest	Total Stockholders' Equity
Balance at December 25, 2010	283,059,236	$ 3	$ 1,162	$ 224	$ (635)	$ (58)	$ —	$ 696
Purchase of subsidiary shares from noncontrolling interests			(1)					(1)
Net income					96			96
Other comprehensive loss				(29)				(29)
Preferred stock dividends			(36)					(36)
Grant of long-term incentive stock	2,641,074							
Forfeiture of restricted stock	(342,281)							
Exercise of stock options (including income tax benefits and withholding)	1,072,538							
Amortization of long-term incentive stock grants			14					14
Balance at December 31, 2011	286,430,567	$ 3	$ 1,139	$ 195	$ (539)	$ (58)	$ —	$ 740
Net loss					(77)			(77)
Other comprehensive income				18				18
Preferred stock dividends			(33)					(33)
Grant of long-term incentive stock	3,608,806							—
Forfeiture of restricted stock	(446,703)							—
Exercise and release of incentive stock (including income tax benefits and withholding)	2,141,357							
Amortization of long-term incentive stock grants			14					14
Balance at December 29, 2012	291,734,027	$ 3	$ 1,120	$ 213	$ (616)	$ (58)	$ —	$ 662
Acquisition of noncontrolling interest							1	1
Net loss					(20)			(20)
Other comprehensive income				59				59
Common stock issuance related to OfficeMax Merger	239,344,963	2	1,393					1,395
Preferred stock dividends			(73)					(73)
Grant of long-term incentive stock	3,230,565							
Forfeiture of restricted stock	(762,496)							—
Exercise and release of incentive stock (including income tax benefits and withholding)	3,082,701		2					2
Amortization of long-term incentive stock grants			38					38
Balance at December 28, 2013	536,629,760	$ 5	$ 2,480	$ 272	$ (636)	$ (58)	$ 1	$ 2,064

The accompanying notes to consolidated financial statements are an integral part of these statements.

OFFICE DEPOT, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business: Office Depot, Inc. ("Office Depot" or the "Company") is a global supplier of office products and services. The Company's common stock is traded on the New York Stock Exchange ("NYSE") under the ticker symbol ODP. On November 5, 2013, the Company merged with OfficeMax Incorporated ("OfficeMax"); refer to Note 2 for additional discussion of this merger (the "Merger"). The merged Company currently operates under the Office Depot ® and OfficeMax® brands and utilizes other proprietary company and product brand names. As of December 28, 2013, the Company sold to customers throughout North America, Europe, Asia/Pacific, and Latin America through three reportable segments (or "Divisions"): North American Retail Division, North American Business Solutions Division and International Division. Following the date of the Merger: (i) the former OfficeMax U.S. Retail business is included in the North American Retail Division; (ii) the former OfficeMax United States and Canada Contract business is included in the North American Business Solutions Division; and (iii) the former OfficeMax businesses in Australia, New Zealand and Mexico are included in the International Division.

Office Depot operates wholly-owned entities, majority-owned entities and participates in other ventures and alliances. The Company's corporate headquarters is located in Boca Raton, FL, and the Company's primary websites are www.officedepot.com and www.officemax.com.

Basis of Presentation: The consolidated financial statements of Office Depot include the accounts of all wholly owned and financially controlled subsidiaries. Also, variable interest entities formed by OfficeMax in prior periods solely related to the Timber Notes and Non-recourse debt are consolidated because the Company is the primary beneficiary. Refer to Note 7 for additional information. All material intercompany transactions have been eliminated in consolidation.

Noncontrolling interests related to the Company's investment in Grupo OfficeMax S. de R.L. de C.V. ("Grupo OfficeMax") is presented outside of permanent equity in the Consolidated Balance Sheets because redemption features are not within the Company's control. Another noncontrolling interest is presented as a component of Total stockholders' equity. Results attributable to noncontrolling interests were insignificant for all periods.

The equity method of accounting is used for investments in which the Company does not control but either shares control equally or has significant influence; the cost method is used when the Company neither shares control nor has significant influence. At December 28, 2013, there were no significant equity method investments.

During the fourth quarter of 2013, the Company modified its measure of business segment operating results for management reporting purposes to exclude from the determination of Division operating income (loss) the impacts of asset impairments, restructuring-related activities, and certain other charges and credits. These activities now are being managed at the Corporate level. To facilitate this change, $56 million for each of the years of 2012 and 2011 has been reclassified from Selling, general and administrative expenses to the line item Merger, restructuring and other operating expenses, net in the Consolidated Statements of Operations. Prior period Division operating income (loss) has been recast accordingly. Refer to Note 19 for additional segment information. Also, to be consistent with how the business is managed, starting in the fourth quarter of 2013, the Company is presenting in Selling, general and administrative expenses amounts previously reported in Operating and selling expenses and General and administrative expenses. Neither the change in Division operating income (loss) nor Statement of Operations presentation had an impact on Consolidated Operating income (loss), Net income (loss), or Earnings (loss) per share for the prior periods presented.

OFFICE DEPOT, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Fiscal Year: Fiscal years are based on a 52- or 53-week period ending on the last Saturday in December. Certain international locations operate on a calendar year basis; however, the reporting difference is not considered significant. Fiscal 2011 financial statements consisted of 53 weeks, with the additional week occurring in the fourth quarter; all other periods presented in the Consolidated Financial Statements consisted of 52 weeks.

Estimates and Assumptions: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Foreign Currency: International operations primarily use local currencies as their functional currency. Assets and liabilities are translated into U.S. dollars using the exchange rate at the balance sheet date. Revenues, expenses and cash flows are translated at average monthly exchange rates, or rates on the date of the transaction for certain significant items. Translation adjustments resulting from this process are recorded in Stockholders' equity as a component of Accumulated other comprehensive income ("AOCI").

Foreign currency transaction gains or losses are recorded in Other income (expense), net in the Consolidated Statements of Operations.

Cash and Cash Equivalents: All short-term highly liquid investments with original maturities of three months or less from the date of acquisition are classified as cash equivalents. Amounts in transit from banks for customer credit card and debit card transactions are classified as cash. The banks process the majority of these amounts within two business days.

Amounts not yet presented for payment to zero balance disbursement accounts of $118 million and $53 million at December 28, 2013 and December 29, 2012, respectively, are presented in Trade accounts payable and Accrued expenses and other current liabilities.

Approximately $353 million of Cash and cash equivalents was held outside the United States at December 28, 2013.

Receivables: Trade receivables, net, totaled $855 million and $521 million at December 28, 2013 and December 29, 2012, respectively. An allowance for doubtful accounts has been recorded to reduce receivables to an amount expected to be collectible from customers. The allowance at December 28, 2013 and December 29, 2012 was $26 million and $23 million, respectively.

Exposure to credit risk associated with trade receivables is limited by having a large customer base that extends across many different industries and geographic regions. However, receivables may be adversely affected by an economic slowdown in the United States or internationally. No single customer accounted for more than 10% of total sales or receivables in 2013, 2012 or 2011.

Other receivables are $478 million and $283 million at December 28, 2013 and December 29, 2012, respectively, of which $319 million and $159 million, respectively, are amounts due from vendors under purchase rebate, cooperative advertising and various other marketing programs.

The Company sells selected accounts receivables on a non-recourse basis to an unrelated financial institution under a factoring agreement in France. The Company accounts for this transaction as a sale of receivables, removes receivables sold from its financial statements, and records cash proceeds when received by the Company as cash provided by operating activities in the Statements of Cash Flows. The financial institution

makes available 80% of the face value of the receivables to the Company and retains the remaining 20% as a guarantee until the receipt of the proceeds associated with the factored invoices. The Company activated the arrangement in the fourth quarter of 2012.

In 2013 and 2012, the Company withdrew $443 million and $53 million, respectively, under the facility. Receivables sold for which the Company did not obtain cash directly from the financial institution are included in Receivables and amount to $10 million and $51 million as of December 28, 2013 and December 29, 2012, respectively. A retention guarantee of $13 million is included in Prepaid expenses and other current assets as of December 28, 2013 and December 29, 2012.

Inventories: Inventories are stated at the lower of cost or market value and are reduced for inventory losses based on estimated obsolescence and the results of physical counts. In-bound freight is included as a cost of inventories. Also, cash discounts and certain vendor allowances that are related to inventory purchases are recorded as a product cost reduction. The weighted average method is used to determine the cost of inventory and the first-in-first-out method is used for inventory held within the European countries where the Company has operations.

Prepaid Expenses and Other Current Assets: At December 28, 2013 and December 29, 2012, Prepaid expenses and other current assets on the Consolidated Balance Sheets included prepaid expenses of $163 million and $116 million, respectively, relating to short-term advance payments on rent, marketing, services and other matters. Also, refer to Note 9 for information on deferred taxes included in this financial statement caption.

Income Taxes: Income taxes are accounted for under the asset and liability method. This approach requires the recognition of deferred tax assets and liabilities attributable to differences between the carrying amounts and the tax basis of assets and liabilities and operating loss and tax credit carryforwards. Valuation allowances are recorded to reduce deferred tax assets to the amount believed to be more likely than not to be realized. The Company recognizes tax benefits from uncertain tax positions when it is more likely than not that the position will be sustained upon examination. Interest related to income tax exposures is included in interest expense in the Consolidated Statements of Operations. Refer to Note 9 for additional information on income taxes.

Property and Equipment: Property and equipment additions are recorded at cost. Depreciation and amortization is recognized over their estimated useful lives using the straight-line method. The useful lives of depreciable assets are estimated to be 15-30 years for buildings and 3-10 years for furniture, fixtures and equipment. Computer software is amortized over three years for common office applications, five years for larger business applications and seven years for certain enterprise-wide systems. Leasehold improvements are amortized over the shorter of the estimated economic lives of the improvements or the terms of the underlying leases, including renewal options considered reasonably assured. The Company capitalizes certain costs related to internal use software that is expected to benefit future periods. These costs are amortized using the straight-line method over the 3–7 year expected life of the software. Major repairs that extend useful lives of assets are capitalized and amortized over the estimated use period. Routine maintenance costs are expensed as incurred.

Goodwill and Other Intangible Assets: Goodwill is the excess of the cost of an acquisition over the fair value assigned to net tangible and identifiable intangible assets of the business acquired. The Company reviews goodwill for impairment annually or sooner if indications of possible impairment are identified. The review period for the goodwill associated with the Merger is the first day of the third quarter. The Company assesses qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit with goodwill is less than its carrying value. If that condition exists, a quantitative test of possible goodwill impairment is prepared. For this test, the Company estimates the reporting unit’s fair value using discounted cash flow analysis and market information when available. An impairment charge is recognized to the extent that the

carrying amount of goodwill exceeds the implied fair value. This method of estimating fair value requires assumptions, judgments and estimates of future performance.

Unless conditions warrant earlier action, intangible assets with indefinite lives also are assessed annually for impairment. The Company uses a relief from royalty method to test for possible impairment of indefinite-lived trade names. Amortizable intangible assets are periodically reviewed to determine whether events and circumstances warrant a revision to the remaining period of amortization.

Impairment of Long-Lived Assets: Long-lived assets with identifiable cash flows are reviewed for possible impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. Because of recent operating results, retail store long-lived assets are reviewed or tested quarterly. Impairment is assessed at the individual store level which is the lowest level of identifiable cash flows, and considers the estimated undiscounted cash flows over the asset's remaining life. If estimated undiscounted cash flows are insufficient to recover the investment, an impairment loss is recognized equal to the estimated fair value of the asset less its carrying value and any costs of disposition, net of salvage value. The fair value estimate is generally the discounted amount of estimated store-specific cash flows. Store asset impairment charges of $26 million, $124 million, and $11 million were reported in 2013, 2012 and 2011, respectively, and included in the Asset impairments line in the Consolidated Statements of Operations.

Facility Closure and Severance Costs: Store performance is regularly reviewed against expectations and stores not meeting performance requirements may be closed. Costs associated with facility closures, principally accrued lease costs, are recognized when the facility is no longer used in an operating capacity or when a liability has been incurred. Store assets are also reviewed for possible impairment, or reduction of estimated useful lives.

Accruals for facility closure costs are based on the future commitments under contracts, adjusted for assumed sublease benefits and discounted at the Company's credit-adjusted risk-free rate at the time of closing. Accretion expense is recognized over the life of the contractual payments. Additionally, the Company recognizes charges to terminate existing commitments and charges or credits to adjust remaining closed facility accruals to reflect current expectations. Accretion expense and adjustment to facility closure costs are presented in Selling, general and administrative expenses if the related facility was closed as part of ongoing operations or in Merger, restructuring and other operating expenses, net, if the related facility was closed as part of Merger or restructuring activities. Refer to Note 3 for additional information on accrued expenses relating to closed facilities. The short-term and long-term components of this liability are included in Accrued expenses and other current liabilities and Deferred income taxes and other long-term liabilities, respectively, on the Consolidated Balance Sheets.

The Company recognizes one-time employee benefit costs when the key terms of a severance arrangement have been communicated to affected employees. Amounts are recognized when communicated or over the remaining service period, as appropriate.

Accrued Expenses: Included in Accrued expenses and other current liabilities in the Consolidated Balance Sheets are accrued payroll-related amounts of $319 million and $204 million at December 28, 2013 and December 29, 2012, respectively.

OFFICE DEPOT, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Fair Value of Financial Instruments: The Company measures fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In developing its fair value estimates, the Company uses the following hierarchy:

Level 1	Quoted prices in active markets for identical assets or liabilities.
Level 2	Observable market based inputs or unobservable inputs that are corroborated by market data.
Level 3	Significant unobservable inputs that are not corroborated by market data. Generally, these fair value measures are model-based valuation techniques such as discounted cash flows or option pricing models using own estimates and assumptions or those expected to be used by market participants.

The fair values of cash and cash equivalents, receivables, accounts payable and accrued expenses and other current liabilities approximate their carrying values because of their short-term nature. Refer to Note 16 for further fair value information.

Revenue Recognition: Revenue is recognized at the point of sale for retail transactions and at the time of successful delivery for contract, catalog and Internet sales. Shipping and handling fees are included in Sales with the related costs included in Cost of goods sold and occupancy costs. Service revenue is recognized in Sales as the services are rendered. The Company recognizes sales on a gross basis when considered the primary obligor in the transaction and on a net basis when considered to act as an agent. Sales taxes collected are not included in reported Sales. The Company uses judgment in estimating sales returns, considering numerous factors including historical sales return rates. The Company also records reductions to revenue for customer programs and incentive offerings including special pricing agreements, certain promotions and other volume-based incentives.

A liability for future performance is recognized when gift cards are sold and the related revenue is recognized when gift cards are redeemed as payment for products or when the likelihood of gift card redemption is considered remote. Gift cards do not have an expiration date. During 2013, the Company modified its method of recognizing the estimated portion of the gift card program liability that will not be redeemed, or the breakage amount. Based on the developed history of these programs, the Company now recognizes breakage in proportion to usage, rather than at the end of a fixed period of time. The change resulted in an increase in sales of $10 million in 2013.

Franchise fees, royalty income and the sales of products to franchisees and licensees, which currently are not significant, are included in Sales, while product costs are included in Cost of goods sold and occupancy costs in the Consolidated Statements of Operations.

Cost of Goods Sold and Occupancy Costs: Cost of goods sold and occupancy costs include:

- inventory costs (as discussed above);
- outbound freight;
- employee and non-employee receiving, distribution, and occupancy costs (rent), including real estate taxes and common area costs, of inventory-holding and selling locations; and
- identifiable employee-related costs associated with services provided to customers.

OFFICE DEPOT, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Selling, General and Administrative Expenses: Selling, general and administrative expenses include amounts incurred related to expenses of operating and support functions, including:

- employee payroll and benefits, including variable pay arrangements;
- advertising;
- store and field support;
- executive management and various staff functions, such as information technology, human resources functions, finance, legal, internal audit, and certain merchandising and product development functions;
- other operating costs incurred relating to selling activities; and
- closed defined benefit pension and post retirement plans.

Selling, general and administrative expenses are included in determination of Division operating income to the extent those costs are considered to be directly or closely related to segment activity and through allocation of support costs.

Merger, restructuring, and other operating expenses, net: Merger, restructuring, and other operating expenses, net includes amounts related to the Merger, including transaction and professional fees and employee-related expenses such as employee severance and retention and payroll and benefits for employees dedicated to integration activities. This presentation reflects costs incurred by the Company prior to the Merger and costs incurred by the combined entity following the Merger. The impacts of future integration activities such as facility closures, contract terminations, and additional employee-related costs will be reported in this financial statement line item.

Also, the current and prior period amounts include restructuring-related charges not associated with the Merger. Such expenses include facility closure and functional re-alignment costs, gains and losses associated with business and assets dispositions, and expenses related to certain shareholder matters and process improvement activities. Changes in estimates and accruals related to these restructuring activities are also reflected on this line. As discussed in the Basis of Presentation above, these restructuring-related amounts for prior periods are not included in the measure of Division operating income (loss). See Note 2 and Note 3 for additional information.

Advertising: Advertising costs are charged either to Selling, general and administrative expenses when incurred or, in the case of direct marketing advertising, capitalized and amortized in proportion to the related revenues over the estimated life of the materials, which range from several months to up to one year.

Advertising expense recognized was $378 million in 2013, $402 million in 2012 and $435 million in 2011. Prepaid advertising costs were $26 million as of December 28, 2013 and $27 million as of December 29, 2012.

Share-Based Compensation: Compensation expense for all share-based awards expected to vest is measured at fair value on the date of grant and recognized on a straight-line basis over the related service period. The Black-Scholes valuation model is used to determine the fair value of stock options. The fair value of restricted stock and restricted stock units is determined based on the Company’s stock price on the date of grant. The Merger-date value of former OfficeMax share-based awards was valued using the Black-Scholes model and apportioned between Merger consideration and unearned compensation to be recognized in expense as earned in future periods based on remaining service periods.

Self-insurance: Office Depot is primarily self-insured for workers’ compensation, auto and general liability and employee medical insurance programs. The Company has stop-loss coverage to limit the exposure arising from

these claims. Self-insurance liabilities are based on claims filed and estimates of claims incurred but not reported. These liabilities are not discounted.

Vendor Arrangements: The Company enters into arrangements with substantially all significant vendors that provide for some form of consideration to be received from the vendors. Arrangements vary, but some specify volume rebate thresholds, advertising support levels, as well as terms for payment and other administrative matters. The volume-based rebates, supported by a vendor agreement, are estimated throughout the year and reduce the cost of inventory and cost of goods sold during the year. This estimate is regularly monitored and adjusted for current or anticipated changes in purchase levels and for sales activity. Other promotional consideration received is event-based or represents general support and is recognized as a reduction of Cost of goods sold and occupancy costs or Inventories, as appropriate based on the type of promotion and the agreement with the vendor. Certain arrangements meet the specific, incremental, identifiable criteria that allow for direct operating expense offset, but such arrangements are not significant.

Pension and Other Postretirement Benefits: The Company sponsors certain closed U.S. and international defined benefit pension plans, certain closed U.S. retiree medical benefit and life insurance plans, as well as a Canadian retiree medical benefit plan open to certain employees.

The Company recognizes the funded status of its defined benefit pension, retiree medical benefit and life insurance plans in the Consolidated Balance Sheets, with changes in the funded status recognized through accumulated other comprehensive income (loss), net of tax, in the year in which the changes occur. Actuarially-determined liabilities related to pension and postretirement benefits are recorded based on estimates and assumptions. Factors used in developing estimates of these liabilities include assumptions related to discount rates, rates of return on investments, healthcare cost trends, benefit payment patterns and other factors. The Company also updates annually its assumptions about employee retirement factors, mortality, and turnover. Refer to Note 14 for additional details.

Environmental and Asbestos Matters: Environmental and asbestos liabilities relate to acquired legacy paper and forest products businesses and timberland assets. The Company accrues for losses associated with these obligations when probable and reasonably estimable. These liabilities are not discounted. A receivable for insurance recoveries is recorded when probable.

Acquisitions: The Company applies the acquisition method of accounting for acquisitions, including mergers where the Company is considered the accounting acquirer. As such, the total consideration is allocated to the fair value of assets acquired and liabilities assumed at the point the Company obtains control of the entity. See Note 2 for additional information.

Leasing Arrangements: The Company conducts a substantial portion of its business in leased properties. Some of the Company’s leases contain escalation clauses and renewal options. The Company recognizes rental expense for leases that contain predetermined fixed escalation clauses on a straight-line basis over the expected term of the lease. The difference between the amounts charged to expense and the contractual minimum lease payment is accrued for.

The expected term of a lease is calculated from the date the Company first takes possession of the facility, including any periods of free rent and any option or renewal periods management believes are probable of exercise. This expected term is used in the determination of whether a lease is capital or operating and in the calculation of straight-line rent expense. Rent abatements and escalations are considered in the calculation of minimum lease payments in the Company’s capital lease tests and in determining straight-line rent expense for operating leases. Straight-line rent expense is also adjusted to reflect any allowances or reimbursements provided

by the lessor. When required under lease agreements, estimated costs to return facilities to original condition are accrued over the lease period.

Derivative Instruments and Hedging Activities: The Company records all derivative instruments on the balance sheet at fair value. Changes in the fair value of derivative instruments are recorded in current income or deferred in accumulated other comprehensive income, depending on whether a derivative is designated as, and is effective as, a hedge and on the type of hedging transaction. Changes in fair value of derivatives that are designated as cash flow hedges are deferred in accumulated other comprehensive income until the underlying hedged transactions are recognized in earnings, at which time any deferred hedging gains or losses are also recorded in earnings. If a derivative instrument is designated as a fair value hedge, changes in the fair value of the instrument are reported in current earnings and offset the change in fair value of the hedged assets, liabilities or firm commitments. The Company has no material outstanding derivative instruments at December 28, 2013 and did not have any material hedge transactions in 2013, 2012 or 2011.

New Accounting Standards: Effective for the Company beginning in fiscal year 2014, transactions or events that result in companies losing a controlling interest in a foreign entity will cause the release of the related cumulative translation adjustment (“CTA”) amounts. Under current accounting rules, release of CTA only follows complete or substantially complete liquidation of a foreign entity. While there are no actions in process that would be impacted by this change in accounting, the Company continues to evaluate its foreign entities’ operations and future periods could be affected.

NOTE 2. MERGER, ACQUISITION AND DISPOSITION

Merger

On November 5, 2013, the Company, together with its wholly-owned subsidiaries Dogwood Merger Sub Inc. and Dogwood Merger Sub LLC, completed its previously announced merger of equals transaction with OfficeMax and its subsidiaries Mapleby Holdings Merger Corporation and Mapleby Merger Corporation. In connection with the Merger, each former share of OfficeMax common stock, par value $2.50 per share, issued and outstanding immediately prior to the effective time of the Merger was converted to 2.69 shares of Office Depot common stock. The Company issued approximately 240 million shares of Office Depot, Inc. common stock to former holders of OfficeMax common stock, representing the approximately 45% of the approximately 530 million total shares of Company common stock outstanding on the Merger date. Additionally, OfficeMax employee based stock options and restricted stock were converted into mirror awards exercisable or earned in Office Depot, Inc. common stock. The value of these awards was apportioned between total Merger consideration and unearned compensation to be recognized over the remaining original vesting periods of the awards.

Office Depot was determined to be the accounting acquirer. In this all-stock transaction, only Office Depot common stock was transferred, the Office Depot shareholders received approximately 55% of the voting interest of the combined company and other factors either were equally shared between the two former companies, including representation on the combined entity Board of Directors, or were further indicators of the Company being the accounting acquirer.

The Company’s common stock continues to trade on the NYSE under the symbol “ODP.” Following completion of the Merger, the OfficeMax common stock ceased trading on, and was delisted from, the NYSE.

Like Office Depot, OfficeMax is a leader in both business-to-business and retail office products distribution. OfficeMax has operations in the U.S., Canada, Mexico, Australia, New Zealand, the U.S. Virgin Islands and Puerto Rico. The Merger is intended to create a more efficient global provider of these products and services that

OFFICE DEPOT, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

is better able to compete in a changing office supply industry. OfficeMax's results from the Merger date through December 28, 2013 are included in the Consolidated Statement of Operations. The merged business contributed sales of $939 million and a Net loss of $39 million in 2013.

The following unaudited consolidated pro forma summary has been prepared by adjusting the Company's historical data to give effect to the Merger as if it had occurred on January 1, 2012:

	Pro Forma – Unaudited	
(In millions, except per share amounts)	Year Ended December 28, 2013	Year Ended December 29, 2012
Sales	$ 16,879	$ 17,640
Net income	$ 33	$ 262
Net income attributable to common stockholders	$ 31	$ 258
Earnings per share available to common stockholders		
Basic	$ 0.06	$ 0.50
Diluted	$ 0.06	$ 0.49

The unaudited consolidated pro forma financial information was prepared in accordance with the acquisition method of accounting under existing standards and is not necessarily indicative of the results of operations that would have occurred if the Merger had been completed on the date indicated, nor is it indicative of the future operating results of the Company.

The unaudited pro forma results have been adjusted with respect to certain aspects of the Merger to reflect:

- additional depreciation and amortization expenses that would have been recognized assuming fair value adjustments to the existing OfficeMax assets acquired and liabilities assumed, including property and equipment, favorable and unfavorable lease values, the Timber Notes and Non-recourse debt, and share-based compensation awards;
- valuation allowances on U.S. deferred tax assets limited deferred tax benefit recognition;
- elimination of the OfficeMax recognition of deferred gain in 2013 of $138 million from the disposition of a portion of its investment in Boise Cascade Holdings and elimination of the OfficeMax recognition of pension settlement charges in 2012 of $56 million as the related deferred values were removed in purchase accounting; and
- inclusion in the pro forma year 2012 of $79 million Merger transaction costs incurred by both companies through year end 2013.

The unaudited pro forma results do not reflect future events that either have occurred or may occur after the Merger, including, but not limited to, the anticipated realization of ongoing savings from operating synergies in subsequent periods. They also do not give effect to certain charges that the Company expects to incur in connection with the Merger, including, but not limited to, additional professional fees, employee integration, retention and severance costs, facility closure costs, potential asset impairments, accelerated depreciation and amortization or product rationalization charges.

OFFICE DEPOT, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The Merger was an all-stock transaction. The following table summarizes the consideration transferred.

(In millions, except for share exchange ratio and price)	
OfficeMax common shares outstanding as of November 5, 2013	88
OfficeMax share-based awards exchanged	3
OfficeMax Series D preferred shares, as converted	1
OfficeMax common shares exchanged	92
Exchange ratio	2.69
Office Depot common stock issued for consideration	246.9
Office Depot common stock per share price on November 5, 2013	$ 5.65
Total fair value of consideration transferred	$1,395

The consideration is distributed to the following assets and liabilities. The allocation of consideration is not yet complete and the amounts below may change in future periods.

(In millions)	
Cash and cash equivalents	$ 460
Receivables	521
Inventories	766
Prepaid expenses and other current assets	106
Property and equipment	537
Favorable leases	44
Definite-lived intangible assets, primarily customer relationships and tradenames	57
Investment in Boise Cascade Holdings	80
Timber notes receivable	948
Other noncurrent assets	51
Accounts payable	(527)
Other current liabilities (a)	(470)
Unfavorable leases	(54)
Non-recourse debt	(863)
Recourse debt	(228)
Pension and other post-employment obligations	(180)
Deferred income taxes and other long-term liabilities and Noncontrolling interest	(230)
Total identifiable net assets	1,018
Goodwill	377
Total	$1,395

(a) Includes accrued expenses and other current liabilities and income taxes payable

Receivables are recorded at fair value which represents amount expected to be collected. Contractual amounts are higher by $14 million. Receivables include trade receivables of approximately $343 million and vendor and other receivables of $178 million.

The fair value of assets acquired and liabilities assumed was based upon a preliminary valuation and the estimates and assumptions are subject to change within the measurement period as additional information is obtained. The goodwill attributable to the Merger will not be amortizable or deductible for tax purposes. Goodwill is considered to represent the value associated with the workforce and synergies the two companies anticipate realizing as a combined company. Because the purchase price allocation is preliminary, the Company

has not yet allocated goodwill related to the Merger to the reporting units. Noncontrolling interest relating to the joint venture in Mexico is valued at approximately $54 million, using the same fair value measurement methodologies applied to all assets acquired and liabilities assumed in the Merger and a fair value estimate based on market multiples. The valuation of the noncontrolling interest may change as the purchase price allocation is completed and goodwill is allocated to the reporting units.

Under the guidance on accounting for business combinations, merger and integration costs are not included as components of consideration transferred but are accounted for as expenses in the period in which the costs are incurred. Transaction-related expenses are included in the Merger, restructuring, and other operating expenses, net line in the Consolidated Statements of Operations. See Note 3 for additional information about the costs incurred during 2013. See Note 9 for discussion of income tax impacts of the Merger.

Disposition

In the third quarter of 2013, the Company sold its 50 percent investment in Office Depot de Mexico, S.A. de C.V. (“Office Depot de Mexico”) to Grupo Gigante, S.A.B. de C.V. (“Grupo Gigante”). The transaction generated cash proceeds of the Mexican Peso amount of 8,777 million in cash (approximately $680 million at then-current exchange rates). A pretax gain of $382 million was recognized in 2013 as Gain on the disposition of joint venture in Other income (expense) in the Consolidated Statements of Operations. The gain is net of third party fees, as well as recognition of $39 million of cumulative translation losses released from Other comprehensive income because the subsidiary holding the joint venture investment was substantially liquidated following the disposition. The investment in this joint venture was accounted for under the equity method of accounting; accordingly, the disposition is not reflected as discontinued operations. Refer to Note 6 for additional information on this former joint venture. The disposition of this asset from the International Division and return of sale proceeds to the company’s U.S. parent resulted in the fair value of the related reporting unit falling below its carrying value. Refer to Note 5 for further information on the goodwill impairment recorded in 2013. Refer to Note 9 for income tax impacts of the sale.

Acquisition

On February 25, 2011, the Company acquired all of the shares of Svanströms Gruppen (Frans Svanströms & Co AB), a supplier of office products and services headquartered in Stockholm, Sweden to complement the Company’s existing business in that region. As part of this all-cash transaction, the Company recognized approximately $46 million of non-deductible goodwill, primarily attributable to anticipated synergies, $20 million of definite-lived intangible assets for customer relationships and proprietary names, as well as net working capital and property and equipment. The definite-lived intangible assets had a weighted average life of 6.9 years at the acquisition date. Operations have been included in the International Division results since the date of acquisition. Refer to Notes 5 and 16, for further details on the intangible assets impairment and fair value measurements.

NOTE 3. MERGER, RESTRUCTURING AND OTHER ACCRUALS

In recent years, the Company has taken actions to adapt to changing and competitive conditions. These actions include closing facilities, consolidating functional activities, disposing of businesses and assets, and taking actions to improve process efficiencies. Additionally, the Merger was approved in 2013 and integration activities began. In connection with the Merger, the Company assumed exit liabilities previously recorded by OfficeMax.

Starting in the fourth quarter of 2013, the Company began presenting Merger, restructuring and other operating expenses, net on a separate line in the Consolidated Statements of Operations to identify these activities apart from the expenses incurred to sell to and service its customers. During 2013, these expenses totaled $201 million,

OFFICE DEPOT, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

with $180 million of Merger and certain other expenses and $21 million of net restructuring expenses. As noted in the Basis of Presentation above, these expenses are not reported in Division operating income.

Merger-related expenses include (i) $80 million related to transaction and integration activities primarily investment banking, legal, accounting, integration; (ii) $92 million of employee related expenses for cash termination benefits, acceleration of share-based compensation for departing employees and certain incentives to retain and motivate employees, and (iii) $8 million of certain shareholder-related expenses. Total Merger expenses reflect amounts incurred by Office Depot before receiving approval of the Merger, as well as costs incurred by the combined entity following the Merger approval. Refer to Note 2 for additional information on the Merger.

Restructuring expenses primarily relate to activities in Europe. These costs include $23 million of termination benefits and facility closure costs, partially offset by a credit from the reversal of cumulative translation account balances upon subsidiary liquidation.

Of the $201 million Merger, restructuring and other expenses, net recognized in 2013, certain amounts are considered exit costs and included as charges incurred in the table below. Transaction, integration, certain shareholder-related and other expenses are not considered exit costs. The share-based compensation that was recognized against additional paid-in capital is also not presented in the exit cost table. The table includes $94 million of employee compensation expenses from the Merger and restructuring activities, presented as termination benefits and other costs. Charges incurred in the table below also include $4 million of expenses related to facilities closed as part of ongoing operations, which are included in Selling, general and administrative expenses in the Consolidated Statement of Operations. In addition, the table presents accretion on previously closed facilities which is included in Selling, general and administrative expenses in the Consolidated Statement of Operations.

(In millions)	Beginning Balance	Charges Incurred	OfficeMax Merger Additions	Cash Payments	Lease Accretion	Currency and Other Adjustments	Ending Balance
2013							
Termination benefits							
Merger-related accruals	$ —	$ 29	$ —	$ (6)	$ —	$ —	$ 23
Other restructuring accruals	6	23	—	(24)	—	—	5
Acquired entity accruals	—	1	4	(1)	—	—	4
	6	53	4	(31)	—	—	32
Lease and contract obligations, accruals for facilities closures and other costs							
Merger-related accruals	—	42	22	(39)	—	—	25
Other restructuring accruals	87	1	—	(34)	8	—	62
Acquired entity accruals	—	2	63	(6)	—	—	59
	87	45	85	(79)	8	—	146
Total	$ 93	$ 98	$ 89	$ (110)	$ 8	$ —	$ 178
2012							
Termination benefits	$ 12	$ 26	$ —	$ (33)	$ —	$ 1	$ 6
Lease and contract obligations, accruals for facilities closures and other costs	109	21	—	(56)	12	1	87
Total	$ 121	$ 47	$ —	$ (89)	$ 12	$ 2	$ 93

OFFICE DEPOT, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NOTE 4. PROPERTY AND EQUIPMENT

Property and equipment consists of:

(In millions)	**December 28, 2013**	December 29, 2012
Land	**$ 101**	$ 31
Buildings	**469**	290
Leasehold improvements	**780**	747
Furniture, fixtures and equipment	**1,605**	1,338
	2,955	2,406
Less accumulated depreciation	**(1,646)**	(1,550)
Total	**$ 1,309**	$ 856

The above table of property and equipment includes assets held under capital leases as follows:

(In thousands)	**December 28, 2013**	December 29, 2012
Buildings	**$ 228**	$ 228
Furniture, fixtures and equipment	**65**	58
	293	286
Less accumulated depreciation	**(127)**	(107)
Total	**$ 166**	$ 179

Depreciation expense was $149 million in 2013, $152 million in 2012, and $161 million in 2011. Refer to Note 16 for additional information on asset impairment charges.

Included in furniture, fixtures and equipment above are capitalized software costs of $531 million and $398 million at December 28, 2013 and December 29, 2012, respectively. The unamortized amounts of the capitalized software costs are $236 million and $166 million at December 28, 2013 and December 29, 2012, respectively. Amortization of capitalized software costs totaled $56 million, $46 million and $45 million in 2013, 2012 and 2011, respectively. Software development costs that do not meet the criteria for capitalization are expensed as incurred.

Estimated future amortization expense related to capitalized software at December 28, 2013 is as follows:

(In millions)	
2014	$79
2015	75
2016	45
2017	19
2018	12
Thereafter	6

The weighted average amortization period for capitalized software is 3 years.

OFFICE DEPOT, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NOTE 5. GOODWILL AND OTHER INTANGIBLE ASSETS

Goodwill

The components of goodwill by segment are provided in the following table:

(In millions)	North American Retail Division	North American Business Solutions Division	International Division	Corporate	Total
Goodwill	2	368	863	—	1,233
Accumulated impairment losses	(2)	(349)	(863)	—	(1,214)
Goodwill acquired during the year	—	—	46	—	46
Foreign currency rate impact	—	—	(3)	—	(3)
Balance as of December 31, 2011	—	19	43	—	62
Foreign currency rate impact	—	—	2	—	2
Balance as of December 29, 2012	$ —	$ 19	$ 45	—	$ 64
Impairment loss	**—**	**—**	**(44)**	**—**	**(44)**
Additions	**—**	**2**	**—**	**377**	**379**
Foreign currency rate impact	**—**	**—**	**(1)**	**—**	**(1)**
Balance as of December 28, 2013	**$ —**	**$ 21**	**$ —**	**377**	**$ 398**

As a result of the disposition of its investment in Office Depot de Mexico and the associated return of cash to the U.S. parent, in the third quarter of 2013, the carrying value of the related reporting unit exceeded its fair value. Because the investment was accounted for under the equity method, no goodwill was allocated to the gain on disposition of joint venture calculation. However, concurrent with the sale and gain recognition, a goodwill impairment charge of $44 million was recognized and is reported on the Asset impairments line in the Consolidated Statements of Operations. Refer to Note 16 for additional discussion of 2013 goodwill valuation considerations.

Because the allocation of consideration related to the Merger is incomplete, the goodwill associated with the transaction has not yet been allocated to the reporting units. The purchase price allocation and the allocation of goodwill on a relative fair value basis is expected to be complete within the measurement period that will not exceed one year from the transaction date. Refer to Note 2 for additional information on the goodwill addition during 2013.

OFFICE DEPOT, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Indefinite-Lived Intangible Assets

The carrying value of an indefinite-lived intangible asset related to an acquired trade name was $6 million, at December 28, 2013 and December 29, 2012. Indefinite-lived intangible assets are included in Other intangible assets in the Consolidated Balance Sheets. Indefinite-lived intangibles are not subject to amortization, but are assessed for impairment at least annually.

Definite-Lived Intangible Assets

In 2013, the Company recorded definite-lived intangible assets totaling $101 million associated with the Merger, consisting of $44 million of favorable leases, $47 million of customer relationships and $10 million of tradenames. The weighted average amortization periods for favorable leases, customer relationships and tradenames are approximately 13, 7, and 2 years, respectively. Refer to Note 2 for details on the Merger purchase price allocation and Note 10 for details on deferred credit related to unfavorable leases.

Definite-lived intangible assets are reviewed periodically to determine whether events and circumstances warrant a revision to the remaining period of amortization. In the third quarter of 2012, the Company re-evaluated the remaining balances of certain amortizing intangible assets associated with a 2011 acquisition in Sweden. An impairment charge of $14 million was recognized and is presented in Asset impairment in the Consolidated Statements of Operations. Refer to Note 16 for additional information on fair value measurement.

Definite-lived intangible assets, which are included in Other intangible assets in the Consolidated Balance Sheets, are as follows:

	December 28, 2013		
(In millions)	**Gross Carrying Value**	**Accumulated Amortization**	**Net Carrying Value**
Customer relationships	**$ 74**	**$ (20)**	**$ 54**
Favorable lease	**44**	**—**	**44**
Trade name	**10**	**(1)**	**9**
Total	**$ 128**	**$ (21)**	**$ 107**

	December 29, 2012		
(In millions)	Gross Carrying Value	Accumulated Amortization	Net Carrying Value
Customer relationships	$ 28	$ (17)	$ 11

Definite-lived intangible assets are amortized using the straight-line method. Favorable leases are amortized using the straight-line method over the lives of the individual leases. The remaining weighted average amortization period for these assets is 8.8 years.

Amortization of intangible assets was $4 million in 2013, $5 million in 2012, and $5 million in 2011 (at average foreign currency exchange rates). Intangible assets amortization expenses are included in the Consolidated Statement of Operations in Selling, general and administrative expenses. Amortization of favorable leases is included in rent expense. Refer to Note 10 for further detail.

OFFICE DEPOT, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Estimated future amortization expense for the intangible assets is as follows:

(In millions)	
2014	$ 21
2015	19
2016	13
2017	11
2018	9
Thereafter	34
Total	$107

NOTE 6. INVESTMENTS

Unconsolidated Joint Ventures

From 1994 through the third quarter of 2013, the Company participated in a joint venture that sells office products and services in Mexico and Central and South America and accounted for this investment under the equity method. In the third quarter of 2013, the Company sold its 50 percent investment in Office Depot de Mexico to Grupo Gigante, the joint venture partner. Refer to Note 2 for further details on the disposition. The Company's proportionate share of Office Depot de Mexico's net income is presented in Other income (expense), net in the Consolidated Statements of Operations and totaled $13 million through the date of sale in 2013, $32 million in 2012, and $34 million in 2011. The investment balance at year end 2013 and 2012 was $0 and $242 million, respectively, and is included in Other assets in the Consolidated Balance Sheets. The Company received dividends of $25 million from this joint venture in 2011. The dividend is included as an operating activity in the Consolidated Statements of Cash Flows.

Boise Cascade Holdings, LLC

The Company directly owns approximately 20% of the voting equity securities ("Common Units") of Boise Cascade Holdings, L.L.C., a building products company that originated in connection with the OfficeMax sale of its paper, forest products and timberland assets in 2004. As of December 28, 2013, Boise Cascade Holdings, L.L.C. owned stock of Boise Cascade Company, a publicly traded entity, which gave the Company the indirect ownership interest of approximately 4% of the shares of Boise Cascade Company. The investment is accounted for under the cost method because the Company does not have the ability to significantly influence the entity's operating and financial policies. The investment was recorded at fair value on the date of the Merger. At December 28, 2013, the investment of $46 million is included in Other assets in the Consolidated Balance Sheets. See Note 16 for additional information.

In November 2013, the Company received a $35 million cash distribution as part of a distribution that Boise Cascade Holdings, L.L.C. made to the holders of its Common Units following an offering of common shares of Boise Cascade Company. This distribution is considered return of investment and is presented as an investing activity in the Consolidated Statements of Cash Flows.

OFFICE DEPOT, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NOTE 7. TIMBER NOTES/NON-RECOURSE DEBT

As part of the Merger, the Company has also acquired credit-enhanced timber installment notes with an original principal balance of $818 million (the "Installment Notes") that were part of the consideration received in exchange for OfficeMax's sale of timberland assets in October 2004. The Installment Notes were issued by a single-member limited liability company formed by affiliates of Boise Cascade, L.L.C. (the "Note Issuers"). The Installment Notes are non-amortizing obligations bearing interest at 4.98% and maturing in 2020. In order to support the issuance of the Installment Notes, the Note Issuers transferred a total of $818 million in cash to Wells Fargo & Company ("Wells Fargo") (which at the time was Wachovia Corporation). Wells Fargo issued a collateral note (the "Collateral Note") to the Note Issuers. Concurrently with the issuance of the Installment Notes and the Collateral Note, Wells Fargo guaranteed the respective Installment Notes and the Note Issuers pledged the Collateral Note as security for the performance of the obligations under the Installment Notes. As all amounts due on the Installment Notes are current and the Company has no reason to believe that the Company will not be able to collect all amounts due according to the contractual terms of the Installment Notes, the Installment Notes are reported as Timber Notes in the Consolidated Balance Sheet in the amount of $945 million, which represents the original principal amount of $818 million plus a fair value adjustment recorded through purchase accounting in connection with the Merger. The premium will be amortized as a component of interest expense through the maturity date.

Also as part of the Merger, the Company acquired non-recourse debt that OfficeMax issued under the structure of the timber note transactions. In December 2004, the interests in the Installment Notes and related guarantee were transferred to wholly-owned bankruptcy remote subsidiaries in a securitization transaction. The subsidiaries pledged the Installment Notes and related guarantee and issued for cash securitized notes (the "Securitization Notes") in the amount of $735 million supported by the Wells Fargo guaranty. Recourse on the Securitization Notes is limited to the proceeds of the applicable pledged Installment Notes and underlying Wells Fargo guaranty, and therefore there is no recourse against the Company. The Securitization Notes are non-amortizing and pay interest of 5.42% through maturity in 2019. The Securitization Notes are reported as Non-recourse debt in the Company's Consolidated Balance Sheets in the amount of $859 million, which represents the original principal amount of $735 million plus a fair value adjustment recorded through purchase accounting in connection with the Merger. The premium will be amortized as a component of interest income through the maturity date. Refer to Note 8 for additional information.

The Installment Notes and related Securitization Notes are scheduled to mature in 2020 and 2019, respectively. The Securitization Notes have an initial term that is approximately three months shorter than the Installment Notes.

The sale of the timberlands in 2004 generated a tax gain for OfficeMax and a related deferred tax liability was recognized. The timber installment notes structure allowed the deferral of the resulting tax liability until 2020, the maturity date for the Installment Notes. At December 28, 2013, there is a deferred tax liability of $258 million related to the Installment Notes that will be recognized upon maturity.

OFFICE DEPOT, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NOTE 8. DEBT

Debt consists of the following:

(In millions)	**December 28, 2013**	December 29, 2012
Recourse debt:		
Short-term borrowings and current maturities of long-term debt:		
Short-term borrowings	**$ 3**	$ 2
Capital lease obligations	**23**	20
Other current maturities of long-term debt	**3**	152
Total	**$ 29**	$ 174
Long-term debt, net of current maturities:		
Senior Secured Notes, due 2019	**$ 250**	$ 250
7.35% debentures, due 2016	**18**	—
Revenue bonds, due in varying amounts periodically through 2029	**186**	—
American & Foreign Power Company, Inc. 5% debentures, due 2030	**13**	—
Grupo OfficeMax loans	**4**	—
Capital lease obligations	**207**	218
Other	**18**	17
Total	**$ 696**	$ 485
Non-recourse debt:		
5.42% Securitization Notes, due 2019 — See Note 7	**$ 735**	$ —
Unamortized premium	**124**	—
Total	**$ 859**	$ —

The Company was in compliance with all applicable financial covenants of existing loan agreements at December 28, 2013.

Amended Credit Agreement

On May 25, 2011, the Company entered into an Amended and Restated Credit Agreement with a group of lenders. Additional amendments to the Amended and Restated Credit Agreement have been entered into and were effective February 2012 and November 2013 (the Amended and Restated Credit Agreement including all amendments is referred to as the “Amended Credit Agreement”). The Amended Credit Agreement provides for an asset based, multi-currency revolving credit facility of up to $1.25 billion (the “Facility”). The Amended Credit Agreement also provides that the Facility may be increased by up to $250 million, subject to certain terms and conditions, including obtaining increased commitments from existing or new lenders. The amount that can be drawn on the Facility at any given time is determined based on percentages of certain accounts receivable, inventory and credit card receivables (the “Borrowing Base”). The Facility includes a sub-facility of up to $200 million which is available to certain of the Company’s European and Canadian subsidiaries (the “European Borrowers”). Certain of the Company’s domestic subsidiaries guaranty the obligations under the Facility (the “Domestic Guarantors”). The Amended Credit Agreement also provides for a letter of credit sub-facility of up to $400 million, as well as a swingline loan sub-facility of up to $125 million to the Company and an additional swingline loan sub-facility of up to $25 million to the European Borrowers. All loans borrowed under the Agreement may be borrowed, repaid and reborrowed from time to time until the maturity date of May 25, 2016.

OFFICE DEPOT, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

All amounts borrowed under the Facility, as well as the obligations of the Domestic Guarantors, are secured by a first priority lien on the Company's and such Domestic Guarantors' accounts receivables, inventory, cash, cash equivalents and deposit accounts and a second priority lien on substantially all of the Company's and the Domestic Guarantors' other assets. All amounts borrowed by the European Borrowers under the Facility are secured by a lien on such European Borrowers' accounts receivable, inventory, cash, cash equivalents and deposit accounts, as well as certain other assets. At the Company's option, borrowings made pursuant to the Facility bear interest at either, (i) the alternate base rate (defined as the higher of the Prime Rate (as announced by the Agent), the Federal Funds Rate plus 1/2 of 1% and the one month Adjusted LIBO Rate (defined below) and 1%) or (ii) the Adjusted LIBO Rate (defined as the LIBO Rate as adjusted for statutory revenues) plus, in either case, a certain margin based on the aggregate average availability under the Facility.

The Amended Credit Agreement also contains representations, warranties, affirmative and negative covenants, and default provisions which are conditions precedent to borrowing. The most significant of these covenants and default provisions include limitations in certain circumstances on acquisitions, dispositions, share repurchases and the payment of cash dividends. The Company has never paid a cash dividend on its common stock.

The Facility also includes provisions whereby if the global availability is less than $150 million, or the European availability is below $25 million, the Company's cash collections go first to the agent to satisfy outstanding borrowings. Further, if total availability falls below $125 million, a fixed charge coverage ratio test is required. Any event of default that is not cured within the permitted period, including non-payment of amounts when due, any debt in excess of $25 million becoming due before the scheduled maturity date, or the acquisition of more than 40% of the ownership of the Company by any person or group, within the meaning of the Securities and Exchange Act of 1934, could result in a termination of the Facility and all amounts outstanding becoming immediately due and payable.

The amendment entered into by the Company which is effective November 5, 2013 (the "Amendment") increased the Facility from $1.0 billion to $1.25 billion, allowed for the Merger, recognized OfficeMax debt and assets, expanded amounts permitted for indebtedness, liens, investments and asset sales and increased restricted payments and capital expenditure limits, among other changes. In addition, an aggregate undrawn amount of $38 million of letters of credit previously issued under a credit agreement of OfficeMax and certain of its subsidiaries, which credit facility was terminated in connection with and immediately prior to the consummation of the Merger, are deemed as having been issued and being outstanding under the Amended Credit Agreement.

At December 28, 2013, the Company had approximately $1.1 billion of available credit under the Facility based on the December Borrowing Base certificate. At December 28, 2013, no amounts were outstanding under the Facility. Letters of credit outstanding under the Facility totaled $110 million. There were no borrowings under the Facility during 2013.

Senior Secured Notes

On March 14, 2012, the Company issued $250 million aggregate principal amount of its 9.75% Senior Secured Notes due March 15, 2019 ("Senior Secured Notes") with interest payable in cash semiannually in arrears on March 15 and September 15 of each year. The Senior Secured Notes are fully and unconditionally guaranteed on a senior secured basis by each of the Company's existing and future domestic subsidiaries that guarantee the Amended Credit Agreement. The Senior Secured Notes are secured on a first-priority basis by a lien on substantially all of the Company's domestic subsidiaries' present and future assets, other than assets that secure the Amended Credit Agreement, and certain of their present and future equity interests in foreign subsidiaries. The Senior Secured Notes are secured on a second-priority basis by a lien on the Company and its domestic subsidiaries' assets that secure the Amended Credit Agreement. The Senior Secured Notes were issued pursuant

OFFICE DEPOT, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

to an indenture, dated as of March 14, 2012, among the Company, the domestic subsidiaries named therein and U.S. Bank National Association, as trustee (the "Indenture"). Approximately $7 million was capitalized associated with the issuance of the Senior Secured Notes and will be amortized through 2019.

The terms of the Indenture provide that, among other things, the Senior Secured Notes and guarantees will be senior secured obligations and will: (i) rank senior in right of payment to any future subordinated indebtedness of the Company and the guarantors; (ii) rank equally in right of payment with all of the existing and future senior indebtedness of the Company and the guarantors; (iii) rank effectively junior to all existing and future indebtedness under the Amended Credit Agreement to the extent of the value of certain collateral securing the Facility on a first-priority basis, subject to certain exceptions and permitted liens; (iv) rank effectively senior to all existing and future indebtedness under the Amended Credit Agreement to the extent of the value of certain collateral securing the Senior Secured Notes; and (v) be structurally subordinated in right of payment to all existing and future indebtedness and other liabilities of the Company's non-guarantor subsidiaries (other than indebtedness and liabilities owed to the Company or one of the guarantors).

The Indenture contains affirmative and negative covenants that, among other things, limit or restrict the Company's ability to: incur additional debt or issue stock, pay dividends, make certain investments or make other restricted payments; engage in sales of assets; and engage in consolidations, mergers and acquisitions. However, many of these currently active covenants will cease to apply for so long as the Company receives and maintains investment grade ratings from specified debt rating services and there is no default under the Indenture. There are no maintenance financial covenants.

The Senior Secured Notes may be redeemed by the Company, in whole or in part, at any time prior to March 15, 2016 at a price equal to 100% of the principal amount plus a make-whole premium as of the redemption date and accrued and unpaid interest. Thereafter, the Senior Secured Notes carry optional redemption features whereby the Company has the redemption option prior to maturity at par plus a premium beginning at 104.875% at March 15, 2016 and declining ratably to par at March 15, 2018 and thereafter, plus accrued and unpaid interest.

In connection with the sale of the Company's ownership in Office Depot de Mexico, the Company was required to offer to repurchase the $250 million Senior Secured Notes at 100% of par plus accrued and unpaid interest. No Senior Secured Notes were tendered for repurchase during the offer period.

Additionally, on or prior to March 15, 2015, the Company may redeem up to 35% of the aggregate principal amount of the Senior Secured Notes with the net cash proceeds from certain equity offerings at a redemption price equal to 109.750% of the principal amount of the Senior Secured Notes redeemed plus accrued and unpaid interest to the redemption date; and, upon the occurrence of a change of control, holders of the Senior Secured Notes may require the Company to repurchase all or a portion of the Senior Secured Notes in cash at a price equal to 101% of the principal amount to be repurchased plus accrued and unpaid interest to the repurchase date. Change of control, as defined in the Indenture, is a transfer of all or substantially all of the assets of Office Depot, acquisition of more than 50% of the voting power of Office Depot by a person or group, or members of the Office Depot Board of Directors as previously approved by the stockholders of Office Depot ceasing to constitute a majority of the Office Depot Board of Directors.

OFFICE DEPOT, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Senior Notes

In August 2003, the Company issued $400 million, 6.25% senior notes ("Senior Notes") that, because of amortization of a terminated treasury rate lock, had an effective interest rate of 5.86%.

On March 15, 2012, the Company repurchased $250 million aggregate principal amount of its outstanding Senior Notes under a cash tender offer. The total consideration for each $1,000.00 note surrendered was $1,050.00. Tender fees and a proportionate amount of deferred debt issue costs and a deferred cash flow hedge gain were included in the measurement of the $12 million extinguishment loss reported in the Consolidated Statements of Operations for 2012. The cash amounts of the premium paid and tender fees are reflected as financing activities in the Consolidated Statements of Cash Flows. Accrued interest was paid through the extinguishment date. The remaining $150 million was repaid at par, upon maturity in August 2013.

Other Long-Term Debt

As a result of the Merger, the Company assumed the liability for the amounts in the table above related to the (i) 7.35% debentures, due 2016, (ii) Revenue bonds, due in varying amounts periodically through 2029, and (iii) American & Foreign Power Company, Inc. 5% debentures, due 2030.

OfficeMax is the borrower under several conduit tax-exempt bond financings, also referred to as revenue bonds, pursuant to which it is obligated to provide copies of its Annual Report on Form 10-K as filed with the SEC and the annual report to shareholders, including its annual financial statements, to the bond trustees and to file such financial information disclosure with EMMA, the electronic information database of the Municipal Securities Rulemaking Board. Following the Merger with Office Depot, OfficeMax is no longer a reporting company and will no longer prepare audited financial statements because its financial statements are consolidated with those of its parent company, Office Depot. In light of the Merger, the Company determined to issue a guaranty of the bonds. The Company has launched a process to obtain the requisite consents to substitute the Annual Report and audited consolidated financial statements of Office Depot, as guarantor of the bonds, for those of OfficeMax. Failure to provide the OfficeMax annual financial statements within 120 days of the Company's fiscal 2013 year-end, along with any applicable cure periods, could give rise to a technical default under the loan agreements in which case bondholders could exercise remedies, including acceleration of amounts due under the bond documents. In the event that the Company is not able to obtain the requisite consents for one or more series of bonds, the Company has the ability to redeem the bonds at par.

Capital Lease Obligations

Capital lease obligations primarily relate to buildings and equipment.

Short-Term Borrowings

The Company had short-term borrowings of $3 million at December 28, 2013 under various local currency credit facilities for international subsidiaries that had an effective interest rate at the end of the year of approximately 6%. The maximum month end amount occurred in November 2013 at approximately $5 million and the maximum monthly average amount occurred in December 2013 at approximately $4 million. The majority of these short-term borrowings represent outstanding balances on uncommitted lines of credit, which do not contain financial covenants.

Grupo OfficeMax loans

At the end of fiscal year 2013, Grupo OfficeMax, the majority-owned joint-venture in Mexico acquired in connection with the Merger, had total outstanding borrowings of $7 million. This included amounts outstanding under two 48 month installment notes due in the fourth quarter of 2017 and two short term notes due in the first quarter of 2014. Payments on the installment loans are made monthly. Recourse on the Grupo OfficeMax loans is limited to Grupo OfficeMax.

Refer to Note 7 for further information on non-recourse debt.

Schedule of Debt Maturities

Aggregate annual maturities of recourse debt and capital lease obligations are as follows:

(In millions)	
2014	$ 46
2015	43
2016	56
2017	33
2018	31
Thereafter	613
Total	822
Less amount representing interest on capital leases	(97)
Total	725
Less current portion	(29)
Total long-term debt	$696

NOTE 9. INCOME TAXES

The components of income (loss) before income taxes consisted of the following:

(In millions)	**2013**	2012	2011
United States	$(230)	$(129)	$ (4)
Foreign	357	54	37
Total income (loss) before income taxes	$ 127	$ (75)	$33

The income tax expense (benefit) related to income (loss) from operations consisted of the following:

(In millions)	**2013**	2012	2011
Current:			
Federal	**$ 15**	$(14)	$(59)
State	**5**	1	(4)
Foreign	**125**	14	15
Deferred :			
Federal	**(4)**	(5)	—
State	**(1)**	—	—
Foreign	**7**	6	(15)
Total income tax expense (benefit)	**$147**	$ 2	$(63)

OFFICE DEPOT, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The following is a reconciliation of income taxes at the U.S. Federal statutory rate to the provision (benefit) for income taxes:

(In millions)	**2013**	2012	2011
Federal tax computed at the statutory rate	**$ 44**	$(26)	$ 11
State taxes, net of Federal benefit	**3**	1	1
Foreign income taxed at rates other than Federal	**(28)**	(15)	(22)
Increase (decrease) in valuation allowance	**8**	(9)	(8)
Non-deductible goodwill impairment	**15**	0	0
Non-deductible Merger expenses	**13**	0	0
Non-deductible foreign interest	**8**	10	12
Change in unrecognized tax benefits	**—**	1	(77)
Tax expense from intercompany transactions	**2**	2	5
Subpart F and dividend income, net of foreign tax credits	**75**	—	10
Change in tax rate	**2**	2	2
Non-taxable return of purchase price	**—**	(22)	—
Deferred taxes on undistributed foreign earnings	**5**	68	—
Tax accounting method change ruling	**—**	(16)	—
Other items, net	**—**	6	3
Income tax expense (benefit)	**$147**	$ 2	$(63)

The increase in income tax expense and the effective tax rate from 2012 to 2013 is primarily attributable to the sale of the Company's investment in Office Depot de Mexico, which is discussed in Note 2. The Company paid $117 million of Mexican income tax upon the sale and incurred additional U.S. income tax expense of $23 million due to dividend income and Subpart F income in 2013 as a result of the sale, for total income tax expense of $140 million. In addition, the Company incurred charges related to goodwill impairment (discussed in Note 5) and certain Merger expenses that are not deductible for tax purposes, which increased the effective tax rate for 2013. The 2012 effective tax rate includes the accrued benefit related to the favorable settlement of the U.S. Internal Revenue Service ("IRS") examination of the 2009 and 2010 tax years, as discussed below. The 2012 effective tax rate also includes the benefit from the recovery of purchase price that is treated as a purchase price adjustment for tax purposes. As discussed in Note 14, this recovery would have been a reduction of related goodwill for financial reporting purposes, but the related goodwill was impaired in 2008. The 2011 effective tax rate includes the tax benefit associated with the decrease in unrecognized tax benefits due to the lapse of statute of limitations and settlements reached with certain taxing authorities.

Upon the sale of Office Depot de Mexico, $5 million of income tax expense was reclassified from accumulated other comprehensive income to the Consolidated Statement of Operations to remove the residual income tax effects associated with currency translation on the Company's investment in Office Depot de Mexico. Such income tax effects had been recorded in the cumulative translation account, which is a component of accumulated other comprehensive income, due to intraperiod allocations required in 2012 when the Company removed its indefinite reinvestment assertion with respect to certain foreign earnings accumulated at Office Depot de Mexico.

As a result of the Company incurring a pre-tax loss in the U.S. and recognizing a current year gain in other comprehensive income attributable to its pension plan assets and benefit obligations, the Company recorded a net deferred tax benefit of $10 million from the release of valuation allowance.

The significant tax jurisdictions related to the line item foreign income taxed at rates other than Federal include Mexico, the UK, the Netherlands, Germany, and France.

OFFICE DEPOT, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

No income tax benefit was initially recognized in the Consolidated Statement of Operations related to stock-based compensation for 2011, 2012, and 2013 due to valuation allowances against the Company's deferred tax assets. However, due to the sale of Office Depot de Mexico in 2013, the Company realized an income tax benefit of $5 million for the utilization of net operating loss carryforwards that had resulted from excess stock-based compensation deductions for which no benefit was previously recorded. In addition, the Company realized an income tax benefit of $3 million for excess stock-based compensation deductions resulting from the exercise and vesting of equity awards during 2013. These income tax benefits were recorded as increases to additional paid-in capital in 2013.

The components of deferred income tax assets and liabilities consisted of the following:

(In millions)	**December 28, 2013**	December 29, 2012
U.S. and foreign net operating loss carryforwards	**$ 314**	$ 367
Deferred rent credit	**97**	95
Pension and other accrued compensation	**170**	61
Accruals for facility closings	**38**	21
Inventory	**25**	14
Self-insurance accruals	**33**	19
Deferred revenue	**34**	7
U.S. and foreign income tax credit carryforwards	**234**	8
Allowance for bad debts	**8**	3
Accrued expenses	**60**	24
Basis difference in fixed assets	**15**	40
Other items, net	**6**	41
Gross deferred tax assets	**1,034**	700
Valuation allowance	**(683)**	(583)
Deferred tax assets	**351**	117
Internal software	**22**	3
Installment gain on sale of timberlands	**258**	—
Deferred Subpart F income	**23**	11
Undistributed foreign earnings	**12**	72
Deferred tax liabilities	**315**	86
Net deferred tax assets	**$ 36**	$ 31

For financial reporting purposes, a jurisdictional netting process is applied to deferred tax assets and deferred tax liabilities, resulting in the balance sheet classification shown below.

(In millions)	**December 28, 2013**	December 29, 2012
Deferred tax assets:		
Included in Prepaid and other current assets	**$ 114**	$ 37
Deferred income taxes — noncurrent	**35**	33
Deferred tax liabilities:		
Included in Accrued expenses and other current liabilities	**3**	5
Included in Deferred income taxes and other long-term liabilities	**110**	34
Net deferred tax asset	**$ 36**	$ 31

OFFICE DEPOT, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

As of December 28, 2013, the Company has utilized all of its U.S. Federal net operating loss ("NOL") carryforwards as a consequence of the disposition of Office Depot de Mexico. The Company has $858 million of foreign and $1.6 billion of state NOL carryforwards. Of the foreign NOL carryforwards, $666 million can be carried forward indefinitely, $11 million will expire in 2014, and the remaining balance will expire between 2015 and 2033. Of the state NOL carryforwards, $34 million will expire in 2014, and the remaining balance will expire between 2015 and 2033. The Company also has $107 million of U.S. Federal alternative minimum tax credit carryforwards, which can be used to reduce future regular federal income tax, if any, over an indefinite period. Additionally, the Company has $114 million of U.S. Federal foreign tax credit carryforwards, which expire between 2015 and 2023, and $13 million of state and foreign tax credit carryforwards, which expire between 2023 and 2027.

As a result of the Merger, the Company triggered an "ownership change" as defined in Internal Revenue Code Section 382 and related provisions. Sections 382 and 383 place a limitation on the amount of taxable income which can be offset by carryforward tax attributes, such as net operating losses or tax credits, after a change in control. Generally, after a change in control, a loss corporation cannot deduct carryforward tax attributes in excess of the limitation prescribed by Section 382 and 383. Therefore, certain of the Company's carryforward tax attributes may be subject to an annual limitation regarding their utilization against taxable income in future periods. The Company estimates that at least $15 million of deferred tax assets related to carryforward tax attributes will not be realized because of Section 382 and related provisions. Accordingly, the Company has reduced the impacted deferred tax assets by this amount, which was fully offset by a corresponding change in the valuation allowance.

U.S. deferred income taxes have not been provided on certain undistributed earnings of foreign subsidiaries, which were approximately $472 million as of December 28, 2013. The determination of the amount of the related unrecognized deferred tax liability is not practicable because of the complexities associated with the hypothetical calculations. The Company has historically reinvested such earnings overseas in foreign operations indefinitely and expects that future earnings will also be reinvested overseas indefinitely except as follows. The Company does not consider the earnings of certain foreign subsidiaries acquired as a result of the Merger to be permanently reinvested. The Company has recorded the associated deferred tax liabilities accordingly.

The following summarizes the activity related to valuation allowances for deferred tax assets:

(In millions)	**2013**	2012	2011
Beginning balance	**$583**	$622	$649
Additions, charged to expense	**26**	—	—
Additions, due to the Merger	**84**	—	—
Deductions	**(10)**	(39)	(27)
Ending balance	**$683**	$583	$622

The Company has significant deferred tax assets in the U.S. and in foreign jurisdictions against which valuation allowances have been established to reduce such deferred tax assets to an amount that is more likely than not to be realized. The establishment of valuation allowances requires significant judgment and is impacted by various estimates. Both positive and negative evidence, as well as the objectivity and verifiability of that evidence, is considered in determining the appropriateness of recording a valuation allowance on deferred tax assets. An accumulation of recent pre-tax losses is considered strong negative evidence in that evaluation. While the Company believes positive evidence exists with regard to the realizability of these deferred tax assets, it is not considered sufficient to outweigh the objectively verifiable negative evidence, including the cumulative 36-month pre-tax loss history. In 2012, valuation allowances were established in certain foreign jurisdictions because the realizability of the related deferred tax assets was no longer more likely than not. Valuation allowances in certain other foreign

jurisdictions were removed in 2011 because sufficient positive evidence existed, resulting in a tax benefit of $10 million. As of 2013, valuation allowances remain in certain foreign jurisdictions where the Company believes it is necessary to see further positive evidence, such as sustained achievement of cumulative profits, before these valuation allowances can be released. If such positive evidence develops in 2014, the Company may release all or a portion of the remaining valuation allowances in these jurisdictions as early as the first half of 2014. The Company will continue to assess the realizability of its deferred tax assets.

The following table summarizes the activity related to unrecognized tax benefits:

(In millions)	**2013**	2012	2011
Beginning balance	**$ 5**	$ 7	$ 111
Increase related to current year tax positions	**4**	—	—
Increase related to prior year tax positions	**—**	3	471
Decrease related to prior year tax positions	**—**	(1)	(40)
Decrease related to lapse of statute of limitations	**—**	—	(60)
Decrease related to settlements with taxing authorities	**—**	(4)	(475)
Increase related to the Merger	**6**	—	—
Ending balance	**$15**	$ 5	$ 7

Included in the balance of $15 million at December 28, 2013, are $9 million of unrecognized tax benefits that, if recognized, would affect the effective tax rate. The difference of $6 million primarily results from tax positions which if sustained would be offset by carryforward tax attributes and changes in valuation allowance.

The Company recognizes interest related to unrecognized tax benefits in interest expense and penalties in the provision for income taxes. Accordingly, such amounts are not included in the table above. The Company recognized interest and penalty expense of $1 million and $2 million in 2013 and 2012, respectively. The Company recognized a net interest benefit of $30 million and a net penalty benefit of $9 million in 2011 due to the lapse of statute of limitations and settlements reached with certain taxing authorities. The Company had approximately $10 million accrued for the payment of interest and penalties as of December 28, 2013.

The Company files a U.S. federal income tax return and other income tax returns in various states and foreign jurisdictions. With few exceptions, the Company is no longer subject to U.S. federal, state and local income tax examinations for years before 2010. The Company has reached a settlement with the IRS Appeals Division to close the previously-disclosed IRS deemed royalty assessment relating to 2009 and 2010 foreign operations. The settlement was subject to the Congressional Joint Committee on Taxation approval, which was received in 2013. The resolution of this matter has closed all known disputes with the IRS relating to tax years 2009 and 2010 and resulted in a refund of approximately $14 million, which was received in 2013, from a previously approved carryback of a tax accounting method change. In 2013, the Company also received final resolution of the IRS deemed royalty assessment relating to 2011 foreign operations, which resulted in no change to the Company’s 2011 U.S. federal income tax return. The U.S. federal income tax return for 2012 is under concurrent year review. The acquired OfficeMax U.S. consolidated group is no longer subject to U.S. federal and state income tax examinations for years before 2010 and 2006, respectively.

Generally, the Company is subject to routine examination for years 2006 and forward in its international tax jurisdictions. It is reasonably possible that certain of these audits will close within the next 12 months, which the Company does not believe would result in a material change in its unrecognized tax benefits. Additionally, the Company anticipates that it is reasonably possible that new issues will be raised or resolved by tax authorities that may require changes to the balance of unrecognized tax benefits; however, an estimate of such changes cannot reasonably be made.

OFFICE DEPOT, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

On September 13, 2013, the IRS and U.S. Treasury Department issued final regulations addressing the deduction and capitalization of tangible property expenditures, which are generally effective beginning with the 2014 tax year and may be adopted in earlier years. The Company has decided to early adopt the tax treatment of certain asset dispositions as of January 1, 2013. The resulting tax impacts have been reflected in the consolidated balance sheet and income statement as of December 28, 2013. The Company will be making additional tax accounting method changes required by these regulations as of January 1, 2014, but does not expect them to have a material impact on the Company's consolidated financial statements.

NOTE 10. LEASES

The Company leases retail stores and other facilities, vehicles, and equipment under operating lease agreements. Facility leases typically are for a fixed non-cancellable term with one or more renewal options. In addition to minimum rentals, the Company is required to pay certain executory costs such as real estate taxes, insurance and common area maintenance on most of the facility leases. Many lease agreements contain tenant improvement allowances, rent holidays, and/or rent escalation clauses. For purposes of recognizing incentives and minimum rental expenses on a straight-line basis over the terms of the leases, the Company uses the date of initial possession to begin amortization. Certain leases contain provisions for additional rent to be paid if sales exceed a specified amount, though such payments have been immaterial during the years presented.

Deferred rent liability for tenant improvement allowances and rent holidays are recognized and amortized over the terms of the related leases as a reduction of rent expense. For scheduled rent escalation clauses during the lease terms or for rental payments commencing at a date other than the date of initial occupancy, the Company records minimum rental expenses on a straight-line basis over the terms of the leases. Rent related accruals totaled approximately $324 million and $263 million at December 28, 2013 and December 29, 2012, respectively. The short-term and long-term components of these liabilities are included in Accrued expenses and other current liabilities and Deferred income taxes and other long-term liabilities, respectively, on the Consolidated Balance Sheets.

Rent expense, including equipment rental, was $458 million, $429 million and $447 million in 2013, 2012, and 2011, respectively. Rent expense was reduced by sublease income of $4 million in 2013, $5 million in 2012, and $3 million in 2011.

Future minimum lease payments due under the non-cancelable portions of leases as of December 28, 2013 include facility leases that were accrued as store closure costs and are as follows.

(In millions)	
2014	$ 726
2015	600
2016	470
2017	341
2018	194
Thereafter	547
	2,878
Less sublease income	56
Total	$2,822

These minimum lease payments do not include contingent rental payments that may be due based on a percentage of sales in excess of stipulated amounts.

OFFICE DEPOT, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

As a result of purchase accounting from the Merger, the Company recorded a $44 million favorable lease intangible asset relating to store leases with terms below market value and a $54 million unfavorable lease deferred credit for store leases with terms above market value. The favorable leases and unfavorable leases are included in Other intangible assets and Deferred income taxes and other long-term liabilities in the Consolidated Balance Sheets, respectively. The asset and liability are amortized on a straight-line basis over the lives of the leases. In 2013, the net amortization of these items reduced rent expense by approximately $1 million. Refer to Note 5 for further details on favorable leases amortization. Unfavorable leases estimated future amortization is as follows:

(In millions)	
2014	$16
2015	13
2016	10
2017	7
2018	4
Thereafter	2
Total	$52

The Company has capital lease obligations primarily related to buildings and equipment. Refer to Note 8 for further details on amounts due related to capital lease obligations.

NOTE 11. REDEEMABLE PREFERRED STOCK

In 2009, Office Depot issued an aggregate of 350,000 shares of 10.00% Series A Redeemable Convertible Participating Perpetual Preferred Stock, par value $0.01 per share and 10.00% Series B Redeemable Conditional Convertible Participating Perpetual Preferred Stock, par value $0.01 per share, for $350 million (collectively, the “Redeemable Preferred Stock”). The Redeemable Preferred Stock was initially convertible into 70 million shares of Company common stock and classified outside of permanent equity on the Consolidated Balance Sheets because certain redemption conditions were not solely within the control of Office Depot.

Dividends on the Redeemable Preferred Stock were declared quarterly and paid in cash or in-kind as approved by the Board of Directors. For accounting purposes, dividends paid-in-kind were measured at fair value. Refer to Note 16 for additional fair value measurement information. Reported dividends calculated on a per share basis were $221.50, $94.10, and $102.01 for 2013, 2012 and 2011, respectively.

In accordance with certain Merger-related agreements, which the Company entered into with the holders of the Company’s preferred stock concurrently with the execution of the Merger Agreement, in both July and November 2013, the Company redeemed 50 percent of the preferred stock outstanding. A total of $431 million in cash was paid for the full redemption of the preferred stock in 2013, included the liquidation preference of $407 million and redemption premium of $24 million measured at 6% of the liquidation preference.

Preferred stock dividends included in the Consolidated Statement of Operations for 2013 were $73 million, including $28 million of contractual dividends and $45 million related to the redemptions. The $45 million is comprised of a $24 million redemption premium and $21 million representing the difference between liquidation preference and carrying value of the preferred stock. The liquidation preference exceeded the carrying value because of initial issuance costs and prior period paid-in-kind dividends recorded for accounting purposes at fair value. The $63 million indicated as Dividends on redeemable preferred stock on the Consolidated Statement of Cash flows is derived from the $73 million of 2013 dividends per the Consolidated Statement of Operations, reduced by the $21 million non-cash difference between liquidation preference and carrying value, plus the payment of dividends accrued at the end of 2012.

OFFICE DEPOT, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NOTE 12. STOCKHOLDERS' EQUITY

Preferred Stock

As of December 28, 2013, there were 1,000,000 shares of $0.01 par value preferred stock authorized.

Treasury Stock

At December 28, 2013, there were 5,915,268 shares held in treasury. The Company's Senior Secured Notes and the Facility include restrictions on additional common stock repurchases, based on the Company's liquidity and borrowing availability.

Accumulated Other Comprehensive Income

Accumulated other comprehensive income activity, net of tax, where applicable, is provided in the following table:

(In millions)	Foreign Currency Translation Adjustments [b]	Change in Deferred Pension	Change in Deferred Cash Flow Hedge [c]	Total
Balance at December 29, 2012	$ 217	$ (4)	$ —	$213
Other comprehensive income (loss) activity before reclassifications	11	22	2	35
Amounts reclassified from Accumulated other comprehensive income to Net earnings (loss) [a]	36	—	(2)	34
Tax impact	—	(10)	—	(10)
Net year-to-date other comprehensive income	47	12	—	59
Balance at December 28, 2013	**$ 264**	**$ 8**	**$ —**	**$272**

[a] Amounts in parentheses indicate an increase to earnings.

[b] Includes $3 million gain included in Merger, restructuring and other operating expenses, net and $39 million loss, which is a component of Gain on disposition of joint venture.

[c] Included in the $(2) million are $(1) million recorded in Cost of goods sold and occupancy costs and $(1) million included in Other income (expense), net, respectively.

Because of valuation allowances in U.S. and several international taxing jurisdictions, items other than deferred pension amounts generally have little or no tax impact. The component balances are net of immaterial tax impacts, where applicable.

OFFICE DEPOT, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NOTE 13. STOCK-BASED COMPENSATION

Long-Term Incentive Plans

During 2007, the Company's Board of Directors adopted, and the shareholders approved, the Office Depot, Inc. 2007 Long-Term Incentive Plan (the "Plan"). The Plan permits the issuance of stock options, stock appreciation rights, restricted stock, restricted stock units, performance-based, and other equity-based incentive awards. Employee share-based awards are generally issued in the first quarter of the year.

In addition, the Company assumed the share issuance plan formerly related to OfficeMax employee grants, the 2003 OfficeMax Incentive and Performance Plan (the "2003 Plan"). Eight types of awards may be granted under the 2003 Plan, including stock options, stock appreciation rights, restricted stock, restricted stock units, performance units, performance shares, annual incentive awards and stock bonus awards. Future share awards under this plan will be of Office Depot, Inc. common stock.

As provided for in the Merger agreements, each option to purchase OfficeMax common stock outstanding immediately prior to the effective time of the Merger was converted into an option to purchase Office Depot common stock, on the same terms and conditions adjusted by the 2.69 exchange ratio. The fair value of those options was measured using an option pricing model with the following assumptions: risk-free rate 0.42%; expected life 2.34; dividend yield of zero; expected volatility 52.18% and forfeiture rate of 5%.

Similarly, each previously-existing OfficeMax restricted stock and restricted stock unit outstanding immediately prior to the effective time of the Merger was converted into an Office Depot restricted stock or restricted stock unit, as appropriate, at the 2.69 exchange ratio. The fair value of these awards was allocated to consideration and unearned compensation, based on the past and future service conditions. The assumed awards related to the Merger have been identified, as applicable, in the tables that follow.

Stock Options

The Company's stock option exercise price for each grant of a stock option shall not be less than 100% of the fair market value of a share of common stock on the date the option is granted. Options granted under the Plan and the 2003 Plan have vesting periods ranging from one to five years and from one to three years after the date of grant, respectively, provided that the individual is continuously employed with the Company. Following the date of grant, all options granted under the Plan and the 2003 Plan expire no more than ten years and seven years, respectively.

A summary of the activity in the stock option plans for the last three years is presented below.

	2013		2012		2011	
	Shares	**Weighted Average Exercise Price**	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
Outstanding at beginning of year	**12,578,071**	**$ 5.25**	19,059,176	$ 6.90	20,021,044	$ 7.49
Granted	**2,003,000**	**5.24**	82,000	3.22	3,680,850	4.53
Assumed — Merger	**13,142,351**	**3.62**	—	—	—	—
Cancelled	**(2,072,560)**	**8.83**	(4,512,372)	14.51	(3,567,513)	9.46
Exercised	**(2,948,328)**	**1.40**	(2,050,733)	0.88	(1,075,205)	0.86
Outstanding at end of year	**22,702,534**	**$ 4.48**	12,578,071	$ 5.25	19,059,176	$ 6.90

OFFICE DEPOT, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The weighted-average grant date fair values of options granted during 2013, 2012, and 2011 were $3.00, $1.86, and $2.25, respectively, using the following weighted average assumptions for grants:

- Risk-free interest rates of 1.69% for 2013, 0.94% for 2012, and 1.97% for 2011
- Expected lives of six years for 2013 and 4.5 years for 2012 and 2011
- A dividend yield of zero for all three years
- Expected volatility ranging from 61% to 69% for 2013, 72% to 74% for 2012, and 67% to 77% for 2011
- Forfeitures are anticipated at 5% and are adjusted for actual experience over the vesting period

The following table summarizes information about options outstanding and exercisable at December 28, 2013.

	Options Outstanding			Options Exercisable		
Range of Exercise Prices	Number Outstanding	Weighted Average Remaining Contractual Life (in years)	Weighted Average Exercise Price	Number Exercisable	Weighted Average Remaining Contractual Life (in years)	Weighted Average Exercise Price
$0.83 $5.12	11,957,410	2.85	$ 2.41	8,627,640	2.48	$ 2.45
5.13 (option exchange)	460,016	2.91	5.13	458,240	2.91	5.13
5.14 10.00	9,736,550	3.45	6.25	7,292,093	1.64	6.57
10.01 15.00	350,065	1.15	11.30	350,065	1.15	11.30
15.01 25.00	25,834	0.14	17.55	25,834	0.14	17.55
25.01 33.61	172,659	0.43	30.44	172,659	0.43	30.44
$0.83 $33.61	22,702,534	3.06	$ 4.48	16,926,531	2.08	$ 4.79

The intrinsic value of options exercised in 2013, 2012 and 2011, was $10 million, $4 million, and $4 million, respectively. The aggregate intrinsic value of options outstanding and exercisable at December 28, 2013 were $33 million and $24 million, respectively.

As of December 28, 2013, there was approximately $11 million of total stock-based compensation expense that has not yet been recognized relating to non-vested awards granted under option plans. This expense, net of forfeitures, is expected to be recognized over a weighted-average period of approximately 2.0 years. Of the 5.8 million unvested options, the Company estimates that 4.7 million options will vest. The number of exercisable options was 16.9 million shares of common stock at December 28, 2013 and 9.5 million shares of common stock at December 29, 2012.

OFFICE DEPOT, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Restricted Stock and Restricted Stock Units

Restricted stock grants typically vest annually over a three-year service period.

In 2013, the Company granted 4.5 million shares of restricted stock and restricted stock units to eligible employees. In addition, 0.4 million shares were granted to the Board of Directors as part of their annual compensation and vested within one year from the grant date. A summary of the status of the Company's nonvested shares and changes during 2013, 2012 and 2011 is presented below.

	2013		2012		2011	
	Shares	Weighted Average Grant-Date Price	Shares	Weighted Average Grant-Date Price	Shares	Weighted Average Grant-Date Price
Outstanding at beginning of year	**5,459,900**	**$ 3.52**	2,612,876	$ 3.96	496,059	$ 10.39
Granted	**4,884,848**	**4.54**	4,018,253	3.26	2,890,943	3.96
Assumed — Merger	**6,426,968**	**3.46**	—	—	—	—
Vested	**(5,788,992)**	**4.49**	(695,751)	3.45	(594,876)	9.00
Forfeited	**(775,178)**	**4.01**	(475,478)	3.79	(179,250)	4.97
Outstanding at end of year	**10,207,546**	**$ 4.76**	5,459,900	$ 3.52	2,612,876	$ 3.96

As of December 28, 2013, there was approximately $25 million of total unrecognized compensation cost related to nonvested restricted stock. This expense, net of forfeitures, is expected to be recognized over a weighted-average period of approximately 2.2 years. Of the 8.3 million unvested shares at year end, the Company estimates that 7.4 million shares will vest. The total grant date fair value of shares vested during 2013 was approximately $26 million.

Performance-Based Incentive Program

The Company has a performance-based long-term incentive program consisting of performance stock units and performance cash. Payouts under this program are based on achievement of certain financial targets set by the Board of Directors, and are subject to additional service vesting requirements, generally of three years from the grant date.

A summary of the activity in the performance-based long-term incentive program since inception is presented below.

	2013		2012	
	Shares	**Weighted Average Grant-Date Price**	**Shares**	**Weighted Average Grant-Date Price**
Outstanding at beginning of the period	**1,030,753**	**$ 3.25**	—	$ —
Granted	**4,317,314**	**4.55**	2,073,628	3.25
Vested	**(261,095)**	**3.63**	—	—
Forfeited	**(2,010,680)**	**4.15**	(1,042,875)	3.32
Outstanding at end of the period	**3,076,292**	**$ 4.45**	1,030,753	$ 3.25

As of December 28, 2013, there was approximately $9 million of total unrecognized compensation expense related to the performance-based long-term incentive program. This expense, net of forfeitures, is expected to be recognized over a weighted-average period of approximately 2.7 years. Of the 3.1 million unvested shares at year end, the Company estimates that 3.0 million shares will vest. The total grant date fair value of shares vested during 2013 was approximately $3.9 million.

OFFICE DEPOT, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NOTE 14. EMPLOYEE BENEFIT PLANS

Pension and Other Postemployment Benefit Plans

Pension and Other Postemployment Benefit Plans — North America

In connection with the Merger, the Company assumed the obligations under OfficeMax's U.S. pension plans (the "U.S. Plans"). The Company sponsors these noncontributory defined benefit pension plans covering certain terminated employees, vested employees, retirees and some active employees, primarily in the North American Business Solutions Division. In 2004 or earlier, OfficeMax's qualified pension plans were closed to new entrants and the benefits of eligible participants were frozen. Under the terms of these qualified plans, the pension benefit for employees was based primarily on the employees' years of service and benefit plan formulas that varied by plan. The Company's general funding policy is to make contributions to the plans in amounts that are within the limits of deductibility under current tax regulations, and not less than the minimum contribution required by law.

Also in connection with the Merger, the Company assumed responsibility for sponsoring various retiree medical benefit and life insurance plans including plans related to operations in Canada. The type of retiree benefits and the extent of coverage vary based on employee classification, date of retirement, location, and other factors. All of these postretirement medical plans are unfunded. The Company explicitly reserves the right to amend or terminate its retiree medical and life insurance plans at any time, subject only to constraints, if any, imposed by the terms of collective bargaining agreements. Amendment or termination may significantly affect the amount of expense incurred.

The impact of these assumed plans is included in the financial statements from the date of the Merger with OfficeMax.

Obligations and Funded Status

The following table provides a reconciliation of changes in the projected benefit obligation and the fair value of plan assets from the Merger date through year-end, as well as the funded status of the plan to amounts recognized on the Company's Consolidated Balance Sheet:

(In millions)	Pension Benefits	Other Benefits
Changes in projected benefit obligation:		
Obligation at beginning of period	**$ 1,135**	$ 17
Service cost	**—**	—
Interest cost	**7**	—
Actuarial gain	**(12)**	—
Benefits paid	**(8)**	—
Obligation at end of period	**$ 1,122**	$ 17
Change in plan assets:		
Fair value of plan assets at beginning of period	**$ 972**	$ —
Actual return on plan assets	**22**	—
Benefits paid	**(8)**	—
Fair value of plan assets at end of period	**986**	—
Net liability recognized at end of period	**$ (136)**	$ (17)

OFFICE DEPOT, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The following table shows the amounts recognized in the Consolidated Balance Sheets related to the Company's North America defined benefit pension and other postretirement benefit plans as of year-end:

(In millions)	Pension Benefits	Other Benefits
Noncurrent assets	$ 10	$ —
Current liabilities	(3)	(1)
Noncurrent liabilities	(143)	(16)
Net amount recognized	$ (136)	$ (17)

Amounts recognized in accumulated other comprehensive gain consist of:

(In millions)	Pension Benefits	Other Benefits
Net gain	$ (26)	$ —
Prior service cost (credit)	—	—
Total	$ (26)	$ —

Information for pension plans with an accumulated benefit obligation in excess of plan assets is as follows:

(In millions)	2013
Projected benefit obligation	$(785)
Accumulated benefit obligation	(785)
Fair value of plan assets	639

Components of Net Periodic Benefit

The components of net periodic benefit are as follows:

(In millions)	Pension Benefits	Other Benefits
Service cost	$ —	$ —
Interest cost	7	—
Expected return on plan assets	(8)	—
Net periodic benefit	$ (1)	$ —

Other changes in plan assets and benefit obligations recognized in other comprehensive income are as follows:

(In millions)	Pension Benefits	Other Benefits
Accumulated other comprehensive gain at beginning of the period	$ —	$ —
Net gain	(26)	—
Accumulated other comprehensive gain at end of the period	$ (26)	$ —

For the defined benefit pension plans, no accumulated other comprehensive gain is expected to be amortized into income during 2014.

OFFICE DEPOT, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Assumptions

The assumptions used in accounting for the Company's plans are estimates of factors including, among other things, the amount and timing of future benefit payments. The following table presents the key weighted average assumptions used in the measurement of the Company's benefit obligations as of year-end:

		Other Benefits	
	Pension Benefits	United States	Canada
Discount rate	4.84%	4.00%	4.80%

The following table presents the weighted average assumptions used in the measurement of net periodic benefit for the period from Merger date through year-end:

		Other Benefits	
	Pension Benefits	United States	Canada
Discount rate	4.76%	3.80%	4.60%
Expected long-term rate of return on plan assets	6.60%	—%	—%

The assumed discount rate (which is required to be the rate at which the projected benefit obligation could be effectively settled as of the measurement date) is based on the rates of return for a theoretical portfolio of high-grade corporate bonds (rated AA or better) with cash flows that generally match expected benefit payments in future years. In selecting bonds for this theoretical portfolio, the Company focuses on bonds that match cash flows to benefit payments and limit the concentration of bonds by issuer. To the extent scheduled bond proceeds exceed the estimated benefit payments in a given period, the yield calculation assumes those excess proceeds are reinvested at an assumed forward rate. The implied forward rate used in the bond model is based on the Citigroup Pension Discount Curve as of the last day of the year.

The expected long-term rate of return on plan assets assumption is based on the weighted average of expected returns for the major asset classes in which the plans' assets are held. Asset-class expected returns are based on long-term historical returns, inflation expectations, forecasted gross domestic product and earnings growth, as well as other economic factors. The weights assigned to each asset class are based on the Company's investment strategy. The weighted average expected return on plan assets used in the calculation of net periodic pension cost for 2014 is 6.5%.

Obligation and costs related to the Canadian retiree health plan are impacted by changes in trend rates.

The following table presents the assumed healthcare cost trend rates used in measuring the Company's postretirement benefit obligations at year-end:

	2013
Weighted average assumptions as of year-end:	
Healthcare cost trend rate assumed for next year	6.70%
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	4.50%
Year that the rate reaches the ultimate trend rate	2022

A 1% change in the assumed healthcare cost trend rates would impact operating income by less than $1 million.

OFFICE DEPOT, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Plan Assets

The allocation of pension plan assets by category at year-end is as follows:

	2013
Money market funds	3%
Equity securities	8%
Fixed-income securities	53%
Equity mutual funds	36%
	100%

A retirement funds investment committee is responsible for establishing and overseeing the implementation of the investment policy for the Company's pension plans. The investment policy is structured to optimize growth of the pension plan trust assets, while minimizing the risk of significant losses, in order to enable the plans to satisfy their benefit payment obligations over time. The Company uses benefit payments and Company contributions as its primary rebalancing mechanisms to maintain the asset class exposures within the guideline ranges established under the investment policy.

The current asset allocation guidelines set forth an U.S. equity range of 17% to 27%, an international equity range of 5% to 15%, a global equity range of 3% to 13% and a fixed-income range of 55% to 65%. Asset-class positions within the ranges are continually evaluated and adjusted based on expectations for future returns, the funded position of the plans and market risks. Occasionally, the Company may utilize futures or other financial instruments to alter the pension trust's exposure to various asset classes in a lower-cost manner than trading securities in the underlying portfolios.

Generally, quoted market prices are used to value pension plan assets. Equities, some fixed-income securities, publicly traded investment funds, and U.S. government obligations are valued by reference to published market prices. Investments in certain restricted stocks are valued at the quoted market price of the issuer's unrestricted common stock less an appropriate discount. If a quoted market price for unrestricted common stock of the issuer is not available, restricted common stocks are valued at a multiple of current earnings less an appropriate discount. The multiple chosen is consistent with multiples of similar companies based on current market prices.

OFFICE DEPOT, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The following table presents the pension plan assets by level within the fair value hierarchy at year-end.

(In millions)		Fair Value Measurements at December 28, 2013		
Asset Category	**Total**	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Money market funds	$ 25	$ 25	$ —	$ —
Equity securities				
U.S. large-cap	18	18	—	—
U.S. small and mid-cap	4	4	—	—
International	56	56	—	—
Total equity securities	78	78	—	—
Fixed-income securities				
Corporate bonds	459	—	459	—
Government securities	18	—	18	—
Other fixed-income	41	—	41	—
Total fixed-income securities	518	—	518	
Other				
Equity mutual funds	353	—	353	—
Other, including plan receivables and payables	12	12	—	—
	$986	$ 115	$ 871	$ —

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

Cash Flows

Pension plan contributions include required statutory minimum amounts and, in some years, additional discretionary amounts. Since the effective date of the Merger, the Company contributed $483 thousand to these pension plans, which was the remaining 2013 minimum funding requirement. Pension contributions for a full year of 2014 are estimated to be $50 million. The Company may elect at any time to make additional voluntary contributions.

Qualified pension benefit payments are paid from the assets held in the plan trust, while nonqualified pension and other benefit payments are paid by the Company. Anticipated benefit payments by year are as follows:

(In millions)	Pension Benefits	Other Benefits
2014	$ 95	$ 1
2015	93	1
2016	91	1
2017	88	1
2018	86	1
Next five years	$ 398	$ 5

OFFICE DEPOT, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Pension Plan — Europe

The Company has a defined benefit pension plan which is associated with a 2003 European acquisition and covers a limited number of employees in Europe. During 2008, curtailment of that plan was approved by the trustees and future service benefits ceased for the remaining employees.

The sale and purchase agreement ("SPA") associated with the 2003 European acquisition included a provision whereby the seller was required to pay an amount to the Company if the acquired pension plan was determined to be underfunded based on 2008 plan data. The unfunded obligation amount calculated by the plan's actuary based on that data was disputed by the seller. In accordance with the SPA, the parties entered into arbitration to resolve this matter and, in March 2011, the arbitrator found in favor of the Company. The seller pursued an annulment of the award in French court. In November 2011, the seller paid GBP 5.5 million ($8.8 million, measured at then-current exchange rates) to the Company to allow for future monthly payments to the pension plan, pending a court ruling on their cancellation request. That money was placed in an escrow account with the pension plan acting as trustee. On January 6, 2012, the Company and the seller entered into a settlement agreement that settled all claims by either party for this and any other matter under the original SPA. The seller paid an additional GBP 32 million (approximately $50 million, measured at then-current exchange rates) to the Company in February 2012. Following this cash receipt in February 2012, the Company contributed the GBP 38 million (approximately $58 million at then-current exchange rates) to the pension plan, resulting in the plan changing to a net asset position at December 29, 2012. There are no additional funding requirements while the plan is in a surplus position.

This pension provision of the SPA was disclosed in 2003 and subsequent periods as a matter that would reduce goodwill when the plan was remeasured and cash received. However, all goodwill associated with this transaction was impaired in 2008, and because the remeasurement process had not yet begun, no estimate of the potential payment to the Company could be made at that time. Consistent with disclosures subsequent to the 2008 goodwill impairment, resolution of this matter in the first quarter of 2012 was reflected as a credit to operating expense. The cash received from the seller, reversal of an accrued liability as a result of the settlement agreement, fees incurred in 2012, and fee reimbursement from the seller have been reported in Recovery of purchase price in the Consolidated Statements of Operations for 2012, totaling $68 million. An additional expense of $5 million of costs incurred in prior periods related to this arrangement is included in Merger, restructuring and other operating expenses, net, resulting in a net increase in operating profit for 2012 of $63 million. Similar to the presentation of goodwill impairment in 2008, this recovery and related charge is reported at the corporate level, not part of International Division operating income.

The cash payment from the seller was received by a subsidiary of the Company with the Euro as its functional currency and the pension plan funding was made by a subsidiary with Pound Sterling as its functional currency, resulting in certain translation differences between amounts reflected in the Consolidated Statements of Operations and the Consolidated Statements of Cash Flows for 2012. The receipt of cash from the seller is presented as a source of cash in investing activities. The contribution of cash to the pension plan is presented as a use of cash in operating activities.

OFFICE DEPOT, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Obligations and Funded Status

The following table provides a reconciliation of changes in the projected benefit obligation, the fair value of plan assets and the funded status of the plan to amounts recognized on the Company's Consolidated Balance Sheets.

(In millions)	**December 28, 2013**	December 29, 2012
Changes in projected benefit obligation:		
Obligation at beginning of period	**$ 208**	$ 182
Service cost	**—**	—
Interest cost	**9**	9
Benefits paid	**(4)**	(5)
Actuarial loss	**6**	14
Currency translation	**5**	8
Obligation at end of period	**224**	208
Changes in plan assets:		
Fair value of plan assets at beginning of period	**216**	133
Actual return on plan assets	**14**	22
Company contributions	**—**	59
Benefits paid	**(4)**	(5)
Currency translation	**6**	7
Fair value of plan assets at end of period	**232**	216
Net asset recognized at end of period	**$ 8**	$ 8

In the Consolidated Balance Sheets, the net funded amounts are classified as a non-current asset in the caption Other assets.

Components of Net Periodic Cost (Benefit)

The components of net periodic cost (benefit) are presented below:

(In millions)	**2013**	2012	2011
Service cost	**$ —**	$ —	$—
Interest cost	**9**	9	10
Expected return on plan assets	**(13)**	(11)	(9)
Net periodic pension cost (benefit)	**$ (4)**	$ (2)	$ 1

Included in AOCI were deferred losses of $8 million and $4 million at December 28, 2013 and December 29, 2012, respectively. The deferred loss is not expected to be amortized into income during 2014.

Assumptions

Assumptions used in calculating the funded status included:

	2013	2012	2011
Expected long-term rate of return on plan assets	**6.33%**	6.00%	6.00%
Discount rate	**4.60%**	4.40%	4.70%
Salary increases	**—**	—	—
Inflation	**3.40%**	3.00%	3.00%

OFFICE DEPOT, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The long-term rate of return on assets assumption has been derived based on long-term UK government fixed income yields, having regard to the proportion of assets in each asset class. The funds invested in equities have been assumed to return 4.0% above the return on UK government securities of appropriate duration. Funds invested in corporate bonds are assumed to return equal to a 15 year AA bond index. Allowance is made for expenses of 0.5% of assets.

Plan Assets

The allocation of Plan assets is as follows:

	2013	2012
Cash	**1%**	—
Equity securities	**54%**	64%
Fixed-income securities	**45%**	36%
Total	**100%**	100%

A committee, comprised of representatives of the Company and of this plan, is responsible for establishing and overseeing the implementation of the investment policy for this plan. The plan's investment policy and strategy are to ensure assets are available to meet the obligations to the beneficiaries and to adjust plan contributions accordingly. The plan trustees are also committed to reducing the level of risk in the plan over the long term, while retaining a return above that of the growth of liabilities. The investment strategy is based on plan funding levels, which determine the asset target allocation into matching or growth investments. Matching investments are intended to provide a return similar to the increase in the plan liabilities. Growth investments are assets intended to provide a return in excess of the increase in liabilities. At December 28, 2013, the asset target allocation was in accordance with the investment strategy. Asset-class allocations within the ranges are continually evaluated and adjusted based on expectations for future returns, the funded position of the plan and market risks.

The fair value of plan assets by asset category is as follows:

(In millions)		**Fair Value Measurements at December 28, 2013**		
Asset Category	**Total**	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Cash	$ 1	$ 1	$ —	$ —
Equity securities				
Developed market equity funds	77	69	8	—
Emerging market equity funds	16	14	2	—
Mutual funds real estate	8	—	1	7
Mutual funds	22	—	22	—
Total equity securities	123	83	33	7
Fixed-income securities				
UK debt funds	19	—	19	—
Liability term matching debt funds	73	—	73	—
Emerging market debt fund	9	—	9	—
High yield debt	7	—	7	—
Total fixed-income securities	108	—	108	—
Total	$232	$ 84	$ 141	$ 7

OFFICE DEPOT, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(In millions)		Fair Value Measurements at December 29, 2012		
Asset Category	**Total**	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Equity securities				
Developed market equity funds	$ 72	$ 72	$ —	$ —
Emerging market equity funds	67	—	67	—
Total equity securities	139	72	67	—
Debt securities				
UK debt funds	12	—	12	—
Liability term matching debt funds	65	—	65	—
Total debt securities	77	—	77	—
Total	$216	$ 72	$ 144	$ —

The following is a reconciliation of the change in fair value of the pension plan assets calculated based on Level 3 inputs; there were no transfers out of assets valued based on Level 3 inputs:

(In millions)	**Total**
Balance at December 29, 2012	$ —
Purchases, sales, and settlements	7
Balance at December 28, 2013	$ 7

Cash Flows

Anticipated benefit payments for the European pension plan, at December 28, 2013 exchange rates, are as follows:

(In millions)	**Benefit Payments**
2014	$ 5
2015	5
2016	5
2017	5
2018	5
Next five years	$ 28

Retirement Savings Plans

The Company also sponsors defined contribution plans for most of its employees. Eligible Company employees may participate in the Office Depot, Inc. Retirement Savings Plan. In connection with the Merger, certain employees still participate in one of two contributory defined contribution savings plans that OfficeMax had in place for most of its salaried and hourly employees: a plan for U.S. employees and a plan for Puerto Rico employees. All of the Company's existing and assumed OfficeMax defined contribution plans (the "401(k) Plans") allow eligible employees to contribute a percentage of their salary, commissions and bonuses in accordance with plan limitations and provisions of Section 401(k) of the Internal Revenue Code and the

OFFICE DEPOT, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Company makes matching contributions to each plan subject to the limits of the respective 401(k) Plans. Matching contributions are invested in the same manner as the participants' pre-tax contributions. The 401(k) Plans also allow for a discretionary matching contribution in addition to the normal match contributions if approved by the Board of Directors.

Office Depot also sponsors the Office Depot, Inc. Non-Qualified Deferred Compensation Plan that, until December 2009, permitted eligible highly compensated employees, who were limited in the amount they could contribute to the 401(k) Plan, to alternatively defer a portion of their salary, commissions and bonuses up to maximums and under restrictive conditions specified in this plan and to participate in Company matching provisions. The matching contributions to the deferred compensation plan were allocated to hypothetical investment alternatives selected by the participants. The compensation and benefits committee of the Board of Directors amended the plan to eliminate the predetermined matching contributions effective with the first payroll period beginning in 2009. In October 2009, the plan was amended to no longer accept new deferrals.

In connection with the Merger, the Company assumed responsibility for sponsoring the Executive Savings Deferral Plan ("ESDP"). The ESDP permits the eligible individuals who were limited in the amount they could contribute to the 401(k) Plan to defer a percentage of their salary and short-term incentive award and participate in Company matching contributions, pursuant to Section 409A of the Internal Revenue Code and limitations described in the ESDP. Contributions are allocated to various investment funds as determined by participants.

During 2013, 2012, and 2011, $9 million, $7 million, and $7 million, respectively, were recorded as compensation expense for the Company's contributions to these programs and certain international retirement savings plans. Additionally, nonparticipating annuity premiums were paid for benefits in certain European countries totaling $4 million, $5 million, and $5 million in 2013, 2012, and 2011, respectively.

NOTE 15. EARNINGS PER SHARE

The following table presents the calculation of net earnings (loss) per common share — basic and diluted:

(In millions, except per share amounts)	**2013**	2012	2011
Basic Earnings Per Share			
Numerator:			
Net income (loss) attributable to common stockholders	**$ (93)**	$ (110)	$ 60
Denominator:			
Weighted-average shares outstanding	**318**	280	278
Basic earnings (loss) per share	**$(0.29)**	$(0.39)	$0.22
Diluted Earnings Per Share			
Numerator:			
Net income (loss)	**$ (20)**	$ (77)	$ 96
Denominator:			
Weighted-average shares outstanding	**318**	280	278
Effect of dilutive securities:			
Stock options and restricted stock	**7**	5	5
Redeemable preferred stock	**56**	78	74
Diluted weighted-average shares outstanding	**381**	363	357
Diluted earnings (loss) per share	**N/A**	N/A	N/A

The weighted average share calculation for 2013 includes the 239 million shares issued related to the Merger from closing date to December 28, 2013.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Awards of options and nonvested shares representing an additional 6 million, 15 million and 14 million shares of common stock were outstanding for the years ended December 28, 2013, December 29, 2012, and December 31, 2011, respectively, but were not included in the computation of diluted weighted-average shares outstanding because their effect would have been antidilutive. For the three years presented, no tax benefits have been assumed in the weighted average share calculation in jurisdictions with valuation allowances. The diluted share amounts for 2013, 2012 and 2011 are provided for informational purposes, as the level of income (loss) for the periods causes basic earnings per share to be the most dilutive.

Shares of the redeemable preferred stock were fully redeemed in 2013. Following the July 2013 shareholder approval of the transactions contemplated by the Merger Agreement, 50 percent of the outstanding preferred stock was redeemed and the remaining 50 percent was redeemed in November 2013 in connection with the Merger closing. In periods in which the redeemable preferred stock were outstanding, basic earnings (loss) per share ("EPS") was computed after consideration of preferred stock dividends. The redeemable preferred stock had equal dividend participation rights with common stock that required application of the two-class method for computing earnings per share. In periods of sufficient earnings, this method assumes an allocation of undistributed earnings to both participating stock classes. The two-class method impacted the computation of earnings for the first quarter of 2012 and third quarter of 2013, but was not applicable to the full year 2012 or full year 2013 because it would have been antidilutive. The preferred stockholders were not required to fund losses. Refer to Note 11 for further redemption details.

NOTE 16. DERIVATIVE INSTRUMENTS AND FAIR VALUE MEASUREMENTS

Derivative Instruments and Hedging Activities

As a global supplier of office products and services the Company is exposed to risks associated with changes in foreign currency exchange rates, fuel and other commodity prices and interest rates. Depending on the exposure, settlement timeframe and other factors, the Company may enter into derivative transactions to mitigate those risks. The Company may designate and account for such qualifying arrangements as hedges. Historically, the Company has not entered into transactions to hedge its net investment in foreign operations but may in future periods.

Financial instruments authorized under the Company's established risk management policy include spot trades, swaps, options, caps, collars, forwards and futures. Use of derivative financial instruments for speculative purposes is expressly prohibited. The fair value and activity of derivative financial instruments were not material as of and for the periods ended December 28, 2013 or December 29, 2012. The existing designated hedge contracts are highly effective and the ineffective portion is considered immaterial. As of December 28, 2013, the foreign exchange contracts extend through February 2014. Losses currently deferred in OCI are expected to be recognized in income within the next twelve months.

The fair values of the Company's foreign currency contracts and fuel contracts are the amounts receivable or payable to terminate the agreements at the reporting date, taking into account current interest rates, exchange rates and commodity prices. The values are based on market-based inputs or unobservable inputs that are corroborated by market data.

OFFICE DEPOT, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Financial Instruments

The following table presents information about financial instruments at the balance sheet dates indicated. The Senior Notes matured in 2013.

(In millions)	2013 Carrying Value	2013 Fair Value	2012 Carrying Value	2012 Fair Value
Financial assets:				
Timber notes receivables	**$ 945**	**$933**	$ —	$ —
Boise investment	**$ 46**	**$ 47**	$ —	$ —
Financial liabilities:				
Recourse debt:				
6.25% Senior Notes	**$ —**	**$ —**	$ 150	$154
9.75% Senior Secured Notes	**250**	**290**	250	266
7.35% debentures, due 2016	**18**	**19**	—	—
Revenue bonds, due in varying amounts periodically through 2029	**186**	**186**	—	—
American & Foreign Power Company, Inc. 5% debentures, due 2030	**13**	**13**	—	—
Non-recourse debt	**$ 859**	**$851**	$ —	$ —

The following methods and assumptions were used to estimate the fair value of each class of financial instruments:

- **Timber notes receivable:** Fair value is determined as the present value of expected future cash flows discounted at the current interest rate for loans of similar terms with comparable credit risk (Level 2 inputs).
- **Boise Investment:** Fair value is calculated as the sum of the market value of the Company's indirect investment in Boise Cascade Company, the primary investment of Boise Cascade Holdings, LLC, plus the Company's portion of any cash held by Boise Cascade Holdings, LLC as of the balance sheet date (together, Level 2 inputs). The Company's indirect investment in Boise Cascade Company is calculated using the number of shares the Company indirectly holds in Boise Cascade Company multiplied by its closing stock price as of the last trading day prior to the balance sheet date.
- **Recourse debt:** Recourse debt for which there were no transactions on the measurement date was valued based on quoted market prices near the measurement date when available or by discounting the future cash flows of each instrument using rates based on the most recently observable trade or using rates currently offered to the Company for similar debt instruments of comparable maturities (Level 2 inputs).
- **Non-recourse debt:** Fair value is estimated by discounting the future cash flows of the instrument at rates currently available to the Company for similar instruments of comparable maturities (Level 2 inputs).

OFFICE DEPOT, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Fair Value Estimates Used in Impairment Analyses

Retail Stores

Because of declining sales in recent periods, the Company has conducted a detailed quarterly store impairment analysis. The analysis uses input from retail store operations and the Company's accounting and finance personnel that organizationally report to the Chief Financial Officer. These projections are based on management's estimates of store-level sales, gross margins, direct expenses, exercise of future lease renewal options where applicable, and resulting cash flows and, by their nature, include judgments about how current initiatives will impact future performance. If the anticipated cash flows of a store cannot support the carrying value of its assets, the assets are impaired and written down to estimated fair value using Level 3 inputs. The Company recognized store asset impairment charges of $26 million, $124 million and $11 million in 2013, 2012 and 2011, respectively.

A review of the North American Retail portfolio during 2012 concluded with a plan for each location to maintain its current configuration, downsize to either small or mid-size format, relocate, remodel, renew or close at the end of the base lease term. The asset impairment analysis previously had assumed at least one optional lease renewal. Additionally, projected sales trends included in the impairment calculation model in prior periods were reduced. These changes, and continued store performance, served as a basis for the Company's asset impairment review for 2012.

In February 2013, the Company announced its intent to merge with OfficeMax. The prospect of combining the two companies impacted the pace of implementing the plan developed in 2012, but did not alter the overall view that future size and locations were likely to be modified. The store impairment analysis for 2013 continued to project sales declines for several years, then stabilizing. Currently the analysis assumes a sales decline next year similar to recent experience, with negative but improving trends for later years. Gross margin assumptions have been held constant at current actual levels and operating costs have been assumed to be consistent with recent actual results and planned activities. For the 2013 impairment analysis, 53 locations were reduced to estimated fair value of $10 million based on their projected cash flows, discounted at 13% and 222 locations were reduced to estimated salvage value of $7 million. A 100 basis point decrease in next year sales used in these estimates would have increased impairment by approximately $2 million. Independent of the sensitivity on sales assumptions, a 50 basis point decrease in next year gross margin would have increased the impairment by approximately $1 million. The interrelationship of having both of those inputs change as indicated would have resulted in impairment approximately equal to the sum of the two individual inputs. Further, a 100 basis point decrease in sales for all future periods would increase the impairment by approximately $4 million.

The Company will continue to evaluate initiatives to improve performance and lower operating costs. To the extent that forward-looking sales and operating assumptions are not achieved and are subsequently reduced, or in certain circumstances, even if store performance is as anticipated, additional impairment charges may result. However, at the end of 2013, the impairment analysis reflects the Company's best estimate of future performance.

Intangible Assets

Indefinite-lived intangible assets — As noted in prior years, Goodwill of $45 million (at then-current exchange rates) was included in the International Division in a reporting unit comprised of wholly-owned operating subsidiaries in Europe and ownership of the joint venture operating in Mexico. The total estimated fair value of the reporting unit exceeded its carrying value by approximately 30%, however, a substantial majority of that excess value was associated with the joint venture. When the reporting unit sold its investment in the joint

venture and distributed essentially all of the after tax proceeds to its U.S. parent, the fair value fell below its carrying value. Because the investment was accounted for under the equity method, no goodwill was allocated to the gain on disposition of joint venture calculation. However, concurrent with the sale and gain recognition, a goodwill impairment charge of $44 million was recognized and is reported on the Asset impairments line in the Consolidated Statements of Operations. The assessment of fair value of the operating subsidiaries was primarily based on a discounted cash flow analysis, including an estimated residual value. The analysis is prepared by the Company's finance and accounting personnel that organizationally report to the Chief Financial Officer. The cash flows were projected to decrease, level and then trend positive, with an ending year growth rate of 1.5%. These amounts were discounted at 13%. Market data was used to corroborate this estimated value.

Goodwill associated with the Merger was established based on the preliminary allocation of consideration to the fair value of assets acquired and liabilities assumed at the transaction date of November 5, 2013. The purchase price allocation is not yet complete and the goodwill has not yet been allocated to the reporting units. The Company expects to adopt an annual testing period of the first day of the third quarter for this Merger-related goodwill. Nothing has come to the Company's attention since the acquisition date that would cause the Company to test at an earlier period.

The estimated value of the indefinite lived tradename included in the International Division was based on an estimated royalty rate of 0.5% applied to projected sales and discounted at 13%. No indication of impairment was identified. As the Company assesses its global brand strategy during 2014 in connection with integration of the Merger, the appropriateness of indefinite life for this tradename may change.

Definite-lived intangible assets — During 2011, the Company acquired an office supply company in Sweden to supplement the existing business in that market. As a result of slowing economic conditions in Sweden after the acquisition, difficulties in the consolidation of multiple distribution centers and the adoption of new warehousing systems which impacted customer service and delayed or undermined planned marketing activities, the Company re-evaluated remaining balances of acquisition-related intangible assets of customer relationships and short-lived tradename values. The acquisition-date intangible asset valuation anticipated customer attrition of approximately 11% to 13% per year through 2013. The cash flow analysis consistent with the original valuation of the definite-lived intangible assets was updated by accounting and finance department personnel to reflect the decline experienced in 2012, as well as projected sales declines of 8% for acquisition-date retail customer relationships and 2% for acquisition-date contract relationships in 2013 and costs necessary to successfully complete the warehouse integration and re-launch the marketing initiatives. Cash flows related to these acquired customer relationships with the updated Level 3 inputs were projected to be negative, then recovering, but were insufficient to recover the intangible assets' remaining carrying values. Accordingly, an impairment charge of approximately $14 million was recognized during the third quarter of 2012 and is presented in Asset impairments in the Consolidated Statements of Operations.

Fair Value Estimates Used for Paid-in-Kind Dividends

Prior to redemption of the Company's Redeemable Preferred Stock in 2013, any dividends paid-in-kind were measured at fair value, using Level 3 inputs. The Company used a binomial simulation to capture the call, conversion, and interest rate reset features as well the optionality of paying the dividend in-kind or in cash. Dividends were paid in kind for the fourth quarter of 2011 and the first three quarters of 2012.

For the 2011 dividends paid-in-kind, the simulation was based on stock price volatility of 70%, a risk free rate of 1.49%, and a risk adjusted rate of 14.6%. The fair value calculation of $7.7 million was approximately $1.6 million below the amount added to the liquidation preference. For dividends paid-in-kind for the three quarters of 2012, the average stock price volatility was 63%, the risk free rate was 3.0% and the risk adjusted rate was

OFFICE DEPOT, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

14.5%. The aggregate fair value calculated for these three quarters was $22.8 million, $6.3 million below the amount added to the liquidation preference. For the dividend paid-in-kind for the third quarter of 2012, a stock price volatility of 55% or 75% would have increased the estimate by $0.7 million or decreased the estimate by $0.6 million, respectively. Using a beginning of period stock price of $1.50 or $3.50 would have decreased the estimate by $1.7 million or increased the estimate by $1.1 million, respectively. Assuming that all future dividends would be paid in cash would have increased the estimate by $1.3 million. Assuming all future dividends would be paid-in-kind had no significant impact. See Note 11for additional information.

There were no significant differences between the carrying values and fair values of the Company's financial instruments as of December 28, 2013 and December 29, 2012, except as disclosed above.

NOTE 17. COMMITMENTS AND CONTINGENCIES

Commitments

On June 25, 2011, OfficeMax, with which the Company merged in November 2013, entered into a paper supply contract with Boise White Paper, L.L.C. ("Boise Paper"), under which OfficeMax agreed to purchase office papers from Boise Paper, and Boise Paper has agreed to supply office papers to OfficeMax, subject to the terms and conditions of the paper supply contract. The paper supply contract replaced the previous supply contract executed in 2004 with Boise Paper. The Company assumed the commitment under a paper supply contract to buy OfficeMax's North American requirements for office paper, subject to certain conditions. The paper supply contract provides the Company some flexibility to purchase paper from paper producers other than Boise Paper. The paper supply contract's term will expire on December 31, 2017, followed by a gradual reduction of the Company's purchase requirements over a two year period thereafter. However, if certain circumstances occur, the agreement may be terminated earlier. If terminated, it will be followed by a gradual reduction of the Company's purchase requirements over a two year period. Purchases under the agreement were $87 million since the Merger date.

In accordance with an amended and restated joint venture agreement, the minority owner of Grupo OfficeMax, the Company's joint-venture in Mexico acquired through the Merger in 2013, can elect to require the Company to purchase the minority owner's 49% interest in the joint venture if certain earnings targets are achieved. Earnings targets are calculated quarterly on a rolling four-quarter basis. Accordingly, the targets may be achieved in one quarter but not in the next. If the earnings targets are achieved and the minority owner elects to require the Company to purchase the minority owner's interest, the purchase price is based on the joint venture's earnings and the current market multiples of similar companies. At the end of 2013, Grupo OfficeMax has not met the earnings targets and the noncontrolling interest is recorded at its carrying value, which represents the fair value paid at the Merger date, adjusted for the losses of Grupo OfficeMax since the Merger date.

Indemnifications

Indemnification obligations may arise from the Asset Purchase Agreement between OfficeMax Incorporated, OfficeMax Southern Company, Minidoka Paper Company, Forest Products Holdings, L.L.C. and Boise Land & Timber Corp. The Company has agreed to provide indemnification with respect to a variety of obligations. These indemnification obligations are subject, in some cases, to survival periods, deductibles and caps. At December 28, 2013, the Company is not aware of any material liabilities arising from these indemnifications.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Legal Matters

The Company is involved in litigation arising in the normal course of business. While, from time to time, claims are asserted that make demands for a large sum of money (including, from time to time, actions which are asserted to be maintainable as class action suits), the Company does not believe that contingent liabilities related to these matters (including the matters discussed below), either individually or in the aggregate, will materially affect the Company's financial position, results of operations or cash flows.

In addition, in the ordinary course of business, sales to and transactions with government customers may be subject to lawsuits, investigations, audits and review by governmental authorities and regulatory agencies, with which the Company cooperates. Many of these lawsuits, investigations, audits and reviews are resolved without material impact to the Company. While claims in these matters may at times assert large demands, the Company does not believe that contingent liabilities related to these matters, either individually or in the aggregate, will materially affect its financial position, results of operations or cash flows. In addition to the foregoing, State of California et. al. ex. rel. David Sherwin v. Office Depot was filed in Superior Court for the State of California, Los Angeles County, and unsealed on October 19, 2012. This lawsuit relates to allegations regarding certain pricing practices in California under now expired agreements that were in place between 2001 and 2011, pursuant to which state, local and non-profit agencies purchased office supplies (the "Purchasing Agreements") from us. This action seeks as relief monetary damages. This lawsuit is now pending in the Superior Court of the State of California for the County of Los Angeles after a remand order entered by the judge on January 29, 2014 in the United States District Court for the Central District of California. The Company believes that adequate provisions have been made for probable losses on one claim in this matter and such amounts are not material. However, in light of the early stages of the other claims and the inherent uncertainty of litigation, the Company is unable to reasonably determine the full effect of the potential liability in the matter. Office Depot intends to vigorously defend itself in this lawsuit. Additionally, during the first quarter of 2011, the Company was notified that the United States Department of Justice ("DOJ") commenced an investigation into certain pricing practices related to the Purchasing Agreement. The Company has cooperated with the DOJ on this matter.

On February 20, 2013, Office Depot and OfficeMax announced a definitive agreement under which the companies would combine in an all-stock merger-of-equals transaction. Between February 25, 2013 and March 29, 2013, six putative class action lawsuits were filed by purported OfficeMax shareholders in the Circuit Court of the Eighteenth Judicial Circuit in DuPage County, Illinois ("Court") challenging the transaction and alleging that the defendant companies and individual members of OfficeMax's Board of Directors violated applicable laws by breaching their fiduciary duties and/or aiding and abetting such breaches. The plaintiffs sought, among other things, injunctive relief and rescission, as well as fees and costs. The lawsuits were consolidated as Venkata S. Donepudi v. OfficeMax Incorporated et. al. Subsequently, two similar lawsuits were filed in the United States District Court for the Northern District of Illinois. Like the state court lawsuits, the federal actions alleged that the disclosure in the joint proxy statement/prospectus was inadequate. On June 25, 2013, the parties entered into a Memorandum of Understanding ("MOU") regarding settlement of the litigation. In consideration for the settlement and release, Office Depot and OfficeMax made certain supplemental disclosures to the joint proxy statement/prospectus. The MOU contemplates that the parties will attempt in good faith to agree to a stipulation of settlement to be submitted to the court for approval. A Stipulation of Settlement was entered into on November 6, 2013, and filed with the Court on November 7, 2013. The Court granted preliminary approval of the settlement on November 11, 2013, and final settlement approval was entered by the Court on January 21, 2014. The amount paid in this settlement was not material to the Company's financial statements.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

In addition to the foregoing, Heitzenrater v. OfficeMax North America, Inc., et al. was filed in the United States District Court for the Western District of New York in September 2012 as a putative class action alleging violations of the Fair Labor Standards Act and New York Labor Law. The complaint alleges that OfficeMax misclassified its assistant store managers as exempt employees. The Company believes that adequate provisions have been made for probable losses and such amounts are not material. However, in light of the early stage of the case and the inherent uncertainty of litigation, the Company is unable to reasonably determine the full effect of the potential liability in the matter. OfficeMax intends to vigorously defend itself in this lawsuit. Further, Kyle Rivet v. Office Depot, Inc., is pending in the United States District Court for the District of New Jersey. The complaint similarly alleges that Office Depot misclassified its assistant store managers as exempt employees. The Company believes in this case as well that adequate provisions have been made for probable losses and such amounts are not material. However, in light of the early stage of the case and the inherent uncertainty of litigation, the Company is unable to reasonably determine the full effect of the potential liability in these matters. Office Depot intends to vigorously defend itself in these lawsuits.

OfficeMax is named a defendant in a number of lawsuits, claims, and proceedings arising out of the operation of certain paper and forest products assets prior to those assets being sold in 2004, for which OfficeMax agreed to retain responsibility. Also, as part of that sale, OfficeMax agreed to retain responsibility for all pending or threatened proceedings and future proceedings alleging asbestos-related injuries arising out of the operation of the paper and forest products assets prior to the closing of the sale. The Company does not believe any of these OfficeMax retained proceedings are material to the Company's business.

NOTE 18. SUPPLEMENTAL INFORMATION ON OPERATING, INVESTING AND FINANCING ACTIVITIES

Additional supplemental information related to the Consolidated Statements of Cash Flows is as follows:

(In millions)	**2013**	2012	2011
Cash interest paid, net of amounts capitalized	**$ 65**	$57	$55
Cash taxes paid (refunded)	**139**	10	(3)
Non-cash asset additions under capital leases	**10**	9	10
Non-cash paid-in-kind dividends (refer to Note 11)	**—**	23	8
Issuance of common stock associated with the Merger (refer to Note 2)	**$1,395**	$—	$—

NOTE 19. SEGMENT INFORMATION

As a result of the Merger, the Company is in a period of transition as it relates to organizational alignment and management reporting which could impact segment reporting in future periods. However at December 28, 2013, the Company had the following three reportable segments: North American Retail Division, North American Business Solutions Division, and International Division. Following the date of the Merger, the former OfficeMax U.S. Retail business is included in the North American Retail Division. The former OfficeMax United States and Canada Contract business is included in the North American Business Solutions Division. The former OfficeMax businesses in Australia, New Zealand and Mexico are included in the International Division. The office supply products and services offered across all operating segments are similar. Certain operating segments are aggregated into the way the business is managed and evaluated. The accounting policies for each segment are the same as those described in Note 1. Division operating income (loss) is determined based on the measure of performance reported internally to manage the business and for resource allocation. This measure charges to the respective Divisions those expenses considered directly or closely related to their operations and allocates support costs. Other companies may charge more or less of these items to their segments and results may not be comparable to similarly titled measures used by other entities.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

During the fourth quarter of 2013, the Company modified its measure of business segment operating income for management reporting purposes to exclude from the determination of segment operating results the impact related to asset impairments, Merger and integration, restructuring and other charges and credits. Oversight of these activities starting in fourth quarter of 2013 was provided at the Corporate level. Prior period operating expenses have been recast to conform to the current period presentation for the change in measurement of Division operating results. Asset impairment of $11 million recorded in 2011 remained in the determination of North America Retail Division operating results.

A summary of significant accounts and balances by segment, reconciled to consolidated totals follows.

(In millions)		North American Retail	North American Business Solutions	International	Corporate, Eliminations and Other*	Consolidated Total
Sales	**2013**	**$ 4,614**	**$ 3,580**	**$ 3,048**	**$ —**	**$ 11,242**
	2012	$ 4,458	$ 3,215	$ 3,023	$ —	$ 10,696
	2011	$ 4,870	$ 3,262	$ 3,357	$ —	$ 11,489
Division operating income	**2013**	**$ 8**	**$ 113**	**$ 34**	**$ —**	**$ 155**
	2012	$ 24	$ 110	$ 36	$ —	$ 170
	2011	$ 42	$ 78	$ 66	$ —	$ 186
Capital expenditures	**2013**	**$ 63**	**$ 24**	**$ 39**	**$ 11**	**$ 137**
	2012	$ 61	$ 31	$ 25	$ 3	$ 120
	2011	$ 71	$ 32	$ 26	$ 1	$ 130
Depreciation and amortization	**2013**	**$ 105**	**$ 51**	**$ 30**	**$ 23**	**$ 209**
	2012	$ 103	$ 43	$ 34	$ 23	$ 203
	2011	$ 109	$ 42	$ 37	$ 23	$ 211
Charges for losses on receivables and inventories	**2013**	**$ 38**	**$ 9**	**$ 12**	**$ —**	**$ 59**
	2012	$ 40	$ 6	$ 19	$ —	$ 65
	2011	$ 31	$ 7	$ 18	$ —	$ 56
Net earnings from equity method investments	**2013**	**$ —**	**$ —**	**$ 14**	**$ —**	**$ 14**
	2012	$ —	$ —	$ 30	$ —	$ 30
	2011	$ —	$ —	$ 31	$ —	$ 31
Assets	**2013**	**$ 1,847**	**$ 1,573**	**$ 1,327**	**$ 2,730**	**$ 7,477**
	2012	$ 1,189	$ 670	$ 1,312	$ 840	$ 4,011

* Amounts included in “Eliminations and Other” consist of assets (including all cash and cash equivalents) and depreciation related to corporate activities. Also, the December 28, 2013 Assets balance in Corporate, Eliminations and Other includes $377 million of goodwill that will be allocated to reporting units when the purchase price allocation process is complete.

OFFICE DEPOT, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

A reconciliation of the measure of Division operating income to Income (loss) before income taxes follows.

(In millions)	**2013**	2012	2011
Division operating income	**$ 155**	$ 170	$186
Add/(subtract):			
Recovery of purchase price	**—**	68	—
Asset impairments	**(70)**	(139)	—
Merger, restructuring, and other operating expenses, net	**(201)**	(56)	(56)
Unallocated expenses	**(89)**	(74)	(96)
Interest income	**5**	2	1
Interest expense	**(69)**	(69)	(33)
Loss on extinguishment of debt	**—**	(12)	—
Gain on disposition of joint venture	**382**	—	—
Other income (expense), net	**14**	35	31
Income (loss) before income taxes	**$ 127**	$ (75)	$ 33

As of December 28, 2013, the Company sold to customers throughout North America, Europe, Asia/Pacific and Latin America. The Company operates through wholly-owned and majority-owned entities and participates in other ventures and alliances. There is no single country outside of the United States or single customer that accounts for 10% or more of the Company's total sales. Geographic financial information relating to the Company's business is as follows (in millions).

	Sales			Property and Equipment, Net		
	2013	2012	2011	**2013**	2012	2011
United States	**$ 8,119**	$ 7,671	$ 8,108	**$ 977**	$707	$ 902
International	**3,123**	3,025	3,381	**332**	149	165
Total	**$11,242**	$10,696	$11,489	**$1,309**	$856	$1,067

The Company classifies products into three categories: (1) supplies, (2) technology, and (3) furniture and other. The supplies category includes products such as paper, binders, writing instruments, and school supplies. The technology category includes products such as desktop and laptop computers, monitors, tablets, printers, ink and toner, cables, software, digital cameras, telephones, and wireless communications products. The furniture and other category includes products such as desks, chairs, luggage, sales in the copy and print centers, and other miscellaneous items.

Total Company sales by product group were as follows:

	2013	2012	2011
Supplies	**46.6%**	45.8%	44.6%
Technology	**40.6%**	41.8%	43.5%
Furniture and other	**12.8%**	12.4%	11.9%
	100.0%	100.0%	100.0%

OFFICE DEPOT, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NOTE 20. QUARTERLY FINANCIAL DATA (UNAUDITED)

(In millions, except per share amounts)	First Quarter	Second Quarter	Third Quarter [2]	Fourth Quarter[3]
Fiscal Year Ended December 28, 2013				
Net sales	**$ 2,718**	**$ 2,419**	**$ 2,619**	**$ 3,486**
Gross profit	**660**	**546**	**633**	**787**
Net income (loss) [1]	**(7)**	**(54)**	**161**	**(121)**
Net income (loss) attributable to Office Depot, Inc. [1]	**(7)**	**(54)**	**161**	**(121)**
Net income (loss) available to common stockholders [1]	**(17)**	**(64)**	**133**	**(144)**
Net earnings (loss) per share*:				
Basic	**$ (0.06)**	**$ (0.23)**	**$ 0.42**	**$ (0.34)**
Diluted	**$ (0.06)**	**$ (0.23)**	**$ 0.41**	**$ (0.34)**

* Due to rounding, the sum of the quarterly earnings per share amounts may not equal the reported earnings per share for the year.

(1) In the first, second, third and fourth quarters of 2013, captions include pre-tax Merger, restructuring, and other operating expenses amounting to $19 million, $26 million, $44 million and $111 million, respectively and asset impairments of $5 million, $4 million, $49 million and $12 million, respectively.

(2) Net income available to common stockholders includes an after-tax gain of approximately $235 million resulting from the sale of Office Depot de Mexico and preferred stock dividends of $22 million associated to redemption in July 2013.

(3) Net income available to common stockholders includes (i) impact of the Merger of $939 million in Sales and $(39) million in Net income (loss); and (ii) preferred stock dividends of $23 million associated to redemption in November 2013.

(In millions, except per share amounts)	First Quarter [1]	Second Quarter [2]	Third Quarter [3]	Fourth Quarter [4]
Fiscal Year Ended December 29, 2012				
Net sales	$ 2,873	$ 2,507	$ 2,693	$ 2,623
Gross profit	694	572	663	607
Net income (loss)	49	(57)	(62)	(7)
Net income (loss) attributable to Office Depot, Inc.	49	(57)	(62)	(7)
Net income (loss) available to common stockholders	41	(64)	(70)	(17)
Net earnings (loss) per share*:				
Basic	$ 0.14	$ (0.23)	$ (0.25)	$ (0.06)
Diluted	$ 0.14	$ (0.23)	$ (0.25)	$ (0.06)

* Due to rounding, the sum of the quarterly earnings per share amounts may not equal the reported earnings per share for the year.

(1) Net income includes approximately $68 million of pre-tax recovery of purchase price income from previous acquisition associated with pension plan and approximately $12 million pre-tax loss on extinguishment of debt.

(2) Net income includes approximately $24 million pre-tax fixed asset impairment.

(3) Net income includes approximately $88 million pre-tax asset impairments.

(4) Net income includes approximately $9 million pre-tax fixed asset impairment.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
Office Depot, Inc.
Boca Raton, Florida

We have audited the consolidated financial statements of Office Depot, Inc. and subsidiaries (the “Company”) as of December 28, 2013 and December 29, 2012, and for each of the three fiscal years in the period ended December 28, 2013, and the Company’s internal control over financial reporting as of December 28, 2013, and have issued our reports thereon dated February 25, 2014; such consolidated financial statements and reports are included elsewhere in this Form 10-K. Our audits also included the consolidated financial statement schedule of the Company listed in the accompanying index at Item 15(a)(2). This consolidated financial statement schedule is the responsibility of the Company’s management. Our responsibility is to express an opinion based on our audits. In our opinion, such consolidated financial statement schedule, when considered in relation to the basic financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

/s/ DELOITTE & TOUCHE LLP
Certified Public Accountants

Boca Raton, Florida
February 25, 2014

INDEX TO FINANCIAL STATEMENT SCHEDULES

All other schedules have been omitted because they are not applicable, not required or the information is included elsewhere herein.

SCHEDULE II

OFFICE DEPOT, INC.
VALUATION AND QUALIFYING ACCOUNTS AND RESERVES
(In millions)

Column A	Column B	Column C	Column D	Column E
Description	Balance at Beginning of Period	Additions — Charged to Expense	Deductions— Write-offs, Payments and Other Adjustments	Balance at End of Period
Allowance for doubtful accounts:				
2013	**$ 23**	**14**	**11**	**$ 26**
2012	$ 20	15	12	$ 23
2011	$ 28	14	22	$ 20

INDEX TO EXHIBITS FOR OFFICE DEPOT 10-K[1]

Exhibit Number	Exhibit
2.1	Stock Purchase and Transaction Agreement by and among Office Depot, Inc., Office Depot Delaware Overseas Finance No. 1, LLC, Grupo Gigante S.A.B. de C.V. and Hospitalidad y Servicios Especializados Gigante, S.A. de C.V dated as of June 3, 2013 (Incorporated by reference from Office Depot, Inc.'s Current Report on Form 8-K, filed with the SEC on July 15, 2013.)
2.2	Agreement and Plan of Merger, dated as of February 20, 2013, by and among Office Depot, Inc., Dogwood Merger Sub Inc., Dogwood Merger Sub LLC, Mapleby Holdings Merger Corporation, Mapleby Merger Corporation and OfficeMax Incorporated (Incorporated by reference from Office Depot, Inc.'s Current Report on Form 8-K, filed with the SEC on February 22, 2013.)
3.1	Amended and Restated Bylaws (Incorporated by reference from Office Depot, Inc.'s Current Report on Form 8-K, filed with the SEC on November 8, 2013.)
3.2	Restated Certificate of Incorporation (Incorporated by reference from the respective annex to the Proxy Statement for Office Depot, Inc.'s 1995 Annual Meeting of Stockholders, filed with the SEC on April 20, 1995.)
3.3	Amendment to Restated Certificate of Incorporation (Incorporated by reference from Office Depot, Inc.'s Quarterly Report on Form 10-Q, filed with the SEC on November 10, 1998.)
3.4	Certificate of Designation of Series C Junior Participating Preferred Stock (Incorporated by reference from Office Depot, Inc.'s Annual Report on Form 10-K, filed with the SEC on February 20, 2013.)
3.5	Certificate of Designation of Series C Junior Participating Preferred Stock (Incorporated by reference from Office Depot, Inc.'s Annual Report on Form 10-K, filed with the SEC on February 20, 2013.)
4.1	Form of Certificate representing shares of Common Stock (Incorporated by reference from the respective exhibit to Office Depot, Inc.'s Registration Statement No. 33-39473 on Form S-4, filed with the SEC on March 15, 1991.)
4.2	Indenture, dated as of March 14, 2012, relating to the $250 million 9.75% Senior Secured Notes due 2019, among Office Depot, Inc., the Guarantors named therein and U.S. Bank National Association (Incorporated by reference from Office Depot, Inc.'s Current Report on Form 8-K, filed with the SEC on March 15, 2012.)
4.3	Supplemental Indenture, dated as of February 22, 2013, between Office Depot, Inc., eDepot, LLC, the other Guarantors party thereto and U.S. Bank National Association, relating to the 9.75% Senior Notes due 2019.)
4.4	Second Supplemental Indenture, dated as of November 22, 2013, between Office Depot Inc., Mapleby Holdings Merger Corporation, OfficeMax Incorporated, OfficeMax Southern Company, OfficeMax Nevada Company, OfficeMax North America, Inc., Picabo Holdings, Inc., BizMart, Inc., BizMart (Texas), Inc., OfficeMax Corp., OMX, Inc., the other Guarantors party thereto and U.S. Bank National Association, relating to the 9.75% Senior Notes due 2019.)
4.5[2]	Trust Indenture between Boise Cascade Corporation (now OfficeMax Incorporated) and Morgan Guaranty Trust Company of New York, Trustee, dated October 1, 1985, as amended (Incorporated by reference from OfficeMax Incorporated's Registration Statement No. 33-5673 on Form S-3, filed with the SEC on May 13, 1986.)

Exhibit Number	Exhibit
4.6	Indenture dated as of December 21, 2004 by and between OMX Timber Finance Investments I, LLC, as the Issuer and Wells Fargo Bank Northwest, N.A., as Trustee (Incorporated by reference from OfficeMax Incorporated's Registration Statement No. 333-162866 on Form S-1/A, filed with the SEC on December 14, 2009.)
10.1	Lease Agreement dated November 10, 2006, by and between Office Depot, Inc. and Boca 54 North LLC (Incorporated by reference from Office Depot, Inc.'s Annual Report on Form 10-K, filed with the SEC on February 24, 2009.)
10.2	First Amendment to Lease dated July 3, 2007, by and between Office Depot, Inc. and Boca 54 North LLC (Incorporated by reference from Office Depot, Inc.'s Annual Report on Form 10-K, filed with the SEC on February 24, 2009.)
10.3	Amended Offer Letter dated December 31, 2008, for the Employment of Michael Newman as the Chief Financial Officer of Office Depot, Inc. (Incorporated by reference from Office Depot, Inc.'s Annual Report on Form 10-K, filed with the SEC on February 23, 2010.)*
10.4	Offer Letter dated August 22, 2008, for the Employment of Michael Newman as the Chief Financial Officer of Office Depot, Inc. (Incorporated by reference from Office Depot, Inc.'s Annual Report on Form 10-K, filed with the SEC on February 24, 2009.)*
10.5	Office Depot, Inc. 2007 Long-Term Incentive Plan (Incorporated by reference from the respective appendix to the Proxy Statement for Office Depot, Inc.'s 2007 Annual Meeting of Shareholders, filed with the SEC on April 2, 2007.)*
10.6	Change of Control Agreement, dated as of September 17, 2008, by and between Office Depot, Inc. and Michael D. Newman (Incorporated by reference from Office Depot, Inc.'s Quarterly Report on Form 10-Q, filed with the SEC on October 29, 2008.)*
10.7	2008 Office Depot, Inc. Bonus Plan for Executive Management Employees (Incorporated by reference from the respective appendix to the Proxy Statement for Office Depot, Inc.'s 2008 Annual Meeting of Shareholders, filed with the SEC on March 13, 2008.)*
10.8	Change of Control Agreement, dated as of December 14, 2007, by and between Office Depot, Inc. and Steven M. Schmidt (Incorporated by reference from Office Depot, Inc.'s Quarterly Report on Form 10-Q, filed with the SEC on July 28, 2009.)*
10.9	Amendment to Employment Offer Letter Agreement, dated December 31, 2008, by and between Office Depot, Inc. and Steven Schmidt (Incorporated by reference from Office Depot, Inc.'s Annual Report on Form 10-K, filed with the SEC on February 23, 2010.)*
10.10	Employment Offer Letter Agreement, dated July 10, 2007, by and between Office Depot, Inc. and Steven Schmidt (Incorporated by reference from Office Depot, Inc.'s Annual Report on Form 10-K, filed with the SEC on February 23, 2010.)*
10.11	Office Depot, Inc. Amended Long-Term Incentive Plan (Incorporated by reference from Office Depot, Inc.'s Current Report on Form 8-K, filed with the SEC on April 26, 2010.)*
10.12	Office Depot, Inc. Amended Long-Term Equity Incentive Plan, as revised and amended effective April 21, 2010 (Incorporated by reference from Office Depot, Inc.'s Current Report on Form 8-K, filed with the SEC on April 26, 2010.)*
10.13	Letter Agreement with Michael D. Newman, dated as of April 23, 2010 (Incorporated by reference from Office Depot, Inc.'s Current Report on Form 8-K, filed with the SEC on April 26, 2010.)*
10.14	Letter Agreement between Office Depot, Inc. and Neil R. Austrian dated November 2, 2010 (Incorporated by reference from Office Depot, Inc.'s Current Report on Form 8-K/A, filed with the SEC on November 2, 2010.)*

Exhibit Number	Exhibit
10.15	Form of Non-Qualified Stock Option Award Agreement between Office Depot, Inc. and Neil R. Austrian dated November 2, 2010 (Incorporated by reference from Office Depot, Inc.'s Current Report on Form 8-K/A, filed with the SEC on November 2, 2010.)*
10.16	Retention Agreement between Office Depot, Inc. and Michael D. Newman, dated November 4, 2010 (Incorporated by reference from Office Depot, Inc.'s Current Report on Form 8-K, filed with the SEC on November 8, 2010.)*
10.17	Form of Associate Non-Competition, Confidentiality and Non-Solicitation Agreement between Office Depot, Inc. and certain executives (Incorporated by reference from Office Depot, Inc.'s Annual Report on Form 10-K, filed with the SEC on February 22, 2011.)*
10.18	Form of Change in Control Agreement between Office Depot, Inc. and certain executives (Incorporated by reference from Office Depot, Inc.'s Current Report on Form 8-K, filed with the SEC on December 21, 2010.)*
10.19	Form of Waiver, dated as of March 30, 2011 (Incorporated by reference from Office Depot, Inc.'s Current Report on Form 8-K, filed with the SEC on April 1, 2011.)
10.20	First Amendment to the Office Depot, Inc. 2007 Long-Term Incentive Plan (Incorporated by reference from Office Depot, Inc.'s Current Report on Form 8-K, filed with the SEC on April 25, 2011.)*
10.21	Letter Agreement between Office Depot, Inc. and Neil R. Austrian dated May 23, 2011 (Incorporated by reference from Office Depot, Inc.'s Current Report on Form 8-K, filed with the SEC on May 23, 2011.)*
10.22	2011 Restricted Stock Award Agreement (Time Vesting) for Neil R. Austrian, dated May 23, 2011 (Incorporated by reference from Office Depot, Inc.'s Current Report on Form 8-K, filed with the SEC on May 23, 2011.)*
10.23	2011 Restricted Stock Award Agreement (Performance Vesting) for Neil R. Austrian, dated May 23, 2011 (Incorporated by reference from Office Depot, Inc.'s Current Report on Form 8-K, filed with the SEC on May 23, 2011.)*
10.24	Change of Control Agreement, dated as of May 23, 2011, by and between Office Depot, Inc. and Neil R. Austrian (Incorporated by reference from Office Depot, Inc.'s Current Report on Form 8-K, filed with the SEC on May 23, 2011.)*
10.25	Amendment to Letter Agreement between Office Depot, Inc. and Neil R. Austrian dated July 25, 2011 (Incorporated by reference from Office Depot, Inc.'s Current Report on Form 8-K, filed with the SEC on July 25, 2011.)*
10.26	Form of Amended and Restated Credit Agreement, dated as of May 25, 2011, among Office Depot, Inc. and certain of its European subsidiaries as Borrowers, JPMorgan Chase Bank, N.A., as Administrative Agent and U.S. Collateral Agent, JPMorgan Chase Bank N.A., London Branch, as European Administrative and European Collateral Agent, and the other lenders referred to therein (Incorporated by reference from Office Depot, Inc.'s Quarterly Report on Form 10-Q, filed with the SEC on July 26, 2011.)**
10.27	Letter Agreement between Office Depot, Inc. and Elisa D. Garcia dated May 15, 2007 (Incorporated by reference from Office Depot, Inc.'s Annual Report on Form 10-K, filed with the SEC on February 28, 2012.)*
10.28	Amendment to Letter Agreement between Office Depot, Inc. and Elisa D. Garcia effective December 31, 2008 (Incorporated by reference from Office Depot, Inc.'s Annual Report on Form 10-K, filed with the SEC on February 28, 2012.)*

Exhibit Number	Exhibit
10.29	Retention Agreement between Office Depot, Inc. and Elisa D. Garcia dated November 2, 2010 (Incorporated by reference from Office Depot, Inc.'s Annual Report on Form 10-K, filed with the SEC on February 28, 2012.)*
10.30	First Amendment, dated February 24, 2012, to the Amended and Restated Credit Agreement, dated as of May 25, 2011, among Office Depot, Inc. and certain of its European subsidiaries as Borrowers, JPMorgan Chase Bank, N.A., as Administrative Agent and U.S. Collateral Agent, JPMorgan Chase Bank N.A., London Branch, as European Administrative and European Collateral Agent, and the other lenders referred to therein (Incorporated by reference from Office Depot, Inc.'s Annual Report on Form 10-K, filed with the SEC on February 28, 2012.)
10.31	Form of Notes representing $250 million aggregate principal amount of 9.75% Senior Secured Notes due March 15, 2019 (Incorporated by reference from Office Depot, Inc.'s Quarterly Report on Form 10-Q, filed with the SEC on May 1, 2012.)
10.32	Form of Restricted Stock Awards for Executives (time vested) (Incorporated by reference from Office Depot, Inc.'s Quarterly Report on Form 10-Q, filed with the SEC on May 1, 2012.)*
10.33	Form of Restricted Stock Award for Executives (performance/time vested) (Incorporated by reference from Office Depot, Inc.'s Quarterly Report on Form 10-Q, filed with the SEC on May 1, 2012.)*
10.34	Form of 2012 Restricted Stock Award Agreement between Office Depot, Inc. and Neil R. Austrian dated May 7, 2012 (Incorporated by reference from Office Depot, Inc.'s Quarterly Report on Form 10-Q, filed with the SEC on August 7, 2012.)*
10.35	Form of 2012 Restricted Stock Unit and Performance Cash Award Agreement between Office Depot, Inc. and Neil R. Austrian dated May 7, 2012 (Incorporated by reference from Office Depot, Inc.'s Quarterly Report on Form 10-Q, filed with the SEC on August 7, 2012.)*
10.36	Financing Agreement by and between Office Depot BS and ABN AMRO Commercial Finance, dated September 24, 2012 (Incorporated by reference from Office Depot Inc.'s Annual Report on Form 10-K, filed with the SEC on February 20, 2013.)
10.37	Amendment No. 1 to Financing Agreement by and between Office Depot BS and ABN AMRO Commercial Finance, dated September 24, 2012 (Incorporated by reference from Office Depot Inc.'s Annual Report on Form 10-K, filed with the SEC on February 20, 2013.)
10.38	Letter Agreement between the Company and Stephen E. Hare (Incorporated by reference from Office Depot, Inc.'s Current Report on Form 8-K, filed with the SEC on December 5, 2013.)*
10.39	2013 Non-Qualified Stock Option Award Agreement between the Company and Stephen E. Hare (Incorporated by reference from Office Depot, Inc.'s Current Report on Form 8-K, filed with the SEC on December 5, 2013.)*
10.40	2013 Restricted Stock Unit Award Agreement between the Company and Stephen E. Hare (Incorporated by reference from Office Depot, Inc.'s Current Report on Form 8-K, filed with the SEC on December 5, 2013.)*
10.41	2013 Performance Share Award Agreement between the Company and Stephen E. Hare (Incorporated by reference from Office Depot, Inc.'s Current Report on Form 8-K, filed with the SEC on December 5, 2013.)*
10.42	Employment Agreement between the Company and Roland C. Smith (Incorporated by reference from Office Depot, Inc.'s Current Report on Form 8-K, filed with the SEC on November 18, 2013.)*
10.43	2013 Non-Qualified Stock Option Award Agreement between the Company and Roland C. Smith (Incorporated by reference from Office Depot, Inc.'s Current Report on Form 8-K, filed with the SEC on November 18, 2013.)*

Exhibit Number	Exhibit
10.44	2013 Restricted Stock Unit Award Agreement between the Company and Roland C. Smith (Incorporated by reference from Office Depot, Inc.'s Current Report on Form 8-K, filed with the SEC on November 18, 2013.)*
10.45	2013 Performance Share Award Agreement between the Company and Roland C. Smith (Incorporated by reference from Office Depot, Inc.'s Current Report on Form 8-K, filed with the SEC on November 18, 2013.)*
10.46	2003 OfficeMax Incentive and Performance Plan (amended and restated effective as of April 29, 2013) (Incorporated by reference to Appendix A to the Definitive Proxy Statement of OfficeMax filed with the SEC on March 19, 2013.)*
10.47	Amendment to the 2003 OfficeMax Incentive and Performance Plan dated November 6, 2013 (Incorporated by reference from Office Depot, Inc.'s Form S-8, filed with the SEC on November 8, 2013.)*
10.48	Settlement Agreement, dated August 20, 2013 between Office Depot, Inc. and Starboard Value L.P (and entities listed on Exhibit A of the Settlement Agreement) (Incorporated by reference from Office Depot, Inc.'s Current Report on Form 8-K, filed with the SEC on August 21, 2013.)
10.49	Letter Agreement between Office Depot, Inc. and Neil R. Austrian, dated April 5, 2013 (Incorporated by reference from Office Depot, Inc.'s Current Report on Form 8-K, filed with the SEC on April 11, 2013.)*
10.50	Restricted Stock Award Agreement between Office Depot, Inc. and Neil R. Austrian, dated April 5, 2013 (Incorporated by reference from Office Depot, Inc.'s Current Report on Form 8-K, filed with the SEC on April 11, 2013.)*
10.51	Restricted Stock Unit Award Agreement between Office Depot, Inc. and Neil R. Austrian, dated April 5, 2013 (Incorporated by reference from Office Depot, Inc.'s Current Report on Form 8-K, filed with the SEC on April 11, 2013.)*
10.52	Form of Letter Agreement (amending the Change in Control Agreements with each of Michael D. Newman, Elisa D. Garcia and Steve M. Schmidt) (Incorporated by reference from Office Depot, Inc.'s Current Report on Form 8-K, filed with the SEC on February 26, 2013.)*
10.53	Office Depot Omnibus Amendment to Outstanding Equity and Long-Term Incentive Awards (Incorporated by reference from Office Depot, Inc.'s Current Report on Form 8-K, filed with the SEC on February 26, 2013.)*
10.54	Termination Agreement, dated as of February 20, 2013, by and among Office Depot, Inc., BC Partners, Inc. and the other investors party thereto (Incorporated by reference from Office Depot, Inc.'s Current Report on Form 8-K, filed with the SEC on February 22, 2013.)*
10.55	Voting Agreement, dated as of February 20, 2013, by and among Office Depot, Inc., OfficeMax Incorporated, BC Partners, Inc. and the other investors party thereto (Incorporated by reference from Office Depot, Inc.'s Current Report on Form 8-K, filed with the SEC on February 22, 2013.)
10.56	Form of Second Amendment, dated as of March 4, 2013, to the Amended and Restated Credit Agreement dated as of May 25, 2011, as amended by the First Amendment to the Amended and Restated Credit Agreement, dated as of February 24, 2012, among Office Depot, Inc., and certain of its European subsidiaries as Borrowers, JPMorgan Chase Bank, N.A., as Administrative Agent and U.S. Collateral Agent, JPMorgan Chase Bank N.A., London Branch, as European Administrative and European Collateral Agent, and the other lenders referred to therein (Incorporated by reference from Office Depot, Inc.'s Current Report on Form 8-K, filed with the SEC on March 6, 2013).

Exhibit Number	Exhibit
10.57	Form of Third Amendment, dated as of November 5, 2013, to the Amended and Restated Credit Agreement dated as of May 25, 2011, as amended by the First Amendment to the Amended and Restated Credit Agreement, dated as of February 24, 2012 and the Second Amendment to the Amended and Restated Credit Agreement, dated as of March 4, 2013, among Office Depot, Inc., and certain of its European subsidiaries as Borrowers, JPMorgan Chase Bank, N.A., as Administrative Agent and U.S. Collateral Agent, JPMorgan Chase Bank N.A., London Branch, as European Administrative and European Collateral Agent, and the other lenders referred to therein.
10.58	Paper Purchase Agreement dated June 25, 2011 between Boise White Paper, L.L.C. and OfficeMax Incorporated (Incorporated by reference from OfficeMax Incorporated's Quarterly Report on Form 10-Q/A, filed with the SEC on October 24, 2011.)**
10.59	Installment Note for $559,500,000 between Boise Land & Timber, L.L.C. (Maker) and Boise Cascade Corporation (now OfficeMax Incorporated) (Initial Holder) dated October 29, 2004 (Incorporated by reference from OfficeMax Incorporated's Quarterly Report on Form 10-Q, filed with the SEC on November 9, 2004.)
10.60	Installment Note for $258,000,000 between Boise Land & Timber, L.L.C. (Maker) and Boise Southern Company (Initial Holder) dated October 29, 2004 (Incorporated by reference from OfficeMax Incorporated's Quarterly Report on Form 10-Q, filed with the SEC on November 9, 2004.)
10.61	Guaranty by Wachovia Corporation dated October 29, 2004 (Incorporated by reference from OfficeMax Incorporated's Quarterly Report on Form 10-Q, filed with the SEC on November 9, 2004.)
10.62	Restructuring Agreement and Amendment No. 1 to Securityholders Agreement by and among Boise Cascade Holdings, L.L.C., Boise Cascade, L.L.C., Boise Land & Timber Corp., Forest Product Holdings, L.L.C., OfficeMax Incorporated and Kooskia Investment Corporation, dated as of November 10, 2006 (Incorporated by reference from OfficeMax Incorporated's Current Report on Form 8-K, filed with the SEC on November 15, 2006.)
10.63	Securityholders Agreement among Boise Cascade Corporation (now OfficeMax Incorporated), Forest Products Holdings, L.L.C., and Boise Cascade Holdings, L.L.C., dated October 29, 2004 (Incorporated by reference from OfficeMax Incorporated's Quarterly Report on Form 10-Q, filed with the SEC on November 9, 2004.)
10.64	Purchase Agreement dated December 13, 2004, between OMX Timber Finance Investments I, LLC, OMX Timber Finance Investments II, LLC, OfficeMax Incorporated, Wachovia Capital Markets, LLC, and Lehman Brothers Inc. (Incorporated by reference from OfficeMax Incorporated's Current Report on Form 8-K, filed with the SEC on December 17, 2004.)
10.65	Indemnification Agreement dated December 13, 2004, between Wachovia Corporation, Lehman Brothers Holdings Inc., OMX Timber Finance Investments I, LLC, OMX Timber Finance Investments II, LLC, OfficeMax Incorporated, Wachovia Capital Markets, LLC, Lehman Brothers Inc. (Incorporated by reference from OfficeMax Incorporated's Current Report on Form 8-K, filed with the SEC on December 17, 2004.)
10.66	Director Stock Compensation Plan, as amended through September 26, 2003 (Incorporated by reference from OfficeMax Incorporated's Annual Report on Form 10-K, filed with the SEC on March 2, 2004.)*
10.67	2003 Director Stock Compensation Plan, as amended through September 26, 2003 (Incorporated by reference from OfficeMax Incorporated's Annual Report on Form 10-K, filed with the SEC on March 2, 2004.)*

Exhibit Number	Exhibit
10.68	Amendment to the OfficeMax Incorporated 2003 Director Stock Compensation Plan (Incorporated by reference from OfficeMax Incorporated's Current Report on Form 8-K, filed with the SEC on February 20, 2007.)*
10.69	Form of 2007 Directors' Restricted Stock Unit Award Agreement (Incorporated by reference from OfficeMax Incorporated's Current Report on Form 8-K, filed with the SEC on August 1, 2007.)*
10.70	Form of 2008 Director Restricted Stock Unit Award Agreement (Incorporated by reference from OfficeMax Incorporated's Current Report on Form 8-K, filed with the SEC on July 29, 2008.)*
10.71	Form of Executive Officer Change in Control Severance Agreement (Incorporated by reference from OfficeMax Incorporated's Quarterly Report on Form 10-Q, filed with the SEC on November 6, 2008.)*
10.72	Form of 2009 Nonqualified Stock Option Award Agreement (Incorporated by reference from OfficeMax Incorporated's Current Report on Form 8-K, filed with the SEC on February 18, 2009.)*
10.73	Form of 2009 Director Restricted Stock Unit Award Agreement (Incorporated by reference from OfficeMax Incorporated's Current Report on Form 8-K, filed with the SEC on July 28, 2009.)*
10.74	Form of 2010 Nonqualified Stock Option Award Agreement (Incorporated by reference from OfficeMax Incorporated's Current Report on Form 8-K, filed with the SEC on February 16, 2010.)*
10.75	Form of 2010 Director Restricted Stock Unit Award Agreement (Incorporated by reference from OfficeMax Incorporated's Current Report on Form 8-K, filed with the SEC on August 3, 2010.)*
10.76	Employment Agreement between OfficeMax Incorporated and Ravi Saligram dated October 13, 2010 (Incorporated by reference from OfficeMax Incorporated's Current Report on Form 8-K, filed with the SEC on October 19, 2010.)*
10.77	Form of 2010 Nonqualified Stock Option Award Agreement between OfficeMax Incorporated and Ravi Saligram (first) (Incorporated by reference from OfficeMax Incorporated's Current Report on Form 8-K, filed with the SEC on October 19, 2010.)*
10.78	Form of 2010 Nonqualified Stock Option Award Agreement between OfficeMax Incorporated and Ravi Saligram (second) (Incorporated by reference from OfficeMax Incorporated's Current Report on Form 8-K, filed with the SEC on October 19, 2010.)*
10.79	Form of Restricted Stock Unit Award Agreement – Time-Based between OfficeMax Incorporated and Ravi Saligram (Incorporated by reference from OfficeMax Incorporated's Current Report on Form 8-K, filed with the SEC on October 19, 2010.)*
10.80	Form of Change in Control Letter Agreement between OfficeMax Incorporated and Ravi Saligram (Incorporated by reference from OfficeMax Incorporated's Current Report on Form 8-K, filed with the SEC on October 19, 2010.)*
10.81	Form of Nondisclosure and Fair Competition Agreement between OfficeMax Incorporated and Ravi Saligram (Incorporated by reference from OfficeMax Incorporated's Current Report on Form 8-K, filed with the SEC on October 19, 2010.)*
10.82	Form of 2011 Nonqualified Stock Option Award Agreement (Incorporated by reference from OfficeMax Incorporated's Current Report on Form 8-K, filed with the SEC on February 15, 2011.)*
10.83	Form of 2011 Director Restricted Stock Unit Award Agreement (Incorporated by reference from OfficeMax Incorporated's Current Report on Form 8-K, filed with the SEC on August 2, 2011.)*
10.84	Form of 2012 Nonqualified Stock Option Award Agreement (Incorporated by reference from OfficeMax Incorporated's Current Report on Form 8-K, filed with the SEC on February 22, 2012.)*

Exhibit Number	Exhibit
10.85	Form of 2012 Performance-Based RSU Award Agreement (Incorporated by reference from OfficeMax Incorporated's Current Report on Form 8-K, filed with the SEC on February 22, 2012.)*
10.86	Form of 2012 Performance Unit Award Agreement (Incorporated by reference from OfficeMax Incorporated's Current Report on Form 8-K, filed with the SEC on February 22, 2012.)*
10.87	Form of 2012 Director Restricted Stock Unit Award Agreement (Incorporated by reference from OfficeMax Incorporated's Current Report on Form 8-K, filed with the SEC on July 31, 2012.)*
10.88	Form of 2004 Director Restricted Stock Award Agreement (Incorporated by reference from OfficeMax Incorporated's Current Report on Form 8-K, filed with the SEC on December 15, 2004.)*
10.89	Form of Retention Bonus Agreement (Incorporated by reference from OfficeMax Incorporated's Current Report on Form 8-K, filed with the SEC on July 29, 2013.)*
10.90	First Amendment to Paper Purchase Agreement dated June 20, 2013 between Boise White Paper, L.L.C. and OfficeMax Incorporated (Incorporated by reference from OfficeMax Incorporated's Quarterly Report on Form 10-Q, filed with the SEC on August 6, 2013.)**
10.91	Fourth Amended and Restated Operating Agreement of Boise Cascade Holdings, L.L.C. (Incorporated by reference from OfficeMax Incorporated's Current Report on Form 8-K, filed with the SEC on March 4, 2013.)
10.92	2005 Directors Deferred Compensation Plan (Incorporated by reference from OfficeMax Incorporated's Current Report on Form 8-K, filed with the SEC on December 15, 2004).*
10.93(3)	Deferred Compensation and Benefits Trust, as amended for the Form of Sixth Amendment dated May 1, 2001 (Incorporated by reference from OfficeMax Incorporated's Quarterly Report on Form 10-Q, filed with the SEC on November 13, 2001.)*
10.94	2001 Board of Directors Deferred Compensation Plan, as amended through September 26, 2003 (Incorporated by reference from OfficeMax Incorporated's Annual Report on Form 10-K, filed with the SEC on March 2, 2004.)*
10.95	Amendment to OfficeMax Incorporated 2005 Directors Deferred Compensation Plan (Incorporated by reference from OfficeMax Incorporated's Quarterly Report on Form 10-Q, filed with the SEC on November 6, 2008.)*
10.96	Change in Control Letter Agreement between OfficeMax Incorporated and Deborah A. O'Connor dated December 11, 2008.*
10.97	Retention Bonus Agreement between OfficeMax Incorporated and Deb O'Connor dated May 1, 2013.*
10.98	Retention Bonus Agreement between OfficeMax Incorporated and Deborah O'Connor dated July 24, 2013.*
21	List of Office Depot, Inc.'s Subsidiaries
23.1	Consent of Independent Registered Public Accounting Firm
23.2	Consent of Independent Auditors
31.1	Certification of CEO required by Securities and Exchange Commission Rule 13a-14(a) or 15d-14(a)
31.2	Certification of CFO required by Securities and Exchange Commission Rule 13a-14(a) or 15d-14(a)
32	Certification of CEO and CFO Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
99	Financial statements of Office Depot de Mexico, S.A. de C.V. and Subsidiaries as of July 9, 2013 (Unaudited) and December 31, 2012
(101.INS)	XBRL Instance Document

Exhibit Number	Exhibit
(101.SCH)	XBRL Taxonomy Extension Schema Document
(101.CAL)	XBRL Taxonomy Extension Calculation Linkbase Document
(101.DEF)	XBRL Taxonomy Extension Definition Linkbase Document
(101.LAB)	XBRL Taxonomy Extension Label Linkbase Document
(101.PRE)	XBRL Taxonomy Extension Presentation Linkbase Document

* Management contract or compensatory plan or arrangement.

** Denotes that confidential portions of this exhibit have been omitted in reliance on Rule 24b-2 of the Securities Exchange Act of 1934. The confidential portions have been submitted separately to the Securities and Exchange Commission.

(1) As noted herein, certain documents incorporated by reference in this Exhibit Index have been filed previously by Office Depot, Inc. with the Securities and Exchange Commission, Commission file number 1-10948 and certain documents have been filed previously by OfficeMax Incorporated with the Securities and Exchange Commission, Commission file number 1-5057.

(2) The Trust Indenture between Boise Cascade Corporation (now OfficeMax Incorporated) and Morgan Guaranty Trust Company of New York, Trustee, dated October 1, 1985, as amended, was filed as exhibit 4 in OfficeMax Incorporated's Registration Statement on Form S-3 No. 33-5673, filed May 13, 1986. The Trust Indenture has been supplemented on seven occasions as follows: The First Supplemental Indenture, dated December 20, 1989, was filed as exhibit 4.2 in OfficeMax Incorporated's Pre-Effective Amendment No. 1 to the Registration Statement on Form S-3 No. 33-32584, filed December 20, 1989. The Second Supplemental Indenture, dated August 1, 1990, was filed as exhibit 4.1 in OfficeMax Incorporated's Current Report on Form 8-K filed on August 10, 1990. The Third Supplemental Indenture, dated December 5, 2001, between Boise Cascade Corporation and BNY Western Trust Company, as trustee, to the Trust Indenture dated as of October 1, 1985, between Boise Cascade Corporation and U.S. Bank Trust National Association (as successor in interest to Morgan Guaranty Trust Company of New York) was filed as exhibit 99.2 in OfficeMax Incorporated's Current Report on Form 8-K filed on December 10, 2001. The Fourth Supplemental Indenture dated October 21, 2003, between Boise Cascade Corporation and U.S. Bank Trust National Association was filed as exhibit 4.1 in OfficeMax Incorporated's Current Report on Form 8-K filed on October 20, 2003. The Fifth Supplemental Indenture dated September 16, 2004, among Boise Cascade Corporation, U.S. Bank Trust National Association and BNY Western Trust Company was filed as exhibit 4.1 to OfficeMax Incorporated's Current Report on Form 8-K filed on September 22, 2004. The Sixth Supplemental Indenture dated October 29, 2004, between OfficeMax Incorporated and U.S. Bank Trust National Association was filed as exhibit 4.1 to OfficeMax Incorporated's Current Report on Form 8-K filed on November 4, 2004. The Seventh Supplemental Indenture, made as of December 22, 2004, between OfficeMax Incorporated and U.S. Bank Trust National Association was filed as exhibit 4.1 to OfficeMax Incorporated's Current Report on Form 8-K filed on December 22, 2004. Each of the documents referenced in this footnote is incorporated herein by reference.

(3) The Deferred Compensation and Benefits Trust, as amended and restated as of December 13, 1996, was filed as exhibit 10.18 in OfficeMax Incorporated's Annual Report on Form 10-K for the fiscal year ended December 31, 1996. Amendment No. 4, dated July 29, 1999, to the Deferred Compensation and Benefits Trust was filed as exhibit 10.18 in OfficeMax Incorporated's Annual Report on Form 10-K for the fiscal year ended December 31, 1999. Amendment No. 5, dated December 6, 2000, to the Deferred Compensation and Benefits Trust was filed as exhibit 10.18 in OfficeMax Incorporated's Annual Report on Form 10-K for the fiscal year ended December 31, 2000. Amendment No. 6, dated May 1, 2001, to the Deferred Compensation and Benefits Trust was filed as exhibit 10 in OfficeMax Incorporated's Quarterly Report on Form 10-Q for the quarter ended September 30, 2001. Each of the documents referenced in this footnote is incorporated herein by reference.

Exhibit 4.3

SUPPLEMENTAL INDENTURE

SUPPLEMENTAL INDENTURE, dated as of February 22, 2013, among eDepot, LLC, a Delaware limited liability company (the "Guaranteeing Subsidiary"), a subsidiary of Office Depot, Inc., a Delaware corporation (or its permitted successor) (the "Company"), the Company, the Guarantors listed on the signature pages hereto and U.S. Bank National Association (or its permitted successor), a nationally chartered banking association, as trustee under the Indenture referred to below (the "Trustee").

W I T N E S S E T H

WHEREAS, the Company and the other Guarantors party thereto have heretofore executed and delivered to the Trustee an indenture (the "Indenture"), dated as March 14, 2012 providing for the issuance of the Company's 9.75% senior secured notes due 2019 (the "Notes");

WHEREAS, Section 4.11 of the Indenture provides that under certain circumstances the Company is required to cause the Guaranteeing Subsidiary to execute and deliver to the Trustee a supplemental indenture pursuant to which the Guaranteeing Subsidiary shall, subject to Article Twelve of the Indenture, jointly and severally with all of the other Guarantors, fully and unconditionally guarantee all the Company's obligations under the Notes pursuant to a Note Guarantee on the terms and conditions set forth herein (the "Note Guarantee"); and

WHEREAS, pursuant to Section 9.01 of the Indenture, the Trustee, the Company and the existing Guarantors are authorized to execute and deliver this Supplemental Indenture;

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Guaranteeing Subsidiary, the Company and the Trustee mutually covenant and agree as follows for the equal and ratable benefit of the Holders of the Notes:

1. Defined Terms. As used in this Supplemental Indenture, terms defined in the Indenture or in the preamble or recital hereto are used herein as therein defined. The words "herein," "hereof' and "hereby" and other words of similar import used in this Supplemental Indenture refer to this Supplemental Indenture as a whole and not to any particular section hereof.

2. Agreement to Guarantee. The Guaranteeing Subsidiary hereby agrees, jointly and severally with all other Guarantors, to unconditionally guarantee the Company's obligations under the Notes on the terms and subject to the conditions set forth in Article Twelve of the Indenture and to be bound by all other applicable provisions of the Indenture.

3. Notices. All notices or other communications to the Guaranteeing Subsidiary shall be given as provided in Section 13.01 of the Indenture.

4. Ratification of Indenture; Supplemental Indentures Part of Indenture. Except as expressly amended hereby, the Indenture is in all respects ratified and confirmed and all the terms, conditions and provisions thereof shall remain in full force and effect. This Supplemental Indenture shall form a part of the Indenture for all purposes, and every Holder of Notes heretofore or hereafter authenticated and delivered shall be bound hereby.

5. GOVERNING LAW. THIS SUPPLEMENTAL INDENTURE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO CONFLICTS OF LAWS PRINCIPLES WHICH WOULD HAVE THE EFFECT OF APPLYING THE LAWS OF ANY OTHER JURISDICTION.

6. Trustee Makes No Representation. The Trustee makes no representation as to the validity or sufficiency of this Supplemental Indenture.

7. Counterparts. The parties may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.

8. Effect of Headings. The Section headings herein are for convenience only and shall not affect the construction thereof.

9. Execution and Delivery. The Guaranteeing Subsidiary agrees that the Note Guarantee shall remain in full force and effect notwithstanding any failure to endorse on each Note a notation of the Note Guarantee.

10. No Recourse Against Others. No past, present or future director, officer, employee, manager, incorporator or stockholder of the Guaranteeing Subsidiary, as such, shall have any liability for any obligations of the Guaranteeing Subsidiary under the Notes, the Indenture, this Supplemental Indenture, the Note Guarantees, or Security Documents for any claim based on, in respect of, or by reason of, such obligations or their creation. The waiver and release under this Section 10 are part of the consideration for the Note Guarantees.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed as of the date first above written.

EDEPOT, LLC

By: /s/ Richard Leland
Name: Richard Leland
Title: Vice President and Treasurer

OFFICE DEPOT, INC.

By: /s/ Michael D. Newman
Name: Michael D. Newman
Title: Executive Vice President and Chief Financial Officer

GUARANTORS:

4SURE.COM, INC.
OD INTERNATIONAL, INC.
SOLUTIONS4SURE.COM, INC.
THE OFFICE CLUB, INC.
VIKING OFFICE PRODUCTS, INC.
OFFICE DEPOT FOREIGN HOLDINGS GP, LLC
OFFICE DEPOT FOREIGN HOLDINGS LP, LLC

By: /s/ Elisa D. Garcia C.
Name: Elisa D. Garcia C.
Title: Secretary

U.S. BANK NATIONAL ASSOCIATION, AS TRUSTEE

By: /s/ Jack Ellerin
Name: Jack Ellerin
Title: Vice President

Exhibit 4.4

SECOND SUPPLEMENTAL INDENTURE

SECOND SUPPLEMENTAL INDENTURE, dated as of November 22, 2013 (this "Supplemental Indenture"), among Mapleby Holdings Merger Corporation, a Delaware corporation, OfficeMax Incorporated, a Delaware corporation, OfficeMax Southern Company, a Louisiana partnership, OfficeMax Nevada Company, a Nevada corporation, OfficeMax North America, Inc., an Ohio corporation, Picabo Holdings, Inc., a Delaware corporation, BizMart, Inc., a Delaware corporation, BizMart (Texas), Inc., a Delaware corporation, OfficeMax Corp., an Ohio corporation, and OMX, Inc., a Nevada corporation (collectively, the "Guaranteeing Subsidiaries"), each a subsidiary of Office Depot, Inc., a Delaware corporation (or its permitted successor) (the "Company"), the Company, the Guarantors listed on the signature pages hereto and U.S. Bank National Association (or its permitted successor), a nationally chartered banking association, as trustee under the Indenture referred to below (the "Trustee").

W I T N E S S E T H

WHEREAS, the Company and the other Guarantors party thereto have heretofore executed and delivered to the Trustee an indenture (the "Indenture"), dated as March 14, 2012, as supplemented by the Supplemental Indenture dated February 2, 2013, providing for the issuance of the Company's 9.75% senior secured notes due 2019 (the "Notes");

WHEREAS, Section 4.11 of the Indenture provides that under certain circumstances the Company is required to cause each of the Guaranteeing Subsidiaries to execute and deliver to the Trustee a supplemental indenture pursuant to which each Guaranteeing Subsidiary shall, subject to Article Twelve of the Indenture, jointly and severally with all of the other Guarantors, fully and unconditionally guarantee all the Company's obligations under the Notes pursuant to a Note Guarantee on the terms and conditions set forth herein (the "Note Guarantee"); and

WHEREAS, pursuant to Section 9.01 of the Indenture, the Trustee, the Company and the existing Guarantors are authorized to execute and deliver this Supplemental Indenture;

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, each Guaranteeing Subsidiary, the Company, the Guarantors and the Trustee mutually covenant and agree as follows for the equal and ratable benefit of the Holders of the Notes:

1. Defined Terms. As used in this Supplemental Indenture, terms defined in the Indenture or in the preamble or recital hereto are used herein as therein defined. The words "herein," "hereof' and "hereby" and other words of similar import used in this Supplemental Indenture refer to this Supplemental Indenture as a whole and not to any particular section hereof.

2. Agreement to Guarantee. Each Guaranteeing Subsidiary hereby agrees, jointly and severally with all other Guarantors, to unconditionally guarantee the Company's obligations under the Notes on the terms and subject to the conditions set forth in Article Twelve of the Indenture and to be bound by all other applicable provisions of the Indenture.

3. Notices. All notices or other communications to each Guaranteeing Subsidiary shall be given as provided in Section 13.01 of the Indenture.

4. Ratification of Indenture; Supplemental Indentures Part of Indenture. Except as expressly amended hereby, the Indenture is in all respects ratified and confirmed and all the terms, conditions and provisions thereof shall remain in full force and effect. This Supplemental Indenture shall form a part of the Indenture for all purposes, and every Holder of Notes heretofore or hereafter authenticated and delivered shall be bound hereby.

5. GOVERNING LAW. THIS SUPPLEMENTAL INDENTURE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO CONFLICTS OF LAWS PRINCIPLES WHICH WOULD HAVE THE EFFECT OF APPLYING THE LAWS OF ANY OTHER JURISDICTION.

6. Trustee Makes No Representation. The Trustee makes no representation as to the validity or sufficiency of this Supplemental Indenture.

7. Counterparts. The parties may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.

8. Effect of Headings. The Section headings herein are for convenience only and shall not affect the construction thereof.

9. Execution and Delivery. Each Guaranteeing Subsidiary agrees that the Note Guarantee shall remain in full force and effect notwithstanding any failure to endorse on each Note a notation of the Note Guarantee.

10. No Recourse Against Others. No past, present or future director, officer, employee, manager, incorporator or stockholder of a Guaranteeing Subsidiary, as such, shall have any liability for any obligations of a Guaranteeing Subsidiary under the Notes, the Indenture, this Supplemental Indenture, the Note Guarantees, or Security Documents for any claim based on, in respect of, or by reason of, such obligations or their creation. The waiver and release under this Section 10 are part of the consideration for the Note Guarantees.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed as of the date first above written.

GUARANTEEING SUBSIDIARIES:

MAPLEBY HOLDINGS MERGER CORPORATION,
OFFICEMAX INCORPORATED
OFFICEMAX SOUTHERN COMPANY
OFFICEMAX NEVADA COMPANY
OFFICEMAX NORTH AMERICA, INC.
PICABO HOLDINGS, INC.
BIZMART, INC.
BIZMART (TEXAS), INC.
OFFICEMAX CORP.
OMX, INC.

By: /s/ Anthony Giuliano
Name: Anthony Giuliano
Title: Vice President and Treasurer

[Signature Page to Supplemental Indenture]

OFFICE DEPOT, INC.

By: /s/ Richard Leland
Name: Richard Leland
Title: Vice President and Treasurer

GUARANTORS:

4SURE.COM, INC.
OD INTERNATIONAL, INC.
SOLUTIONS4SURE.COM, INC.
THE OFFICE CLUB, INC.
VIKING OFFICE PRODUCTS, INC.
OFFICE DEPOT FOREIGN HOLDINGS GP, LLC
OFFICE DEPOT FOREIGN HOLDINGS LP, LLC
EDEPOT, LLC

By: /s/ Richard Leland
Name: Richard Leland
Title: Vice President and Treasurer

[Signature Page to Supplemental Indenture]

U.S. BANK NATIONAL ASSOCIATION, AS TRUSTEE

By: /s/ Jack Ellerin
Name: Jack Ellerin
Title: Vice President

[Signature Page to Supplemental Indenture]

THIRD AMENDMENT

THIRD AMENDMENT (this "Amendment"), dated as of November 1, 2013, to the Amended and Restated Credit Agreement dated as of May 25, 2011, as amended by the First Amendment to the Amended and Restated Credit Agreement, dated as of February 24, 2012, as amended by the Second Amendment to the Amended and Restated Credit Agreement, dated as of March 4, 2013 (the "Credit Agreement"), among Office Depot, Inc., Office Depot International (UK) Ltd., Office Depot UK Ltd., Office Depot International B.V., Office Depot B.V., Office Depot Finance B.V., OD International (Luxembourg) Finance S.À R.L. and Viking Finance (Ireland) Ltd. (collectively, the "Borrowers"), certain subsidiaries of Office Depot, Inc. from time to time parties thereto, the several banks and other institutions from time to time parties thereto (the "Lenders"), JPMorgan Chase Bank N.A., London Branch, as European administrative agent and European collateral agent, JPMorgan Chase Bank, N.A., as administrative agent (in such capacity, the "Administrative Agent') and US collateral agent, Bank of America, N.A., as syndication agent, and Citibank, N.A., and Wells Fargo Bank, National Association, as documentation agents.

W I T N E S S E T H:

WHEREAS, pursuant to the Credit Agreement, the Lenders have agreed to make, and have made, certain loans and other extensions of credit to the Borrowers;

WHEREAS, the Borrowers have requested that additional Commitments of $250,000,000 be provided under the Credit Agreement and that certain provisions of the Credit Agreement be amended as set forth herein;

WHEREAS, certain of the Lenders have agreed to provide the additional Commitments; and

WHEREAS, the Lenders are willing to agree to such amendment on the terms set forth herein;

NOW THEREFORE, in consideration of the premises and mutual covenants contained herein, the undersigned hereby agree as follows:

I. Defined Terms. Capitalized terms used but not otherwise defined herein shall have the meanings assigned to them in the Credit Agreement.

II. Amendments to the Credit Agreement. The Credit Agreement is hereby amended to delete the stricken text (indicated textually in the same manner as the following example: ~~stricken text~~) and to add the double-underlined text (indicated textually in the same manner as the following example: double-underlined text) as set forth in the pages of the Credit Agreement attached as Exhibit A hereto.

III. Amendments to the Schedules to the Credit Agreement. The Schedules to the Credit Agreement are hereby amended and restated as Exhibit B hereto.

IV. Effectiveness of Amendment. This Amendment shall become effective as of the date (the "Amendment Effective Date") upon which the following conditions are satisfied:

(i) receipt by the Administrative Agent of (A) duly executed counterparts to this Amendment from the Borrowers, the Collateral Agents and the Supermajority Lenders and (B) a lender addendum, in the form of Exhibit C to this Amendment, duly executed by each Lender (after giving effect to the Amendment Effective Date) that was not a Lender under the Credit Agreement immediately prior to the Amendment Effective Date; and

(ii) receipt by the Administrative Agent of (a) a pro forma Aggregate Borrowing Base Certificate, (b) a pro forma US Borrowing Base Certificate, (c) a pro forma UK Borrowing Base Certificate and (d) a pro forma Dutch Borrowing Base Certificate;

(iii) substantially simultaneously with the Amendment Effective Date, the consummation of the OfficeMax Merger pursuant to the OfficeMax Merger Agreement; and

(iv) receipt by the Administrative Agent of payment of any fees required to be paid to the Lenders or any agents or arrangers in connection with this Amendment and payment or reimbursement of its reasonable out-of-pocket expenses in connection with this Amendment required to be paid or reimbursed pursuant to the Credit Agreement, including the reasonable fees, charges and disbursements of counsel for the Administrative Agent.

V. Representations and Warranties. The Borrowers hereby represent and warrant that (a) each of the representations and warranties in the Credit Agreement shall be, after giving effect to this Amendment, true and correct in all material respects as if made on and as of the Amendment Effective Date (unless such representations and warranties are stated to relate to a specific earlier date, in which case such representations and warranties shall be true and correct in all material respects as of such earlier date) and (b) after giving effect to this Amendment, no Default or Event of Default shall have occurred and be continuing.

VI. Post-Closing Covenant. Within 90 days of the closing date of the OfficeMax Merger, the Company shall furnish to the Administrative Agent a copy of the plan and forecast (including a projected consolidated and consolidating pro forma balance sheet, income statement and funds flow statement in form acceptable to the Administrative Agent) of the Company for each month of the upcoming fiscal year in form reasonably satisfactory to the Administrative Agent

VII. No Other Amendments; Confirmation. Except as expressly amended hereby, the provisions of the Credit Agreement, as amended and restated, are and shall remain in full force and effect. Each Loan Party certifies that (i) all of its obligations and liabilities under each of the Loan Documents to which such Loan Party is a party remain in full force and effect on a continuous basis after giving effect to the Amendment and (ii) all of the Liens and security interests created and arising under each of the Loan Documents to which such Loan Party is a party remain in full force and effect on a continuous basis, and the perfected status and priority of each such Lien and security interest continues in full force and effect on a continuous basis, unimpaired, uninterrupted and undischarged, after giving effect to the Amendment, as collateral security for its obligations, liabilities and Indebtedness under the Credit Agreement and under its Loan Guaranty, as applicable; provided that with respect to any Dutch Loan Party and any Luxembourg Loan Party, such acknowledgement and confirmation shall be solely with respect to its Loan Guaranty.

VIII. Governing Law. This Amendment and the rights and obligations of the parties hereto shall be governed by, and construed and interpreted in accordance with, the laws of the State of New York.

IX. Counterparts. This Amendment may be executed by one or more of the parties hereto on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument. This Amendment may be delivered by facsimile transmission of the relevant signature pages hereof.

IN WITNESS WHEREOF, the undersigned have caused this Amendment to be executed and delivered by their duly authorized officers as of the date first above written.

OFFICE DEPOT, INC.

By: /s/ Michael D. Newman
Name: Michael D. Newman
Title: Executive Vice President and CFO

OFFICE DEPOT INTERNATIONAL (UK) LTD.

By: /s/ John Moore
Name: John Moore
Title: RVP

OFFICE DEPOT UK LTD.

By: /s/ John Moore
Name: John Moore
Title: RVP

OFFICE DEPOT INTERNATIONAL B.V.

By: /s/ Thomas Glatzel
Name: Thomas Glatzel
Title: Director

OFFICE DEPOT B.V.

By: /s/ Thomas Glatzel
Name: Thomas Glatzel
Title: Director

OFFICE DEPOT FINANCE B.V.

By: /s/ Thomas Glatzel
Name: Thomas Glatzel
Title: Director

VIKING FINANCE (IRELAND) LTD.

By: /s/ John Moore
Name: John Moore
Title: RVP

OD INTERNATIONAL (LUXEMBOURG) FINANCE S.A R.L.

By: /s/ Olivier Dorier
Name: Olivier Dorier
Title: Manager

By: /s/ Richard Leland
Name: Richard Leland
Title: Manager

4SURE.COM, INC.

By: /s/ Richard Leland
Name: Richard Leland
Title: Vice President and Treasurer

OD INTERNATIONAL, INC.

By: /s/ Richard Leland
Name: Richard Leland
Title: Vice President and Treasurer

SOLUTIONS4SURE.COM, INC.

By: /s/ Richard Leland
Name: Richard Leland
Title: Vice President and Treasurer

THE OFFICE CLUB, INC.

By: /s/ Richard Leland
Name: Richard Leland
Title: Vice President and Treasurer

VIKING OFFICE PRODUCTS, INC.

By: /s/ Richard Leland
Name: Richard Leland
Title: Vice President and Treasurer

OFFICE DEPOT FOREIGN HOLDINGS GP, LLC

By: /s/ Richard Leland
Name: Richard Leland
Title: Vice President and Treasurer

OFFICE DEPOT FOREIGN HOLDINGS LP, LLC

By: /s/ Richard Leland
Name: Richard Leland
Title: Vice President and Treasurer

EDEPOT, LLC

By: /s/ Richard Leland
Name: Richard Leland
Title: Vice President and Treasurer

JPMORGAN CHASE BANK, N.A., as Administrative Agent, US Collateral Agent and as a Lender

By: /s/ Sarah Freedman
Name: Sarah Freedman
Title: Executive Director

JPMORGAN CHASE BANK, N.A., LONDON BRANCH,
as European Collateral Agent

By: /s/ Sarah Freedman
Name: Sarah Freedman
Title: Executive Director

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as a Lender

By: /s/ Lauren Murphy
Name: Lauren Murphy
Title: Assistant Vice President

WELLS FARGO CAPITAL FINANCE
CORPORATION CANADA, as a Lender

By: /s/ Domenic Cosentino
Name: Domenic Cosentino
Title: Vice President

BANK OF AMERICA, N.A., as a Lender

By: /s/ David Vega
Name: David Vega
Title: Managing Director

CITICORP NORTH AMERICA, INC., as a Lender

By: /s/ Jennifer Bagley
Name: Jennifer Bagley
Title: Vice President

U.S. BANK NATIONAL ASSOCITION, as a Lender

By: /s/ Christopher D. Fudge
Name: Christopher D. Fudge
Title: Vice President

FIFTH THIRD BANK, AN OHIO BANKING CORPORATION, as a Lender

By: /s/ John A. Marian
Name: John A. Marian
Title: Vice President

SUNTRUST BANK as a Lender

By: /s/ Ryan Jones
Name: Ryan Jones
Title: Vice President

MORGAN STANLEY BANK, N.A., as a Lender

By: /s/ Brendan MacBride
Name: Brendan MacBride
Title: Authorized Signatory

PNC BANK NATIONAL ASSOCITION,
as a Lender

By: /s/ William Molyneaux
Name: William Molyneaux
Title: Assistant Vice President

RBS CITIZENS, N.A., as a Lender

By: /s/ Francis Garvin
Name: Francis Garvin
Title: Senior Vice President

SIEMENS FINANCIAL SERVICES, INC., as a Lender

By: /s/ Sharon Prusakowski
Name: Sharon Prusakowski
Title: Vice President

SIEMENS FINANCIAL SERVICES, INC., as a Lender

By: /s/ John Finone
Name: John Finone
Title: Vice President

RB INTERNATIONAL FINANCE (USA) LLC as a Lender

By: /s/ Christoph Hoedi
Name: Christoph Hoedi
Title: First Vice President

By: /s/ John A. Valiska
Name: John A. Valiska
Title: First Vice President

CAPITAL ONE BUSINESS CREDIT CORP, (F/K/A CAPITAL ONE LEVERAGE FINANCE CORP), as a Lender

By: /s/ Thomas F. Furst
Name: Thomas F. Furst
Title: Vice President

CIT FINANCE LLC, as a Lender

By: /s/ Renee Singer
Name: Renee Singer
Title: Managing Director

GENERAL ELECTRIC CAPITAL CORPORATION,
as a Lender

By: /s/ Peter F. Crispino
Name: Peter F. Crispino
Title: Duly Authorized Signatory

WEBSTER BUSINESS CREDIT CORPORATION, as a Lender

By: /s/ Steven Schuit
Name: Steven Schuit
Title: Vice President

EXHIBIT A

[See Attached]

AMENDED AND RESTATED CREDIT AGREEMENT

dated as of

May 25, 2011,

among

OFFICE DEPOT, INC.,

OFFICE DEPOT INTERNATIONAL (UK) LTD.,

OFFICE DEPOT UK LTD.,

OFFICE DEPOT INTERNATIONAL B.V.,

OFFICE DEPOT B.V.,

OFFICE DEPOT FINANCE B.V.,

OD INTERNATIONAL (LUXEMBOURG) FINANCE S.À R.L.

and

VIKING FINANCE (IRELAND) LTD.,
as Borrowers,

The Lenders Party Hereto

JPMORGAN CHASE BANK, N.A., LONDON BRANCH,
as European Administrative Agent and European Collateral Agent,

JPMORGAN CHASE BANK, N.A.,
as Administrative Agent and US Collateral Agent,

BANK OF AMERICA, N.A.,
as Syndication Agent,

and

CITIBANK, N.A.,

and

WELLS FARGO BANK, NATIONAL ASSOCIATION,

as Documentation Agents

J.P. MORGAN SECURITIES LLC,
MERRILL LYNCH PIERCE FENNER & SMITH INCORPORATED,
CITIGROUP GLOBAL MARKETS INC.
and
WELLS FARGO ~~CAPITAL FINANCE, LLC.~~BANK, NATIONAL ASSOCIATION,
as Joint Lead Arrangers and Joint Bookrunners

TABLE OF CONTENTS

SCHEDULES:

AMENDED AND RESTATED CREDIT AGREEMENT dated as of May 25, 2011 (as it may be amended or modified from time to time, this "Agreement"), among OFFICE DEPOT, INC., OFFICE DEPOT INTERNATIONAL (UK) LTD., OFFICE DEPOT UK LTD., OFFICE DEPOT INTERNATIONAL B.V., OFFICE DEPOT B.V., OFFICE DEPOT FINANCE B.V., OD INTERNATIONAL (LUXEMBOURG) FINANCE S.À R.L. and VIKING FINANCE (IRELAND) LTD., the other Loan Parties from time to time party hereto, the Lenders party hereto, JPMORGAN CHASE BANK, N.A., LONDON BRANCH, as European Administrative Agent and European Collateral Agent, JPMORGAN CHASE BANK, N.A., as Administrative Agent and US Collateral Agent, BANK OF AMERICA, N.A., as Syndication Agent, and CITIBANK, N.A. and WELLS FARGO BANK, NATIONAL ASSOCIATION, as Documentation Agents.

The parties hereto agree as follows:

ARTICLE I

Definitions

SECTION 1.01 Defined Terms. As used in this Agreement, the following terms have the meanings specified below:

"ABR", when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Alternate Base Rate.

"Account" means, individually and collectively, any "Account" referred to in any Security Agreement.

"Account Debtor" means any Person obligated on an Account.

"Adjusted LIBO Rate" means, with respect to any Eurocurrency Borrowing for any Interest Period, an interest rate per annum (rounded upwards, if necessary, to the next 1/16 of 1%) equal to (a) (i) the LIBO Rate for such Interest Period ***multiplied*** by (ii) the Statutory Reserve Rate ***plus*** (b) the Mandatory Cost.

"Administrative Agent" means JPMorgan Chase Bank, N.A., in its capacity as administrative agent for the Lenders hereunder, and its successors in such capacity.

"Administrative Questionnaire" means an Administrative Questionnaire in a form supplied by the Administrative Agent.

"Affiliate" means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

"Agents" means, individually and collectively, the Administrative Agent, the European Administrative Agent, the US Collateral Agent, the European Collateral Agent, the Syndication Agent and the Documentation Agents.

"Aggregate Availability" means, with respect to all the Borrowers, at any time, an amount equal to (a) the lesser of (i) the aggregate amount of the Commitments and (ii) the Aggregate Borrowing Base *minus* (b) the total Revolving Exposure.

"Aggregate Borrowing Base" means the aggregate amount of the US Borrowing Base and the European Borrowing Base; provided that the maximum amount of the European Borrowing Base which may be included as part of the Aggregate Borrowing Base is the European Sublimit.

"Aggregate Borrowing Base Certificate" means a certificate, signed and certified as accurate and complete by a Financial Officer of the Borrower Representative, in substantially the form of Exhibit B-1 or another form which is acceptable to the Administrative Agent in its sole discretion.

"Aggregate Credit Exposure" means, at any time, the aggregate Credit Exposure of all the Lenders.

"Alternate Base Rate" means, for any day, a rate per annum equal to the greatest of (a) the Prime Rate in effect on such day, (b) the Federal Funds Effective Rate in effect on such day *plus* ½ of 1% and (c) the Adjusted LIBO Rate that would be calculated as of such day (or, if such day is not a Business Day, as of the next preceding Business Day) in respect of a proposed Eurocurrency Loan with a one-month Interest Period *plus* 1.0%. Any change in the Alternate Base Rate due to a change in the Prime Rate, the Federal Funds Effective Rate or the Adjusted LIBO Rate shall be effective from and including the effective date of such change in the Prime Rate, the Federal Funds Effective Rate or the Eurocurrency Rate, respectively.

"Alternate Rate" means, for any day, the sum of (a) a rate per annum selected by the Administrative Agent, in its reasonable discretion based on market conditions in consultation with the Borrower and the Lenders, *plus* (b) the Applicable Spread for Eurocurrency Loans, *plus* (c) the Mandatory Cost. When used in reference to any Loan or Borrowing, "Alternate Rate" refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Alternate Rate.

"Anti-Corruption Laws" mean all laws, rules, and regulations of any jurisdiction applicable to the Company or its Subsidiaries from time to time concerning or relating to bribery or corruption.

"Applicable Commitment Fee Rate" means, for any day relating to each of Facility A and Facility B, with respect to the commitment fees payable hereunder, the applicable rate per annum set forth below, based upon the daily average Commitment Utilization Percentage during the most recent fiscal quarter of the Company; provided that until the completion of two full fiscal quarters after the Restatement Date, the Applicable Commitment Fee Rate shall be the applicable rate per annum set forth below in Category 2:

Commitment Utilization Percentage	Applicable Commitment Fee Rate
Category 1 ³ 50%	.375%
Category 2 < 50%	.50%

For purposes of the foregoing, the Applicable Commitment Fee Rate shall be determined as of the end of each fiscal quarter of the Company; provided that the Commitment Utilization Percentage shall be deemed to be in Category 2 (A) at any time that an Event of Default has occurred and is continuing (other than an Event of Default arising from the failure to deliver any Borrowing Base Certificate) or (B) at the option of the Administrative Agent or at the request of the Required Lenders if the Borrowers fail to deliver any Borrowing Base Certificate that is required to be delivered by them pursuant to Section 5.01, during the period from the expiration of the time for delivery thereof until each such Borrowing Base Certificate is so delivered.

"Applicable Percentage" means, with respect to any Facility A Lender or Facility B Lender, (a) with respect to Revolving Loans, LC Exposure or Swingline Exposure, a percentage equal to a fraction the numerator of which is such Lender's Facility A Commitment or Facility B Commitment, as applicable, and the denominator of which is the aggregate amount of the Facility A Commitments or Facility B Commitments, as applicable (or, if the Facility A Commitments or Facility B Commitments, as applicable, have terminated or expired, such Lender's share of the total Facility A Revolving Exposure or Facility B Revolving Exposure, respectively, at that time) and (b) with respect to Protective Advances or with respect to the Aggregate Credit Exposure, a percentage based upon its share of the Aggregate Credit Exposure and the aggregate amount of unused Facility A Commitments or Facility B Commitments, as applicable; provided that in each of clause (a) and (b), in the case of Section 2.21 when a Defaulting Lender shall exist, such Defaulting Lender's Commitment shall be disregarded in calculating any Lender's "Applicable Percentage".

"Applicable Spread" means, for any day, with respect to any ABR Loan, Eurocurrency Loan or Overnight LIBO Loan, as the case may be, the applicable rate per annum set forth below under the caption "ABR Spread", "Eurocurrency Spread" or **"**Overnight LIBO Spread", as the case may be, based upon the daily average Aggregate Availability during the most recent fiscal quarter of the Company; provided that until the completion of two full fiscal quarters after the Restatement Date, the Applicable Spread shall be the applicable rate per annum set forth below in Category 2; provided further that for any fiscal quarter in which (i) the Fixed Charge Coverage Ratio as of the most recently ended fiscal quarter of the Company is at least 1.25:1.00 or (ii) the Company is rated at least Ba3 by Moody's (and at least B by S&P) or BB- by S&P (and at least B2 by Moody's) (in each case with a stable outlook), the Applicable Spread shall be the applicable rate per annum as determined pursuant to the grid below, minus 0.25%:

Average Aggregate Availability	ABR Spread	Eurocurrency Spread	Overnight LIBO Spread
Category 1 ³ $750,000,000	1.00%	2.00%	2.00%
Category 2 < $750,000,000 but ³ $500,000,000	1.25%	2.25%	2.25%
Category 3 < $500,000,000 but ³ $250,000,000	1.50%	2.50%	2.50%
Category 4 < $250,000,000	1.75%	2.75%	2.75%

For purposes of the foregoing, the Applicable Spread shall be determined as of the end of each fiscal quarter of the Company based upon the Aggregate Borrowing Base Certificate that are delivered from time to time pursuant to Section 5.01, provided that the Average Aggregate Availability shall be deemed to be in Category 4 (A) at any time that an Event of Default has occurred and is continuing (other than an Event of Default arising from the failure to deliver any Borrowing Base Certificate) or (B) at the option of the Administrative Agent or at the request of the Required Lenders if the Borrowers fail to deliver any Borrowing Base Certificate that is required to be delivered by them pursuant to Section 5.01, during the period from the expiration of the time for delivery thereof until each such Borrowing Base Certificate is so delivered; provided further that if any Borrowing Base Certificate is at any time restated or otherwise revised or if the information set forth in any Borrowing Base Certificate otherwise proves to be false or incorrect such that the Applicable Spread would have been higher than was otherwise in effect during any period, without constituting a waiver of any Default or Event of Default arising as a result thereof, interest due under this Agreement shall be immediately recalculated at such higher rate for any applicable periods and shall be due and payable on demand.

"Approved Fund" has the meaning assigned to such term in Section 9.04.

"Assignment and Assumption" means an assignment and assumption entered into by a Lender and an assignee (with the consent of any party whose consent is required by Section 9.04), and accepted by the Administrative Agent, in the form of Exhibit A or any other form approved by the Administrative Agent.

"Availability Period" means the period from and including the Restatement Date to but excluding the earlier of the Maturity Date and the date of termination of the Commitments.

"Available Commitments" means, at any time, the aggregate amount of the Commitments then in effect ***minus*** the total Revolving Exposure at such time; provided that in calculating the total Revolving Exposure for the purpose of determining Available Commitments pursuant to Section 2.12(a), the aggregate principal amount of Swingline Loans then outstanding shall be deemed to be zero.

"Banking Services" means each and any of the following bank services provided to any Loan Party by any Lender or any of its Affiliates: (a) commercial credit cards, (b) stored value cards and (c) treasury management services (including, without limitation, controlled disbursement, automated clearinghouse transactions, return items, overdrafts and interstate depository network services).

"Banking Services Obligations" of the Loan Parties, means any and all obligations of the Loan Parties, whether absolute or contingent and howsoever and whensoever created, arising, evidenced or acquired (including all renewals, extensions and modifications thereof and substitutions therefor) in connection with Banking Services.

"Banking Services Reserves" means all Reserves which the Administrative Agent from time to time establishes in its Permitted Discretion for Banking Services then provided or outstanding.

"Bankruptcy Code" means the provisions of Title 11 of the United States Code, 11 USC. §§ 101 et seq.

"Bankruptcy Event" means, with respect to any Person, such Person becomes the subject of a bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee, administrator, custodian, assignee for the benefit of creditors or similar Person charged with the reorganization or liquidation of its business appointed for it, or, in the good faith determination of the Administrative Agent, has taken any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any such proceeding or appointment, provided that a Bankruptcy Event shall not result solely by virtue of any ownership interest, or the acquisition of any ownership interest, in such Person by a Governmental Authority or instrumentality thereof, unless such ownership interest results in or provides such Person with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Person (or such Governmental Authority or instrumentality) to reject, repudiate, disavow or disaffirm any contracts or agreements made by such Person.

"Board" means the Board of Governors of the Federal Reserve System of the United States.

"Boise White Paper Contract" means the Paper Purchase Agreement dated June 25, 2011 between Boise White Paper, L.L.C. and OfficeMax, as amended.

"Bookrunners" means, individually or collectively, J.P. Morgan Securities LLC, Merrill Lynch Pierce Fenner & Smith Incorporated, Citigroup Global Markets Inc. and Wells Fargo ~~Capital Finance, LLC~~Bank, National Association, in their capacities as joint lead arrangers and joint bookrunners hereunder.

"Borrower" or "Borrowers" means, individually or collectively, the Company and the European Borrowers.

"Borrower Representative" means the Company, in its capacity as contractual representative of the Borrowers pursuant to Article XI.

"Borrowing" means (a) Revolving Loans of the same Facility, Type and currency, made, converted or continued on the same date and, in the case of Eurocurrency Loans, as to which a single Interest Period is in effect, (b) a Swingline Loan and (c) a Protective Advance.

"Borrowing Base" means, individually and collectively, each of the Aggregate Borrowing Base, the ~~US~~Canadian Borrowing Base, the Dutch Borrowing Base, the UK Borrowing Base and the ~~Dutch~~US Borrowing Base.

"Borrowing Base Certificate" means, individually and collectively, each of the Aggregate Borrowing Base Certificate, the US Borrowing Base Certificate, the UK Borrowing Base Certificate and the Dutch Borrowing Base Certificate.

"Borrowing Base Supplemental Documentation" means the items described on Schedule 5.01(g).

"Borrowing Request" means a request by the Borrower Representative for a Borrowing of Revolving Loans in accordance with Section 2.03.

"Business Day" means any day that is not a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to remain closed; provided that, (a) when used in connection with a Eurocurrency Loan, the term "Business Day" shall also exclude any day on which banks are not open for dealings in deposits in the applicable currency in which interest on such Eurocurrency Loan is calculated in the London interbank market, (b) when used in connection with a European Swingline Loan denominated in Euros or a Eurocurrency Loan denominated in Euros, the term "Business Day" shall also exclude any day which is not a TARGET Day (as determined by the Administrative Agent) and (c) when used in connection with any European Loan or European Letter of Credit, the term "Business Day" shall also exclude any day in which commercial banks in the country where the applicable European Borrower is organized are authorized or required by law to remain closed.

"Canadian Borrowing Base" means, at any time, with respect to the Canadian Loan Parties, the sum of:

(a) the sum of (i) the product of (A) 85% *multiplied by* (B) the Canadian Loan Parties' Eligible Accounts (other than Eligible Credit Card Receivables) at such time, *minus* the Dilution Reserve related to the Canadian Loan Parties, *minus* any other Reserve related to Accounts of the Canadian Loan Parties, (ii) the product of (A) 90% *multiplied by* (B) the Canadian Loan Parties' Eligible Credit Card Receivables at such time *minus* the Dilution Reserve related to the Canadian Loan Parties, *minus* any other Reserve related to Accounts of the Canadian Loan Parties, and (iii) the product of (A) 75% *multiplied by* (B) the Eligible Uninvoiced Accounts Receivable of the Canadian Loan Parties at such time *minus* the Dilution Reserve related to the Canadian Loan Parties, *plus*

(b) the lesser of (i) the product of (x) 75% *multiplied by* (y) the Canadian Loan Parties' Eligible Inventory, valued at the lower of cost (determined on a first-in-first-out basis or average cost basis) or market value, at such time, *minus* any Reserves related to the Eligible Inventory of the Canadian Loan Parties and (ii) the product of 85% *multiplied by* the High Season or Low Season, if applicable, Net Orderly Liquidation Value percentage (as applicable, based on the borrowing base delivery date as required under Section 5.01(f)) identified in the most recent inventory appraisal ordered by the Administrative Agent *multiplied by* the Canadian Loan Parties' Eligible Inventory, valued at the lower of cost (determined on a first-in-first-out basis or average cost basis) or market value, at such time *minus* any Reserves related to the Eligible Inventory of the Canadian Loan Parties, *plus*

(c) the lesser of (i) the product of (x) 75% *multiplied by* (y) the Canadian Loan Parties' Eligible LC Inventory, valued at the lower of cost (determined on a first-in-first-out basis or average cost basis) or market value, at such time, *minus*, without duplication of any Reserves accounted for in clause (b) above, Reserves relating to the Eligible LC Inventory of the Canadian Loan Parties and (ii) the product of 85% *multiplied by* the High Season or Low Season, if applicable, Net Orderly Liquidation Value percentage (as applicable, based on the borrowing base delivery date as required under Section 5.01(f)) identified in the most recent inventory appraisal ordered by the Administrative Agent *multiplied by* the Canadian Loan Parties' Eligible LC Inventory, valued at the lower of cost (determined on a first-in-first-out basis or average cost basis) or market value, at such time *minus*, without duplication of any Reserves accounted for in clause (b) above, Reserves related to the Eligible LC Inventory of the Canadian Loan Parties.

The Administrative Agent may, in its Permitted Discretion, adjust Reserves used in computing the Aggregate Borrowing Base and the Canadian Borrowing Base, with any such changes to be effective three Business Days after delivery of notice thereof to the Borrower Representative and the Lenders. The Aggregate Borrowing Base and the Canadian Borrowing Base at any time shall be determined by reference to the most recent Aggregate Borrowing Base Certificate and each other Borrowing Base Certificate delivered to the Administrative Agent pursuant to Section 5.01(f) of this Agreement.

"Canadian Dollars" or "C$" refers to the lawful currency of Canada.

"Canadian Loan Party" means any Loan Party organized under the laws of Canada.

"Canadian Security Agreement" means (a) that certain Canadian Security Agreement, in form and substance reasonably acceptable to the Administrative Agent, between the Canadian Loan Parties party thereto and the European Collateral Agent (for the benefit of the Agents, the Lenders and the Issuing Banks), (b) any other pledge or security agreement entered into, after the date of this Agreement by any other Canadian Loan Party (as required by this Agreement or any other Loan Document for the purpose of creating a Lien on the property of any Loan Party organized in the Canada (or any other property located therein)), or any other Person and (c) any other pledge or security agreement entered into, after the date of this Agreement, by any Loan Party (as required by this Agreement or any other Loan Document for the purpose of creating a Lien on any property located in the Canada), which charge or security agreement is designated by the Administrative Agent as a "Canadian Security Agreement", in each case as the same may be amended, restated or otherwise modified from time to time.

"Capital Expenditures" means, without duplication, any expenditure for any purchase or other acquisition of any asset which would be classified as a fixed or capital asset on a consolidated balance sheet of the Company and its ~~S~~subsidiaries as shown in the statement of cash flows prepared in accordance with GAAP.

"Capital Lease Obligations" of any Person means the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under GAAP, and the amount of such obligations shall be the capitalized amount thereof determined in accordance with GAAP.

"CAS" means the *Code des Assurances Sociales* which contains the statutory provisions regarding the mandatory affiliation and contributions to the Luxembourg pension and social security schemes regarding employees employed by the Luxembourg Borrower within the territory of the Grand Duchy of Luxembourg.

"CCSS" means the *Centre Commun de la Sécurité Sociale*, which is the Luxembourg authority in charge of the Luxembourg mandatory welfare system.

"Change in Control" means (a) the acquisition of ownership, directly or indirectly, beneficially or of record, by any Person or group (within the meaning of the Securities Exchange Act of 1934 and the rules of the Securities and Exchange Commission thereunder as in effect on the date hereof) of Equity Interests representing more than 40% of the aggregate ordinary voting power

represented by the issued and outstanding Equity Interests of the Company; (b) occupation of a majority of the seats (other than vacant seats) on the board of directors of the Company by Persons who were neither (i) nominated by the board of directors of the Company nor (ii) appointed by directors so nominated; or (c) the Company shall cease to own, free and clear of all Liens or other encumbrances (other than Liens created pursuant to any Loan Document), 100% of the outstanding voting Equity Interests of the Borrowers (other than the Company) on a fully diluted basis (other than any directors' qualifying shares of any Borrower).

"Change in Law" means (a) the adoption of any law, rule, regulation, practice or concession after the date of this Agreement, (b) any change in any law, rule or regulation, practice or concession or in the interpretation or application thereof by any Governmental Authority after the date of this Agreement ~~or~~, (c) compliance by any Lender or any Issuing Bank (or, for purposes of Section 2.15(b), by any lending office of such Lender or by such Lender's or such Issuing Bank's holding company, if any) with any request, guideline or directive (whether or not having the force of law) of any Governmental Authority made or issued after the date of this Agreement~~.~~, (d) all requests, rules, guidelines, requirements and directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or by United States or foreign regulatory authorities, in each case pursuant to Basel III, regardless of the date enacted, adopted, issued or implemented or (e) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines, requirements and directives thereunder or issued in connection therewith or in implementation thereof, regardless of the date enacted, adopted, issued or implemented.

"Charges" has the meaning assigned to such term in Section 9.17.

"Class", when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are Revolving Loans, Swingline Loans or Protective Advances.

"Code" means the Internal Revenue Code of 1986, as amended from time to time.

"Collateral" means any and all property of any Loan Party, now existing or hereafter acquired, that may at any time be or become subject to a security interest or Lien in favor of the applicable Collateral Agent (on behalf of the Agents, the Lenders, and the Issuing Banks) pursuant to the Collateral Documents in order to secure the Secured Obligations.

"Collateral Access Agreement" means, individually and collectively, each "Collateral Access Agreement" referred to in any Security Agreement.

"Collateral Agent" means, individually and collectively, the US Collateral Agent and European Collateral Agent.

"Collateral Document" means, individually and collectively, each Security Agreement and each other document granting a Lien upon the Collateral as security for payment of the Secured Obligations.

"Collection Account" means, individually and collectively, each "Collection Account" referred to in any Security Agreement.

"Commitment" means, with respect to each Lender, individually and collectively, the Facility A Commitment and the Facility B Commitment of such Lender.

"Commitment Schedule" means the Schedule attached hereto as Schedule 1.01(a).

"Commitment Utilization Percentage" means, on any date, the percentage equivalent to a fraction (a) with respect to Facility A, (i) the numerator of which is the total Facility A Revolving Exposure and (ii) the denominator of which is the aggregate amount of the Facility A Commitments (or, on any day after termination of the Facility A Commitments, the aggregate amount of the Facility A Commitments in effect immediately preceding such termination) and (b) with respect to Facility B, (i) the numerator of which is the total Facility B Revolving Exposure and (ii) the denominator of which is the aggregate amount of the Facility B Commitments (or, on any day after termination of the Facility B Commitments, the aggregate amount of the Facility B Commitments in effect immediately preceding such termination).

"Commodity Exchange Act" means the Commodity Exchange Act (7 U.S.C. § 1 et seq.), as amended from time to time, and any successor statute.

"Company" means Office Depot, Inc., a Delaware corporation.

"Company Plan" has the meaning assigned to such term in Section 5.07(b).

"Compliance Certificate" has the meaning assigned to such term in Section 5.01(c).

"Confidential Information Memorandum" means the Confidential Information Memorandum dated May 2011 relating to the Borrowers and the Transactions.

"Consignment Transaction" means any consignment transaction between the Company or its subsidiaries and an Original Vendor in which (i) inventory is sold to the Original Vendor for fair market value in exchange for cash consideration and (ii) such inventory is consigned by the Original Vendor to the Company or its subsidiaries for resale.

"Contribution Notice" means a contribution notice issued by the Pensions Regulator under Sections 38 or 47 of the UK Pensions Act 2004.

"Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. "Controlling" and "Controlled" have meanings correlative thereto.

"Corresponding Debt" has the meaning assigned to such term in Section 9.21.

"Credit Card Account Receivables" means any receivables due to any Loan Party in connection with purchases from and other goods and services provided by such Loan Party on the following credit cards: Visa, MasterCard, American Express, Diners Club, Discover, Carte Blanche and such other credit cards as the Administrative Agent shall reasonably approve from time to time, in each case which have been earned by performance by such Loan Party but not yet paid to such Loan Party by the credit card issuer or the credit card processor, as applicable.

"Credit Exposure" means, as to any Facility A Lender or Facility B Lender at any time, the sum of (a) such Lender's Facility A Revolving Exposure or Facility B Revolving Exposure, as applicable, at such time, *plus* (b) an amount equal to its Applicable Percentage, if any, of the aggregate principal amount of Facility A Protective Advances or Facility B Protective Advances, as applicable, outstanding at such time.

"Credit Party" means the Administrative Agent, the European Administrative Agent, the Collateral Agents, the Issuing Bank, the Swingline Lender or any other Lender.

"Currency of Payment" has the meaning assigned to such term in Section 9.19.

"Customer Credit Liability Reserves" means, at any time, 50% of the aggregate remaining value at such time of (a) outstanding gift certificates and gift cards sold by the Loan Parties entitling the holder thereof to use all or a portion of the certificate or gift card to pay all or a portion of the purchase price of Inventory, and (b) outstanding merchandise credits issued by and customer deposits received by the Loan Parties.

"Customer-Specific Inventory" means Inventory specifically identified or produced for a particular customer.

"Default" means any event or condition which constitutes an Event of Default or which upon notice, lapse of time or both would, unless cured or waived, become an Event of Default.

"Defaulting Lender" means any Lender that (a) has failed, within two Business Days of the date required to be funded or paid, to (i) fund any portion of its Loans, (ii) fund any portion of its participations in Letters of Credit or Swingline Loans or (iii) pay over to any Credit Party any other amount required to be paid by it hereunder, unless, in the case of clause (i) above, such Lender notifies the Administrative Agent in writing that such failure is the result of such Lender's good faith determination that a condition precedent to funding (specifically identified and including the particular default, if any) has not been satisfied, (b) has notified the Borrower or any Credit Party in writing, or has made a public statement to the effect, that it does not intend or expect to comply with any of its funding obligations under this Agreement (unless such writing or public statement indicates that such position is based on such Lender's good faith determination that a condition precedent (specifically identified and including the particular default, if any) to funding a loan under this Agreement cannot be satisfied) or generally under other agreements in which it commits to extend credit, (c) has failed, within three Business Days after request by the Administrative Agent or the European Administrative Agent, acting in good faith, to provide a certification in writing from an authorized officer of such Lender that it will comply with its obligations (and is financially able to meet such obligations) to fund prospective Loans and participations in then outstanding Letters of Credit and Swingline Loans under this Agreement, provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon such Credit Party's receipt of such certification in form and substance satisfactory to it and the Administrative Agent, or (d) has become the subject of a Bankruptcy Event.

"Deferred Cash Discounts" means, with respect to any Loan Party, cash discounts earned by such Loan Party for early payments to vendors which reduce net Inventory costs for such Loan Party.

"Departing Lender" has the meaning assigned to such term in Section 2.19(b).

"Deposit Account Control Agreement" means, individually and collectively, each "Deposit Account Control Agreement" referred to in any Security Agreement.

"Dilution Factors" means, without duplication, with respect to any period, the aggregate amount of all deductions, credit memos, returns, adjustments, allowances, bad debt write-offs and other non-cash credits which are recorded to reduce accounts receivable in a manner consistent with current and historical accounting practices of the Borrowers.

"Dilution Ratio" means, at any date, the amount (expressed as a percentage) equal to (a) the aggregate amount of the applicable Dilution Factors for the 12 most recently ended fiscal months divided by (b) total gross sales for the 12 most recently ended fiscal months.

"Dilution Reserve" means, at any date, the applicable Dilution Ratio *multiplied* by the Eligible Accounts, Eligible Credit Card Receivables or Uninvoiced Accounts Receivable of the applicable Loan Parties, as the context may require, on such date; provided that at all times that the Dilution Ratio is less than 5.0%, the Dilution Reserve shall be zero.

"Disclosed Matters" means the actions, suits and proceedings and the environmental matters disclosed on Schedule 3.06 and the underfunding liabilities disclosed on Schedule 3.10.

"Document" has the meaning assigned to such term in the US Security Agreement.

"Documentation Agents" means, individually and collectively, Citibank, N.A. and Wells Fargo Bank, National Association, in their capacity as Documentation Agents.

"Dollar Equivalent" means with respect to any amount at the time of determination thereof, (a) if such amount is expressed in dollars, such amount, and (b) if such amount is expressed in Euros or Sterling, the amount of dollars that would be required to purchase the amount of such currency based upon the Spot Selling Rate as of such date of determination.

"dollars" or "$" means the lawful money of the United States.

"Dutch Borrower" means, individually and collectively, (a) Office Depot International B.V., a private limited liability company *(besloten vennootschap met beperkte aansprakelijkheid)*, incorporated under the law of the Netherlands, having its registered seat *(statutaire zetel)* in Venlo, the Netherlands, registered with the Chamber of Commerce of Limburg, the Netherlands under number 12066591 and having its office address at Columbusweg 33, 5928 LA, Venlo, the Netherlands, (b) Office Depot B.V., a private limited liability company *(besloten vennootschap met beperkte aansprakelijkheid)*, incorporated under the law of the Netherlands, having its registered seat (statutaire *zetel)* in Venlo, the Netherlands, registered with the Chamber of Commerce of Limburg, the Netherlands under number 05047775 and having its office address at Columbusweg 33, 5928 LA, Venlo, the Netherlands and (c) Office Depot Finance B.V., a private limited liability company *(besloten vennootschap met beperkte aansprakelijkheid)*, incorporated under the law of the Netherlands, having its registered seat *(statutaire zetel)* in Venlo, the Netherlands, registered with the Chamber of Commerce of Limburg, the Netherlands under number 12067691 and having its office address at Columbusweg 33, 5928 LA, Venlo, the Netherlands.

"Dutch Borrowing Base" means, at any time, with respect to the Dutch Loan Parties, the sum of:

(a) the sum of (i) the product of (A) 85% *multiplied by* (B) the Dutch Loan Parties' Eligible Accounts (other than Eligible Credit Card Receivables) at such time, *minus* the Dilution Reserve related to the Dutch Loan Parties, *minus* any other Reserve related to Accounts of the Dutch Loan

Parties, (ii) the product of (A) 90% *multiplied by* (B) the Dutch Loan Parties' Eligible Credit Card Receivables at such time *minus* the Dilution Reserve related to the Dutch Loan Parties, *minus* any other Reserve related to Accounts of the Dutch Loan Parties, and (iii) the product of (A) 75% *multiplied by* (B) the Eligible Uninvoiced Accounts Receivable of the Dutch Loan Parties at such time *minus* the Dilution Reserve related to the Dutch Loan Parties, *plus*

(b) the lesser of (i) the product of (x) 75% *multiplied by* (y) the Dutch Loan Parties' Eligible Inventory, valued at the lower of cost (determined on a first-in-first-out basis or average cost basis) or market value, at such time, *minus* any Reserves related to the Eligible Inventory of the Dutch Loan Parties and (ii) the product of 85% *multiplied by* the High Season or Low Season, if applicable, Net Orderly Liquidation Value percentage (as applicable, based on the borrowing base delivery date as required under Section 5.01(f)) identified in the most recent inventory appraisal ordered by the Administrative Agent *multiplied by* the Dutch Loan Parties' Eligible Inventory, valued at the lower of cost (determined on a first-in-first-out basis or average cost basis) or market value, at such time *minus* any Reserves related to the Eligible Inventory of the Dutch Loan Parties, *plus*

(c) the lesser of (i) the product of (x) 75% *multiplied by* (y) the Dutch Loan Parties' Eligible LC Inventory, valued at the lower of cost (determined on a first-in-first-out basis or average cost basis) or market value, at such time, *minus*, without duplication of any Reserves accounted for in clause (b) above, Reserves relating to the Eligible LC Inventory of the Dutch Loan Parties and (ii) the product of 85% *multiplied by* the High Season or Low Season, if applicable, Net Orderly Liquidation Value percentage (as applicable, based on the borrowing base delivery date as required under Section 5.01(f)) identified in the most recent inventory appraisal ordered by the Administrative Agent *multiplied by* the Dutch Loan Parties' Eligible LC Inventory, valued at the lower of cost (determined on a first-in-first-out basis or average cost basis) or market value, at such time *minus*, without duplication of any Reserves accounted for in clause (b) above, Reserves related to the Eligible LC Inventory of the Dutch Loan Parties.

The Administrative Agent may, in its Permitted Discretion, adjust Reserves used in computing the Aggregate Borrowing Base and the Dutch Borrowing Base, with any such changes to be effective three Business Days after delivery of notice thereof to the Borrower Representative and the Lenders. The Aggregate Borrowing Base and the Dutch Borrowing Base at any time shall be determined by reference to the most recent Aggregate Borrowing Base Certificate and each other Borrowing Base Certificate delivered to the Administrative Agent pursuant to Section 5.01(f) of this Agreement.

For purposes of computing each of the Dutch Borrowing Base, the European Borrowing Base, the Aggregate Borrowing Base and interpreting the defined terms used in any of the foregoing, (i) Accounts owed to a Luxembourg Loan Party that becomes a Principal as a result of any Luxembourg Restructuring Transactions by an Account Debtor that maintains an office in, or is organized under any applicable law of, the Netherlands shall be deemed to be owed to a Dutch Borrower and (ii) Inventory located in the Netherlands that is owned by a Luxembourg Loan Party that becomes a Principal as a result of any Luxembourg Restructuring Transactions shall be deemed to be owned by a Dutch Borrower; provided that immediately prior to the transfer of such Accounts or Inventory to the Luxembourg Loan Party, such Accounts or Inventory were Eligible Accounts or Eligible Inventory, respectively.

"Dutch Borrowing Base Certificate" means a certificate, signed and certified as accurate and complete by a Financial Officer of each Dutch Borrower, in substantially the form of Exhibit B-4 or another form which is acceptable to the Administrative Agent in its sole discretion.

"Dutch Loan Party" means, individually and collectively, any Loan Party (including the Dutch Borrowers) incorporated under the laws of the Netherlands.

"Dutch Security Agreement" means (a) a Dutch law deed of pledge of movables, dated as of the Initial Effective Date, among Office Depot B.V. and Office Depot International B.V. as pledgors and the European Collateral Agent as pledgee, (b) a Dutch law undisclosed deed of pledge of receivables, dated as of the Initial Effective Date, among Office Depot B.V. and Office Depot International B.V. as pledgors and the European Collateral Agent as pledgee, (c) a Dutch law deed of pledge of collection accounts, dated as of the Initial Effective Date, among Office Depot B.V. and Office Depot International B.V. as pledgors and the European Collateral Agent as pledgee, (d) a Dutch law deed of pledge of non-collection bank accounts, dated as of the Initial Effective Date, among Office Depot B.V. and Office Depot International B.V. as pledgors and the European Collateral Agent as pledgee, (e) a Dutch law disclosed deed of pledge of intercompany receivables, dated as of the Initial Effective Date, among Office Depot B.V. and Office Depot International B.V. as pledgors and the European Collateral Agent as pledgee, (f) a Dutch law deed of pledge of receivables, dated 27 December 2010, between Office Depot Finance B.V. as pledgor and the European Collateral Agent as pledgee, (g) any other pledge or security agreement entered into, after the date of this Agreement, by any other Dutch Loan Party (as required by this Agreement or any other Loan Document for the purpose of creating a Lien on the property of any Dutch Loan Party (or any other property located in the Netherlands)) and (h) any other charge or security agreement entered into, after the date of this Agreement, by any Loan Party (as required by this Agreement or any other Loan Document for the purpose of creating a Lien on any property located in the Netherlands), which charge or security agreement is designated by the European Administrative Agent as a "Dutch Security Agreement", in each case as the same may be amended, restated or otherwise modified from time to time.

"EBITDAR" means, for any period, Net Income for such period *plus* (a) without duplication and to the extent deducted in determining Net Income for such period, the sum of (i) Interest Expense for such period, (ii) income tax expense for such period, (iii) all amounts attributable to depreciation and amortization expense for such period, (iv) Rentals for such period, (v) any items of loss resulting from the sale of assets other than in the ordinary course of business for such period (vi) any non-cash charges for tangible or intangible impairments or asset write downs for such period (excluding any write downs for write-offs of Inventory) and (vii) any other non-cash charges for such period (but excluding any non-cash charge in respect of an item that was included in Net Income in a prior period and any non-cash charge that relates to the write-down or write-off of inventory), *minus* (b) without duplication and to the extent included in Net Income, (i) any items of gain resulting from the sale of assets other than in the ordinary course of business for such period, (ii) any cash payments made during such period in respect of non-cash charges described in clause (a)(vii) taken in a prior period and (iii) any extraordinary gains and any non-cash items of income for such period, all calculated for the Company and its ~~S~~subsidiaries on a consolidated basis in accordance with GAAP.

"Eligible Accounts" means, at any time, the Accounts of any Loan Party which in accordance with the terms hereof are eligible as the basis for the extension of Revolving Loans and Swingline Loans and the issuance of Letters of Credit hereunder. Eligible Accounts shall not include any Account:

(a) which is not subject to a first priority perfected security interest in favor of the applicable Collateral Agent (for the benefit of the Agents, the Lenders and the Issuing Banks);

(b) which is subject to any Lien other than (i) a Lien in favor of the applicable Collateral Agent (for the benefit of the Agents, the Lenders and the Issuing Banks), and (ii) a Permitted Encumbrance which does not have priority over the Lien in favor of the applicable Collateral Agent;

(c) with respect to which (i) the scheduled due date is more than 60 days after the original invoice date, (ii) is unpaid more than (A) 90 days after the date of the original invoice therefor or (B) 60 days after the original due date, or (iii) which has been written off the books of the Borrower or otherwise designated as uncollectible (in determining the aggregate amount from the same Account Debtor that is unpaid hereunder there shall be excluded the amount of any net credit balances relating to Accounts due from an Account Debtor which are unpaid more than 90 days from the date of invoice or more than 60 days from the due date); provided that Accounts owing by Account Debtors whose securities are either rated BBB- or better by S&P or Baa3 or better by Moody's in an aggregate amount (for all Borrowing Bases) not to exceed $25,000,000 at any time may be included in Eligible Accounts, so long as no such Account is not unpaid more than 120 days after the date of the original invoice therefor or more than 120 days after the original due date;

(d) which is owing by an Account Debtor for which more than 50% of the Accounts owing from such Account Debtor and its Affiliates are ineligible hereunder;

(e) (i) which is owing by an Account Debtor to the extent the aggregate amount of Accounts owing from such Account Debtor and its Affiliates to (i) such Loan Party exceeds 15% of the aggregate amount of Eligible Accounts of such Loan Party or (ii) all Loan Parties exceeds 15% of the aggregate amount of Eligible Accounts of all Loan Parties.

(f) with respect to which any covenant, representation, or warranty contained in this Agreement or in any applicable Security Agreement has been breached or is not true;

(g) which (i) does not arise from the sale of goods or performance of services in the ordinary course of business, (ii) is not evidenced by an invoice or other documentation satisfactory to the Administrative Agent which has been sent to the Account Debtor, (iii) represents a progress billing, (iv) is contingent upon the Borrower's completion of any further performance, (v) represents a sale on a bill-and-hold, guaranteed sale, sale-and-return, sale on approval, consignment, cash-on-delivery or any other repurchase or return basis or (vi) relates to payments of interest;

(h) for which the goods giving rise to such Account have not been shipped to the Account Debtor or for which the services giving rise to such Account have not been performed by such Borrower or if such Account was invoiced more than once;

(i) with respect to which any check or other instrument of payment has been returned uncollected for any reason to the extent of such returned payment;

(j) which is owed by an Account Debtor that (i) has applied for or been the subject of a petition or application for, suffered, or consented to the appointment of any receiver, custodian, trustee, administrator, liquidator or similar official for such Account Debtor or its assets, (ii) has had possession of all or a material part of its property taken by any receiver, custodian, trustee or liquidator, (iii) filed, or had filed against it, under any Insolvency Laws, any

assignment, application, request or petition for liquidation, reorganization, compromise, arrangement, adjustment of debts, stay of proceedings, adjudication as bankrupt, winding-up, or voluntary or involuntary case or proceeding, (iv) has admitted in writing its inability, or is generally unable to, pay its debts as they become due, (v) has become insolvent, or (vi) ceased operation of its business;

(k) which is owed by any Account Debtor which has sold all or substantially all of its assets;

(l) which is owed by an Account Debtor which (i) does not maintain an office in the United States or Canada (in each case, if any Account Debtor of the Company or Canadian Loan Party), England and Wales or Scotland (in each case, if an Account Debtor of any UK Borrower) the Netherlands (if an Account Debtor of any Dutch Borrower) or (ii) is not organized under any applicable law of the United States, any State of the United States or the District of Columbia, Canada or any province of Canada (in each case, if an Account Debtor of the Company or Canadian Loan Party), England and Wales or Scotland (in each case, if an Account Debtor of any UK Borrower) or the Netherlands (if an Account Debtor of any Dutch Borrower) unless, in any such case, such Account is backed by a letter of credit acceptable to the Administrative Agent which is in the possession of, has been assigned to and is directly drawable by the Administrative Agent;

(m) which is owed in any currency (i) other than dollars or Canadian Dollars with respect to the US Loan Parties or Canadian Loan Parties, or (ii) other than dollars, Euros or Sterling with respect to the European Loan Parties;

(n) ~~which is owed by the government (or any department, agency, public corporation, or instrumentality thereof, excluding states of the United States of America) of any country (other than the United Kingdom) and except to the extent that the subject Account Debtor is the federal government of the United States of America and has complied with the Federal Assignment of Claims Act of 1940, as amended (31 USC. § 3727~~ et seq~~. and 41 USC. § 15~~ et seq~~.), and any other steps necessary to perfect the Lien of the applicable Collateral Agent in such Account have been complied with to the satisfaction of such applicable Collateral Agent;~~[reserved];

(o) which is owed by any Affiliate, employee, officer, director, agent or stockholder of any Loan Party;

(p) [reserved];

(q) which is owed by an Account Debtor or any Affiliate of such Account Debtor to which any Loan Party is indebted, but only to the extent of such indebtedness or is subject to any security, deposit, progress payment, retainage or other similar advance made by or for the benefit of an Account Debtor, in each case to the extent thereof;

(r) which is subject to any counterclaim, deduction, defense, setoff or dispute but only to the extent of any such counterclaim, deduction, defense, setoff or dispute;

(s) which is owed by an Account Debtor located in any jurisdiction which requires filing of a "Notice of Business Activities Report" or other similar report in order to permit such Borrower to seek judicial enforcement in such jurisdiction of payment of such Account, unless such Borrower has filed such report or qualified to do business in such jurisdiction;

(t) with respect to which such Borrower has made any agreement with the Account Debtor for any reduction thereof, other than discounts and adjustments given in the ordinary course of business, or any Account which was partially paid and such Borrower created a new receivable for the unpaid portion of such Account;

(u) which does not comply in all material respects with the requirements of all applicable laws and regulations, whether federal, provincial, territorial, state or local, including without limitation the Federal Consumer Credit Protection Act, the Federal Truth in Lending Act and Regulation Z of the Board;

(v) which is for goods that have been sold under a purchase order or pursuant to the terms of a contract or other agreement or understanding (written or oral) that indicates or purports that any Person other than such Borrower has or has had an ownership interest in such goods, or which indicates any party other than such Borrower as payee or remittance party;

(w) which was created on cash on delivery terms;

(x) which is subject to any limitation on assignments or other security interests (whether arising by operation of law, by agreement or otherwise), unless the applicable Collateral Agent has determined that such limitation is not enforceable;

(y) which is governed by the laws of any jurisdiction other than the United States, any State thereof or the District of Columbia, Canada or any province of Canada (in each case, with respect to an Account Debtor of the Company), England and Wales or Scotland (in each case, with respect to an Account Debtor of any UK Borrower) or the Netherlands (with respect to an Account Debtor of any Dutch Borrower);

(z) in respect of which the Account Debtor is a consumer within applicable consumer protection legislation; or

(aa) which the Administrative Agent in its Permitted Discretion determines may not be paid by reason of the Account Debtor's inability to pay; ~~provided that the Aggregate Availability represented by the Eligible Canadian Accounts in the US Borrowing Base shall not exceed $15,000,000 at any time.~~

provided that the Aggregate Availability represented by the Eligible Canadian Accounts in the US Borrowing Base shall not exceed $25,000,000 at any time; provided, further that during a Level 4 Minimum Aggregate Availability Period, in the Administrative Agent's Permitted Discretion, Eligible Accounts shall not include any Account which is owed by the government (or any department, agency, public corporation, or instrumentality thereof, excluding states and localities of the United States of America) of any country (other than the United Kingdom) and except to the extent that the subject Account Debtor is the federal government of the United States of America and has complied with the Federal Assignment of Claims Act of 1940, as amended (31 USC. § 3727 et seq. and 41 USC. § 15 et seq.), and any other steps necessary to perfect the Lien of the applicable Collateral Agent in such Account have been complied with to the satisfaction of such applicable Collateral Agent.

In determining the amount of an Eligible Account, the face amount of an Account may, in the Administrative Agent's Permitted Discretion, be reduced by, without duplication, to the extent not reflected in such face amount, (i) the amount of all accrued and actual discounts, claims, credits or credits pending, promotional program allowances, price adjustments, finance charges or other allowances (including any amount that such Borrower may be obligated to rebate to an Account Debtor pursuant to the terms of any agreement or understanding (written or oral)) and (ii) the aggregate amount of all cash received in respect of such Account but not yet applied by such Loan Party to reduce the amount of such Account. Standards of eligibility may be made more restrictive from time to time solely by the Administrative Agent in the exercise of its Permitted Discretion, with any such changes to be effective three days after delivery of notice thereof to the Borrower Representative and the Lenders.

"Eligible Canadian Account" means any Eligible Account owing to the Company or a Canadian Loan Party by an Account Debtor organized under the laws of Canada.

"Eligible Canadian Inventory" means any Eligible Inventory owned by the Company or a Canadian Loan Party which is located in Canada.

"Eligible Credit Card Account Receivable" means any Credit Card Account Receivable that (i) has been earned and represents the bona fide amounts due to a Loan Party from a credit card processor and/or credit card issuer, and in each case originated in the ordinary course of business of the applicable Loan Party and (ii) is not excluded as an Eligible Credit Card Receivable pursuant to any of clauses (a) through (i) below; provided that no Credit Card Accounts Receivable of the Canadian Loan Parties, the Dutch Loan Parties or the UK Loan Parties shall be an "Eligible Credit Card Receivable" prior to the completion of a satisfactory initial field examination inclusive of the Canadian Loan Parties', the Dutch Loan Parties' or UK Loan Parties', as applicable, Credit Card Accounts Receivable. Without limiting the foregoing, to qualify as an Eligible Credit Card Account Receivable, a Credit Card Account Receivable shall indicate no person other than a Loan Party as payee or remittance party. Eligible Credit Card Account Receivable shall not include any Credit Card Account Receivable if:

(a) such Credit Card Account Receivable is not owned by a Loan Party and such Loan Party does not have good or marketable title to such Credit Card Account Receivable;

(b) such Credit Card Account Receivable does not constitute an "Account" (as defined in the UCC) or such Credit Card Account Receivable has been outstanding more than five Business days;

(c) the credit card issuer or credit card processor of the applicable credit card with respect to such Credit Card Account Receivable is the subject of any bankruptcy or insolvency proceedings;

(d) such Credit Card Account Receivable is not a valid, legally enforceable obligation of the applicable credit card issuer with respect thereto;

(e) such Credit Card Account Receivable is not subject to a properly perfected security interest in favor of the Administrative Agent, or is subject to any Lien whatsoever other than Permitted Encumbrances contemplated by the processor agreements and for which appropriate reserves (as determined by the Administrative Agent in its Permitted Discretion) have been established or maintained by the Loan Parties;

(f) such Credit Card Account Receivable does not conform in all material respects to all representations, warranties or other provisions in the Loan Documents or in the credit card agreements relating to such Credit Card Account Receivable;

(g) such Credit Card Account Receivable is subject to risk of set-off, non-collection or not being processed due to unpaid and/or accrued credit card processor fee balances, to the extent of the lesser of the balance of such Credit Card Account Receivable or unpaid credit card processor fees;

(h) such Credit Card Account Receivable is evidenced by "chattel paper" or an "instrument" of any kind unless such "chattel paper" or "instrument" is in the possession of the Administrative Agent, and to the extent necessary or appropriate, endorsed to the Administrative Agent; or

(i) such Credit Card Account Receivable does not meet such other usual and customary eligibility criteria for Credit Card Account Receivables as the Administrative Agent may determine from time to time in its Permitted Discretion.

In determining the amount to be so included in the calculation of the value of an Eligible Credit Card Receivable, the face amount thereof shall be reduced by, without duplication, to the extent not reflected in such face amount, (i) the amount of all customary fees and expenses in connection with any credit card arrangements and (ii) the aggregate amount of all cash received in respect thereof but not yet applied by the applicable Loan Party to reduce the amount of such Eligible Credit Card Account Receivable.

"Eligible Inventory" means, at any time, the Inventory of a Loan Party which in accordance with the terms hereof is eligible as the basis for the extension of Revolving Loans and Swingline Loans and the issuance of Letters of Credit hereunder. Eligible Inventory shall not include any Inventory:

(a) which is not subject to a first priority perfected Lien in favor of the applicable Collateral Agent (for the benefit of the Agents, the Lenders and the Issuing Banks) under the laws of the country where such Inventory is located;

(b) which is subject to any Lien other than (i) a Lien in favor of the applicable Collateral Agent (for the benefit of the Agents, the Lenders and the Issuing Banks) and (ii) a Permitted Encumbrance which does not have priority over the Lien in favor of the applicable Collateral Agent (for the benefit of the Agents, the Lenders and the Issuing Banks);

(c) which, in the Administrative Agent's Permitted Discretion, is determined to be slow moving, obsolete, unmerchantable, defective, used, unfit for sale or unacceptable due to age, type, category and/or quantity;

(d) with respect to which any covenant, representation, or warranty contained in this Agreement or any applicable Security Agreement has been breached or is not true and which does not conform to all standards imposed by any Governmental Authority;

(e) in which any Person other than the applicable Loan Party shall (i) have any direct or indirect ownership, interest or title to such Inventory (including without limitation any Inventory sold to an Original Vendor in connection with a Consignment Transaction pursuant to Section 6.05(o)) or (ii) be indicated on any purchase order or invoice with respect to such Inventory as having or purporting to have an interest therein;

(f) which is not finished goods or which constitutes work-in-process, raw materials, spare or replacement parts, subassemblies, packaging and shipping material, manufacturing supplies, samples, prototypes, bill-and-hold goods, goods that are returned or marked for return, repossessed goods, defective or damaged goods, goods held on consignment, or goods which are not of a type held for sale in the ordinary course of business;

(g) which is not located in the United States or Canada (in each case, with respect to Inventory owned by the Company or Canadian Loan Party), England and Wales or Scotland (in each case, with respect to Inventory owned by any UK Borrower) or the Netherlands (with respect to Inventory owned by any Dutch Borrower) or is in transit with a common carrier from vendors and suppliers other than Eligible LC Inventory;

(h) which is located in any (i) warehouse, cross-docking facility, distribution center, regional distribution center or depot or (ii) any retail store located in a jurisdiction providing for a common law landlord's lien on the personal property of tenants, in each case leased by the applicable Loan Party unless (A) the lessor has delivered to the Administrative Agent a Collateral Access Agreement or (B) a Rent Reserve has been established by the Administrative Agent;

(i) which is located in any third party warehouse or is in the possession of a bailee (other than a third party processor) and is not evidenced by a Document (other than bills of lading to the extent permitted pursuant to paragraph (g) above), unless (i) such warehouseman or bailee has delivered to the Administrative Agent a Collateral Access Agreement and such other documentation as the Administrative Agent may require or (ii) a Rent Reserve has been established by the Administrative Agent;

(j) which is being processed offsite at a third party location or outside processor, or is in-transit to or from said third party location or outside processor;

(l) which is the subject of a consignment by the applicable Loan Party as consignor;

(m) which a Loan Party has acquired owing to a flash title transfer;

(n) which contains or bears any intellectual property rights licensed to the applicable Loan Party unless the Administrative Agent is satisfied that it may sell or otherwise dispose of such Inventory without (i) the consent of each applicable licensor, (ii) infringing the rights of such licensor, (iii) violating any contract with such licensor, or (iv) incurring any liability with respect to payment of royalties other than royalties incurred pursuant to sale of such Inventory under the current licensing agreement;

(o) which is not reflected in a current perpetual inventory report of such Borrower (unless such Inventory is reflected in a report to the Administrative Agent as "in transit" Inventory and constitutes Eligible LC Inventory); provided that the Inventory of Axidata Inc. and TechDepot which is reflected in the general inventory ledger of such Borrower shall be deemed Eligible Inventory;

(p) for which reclamation rights have been asserted by the seller;

(q) (i) for which any contract relating to such Inventory expressly includes retention of title in favor of the vendor or supplier thereof or (ii) for which any contract relating to such Inventory does not address retention of title and the relevant Loan Party has not represented to the Administrative Agent that there is no retention of title in favor of the vendor or supplier thereof; provided that up to 50% of the value of any Inventory of the type described in clause (ii) shall be deemed Eligible Inventory to the extent applicable Retention of Title Reserves have been established in respect thereof; or

(r) which is Customer-Specific Inventory;

provided, that in determining the value of the Eligible Inventory, such value shall be reduced by, without duplication, any amounts representing (a) Deferred Cash Discounts; (b) Vendor Rebates; (c) costs included in Inventory relating to advertising; (d) the shrink reserve; and (e) the unreconciled discrepancy between the general inventory ledger and the perpetual Inventory ledger, to the extent the general Inventory ledger reflects less Inventory than the perpetual inventory ledger; provided further that the Aggregate Availability represented by the Eligible Canadian Inventory in the US Borrowing Base shall not exceed $25,000,000 at any time.

Standards of eligibility may be made more restrictive from time to time solely by the Administrative Agent in the exercise of its Permitted Discretion, with any such changes to be effective three days after delivery of notice thereof to the Borrower Representative and the Lenders.

"Eligible LC Inventory" means the value of commercial and documentary Letters of Credit issued relating to Inventory that has or will be shipped to a Loan Party's location (as to which, in the case of locations leased by a Loan Party, a Collateral Access Agreement has been obtained, or appropriate Rent Reserves have been taken) and which Inventory (a) is or will be owned by a Loan Party, (b) is fully insured on terms satisfactory to the applicable Collateral Agent, (c) is subject to a first priority Lien upon such goods in favor of the Collateral Agent (except for any possessor Lien upon such goods in the possession of a freight carrier or shipping company securing only the freight charges for the transportation of such goods to such Loan Party and other Permitted Encumbrances), (d) is evidenced or deliverable pursuant to documents, notices, instruments, statements and bills of lading that have been delivered to the applicable Collateral Agent or an agent acting on its behalf, and (e) is otherwise deemed to be "Eligible Inventory" hereunder; provided further that no such Inventory of the Canadian Loan Parties, the Dutch Loan Parties or the UK Loan Parties shall be "Eligible LC Inventory" prior to the completion of a satisfactory initial appraisal of such Inventory of the Canadian Loan parties', the Dutch Loan Parties' or UK Loan Parties', as applicable; provided further that the Aggregate Availability represented by the Eligible LC Inventory in the US Borrowing Base, the UK Borrowing Base and the Dutch Borrowing Base, collectively, shall not exceed $100,000,000 at any time. The applicable Collateral Agent shall have the right to establish, modify, or eliminate Reserves against Eligible LC Inventory from time to time in its Permitted Discretion. In addition, the applicable Collateral Agent shall have the right, from time to time, to adjust any of the criteria set forth above and to establish new criteria with respect to Eligible LC Inventory in its Permitted Discretion, subject to the approval of the Administrative Agent in the case of adjustments, new criteria or the elimination of Reserves which have the effect of making more credit available or are otherwise adverse to the Lenders; provided, however, for the avoidance of doubt, no such approval shall be required in the case of any adjustment or the elimination of Reserves caused by operation of the provisions of this Agreement relating to the Aggregate Borrowing Base.

"Eligible Uninvoiced Account Receivable" means, at any time, any Account of any Loan Party that is not invoiced which would be excluded from eligibility as an Eligible Account Receivable solely as a result of the application of clause (c) or clause (g)(ii) in the definition thereof. Eligible Uninvoiced Account Receivable shall not include any Account not invoiced:

(a) which does not relate to delivered goods; and

(b) which is uninvoiced within 30 days of delivery of the goods relating thereto;

provided that the Aggregate Availability represented by the Eligible Uninvoiced Accounts Receivables in the US Borrowing Base, the UK Borrowing Base and the Dutch Borrowing Base, collectively, shall not exceed ~~$75,000,000~~100,000,000 at any time.

"EMU Legislation" means the legislative measures of the European Council for the introduction of, changeover to or operation of a single or unified European currency.

"Environmental Laws" means all laws, rules, regulations, codes, ordinances, orders, decrees, judgments, injunctions, notices or binding agreements issued, promulgated or entered into by any Governmental Authority, relating in any way to the environment, preservation or reclamation of natural resources, the management, presence, release or threatened release of any Hazardous Material or to health and safety matters.

"Environmental Liability" means any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of any Borrower or any Subsidiary directly or indirectly resulting from or based upon (a) violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) the presence of or exposure to any Hazardous Materials, (d) the release or threatened release of any Hazardous Materials into the environment or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

"Equity Interests" means shares of capital stock, partnership interests, membership interests in a limited liability company, beneficial interests in a trust or other equity ownership interests in a Person, and any warrants, options or other rights entitling the holder thereof to purchase or acquire any such equity interest.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time.

"ERISA Affiliate" means any trade or business (whether or not incorporated) that, together with a Borrower, is treated as a single employer under Section 414(b) or (c) of the Code or, solely for purposes of Section 302 of ERISA and Section 412 of the Code, is treated as a single employer under Section 414 of the Code.

"ERISA Event" means (a) any "reportable event", as defined in Section 4043 of ERISA or the regulations issued thereunder with respect to a Plan (other than an event for which the 30 day notice period referred to in Section 4043(c) of ERISA is waived); (b) the existence with respect to any Plan of a non-exempt "prohibited transaction," as defined in Section 406 of ERISA and Section 4975(f)(3) of the Code; (c) any failure of any Plan to satisfy the "minimum funding standard" applicable

to such Plan (as such term is defined in Section 412 of the Code or Section 302 of ERISA), whether or not waived; (d) the filing pursuant to Section 412(d) of the Code or Section 303(d) of ERISA of an application for a waiver of the minimum funding standard with respect to any Plan, the failure to make by its due date a required installment under Section 412(m) of the Code with respect to any Plan or the failure of any Loan Party or ERISA Affiliate to make any required contribution to any Multiemployer Plan; (e) the incurrence by any Loan Party or any ERISA Affiliate of any liability under Title IV of ERISA with respect to the termination of any Plan including, without limitation, the imposition of any Lien in favor of the PBGC or any Plan; (f) the receipt by any Loan Party or any ERISA Affiliate from the PBGC or a Plan administrator of any notice relating to an intention to terminate any Plan or Plans or to appoint a trustee to administer any Plan under Section 4042 of ERISA; (g) a determination that any Plan is, or is expected to be, in "at risk" status (within the meaning of Title IV of ERISA); (h) the incurrence by any Loan Party or any of its ERISA Affiliates of any liability with respect to the withdrawal or partial withdrawal from any Plan or Multiemployer Plan; or (i) the receipt by any Loan Party or any ERISA Affiliate of any notice, or the receipt by any Multiemployer Plan from any Loan Party or any ERISA Affiliate of any notice, concerning the imposition of Withdrawal Liability or a determination that a Multiemployer Plan is, or is expected to be, insolvent or in reorganization, within the meaning of Title IV of ERISA or in endangered or critical status within the meaning of Section 432 of the Code or Section 305 or Title IV of ERISA.

"Euro" or "€" refers to the single currency of the Participating Member States.

"Eurocurrency" when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Adjusted LIBO Rate.

"European Administrative Agent" means JPMorgan Chase Bank, N.A., London Branch, and its successors and assigns in such capacity (or such of its Affiliates as it may designate from time to time).

"European Availability" means an amount equal to the lesser of (a) the European Sublimit and (b) the Aggregate Borrowing Base *minus* the total Revolving Exposure.

"European Borrower" means, individually and collectively, any UK Borrower, any Dutch Borrower, the Irish Borrower and the Luxembourg Borrower.

"European Borrowing Base" means the sum of the ~~UK~~Canadian Borrowing Base ~~and~~, the Dutch Borrowing Base and the UK Borrowing Base.

"European Collateral Agent" means JPMorgan Chase Bank, N.A., London Branch, in its capacity as security trustee for itself, the Administrative Agent, the Issuing Banks and the Lenders, and its successors in such capacity (or such of its Affiliates as it may designate from time to time).

"European Full Cash Dominion Period" means any Minimum European Availability Period or any Total Full Cash Dominion Period; provided that a European Full Cash Dominion Period may be discontinued no more than twice in any period of twelve consecutive months.

"European Group" means, collectively, the European Borrowers and their Subsidiaries.

"European Letter of Credit" means any letter of credit or similar instrument (including a bank guarantee) acceptable to the applicable Issuing Bank issued for the purpose of providing credit support to a European Borrower.

"European Loan Parties" means, individually and collectively, the Canadian Loan Parties, the Dutch Loan Parties, the Irish Loan Parties, the Luxembourg Loan Parties, the UK Loan Parties and any other Loan Party that is organized in a member State of the European Union.

"European Loans" means, individually and collectively, the European Revolving Loans, the European Swingline Loans and the European Protective Advances.

"European Protective Advance" has the meaning assigned to such term in Section 2.04.

"European Revolving Loan" means a Revolving Loan made to a European Borrower.

"European Sublimit" means, at all times prior to the termination of the European Sublimit in accordance with Section 2.09, an amount equal to the Facility B Commitments then in effect.

"European Swingline Lender" means J.P. Morgan Europe Limited, in its capacity as lender of European Swingline Loans hereunder, and its successors and assigns in such capacity.

"European Swingline Loan" means a Swingline Loan made to a European Borrower.

"Events of Default" has the meaning assigned to such term in Article VII.

"Excluded Swap Obligation" means, with respect to any Guarantor (other than the Borrower), (a) any Swap Obligation in respect of a Swap if, and to the extent that, and only for so long as, all or a portion of the guarantee of such Guarantor of, or the grant by such Guarantor of a security interest to secure, as applicable, such Swap Obligation (or any guarantee thereof) is or becomes illegal under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) by virtue of such Guarantor's failure to constitute an "eligible contract participant," as defined in the Commodity Exchange Act and the regulations thereunder, at the time the guarantee of (or grant of such security interest by, as applicable) such Guarantor becomes or would become effective with respect to such Swap Obligation or (b) any other Swap Obligation designated as an "Excluded Swap Obligation" of such Guarantor as specified in any agreement between the relevant Loan Parties and counterparty applicable to such Swap Obligations, and agreed by the Administrative Agent. If a Swap Obligation arises under a master agreement governing more than one Swap, such exclusion shall apply only to the portion of such Swap Obligation that is attributable to Swaps for which such Guarantee or security interest is or becomes illegal.

"Excluded Taxes" means, with respect to the Administrative Agent, the European Administrative Agent, either Collateral Agent, any Lender, any Issuing Bank or any other recipient of any payment to be made by or on account of any obligation of any Loan Party hereunder or any other Loan Document, (a) any Other Connection Taxes, (b) U.S. federal withholding Tax imposed by a Requirement of Law (including FATCA) in effect at the time a Foreign Lender (other than an assignee under Section 2.19(b)) becomes a party hereto (or designates a new lending office), with respect to any payment made by or on account of any obligation of a US Borrower to such Foreign Lender, except to the extent that such Foreign Lender (or its assignor, if any) was entitled, at the time of designation of a new lending office (or assignment), to receive additional amounts with respect to such withholding Tax under clause (a) of Section 2.17, or (c) Taxes attributable to a Lender's failure to comply with Section 2.17(h).

"Existing Credit Agreement" means the Credit Agreement, dated as of September 26, 2008 (as amended prior to the date hereof), among the Borrowers (other than Office Depot Finance B.V.), the lenders party thereto, JPMorgan Chase Bank, N.A., as administrative agent, and the other agents party thereto.

"Existing Letters of Credit" means the letters of credit referred to on Schedule 2.06 hereto.

"Existing 2013 Notes" means the Company's existing 6.25% senior notes due 2013.

"Facility", when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are Facility A Loans or Facility B Loans.

"Facility A" means the Facility A Commitments and the extensions of credit made thereunder.

"Facility A Commitment" means, with respect to each Facility A Lender, the commitment, if any, of such Lender to make Facility A Revolving Loans and to acquire participations in Facility A Letters of Credit, Facility A Protective Advances and Facility A Swingline Loans, expressed as an amount representing the maximum possible aggregate amount of such Lender's Facility A Revolving Exposure hereunder, as such commitment may be reduced or increased from time to time pursuant to (a) Section 2.09, (b) assignments by or to such Lender pursuant to Section 9.04 and (c) Section 2.22. The initial amount of each Lender's Facility A Commitment is set forth on the Commitment Schedule, in the Assignment and Assumption pursuant to which such Lender shall have assumed its Facility A Commitment or in the supplement to this Agreement pursuant to which such Lender shall have provided an additional Facility A Commitment in accordance with Section 2.22, as applicable. The initial aggregate amount of the Lenders' Facility A Commitments ~~is $800,000,000~~on the Third Amendment Effective Date is $1,050,000,000.

"Facility A LC Exposure" means, at any time, the sum of (a) the aggregate undrawn amount of all outstanding Facility A Letters of Credit at such time for the account of the Company *plus* (b) the aggregate amount of all LC Disbursements in respect of Facility A Letters of Credit that have not yet been reimbursed by or on behalf of the Company at such time. The Facility A LC Exposure of any Lender at any time shall be its Applicable Percentage of the total Facility A LC Exposure at such time.

"Facility A Lenders" means the Persons listed on the Commitment Schedule as having a Facility A Commitment, any other Person that shall acquire a Facility A Commitment pursuant to an Assignment and Assumption and any other Person that shall provide an additional Facility A Commitment in accordance with Section 2.22, other than any such Person that ceases to be a party hereto pursuant to an Assignment and Assumption.

"Facility A Letter of Credit" means any letter of credit or similar instrument (including a bank guarantee) that is (a) acceptable to the applicable Issuing Bank and (b) issued pursuant to Facility A for the purpose of providing credit support to the Company.

"Facility A Loans" means, individually and collectively, the Facility A Revolving Loans, the Facility A Swingline Loans and the Facility A Protective Advances.

"Facility A Obligations" means all unpaid principal of and accrued and unpaid interest on the Facility A Loans (or which would have accrued but for the commencement of any bankruptcy, insolvency, receivership or similar proceeding, regardless of whether allowed or allowable in such proceeding), all Facility A LC Exposure, all accrued and unpaid fees and all expenses, reimbursements, indemnities and other obligations of the Loan Parties to the Facility A Lenders or to any Facility A Lender, the Administrative Agent, any Issuing Bank in respect of a Facility A Letter of Credit or any indemnified party arising under the Loan Documents.

"Facility A Protective Advance" has the meaning assigned to such term in Section 2.04.

"Facility A Protective Advance Exposure" means, at any time, the aggregate principal amount of all outstanding Facility A Protective Advances at such time. The Facility A Protective Advance Exposure of any Lender at any time shall be its Applicable Percentage of the total Facility A Protective Advance Exposure at such time.

"Facility A Revolving Exposure" means, with respect to any Facility A Lender at any time, the sum of the outstanding principal amount of such Lender's Facility A Revolving Loans and its Facility A LC Exposure ***plus*** an amount equal to its Applicable Percentage of the aggregate principal amount of Facility A Swingline Loans outstanding at such time.

"Facility A Revolving Loans" has the meaning assigned to such term in Section 2.01.

"Facility A Swingline Exposure" means, at any time, the aggregate principal amount of all outstanding Facility A Swingline Loans at such time. The Facility A Swingline Exposure of any Lender at any time shall be its Applicable Percentage of the total Facility A Swingline Exposure at such time.

"Facility A Swingline Loan" has the meaning assigned to such term in Section 2.05(a)(i).

"Facility A Swingline Sublimit" means $125,000,000.

"Facility B" means the Facility B Commitments and the extensions of credit made thereunder.

"Facility B Borrower" means, individually and collectively, the Company (in its capacity as a Borrower under Facility B) and the European Borrowers.

"Facility B Commitment" means, with respect to each Facility B Lender, the commitment, if any, of such Lender to make Facility B Revolving Loans and to acquire participations in Facility B Letters of Credit, Facility B Protective Advances and Facility B Swingline Loans, expressed as an amount representing the maximum possible aggregate amount of such Lender's Facility B Revolving Exposure hereunder, as such commitment may be reduced or increased from time to time pursuant to (a) Section 2.09, (b) assignments by or to such Lender pursuant to Section 9.04 and (c) Section 2.22. The initial amount of each Lender's Facility B Commitment is set forth on the Commitment Schedule, in the Assignment and Assumption pursuant to which such Lender shall have assumed its Facility B Commitment or in the supplement to this Agreement pursuant to which such Lender shall have provided an additional Facility B Commitment in accordance with Section 2.22, as applicable. The initial aggregate amount of the Lenders' Facility B Commitments is $200,000,000.

"Facility B LC Exposure" means, at any time, the sum of (a) the aggregate undrawn amount of all outstanding Facility B Letters of Credit at such time *plus* (b) the aggregate amount of all LC Disbursements in respect of Facility B Letters of Credit that have not yet been reimbursed by or on behalf of a Facility B Borrower at such time. The Facility B LC Exposure of any Lender at any time shall be its Applicable Percentage of the total Facility B LC Exposure at such time.

"Facility B Lenders" means the Persons listed on the Commitment Schedule as having a Facility B Commitment, any other Person that shall acquire a Facility B Commitment pursuant to an Assignment and Assumption and any other Person that shall provide an additional Facility B Commitment in accordance with Section 2.22, other than any such Person that ceases to be a party hereto pursuant to an Assignment and Assumption.

"Facility B Letter of Credit" means any letter of credit or similar instrument (including a bank guarantee) issued under this Agreement that is (a) acceptable to the applicable Issuing Bank and (b) issued pursuant to Facility B for the purpose of providing credit support to a Facility B Borrower.

"Facility B Loans" means, individually and collectively, the Facility B Revolving Loans, the Facility B Swingline Loans and the Facility B Protective Advances.

"Facility B Obligations" means all unpaid principal of and accrued and unpaid interest on the Facility B Loans (or which would have accrued but for the commencement of any bankruptcy, insolvency, receivership or similar proceeding, regardless of whether allowed or allowable in such proceeding), all Facility B LC Exposure, all accrued and unpaid fees and all expenses, reimbursements, indemnities and other obligations of the Loan Parties to the Facility B Lenders or to any Facility B Lender, the Administrative Agent, the Issuing Bank or any indemnified party arising under the Loan Documents.

"Facility B Protective Advance Exposure" means, at any time, the aggregate principal amount of all outstanding Facility B Protective Advances at such time. The Facility B Protective Advance Exposure of any Lender at any time shall be its Applicable Percentage of the total Facility B Protective Advance Exposure at such time.

"Facility B Protective Advances" means, collectively, the European Protective Advances and the Facility B US Protective Advances.

"Facility B Revolving Exposure" means, with respect to any Facility B Lender at any time, the sum of the outstanding principal amount of such Lender's Facility B Revolving Loans and its Facility B LC Exposure *plus* an amount equal to its Applicable Percentage of the aggregate principal amount of Facility B Swingline Loans outstanding at such time.

"Facility B Revolving Loans" has the meaning assigned to such term in Section 2.01.

"Facility B Swingline Exposure" means, at any time, the aggregate principal amount of all outstanding Facility B Swingline Loans at such time. The Facility B Swingline Exposure of any Lender at any time shall be its Applicable Percentage of the total Facility B Swingline Exposure at such time.

"Facility B Swingline Loans" means, collectively, the European Swingline Loans and the Facility B US Swingline Loans.

"Facility B Swingline Sublimit" means $25,000,000.

"Facility B US Protective Advance" has the meaning assigned to such term in Section 2.04.

"Facility B US Swingline Loan" has the meaning assigned to such term in Section 2.05(a)(ii).

"FATCA" means Sections 1471 through 1474 of the Code, as of the date of this Agreement and any regulations or official interpretations thereof.

"Federal Funds Effective Rate" means, for any day, the weighted average (rounded upwards, if necessary, to the next 1/100 of 1%) of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average (rounded upwards, if necessary, to the next 1/100 of 1%) of the quotations for such day for such transactions received by the Administrative Agent from three Federal funds brokers of recognized standing selected by it.

"Financial Officer" means the chief financial officer, principal accounting officer, senior vice president – finance, treasurer or controller of a Borrower.

"Financial Support Direction" means a financial support direction issued by the Pensions Regulator pursuant to Section 43 of the UK Pensions Act 2004.

"Fixed Charges" means, with reference to any period, without duplication, cash Interest Expense (net of interest income) , *plus* Rentals, *plus* scheduled principal payments on Indebtedness made during such period, other than such payments made in respect of Indebtedness referred to in Section 6.01(p), *plus* dividends or distributions paid in cash, *plus* Capital Lease Obligation payments, *plus* cash contributions to any Plan that is subject to Title IV or Section 302 of ERISA or Section 412 or 4971 of the Code, all calculated for the Company and its ~~S~~subsidiaries on a consolidated basis; provided, that payments at maturity of the Existing 2013 Notes, payments of the OMX Existing 2016 Notes and redemption of preferred stock shall not be Fixed Charges.

"Fixed Charge Coverage Ratio" means, the ratio, determined as of the end of each fiscal quarter of the Company for the most-recently ended four fiscal quarters, of (a) EBITDAR *minus* the unfinanced portion of Capital Expenditures *minus* taxes paid in cash net of refunds, to (b) Fixed Charges, all calculated for the Company and its ~~S~~subsidiaries on a consolidated basis in accordance with GAAP.

"Floating Charge Reserve" means reserves for taxes, fees, expenses or claims with respect to the Collateral or any European Loan Party including with respect to any Prior Claims.

"Foreign Benefit Arrangements" means any employee benefit arrangement mandated by non-US law that is maintained or contributed to by any Loan Party.

"Foreign Lender" means any Lender or Issuing Bank, (a) with respect to any Borrower other than a US Borrower and any Tax, that is treated as foreign by the jurisdiction imposing such Tax, (b) with respect to any US Borrower, (1) that, is not a "US person" as defined by section 7701(a)(30) of the Code ("US Person"), or (2) any Lender that is a partnership or other entity treated as a partnership for United States federal income tax purposes which is a US Person, but only to the extent the beneficial owners (including indirect partners if its direct partners are partnerships or other entities treated as partnerships for United States federal income tax purposes are US Persons) are not US Persons.

"Foreign Plan" means each employee benefit plan (within the meaning of Section 3(3) of ERISA, whether or not subject to ERISA) that is not subject to US law, including for the avoidance of doubt the UK Pension Scheme, and is maintained or contributed to by any Loan Party.

"Foreign Reorganization" means the corporate reorganization of certain Foreign Subsidiaries as described on Schedule 1.01(b).

"Foreign Subsidiary" means any Subsidiary organized under the laws of any jurisdiction other than a jurisdiction within the United States.

"Full Cash Dominion Period" means, individually and collectively, any Total Full Cash Dominion Period or any European Full Cash Dominion Period.

"GAAP" means generally accepted accounting principles in the United States.

"Global Headquarters" means the Company's global headquarters located in the Arvida Park of Commerce in Boca Raton, Florida.

"Governmental Authority" means the government of the United States, the United Kingdom, the Netherlands, Ireland, Luxembourg or any other nation or any political subdivision thereof, whether state, provisional, territorial or local; the European Central Bank, the Council of Ministers of the European Union or any other supranational body; and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

"Guarantee" of or by any Person (the "guarantor") means any obligation, contingent or otherwise, of the guarantor guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation of any other Person (the "primary obligor") in any manner, whether directly or indirectly, and including any obligation of the guarantor, direct or indirect, (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation or to purchase (or to advance or supply funds for the purchase of) any security for the payment thereof, (b) to purchase or lease property, securities or services for the purpose of assuring the owner of such Indebtedness or other obligation of the payment thereof, (c) to maintain working capital, equity capital or any other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation or (d) as an account party in respect of any letter of credit or letter of guaranty issued to support such Indebtedness or other obligation; provided, that the term Guarantee shall not include endorsements for collection or deposit in the ordinary course of business.

"Guaranteed Obligations" has the meaning assigned to such term in Section 10.01.

"Guaranteed Parties" has the meaning assigned to such term in Section 10.01.

"Grupo OMX" means Grupo OfficeMax S. de R.L. de C.V.

"Hazardous Materials" means all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes and all other substances or wastes of any nature regulated pursuant to any Environmental Law.

"High Season" means all times other than Low Season.

"Immaterial Subsidiary" means, at any date, any Subsidiary of the Company that, together with its consolidated Subsidiaries, (i) does not, as of the most recently ended Test Period, have assets with a value in excess of 2.5% of the consolidated total assets of the Company and its consolidated Subsidiaries and (ii) did not, during the most recently ended Test Period, have revenues exceeding 2.5% of the total revenues of the Company and its consolidated Subsidiaries; provided that, the aggregate assets or revenues of all Immaterial Subsidiaries, determined in accordance with GAAP, may not exceed 5.0% of consolidated assets or consolidated revenues, respectively, of the Company and its consolidated Subsidiaries, collectively, at any time (and the Borrower Representative will designate in writing to the Administrative Agent from time to time the Subsidiaries which will cease to be treated as "Immaterial Subsidiaries" in order to comply with the foregoing limitation).

"Increased Amount Date" has the meaning assigned to such term in Section 2.22(a).

"Indebtedness" of any Person means, without duplication, (a) all obligations of such Person for borrowed money or with respect to deposits or advances of any kind, (b) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments, (c) all obligations of such Person upon which interest charges are customarily paid, (d) all obligations of such Person under conditional sale or other title retention agreements relating to property acquired by such Person, (e) all obligations of such Person in respect of the deferred purchase price of property or services (excluding current accounts payable incurred in the ordinary course of business), (f) all Indebtedness of others secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien on property owned or acquired by such Person, whether or not the Indebtedness secured thereby has been assumed, (g) all Guarantees by such Person of Indebtedness of others, (h) all Capital Lease Obligations of such Person, (i) all obligations, contingent or otherwise, of such Person as an account party in respect of letters of credit and letters of guaranty for Indebtedness, (j) all obligations, contingent or otherwise, of such Person in respect of bankers' acceptances, (k) obligations under any liquidated earn-out and (l) any other Off-Balance Sheet Liability. The Indebtedness of any Person shall include the Indebtedness of any other entity (including any partnership in which such Person is a general partner) to the extent such Person is liable therefor as a result of such Person's ownership interest in or other relationship with such entity, except to the extent the terms of such Indebtedness provide that such Person is not liable therefor.

"Indemnified Taxes" means Taxes other than Excluded Taxes.

"Indemnitee" has the meaning assigned to such term in Section 9.03(b).

"Information" has the meaning assigned to such term in Section 9.12.

"Initial Effective Date" means September 26, 2008.

"Insolvency Laws" means each of the Bankruptcy Code, the UK Insolvency Act 1986, the Council Regulation 1346/2000/EC on insolvency proceedings (European Union), and any other applicable state, provincial, territorial or federal bankruptcy laws, each as now and hereafter in effect, any successors to such statutes and any other applicable insolvency or other similar law of any jurisdiction, including any law of any jurisdiction permitting a debtor to obtain a stay or a compromise of the claims of its creditors against it and including any rules and regulations pursuant thereto. In relation to Luxembourg law, Insolvency Laws means (i) insolvency proceedings (*faillite*) within the meaning of Articles 437 ff. of the Luxembourg Commercial Code or any other insolvency proceedings pursuant to the Council Regulation (EC) N° 1346/2000 of May 29, 2000 on insolvency proceedings, (ii) controlled management (*gestion contrôlée*) within the meaning of the grand ducal regulation of May 24, 1935 on controlled management, (iii) voluntary arrangement with creditors (*concordat préventif de faillite*) within the meaning of the law of April 14, 1886 on arrangements to prevent insolvency, as amended, (iv) suspension of payments (*sursis de paiement*) within the meaning of Articles 593 ff. of the Luxembourg Commercial Code or (v) voluntary or compulsory winding-up pursuant to the law of August 10, 1915 on commercial companies, as amended. In relation to Irish law, Insolvency Laws means winding up or liquidation and examinership under the Irish Companies Acts 1963-2006.

"Intellectual Property" means, individually and collectively, trademarks, service marks, tradenames, copyrights, patents, trade secrets, industrial designs, internet domain names and other intellectual property, including any applications and registrations pertaining thereto and with respect to trademarks, service marks and tradenames, the goodwill of the business symbolized thereby and connected with the use thereof.

"Interest Election Request" means a request by the Borrower Representative to convert or continue a Borrowing of Revolving Loans in accordance with Section 2.08.

"Interest Expense" means, with reference to any period, total interest expense (including that attributable to Capital Lease Obligations) of the Company and its ~~S~~subsidiaries for such period with respect to all outstanding Indebtedness of the Company and its ~~S~~subsidiaries (including all commissions, discounts and other fees and charges owed with respect to letters of credit and bankers' acceptance financing and net costs under Swap Agreements in respect of interest rates to the extent such net costs are allocable to such period in accordance with GAAP), calculated on a consolidated basis for the Company and its ~~S~~subsidiaries for such period in accordance with GAAP.

"Interest Payment Date" means (a) with respect to any ABR Loan or Overnight LIBO Loan (other than, in each case, a Swingline Loan), the last day of each calendar quarter and the Maturity Date, and (b) with respect to any Eurocurrency Loan, the last day of the Interest Period applicable to the Borrowing of which such Loan is a part and, in the case of a Eurocurrency Borrowing with an Interest Period of more than three months' duration, each day prior to the last day of such Interest Period that occurs at intervals of three months' duration after the first day of such Interest Period and the Maturity Date.

"Interest Period" means with respect to any Eurocurrency Borrowing, the period commencing on the date of such Borrowing and ending on the numerically corresponding day in the calendar month that is one, two, three or six months (or, with the consent of each Lender, nine or 12 months) thereafter, as the Borrower Representative may elect; provided, that (i) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless, in the case of a Eurocurrency Borrowing only, such next succeeding

Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day and (ii) any Interest Period pertaining to a Eurocurrency Borrowing that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period. For purposes hereof, the date of a Borrowing initially shall be the date on which such Borrowing is made, and thereafter shall be the effective date of the most recent conversion or continuation of such Borrowing.

"Inventory" means, individually and collectively, "Inventory", as referred to in any Security Agreement.

"Irish Borrower" means Viking Finance (Ireland) Ltd., a company incorporated under the laws of Ireland.

"Irish Loan Party" means, individually and collectively, any Loan Party (including the Irish Borrower) incorporated under and falling under the jurisdiction of the laws of Ireland.

"Irish Security Agreement" means (a) that certain charge over bank accounts, dated as of the Initial Effective Date, between the Irish Borrower and the European Collateral Agent, (b) any other charge or security agreement entered into, after the date of this Agreement, by any other Irish Loan Party (as required by this Agreement or any other Loan Document for the purpose of creating a Lien on the property of any Irish Loan Party (or any other property located in Ireland)) and (c) any other charge or security agreement entered into, after the date of this Agreement, by any Loan Party (as required by this Agreement or any other Loan Document for the purpose of creating a Lien on any property located in Ireland), which charge or security agreement is designated by the European Administrative Agent as an "Irish Security Agreement", in each case as the same may be amended, restated or otherwise modified from time to time.

"Issuing Bank" means, individually and collectively, JPMorgan Chase Bank, N.A., Bank of America, N.A. and Wells Fargo Bank, National Association, together with any other Lenders acceptable to the Administrative Agent who agree to be designated an "Issuing Bank" hereunder, each in its capacity of the issuer of Letters of Credit and its successors in such capacity as provided in Section 2.06(i). Any Issuing Bank may, in its discretion, arrange for one or more Letters of Credit to be issued by Affiliates of such Issuing Bank, in which case the term "Issuing Bank" shall include any such Affiliate with respect to Letters of Credit issued by such Affiliate.

"Joinder Agreement" has the meaning assigned to such term in Section 5.14.

"JPMCB" means JPMorgan Chase Bank, N.A., a national banking association, in its individual capacity, and its successors.

"LC Collateral Account" has the meaning assigned to such term in Section 2.06(j).

"LC Disbursement" means a payment made by an Issuing Bank pursuant to a Letter of Credit.

"LC Exposure" means, at any time, the sum of the Facility A LC Exposure and the Facility B LC Exposure.

"LC Sublimit" ~~$325,000,000~~400,000,000; provided that the aggregate LC Exposure in respect of standby Letters of Credit shall not exceed ~~$200,000,000~~250,000,000.

"Lenders" means the Facility A Lenders and the Facility B Lenders. Unless the context otherwise requires, the term "Lenders" includes the Swingline Lenders.

"Letter of Credit" means, individually and collectively, each Facility A Letter of Credit and each Facility B Letter of Credit.

"Letter of Credit Request" has the meaning assigned to such term in Section 2.06(a).

"LIBO Rate" means, with respect to any Eurocurrency Borrowing for any Interest Period, the rate appearing on the applicable Reuters Screen (or on any successor or substitute page of such Service, or any successor to or substitute for such Service, providing rate quotations comparable to those currently provided on such page of such Service, as determined by the Administrative Agent or the European Administrative Agent, as applicable, from time to time for purposes of providing quotations of interest rates applicable to deposits in the relevant currency in the London interbank market) at approximately 11:00 a.m., London time, on the Quotation Day, as the rate for deposits in the relevant currency with a maturity comparable to such Interest Period. In the event that such rate is not available at such time for any reason, then the "LIBO Rate" with respect to such Eurocurrency Borrowing for such Interest Period shall be the rate at which deposits in the relevant currency of $5,000,000 (or the Dollar Equivalent thereof) and for a maturity comparable to such Interest Period are offered by the principal London office of the Administrative Agent in immediately available funds in the London interbank market at approximately 11:00 a.m., London time on the Quotation Day.

"Lien" means, with respect to any asset, (a) any mortgage, deed of trust, lien, pledge, hypothecation, encumbrance, charge or security interest in, on or of such asset, (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to such asset and (c) in the case of securities, any purchase option, call or similar right of a third party with respect to such securities.

"Liquidity" means, at any time, the sum of (a) the aggregate amount of cash and cash equivalents of the Company and its consolidated Subsidiaries which are not subject to any Liens (other than customary bankers' Liens and Liens created pursuant to any Loan Document) plus (b) Aggregate Availability.

"Loan Documents" means this Agreement, any promissory notes issued pursuant to the Agreement, any Letter of Credit applications, the Collateral Documents, the Loan Guaranty and all other agreements, instruments, documents and certificates identified in Section 4.01 executed and delivered to, or in favor of, the Administrative Agent, either Collateral Agent or any Lenders and including all other pledges, powers of attorney, consents, assignments, contracts, notices, letter of credit agreements and all other written matter whether heretofore, now or hereafter executed by or on behalf of any Loan Party, or any employee of any Loan Party, and delivered to the Administrative Agent, either Collateral Agent or any Lender in connection with the Agreement or the transactions contemplated thereby. Any reference in the Agreement or any other Loan Document to a Loan Document shall include all appendices, exhibits or schedules thereto, and all amendments, restatements, supplements or other modifications thereto, and shall refer to the Agreement or such Loan Document as the same may be in effect at any and all times such reference becomes operative.

"Loan Guarantor" means (a) each US Loan Party, with respect to the Obligations of the US Loan Parties, and (b) each Loan Party, with respect to the Obligations of the European Loan Parties.

"Loan Guaranty" means Article X of this Agreement and each separate guaranty, to the extent that such guaranty is permissible under the laws of the country in which the applicable Foreign Subsidiary party to such guaranty is located, in form and substance satisfactory to the Administrative Agent, delivered by ~~each Loan Guarantor that is a~~any Foreign Subsidiary (which guaranty shall be governed by the laws of the country in which such Foreign Subsidiary is located if the Administrative Agent requests that such law govern such guaranty), as it may be amended or modified and in effect from time to time.

"Loan Parties" means the Company, the other Borrowers, the Company's domestic Subsidiaries (other than Immaterial Subsidiaries and any domestic subsidiary that is a direct or indirect subsidiary of a Foreign Subsidiary that is treated as a corporation for purposes of the Code) and any other Person who becomes a party to this Agreement pursuant to a Joinder Agreement or executes a separate Loan Guaranty and their respective successors and assigns; provided that upon any Borrower becoming a Removed Borrower, such Removed Borrower shall be deemed to no longer be a Loan Party.

"Loans" means the loans and advances made by the Lenders pursuant to this Agreement, including Revolving Loans, Swingline Loans and Protective Advances.

"Local Time" means, (a) local time in London with respect to the times for the receipt of Borrowing Requests for European Revolving Loans, European Swingline Loans and European Letter of Credit Requests to an Issuing Bank, of any disbursement by the European Administrative Agent of European Revolving Loans, European Swingline Loans and European Protective Advances and for payment by the Borrowers with respect to European Revolving Loans, European Swingline Loans and European Protective Advances and reimbursement obligations in respect of European Letters of Credit, (b) local time in New York, with respect to the times for the determination of "Dollar Equivalent", for the receipt of Borrowing Requests of US Revolving Loans, US Swingline Loans, US Protective Advances, US Letter of Credit Requests to an Issuing Bank, for receipt and sending of notices by and disbursement by the Administrative Agent or any Lender and any Issuing Bank and for payment by the Borrowers with respect to US Revolving Loans, US Swingline Loans, US Protective Advances and reimbursement obligations in respect of US Letters of Credit, (c) local time in London, with respect to the times for the determination of "LIBO Rate" and "~~OVERNIGHT~~Overnight LIBO ~~RATE~~Rate", (d) otherwise, if a place for any determination is specified herein, the local time at such place of determination and (e) otherwise, New York time.

"Low Season" means for any period of determination of any Borrowing Base, any period identified by an appraiser selected and engaged by the Administrative Agent as a low selling period or similar term in the most recent appraisal ordered by the Administrative Agent.

"LSC" has the meaning assigned to such term in Section 5.15.

"Luxembourg" means the Grand Duchy of Luxembourg.

"Luxembourg Borrower" means OD International (Luxembourg) Finance S.À R.L., a private limited liability company (a *société à responsabilité limitée*) incorporated under the laws of Luxembourg, having its registered office at 6C, rue Gabriel Lippman, L-5365 Munsbach and registered with the Luxembourg Trade and Companies Register under number B 93.853.

"Luxembourg Loan Party" means, individually and collectively, any Loan Party (including the Luxembourg Borrower) organized under the laws of Luxembourg.

"Luxembourg Restructuring Transactions" means transactions effected in connection with the Tax Reorganization (as defined on Schedule 1.01(d)) whereby a Luxembourg Loan Party shall (a) become the owner of Inventory located in the Netherlands, England and Wales and/or Scotland, and/or (b) have Accounts owed by an Account Debtor that maintains an office in, or is organized under any applicable law of, the Netherlands, in each case for which (i) the Company provides the Lenders with (A) notice of such transactions and (B) an explanation, in form and substance reasonably satisfactory to the Administrative Agent, of such transactions and the purpose thereof and (ii) the Required Lenders do not object in writing thereto within 10 Business Days after receiving such materials; provided that, in each case, the Company has complied with all actions reasonably required by the Administrative Agent in order to protect or perfect the security interest of the Collateral Agents in the Collateral; provided, further, that Lenders who do not object to a transaction pursuant to clause (ii) above shall be deemed to have consented to such transaction for purposes of determining the requisite consent under Section 9.02(b).

"Luxembourg Security Agreement" means (a) that certain Luxembourg law pledge agreement over bank accounts, dated as of the Initial Effective Date, between the Luxembourg Borrower and the European Collateral Agent, (b) any other Luxembourg law pledge agreement or security agreement entered into, after the date of this Agreement, by any other Luxembourg Loan Party (as required by this Agreement or any other Loan Document for the purpose of creating a Lien on the property of any Luxembourg Loan Party (or any other property located in Luxembourg)) and (c) any other charge or security agreement entered into, after the date of this Agreement, by any Loan Party (as required by this Agreement or any other Loan Document for the purpose of creating a Lien on any property located in Luxembourg), which charge or security agreement is designated by the European Administrative Agent as a "Luxembourg Security Agreement", in each case as the same may be amended, restated or otherwise modified from time to time.

"Mandatory Cost" means, with respect to any period, the percentage rate per annum determined in accordance with Schedule 1.01(c).

"Margin Stock" means "margin stock", as such term is defined in Regulation U of the Board.

"Material Adverse Effect" means a material adverse effect on (a) the business, assets, operations, prospects or condition, financial or otherwise, of the Loan Parties, taken as a whole, (b) the ability of any Loan Party to perform any of its obligations under the Loan Documents to which it is a party, (c) the Collateral, either Collateral Agent's Lien (for the benefit of the Agents, the Lenders and the Issuing Banks) on the Collateral, on the Collateral or the priority of such Liens, or (d) the rights of or benefits available to the Administrative Agent, either Collateral Agent, any Issuing Bank or the Lenders thereunder.

"Material Indebtedness" means Indebtedness (other than the Loans and Letters of Credit), or obligations in respect of one or more Swap Agreements, of any one or more of the Company and its Subsidiaries in an aggregate principal amount exceeding $25,000,000. For purposes of determining Material Indebtedness, the "obligations" of any Borrower or any Subsidiary in respect of any Swap Agreement at any time shall be the maximum aggregate amount (giving effect to any netting agreements) that such Borrower or such Subsidiary would be required to pay if such Swap Agreement were terminated at such time.

"Maturity Date" means the earlier to occur of (i) May 25, 2016 and (ii) any earlier date on which the Commitments are reduced to zero or otherwise terminated pursuant to the terms hereof.

"Maximum Liability" has the meaning assigned to such term in Section 10.11.

"Maximum Rate" has the meaning assigned to such term in Section 9.17.

"Mexican Joint Venture" means (i) Office Depot Mexico S.A., an entity organized under the Republic of Mexico and (ii)Grupo OMX, an entity organized under the Republic of Mexico.

"Minimum Aggregate Availability Period" means (including by reference to the Levels described below), any period (a) commencing when Aggregate Availability is less than the greater of:

Level 1:	(i) $125,000,000 and (ii) an amount equal to 12.5% of the Commitments then in effect;
Level 2:	(i) $ 150,000,000 and (ii) an amount equal to 15% of the Commitments then in effect, but more than Level 1;
Level 3:	(i) $175,000,000 and (ii) an amount equal to 17.5% of the Commitments then in effect, but more than Level 1 and Level 2; and
Level 4:	(i) $ 250,000,000 and (ii) an amount equal to 25% of the Commitments then in effect, but more than Level 1, Level 2 and Level 3.
Level 5:	(i) $ 400,000,000 and (ii) an amount equal to 40% of the Commitments then in effect, but more than Level 1, Level 2, Level 3 and Level 4.

for five consecutive days (or immediately, in the case of Level 1) and (b) ending after Aggregate Availability is greater than the amounts set forth above (with respect to the applicable Level) for 30 consecutive days (or 60 consecutive days when used in reference to any Full Cash Dominion Period). For the avoidance of doubt, at any time that Aggregate Availability is equal to or greater than the amounts set forth in Level 2, Level 3, Level 4 or Level 5 above, Aggregate Availability shall also be deemed to be greater than the applicable Level(s) below such Level of Aggregate Availability and each Minimum Aggregate Availability Period Level shall include each lesser Level.

"Minimum European Availability Period" means any period (a) commencing when European Availability is less than the greater of (i) $25,000,000 and (ii) an amount equal to 12.5% of the European Sublimit then in effect for two Business Days and (b) ending (solely with respect to any European Full Cash Dominion Period then in effect) after European Availability is greater than the amounts set forth above (with respect to the applicable Level) for 60 consecutive days.

"Moody's" means Moody's Investors Service, Inc.

"Multiemployer Plan" means a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

"Net Income" means, for any period, the consolidated net income (or loss) of the Company and its ~~S~~subsidiaries, determined on a consolidated basis in accordance with GAAP; provided that there shall be excluded (a) the income (or deficit) of any Person accrued prior to the date it becomes a ~~S~~subsidiary or is merged into or consolidated with the Company or any of its ~~S~~subsidiaries, (b) the income (or deficit) of any Person (other than a ~~S~~subsidiary) in which the Company or any of its ~~S~~subsidiaries has an ownership interest, except to the extent that any such income is actually received by the Company or such ~~S~~subsidiary in the form of dividends or similar distributions and (c) the undistributed earnings of any ~~S~~subsidiary to the extent that the declaration or payment of dividends or similar distributions by such ~~S~~subsidiary is not at the time permitted by the terms of any contractual obligation (other than under any Loan Document) or Requirement of Law applicable to such ~~S~~subsidiary.

"Net Orderly Liquidation Value" means, with respect to Inventory, equipment or intangibles of any Person, the orderly liquidation value thereof as determined in a manner acceptable to the Administrative Agent by an appraiser acceptable to the Administrative Agent, net of all costs of liquidation thereof.

"Netherlands" means the Kingdom of the Netherlands.

"New Lender" has the meaning assigned to such term in Section 2.22(b).

"Non-Consenting Lender" has the meaning assigned to such term in Section 9.02(d).

"Non-Funding Lender" has the meaning assigned to such term in Section 2.07(b).

"Non-Paying Guarantor" has the meaning assigned to such term in Section 10.12.

"Obligated Party" has the meaning assigned to such term in Section 10.02.

"Obligations" means the Facility A Obligations and the Facility B Obligations~~.~~; provided, that for purposes of determining any Guaranteed Obligations of any Loan Guarantor under this Agreement, the definition of "Obligations" shall not create any guarantee by any Loan Guarantor of any Excluded Swap Obligations of such Loan Guarantor.

"Off-Balance Sheet Liability" of a Person means (a) any repurchase obligation or liability of such Person with respect to accounts or notes receivable sold by such Person, (b) any indebtedness, liability or obligation under any so-called "synthetic lease" transaction entered into by such Person, or (c) any indebtedness, liability or obligation arising with respect to any other transaction which is the functional equivalent of or takes the place of borrowing but which does not constitute a liability on the balance sheets of such Person (other than operating leases).

"OfficeMax" means OfficeMax Incorporated.

"OfficeMax Merger" means the merger transaction pursuant to the OfficeMax Merger Agreement such that, after giving effect thereto, OfficeMax shall be a wholly owned Subsidiary of the Company.

"OfficeMax Merger Agreement" means, collectively, the Agreement and Plan of Merger, dated as of February 20, 2013 (as amended, modified or supplemented from time to time), among the Company, Dogwood Merger Sub Inc., Dogwood Merger Sub LLC, Mapleby Holdings Merger Corporation, Mapleby Merger Corporation and OfficeMax, and all schedules, exhibits and annexes thereto and all material side letters and agreements affecting the terms thereof or entered into in connection therewith.

"OMX Existing 2016 Notes" shall mean OfficeMax's existing 7.35% Debentures Due 2016.

"Original Vendor" means, with respect to any inventory, the vendor from which the Company or its subsidiaries purchased such inventory.

"Other Connection Taxes" means, with respect to the Administrative Agent, the European Administrative Agent, either Collateral Agent, any Lender, any Issuing Bank or any other recipient of any payment to be made by or on account of any obligation of any Loan Party hereunder or under any other Loan Document, Taxes imposed as a result of a present or former connection between such recipient and the jurisdiction imposing such Tax (other than connections arising from such recipient having executed, delivered, or become a party to, performed its obligations or received payments under, received or perfected a security interest under, sale or assignment of an interest in any Loan or Loan Document, engaged in any other transaction pursuant to, or enforced, any Loan Documents).

"Other Taxes" means all present or future stamp, court or documentary Taxes and any other excise, property, intangible, recording, filing or similar Taxes which arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, or from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document.

"Overnight LIBO" means, when used in reference to any Loan or Borrowing, whether such Loan or the Loan comprising such Borrowing accrues interest at a rate determined by reference to the ~~OVERNIGHT~~Overnight LIBO ~~RATE~~Rate.

"~~OVERNIGHT~~Overnight LIBO ~~RATE~~Rate" means, with respect to any Overnight LIBO Borrowing or overdue amount, (a) the rate of interest per annum (rounded upwards, if necessary, to the next 1/16 of 1%) at which overnight deposits in Euros or Sterling, in an amount approximately equal to the amount with respect to which such rate is being determined, would be offered for such day by a branch or Affiliate of JPMCB in the applicable offshore interbank market for such currency to major banks in such interbank market *plus* (b) the Mandatory Cost.

"Parallel Debt" has the meaning assigned to such term in Section 9.21.

"Parent" means, with respect to any Lender, any Person as to which such Lender is, directly or indirectly, a subsidiary.

"Participant" has the meaning assigned to such term in Section 9.04.

"Participating Member State" means each State so described in any EMU Legislation, and includes, without limitation, each member State of the European Community that adopts or has adopted the Euro as its lawful currency in accordance with EMU Legislation.

"Paying Guarantor" has the meaning assigned to such term in Section 10.12.

"PBGC" means the Pension Benefit Guaranty Corporation referred to and defined in ERISA and any successor entity performing similar functions.

"Pensions Regulator" means the legal entity called the Pensions Regulator established under Part I UK Pensions Act 2004.

"Permitted Acquisition" means any acquisition by the Company or any Subsidiary, whether by purchase, merger or otherwise, of all or substantially all of the assets of, all of the Equity Interests of, or a business line or unit or a division of, any Person; provided that:

(a) such acquisition shall be consensual;

(b) such acquisition shall be consummated in accordance with all Requirements of Law, except where the failure to so comply would not reasonably be expected to have a Material Adverse Effect;

(c) in the case of the acquisition of Equity Interests, all of the Equity Interests (except for any such securities in the nature of directors' qualifying shares) acquired or otherwise issued by such Person or any newly formed Subsidiary of any Borrower in connection with such acquisition shall be directly and beneficially owned 100% by the Company or any Subsidiary; and

(d) in the case of any acquisition in excess of $50,000,000, the Company shall furnish to the Administrative Agent a certificate from a Financial Officer evidencing compliance with Section 6.04(n), together with such detailed information relating thereto as the Administrative Agent may reasonably request to demonstrate such compliance; and

provided further, that it is understood that to the extent the assets acquired are to be included in any Borrowing Base, due diligence in respect of such acquired assets satisfactory to the Administrative Agent, in its Permitted Discretion, shall have been completed.

"Permitted Convertible Notes" means any Indebtedness issued in a Permitted Convertible Notes Offering.

"Permitted Convertible Notes Offering" means any offering by the Company of unsecured or subordinated Indebtedness permitted by Section 6.01 that is by its terms convertible, in whole or in part, into shares of the Company's common stock or into cash based upon a conversion rate tied to the Company's common stock.

"Permitted Discretion" means a determination made in good faith and in the exercise of reasonable (from the perspective of a secured asset-based lender) business judgment.

"Permitted Encumbrances" means:

(a) Liens imposed by law for taxes that are not yet due or are being contested in compliance with Section 5.04;

(b) carriers', warehousemen's, mechanics', materialmen's, repairmen's and other like Liens imposed by law, arising in the ordinary course of business and securing obligations that are not overdue by more than 30 days or are being contested in compliance with Section 5.04;

(c) pledges and deposits made in the ordinary course of business in compliance with workers' compensation, unemployment insurance and other social security laws or regulations;

(d) deposits to secure the performance of bids, trade contracts, leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature, in each case in the ordinary course of business;

(e) judgment liens in respect of judgments that do not constitute an Event of Default under paragraph (k) of Article VII;

(f) easements, zoning restrictions, rights-of-way and similar encumbrances on real property imposed by law or arising in the ordinary course of business that do not secure any monetary obligations and do not materially detract from the value of the affected property or interfere with the ordinary conduct of business of any Loan Party or any of its Subsidiaries;

(g) Liens in favor of a credit card processor or a payment processor arising in the ordinary course of business under any processor agreement; and

(h) Liens arising by virtue of precautionary Uniform Commercial Code financing statement filings (or other similar filings under applicable law) regarding operating leases and consignments, in each case entered into by the Company and its Subsidiaries in the ordinary course of business;

provided that the term "Permitted Encumbrances" shall not include any Lien securing Indebtedness.

"Permitted Foreign Subsidiary Factoring Facility" means any and all agreements or facilities entered into by any Foreign Subsidiary that is not a Loan Party for the purpose of factoring, selling, transferring or disposing of its account receivables for cash consideration.

"Permitted Investments" means:

(a) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States (with respect to investments made by the Company), the United Kingdom (with respect to investments made by any UK Borrower), the Netherlands (with respect to investments made by any Dutch Borrower), Ireland (with respect to investments made by the Irish Borrower) or Luxembourg (with respect to investments made by the Luxembourg Borrower) (or by any agency thereof, as applicable, to the extent such obligations are backed by the full faith and credit of such government), in each case maturing within one year from the date of acquisition thereof;

(b) investments in commercial paper maturing within 270 days from the date of acquisition thereof and having, at such date of acquisition, the highest credit rating obtainable from S&P or from Moody's;

(c) investments in certificates of deposit, banker's acceptances and time deposits maturing within 180 days from the date of acquisition thereof issued or guaranteed by or placed with, and money market deposit accounts issued or offered by, any domestic office of any commercial bank organized under the laws of the United States (with respect to investments made by the Company), England and Wales (with respect to investments made by any UK Borrower), the Netherlands (with respect to investments made by any Dutch Borrower), Ireland (with respect to investments made by the Irish Borrower), Luxembourg (with respect to any investments made by the Luxembourg Borrower) or any State or Province thereof, as applicable, in each case, which has a combined capital and surplus and undivided profits of not less than $500,000,000;

(d) fully collateralized repurchase agreements with a term of not more than 30 days for securities described in clause (a) above and entered into with a financial institution satisfying the criteria described in clause (c) above; and

(e) money market funds that (i) comply with the criteria set forth in Securities and Exchange Commission Rule 2a-7 under the Investment Company Act of 1940, (ii) are rated AAA by S&P or Aaa by Moody's and (iii) have portfolio assets of at least $3,000,000,000.

"Permitted Lien" means Liens permitted by Section 6.02.

"Person" means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

"Plan" means any employee pension benefit plan (as defined in Section 3(3) of ERISA), including any employee welfare benefit plan (as defined in Section 3(1) of ERISA), any employee pension benefit plan (as defined in Section 3(2) of ERISA), and any plan which is both an employee welfare benefit plan and an employee pension benefit plan, and in respect of which any Loan Party or any ERISA Affiliate is (or, if such plan were terminated, would under Section 4069 of ERISA be deemed to be) an "employer" as defined in Section 3(5) of ERISA, except for any Multiemployer Plan, Foreign Plan or Foreign Benefit Arrangement.

"Prime Rate" means the rate of interest per annum publicly announced from time to time by JPMCB as its prime rate at its offices at 270 Park Avenue in New York City; each change in the Prime Rate shall be effective from and including the date such change is publicly announced as being effective.

"Principal" has the meaning assigned to such term on Schedule 1.01(d).

"Prior Claims" means any security interest created by English law which rank or are capable of ranking prior or pari passu with the European Collateral Agent's security interests against all or part of the Collateral, including amounts owing for employee wages, employee source deductions, pension fund obligations, any sums payable by way of prescribed part for unsecured creditors as provided for by Section 176A Insolvency Act 1986 and expenses of liquidation, administration or winding-up.

"Pro Forma Basis" means, with respect to any test hereunder in connection with any event, that such test shall be calculated after giving effect on a pro forma basis for the period of such calculation to (i) such event as if it happened on the first day of such period or (ii) the incurrence of any Indebtedness by the Company or any Subsidiary and any incurrence, repayment, issuance or redemption of other Indebtedness of the Company or any Subsidiary occurring at any time subsequent to the last day of the Test Period and on or prior to the date of determination, as if such incurrence, repayment, issuance or redemption, as the case may be, occurred on the first day of the Test Period (it being understood that, in connection with any such pro forma calculation prior to the delivery of financial statements for the first fiscal quarter ended after the Effective Date, such calculation shall be made in a manner satisfactory to the Administrative Agent in its Permitted Discretion).

"Projections" has the meaning assigned to such term in Section 5.01(e).

"Protective Advance Exposure" means, at any time, the sum of the Facility A Protective Advance Exposure and the Facility B Protective Advance Exposure.

"Protective Advances" has the meaning assigned to such term in Section 2.04.

"Qualified Keepwell Provider" means, in respect of any Swap Obligation, each Loan Party that, at the time the relevant guarantee (or grant of the relevant security interest, as applicable) becomes effective with respect to such Swap Obligation, has total assets exceeding $10,000,000 or otherwise constitutes an "eligible contract participant" under the Commodity Exchange Act or any regulations promulgated thereunder and can cause another person to qualify as an "eligible contract participant" with respect to such Swap Obligation at such time by entering into a keepwell pursuant to section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

"Quotation Day" means, in respect of the determination of the LIBO Rate for any period for Loans in Sterling, the day which is (i) the first day of such Interest Period and (ii) a day on which banks are open for general banking business in London; and the Quotation Day in respect of any Interest Period for the Euro is the day that is two Target Days prior the first day of such Interest Period.

"Register" has the meaning assigned to such term in Section 9.04.

"Related Parties" means, with respect to any specified Person, such Person's Affiliates and the respective directors, officers, employees, agents and advisors of such Person and such Person's Affiliates.

"Removed Borrower" has the meaning assigned to such term in Section 9.23.

"Rentals" means, with reference to any period, the aggregate amount of rent expense payable by the Company and its ~~S~~subsidiaries under any operating leases, calculated on a consolidated basis for the Company and its ~~S~~subsidiaries for such period in accordance with GAAP.

"Rent Reserve" means with respect to any store, warehouse, cross-docking facility, distribution center, regional distribution center or depot where any Inventory subject to Liens arising by operation of law is located and with respect to which no Collateral Access Agreement is in effect, a reserve equal to two months' rent at such store, warehouse, cross-docking facility, distribution center, regional distribution center or depot; provided that no Rent Reserve shall be taken with respect to any store unless a Level 2 Minimum Aggregate Availability Period shall be in effect.

"Report" means reports prepared by the Administrative Agent or another Person showing the results of appraisals, field examinations or audits pertaining to the assets of any Borrower from information furnished by or on behalf of any Borrower, after the Administrative Agent has exercised its rights of inspection pursuant to this Agreement, which Reports shall be distributed to the Lenders by the Administrative Agent.

"Required Lenders" means, at any time, Lenders having Credit Exposure and unused Commitments representing more than 50% of the sum of the total Credit Exposure and unused Commitments at such time.

"Requirement of Law" means, as to any Person, the Certificate of Incorporation and By Laws or other organizational or governing documents of such Person, and any law, treaty, rule or regulation or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

"Reserves" means, individually and collectively, and without duplication, Customer Credit Liability Reserves, Rent Reserves, unpaid VAT and other government reserves, Floating Charge Reserves, Payroll and Redundancy Reserves, Retention of Title Reserves and any other reserves which the Administrative Agent deems necessary, in its Permitted Discretion, to maintain (including, without limitation, Banking Services Reserves, reserves for consignee's, warehousemen's and bailee's charges (unless a Collateral Access Agreement shall be in effect with respect to the subject property), reserves for Swap Obligations, reserves for contingent liabilities of any Loan Party, reserves for uninsured losses of any Loan Party, reserves for uninsured, underinsured, un-indemnified or under-indemnified liabilities or potential liabilities with respect to any litigation, reserves for taxes, fees, assessments and other governmental charges, reserves for the prescribed part of any UK Loan Party's net property that would be made available for the satisfaction of its unsecured liabilities pursuant to Section 176A of the Insolvency Act 1986, reserves with respect to liabilities of any UK Loan Party which constitutes preferential debts pursuant to Section 386 of the Insolvency Act 1986 ~~and other governmental charges~~, reserves in respect of inventory that is subject to the rights of suppliers under Section 81.1 of the Bankruptcy and Insolvency Act (Canada) and any Wage Earner Protection Act Reserve) with respect to the Collateral or any Loan Party.

"Restatement Date" means the date on which the conditions specified in Section 4.01 are satisfied (or waived in accordance with Section 9.02).

"Restricted Payment" means any dividend or other distribution (whether in cash, securities or other property) with respect to any Equity Interests in the Company or any Subsidiary, or any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any such Equity Interests in the Company or any option, warrant or other right to acquire any such Equity Interests in the Company.

"Retention of Title Reserves" means with respect to any Eligible Inventory for which (i) there are no contractual terms addressing retention of title in favor of the vendor or supplier thereof and (ii) the applicable Loan Party has not represented to the Administrative Agent that such vendor or supplier does not have retention of title rights, a reserve equal to 50% of the lesser of (A) the value of such Inventory or (B) to the extent the applicable Loan Party has provided the Administrative Agent with reasonable evidence of the amount thereof, the amount of the outstanding payable owing to the applicable Loan Party's vendor in respect of such Eligible Inventory.

"Revolving Exposure" means the sum of the Facility A Revolving Exposure *plus* the Facility B Revolving Exposure.

"Revolving Loan" means a Loan made pursuant to Section 2.01.

"S&P" means Standard & Poor's Ratings Services, a division of The McGraw Hill Companies, Inc.

"Sanctions" means economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by (a) the U.S. government, including those administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State or (b) the United Nations Security Council, the European Union or Her Majesty's Treasury of the United Kingdom.

"Sanctioned Country" mean at any time, a country or territory which is the subject or target of any Sanctions.

"Sanctioned Person" means at any time, (a) any Person listed in any Sanctions-related list of designated Persons maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State or by the United Nations Security Council, the European Union or any EU member state, (b) any Person operating, organized or resident in a Sanctioned Country or (c) any Person controlled by any such Person.

"Secured Obligations" means all Obligations, together with all Banking Services Obligations and Swap Obligations owing to one or more Lenders or their respective Affiliates; provided that ~~at or prior to~~within 30 days after the time that any transaction relating to such Swap Obligation is executed by a Lender or its Affiliate and any Loan Party, the Lender party thereto or its Affiliate (other than JPMCB) shall have delivered written notice in accordance with the notice provisions of this Agreement to the Administrative Agent that such a transaction has been entered into and that it constitutes a Secured Obligation entitled to the benefits of the Collateral Documents.

"Security Agreement" means, individually and collectively, any US Security Agreement, any UK Security Agreement, any Dutch Security Agreement, any Irish Security Agreement ~~or~~, any Luxembourg Security Agreement or any Canadian Security Agreement.

"Settlement" has the meaning assigned to such term in Section 2.05(c).

"Settlement Date" has the meaning assigned to such term in Section 2.05(c).

"Specified Excluded Subsidiary" means any subsidiary of OfficeMax listed on Schedule 1.01(e).

"Specified Intellectual Property Transaction" means any sale, transfer, license or other disposition, directly or indirectly, of Intellectual Property, certain other assets relating thereto or goodwill and going concern relating to the business from a Loan Party to a Subsidiary that is not a Loan Party in connection with the Intellectual Property Reorganization (as defined on Schedule 1.01(d)).

"Specified Principal-Commissionaire Transaction" means any sale, transfer or other disposition, directly or indirectly, of assets from a Loan Party to a Removed Borrower in connection with the Principal-Commissionaire Reorganization (as defined on Schedule 1.01(d)); provided that, both immediately before and immediately after giving pro forma effect to any such sale, transfer or other disposition of Collateral, no Level 4 Minimum Aggregate Availability Period shall be in effect.

"Specified Tax Restructuring Transaction" means:

(1) any Specified Intellectual Property Transaction or Specified Principal-Commissionaire Transaction; or

(2) any Tax Restructuring Transaction that either:

(a) has no material adverse effect on the European Borrowing Base or the Collateral of the European Loan Parties taken as a whole and is not otherwise materially disadvantageous to any interest of the Lenders, or

(b) (i) with respect to which the Company has provided the Lenders with: (A) notice of such transaction, (B) an explanation, in form and substance reasonably satisfactory to the Administrative Agent, of such transaction and the purpose thereof and (C) a Borrowing Base Certificate giving pro forma effect to such transaction and (ii) the Required Lenders do not object in writing thereto within 10 Business Days after receiving such materials;

provided that, in each case, (A) the Company has complied with all actions reasonably required by the Administrative Agent in order to protect or perfect the security interest of the Collateral Agents in the Collateral and (B) the Company may not effect any Specified Tax Restructuring Transaction if a Default or Event of Default has occurred and is continuing; provided, further, that Lenders who do not object to a transaction pursuant to clause (2)(b)(ii) above shall be deemed to have consented to such transaction for purposes of determining the requisite consent under Section 9.02(b).

"Spot Selling Rate" means, on any date, as determined by the Administrative Agent, the spot selling rate posted by Reuters on its website for the sale of the applicable currency for dollars at approximately 11:00 a.m., Local Time, two Business Days prior; provided that if, at the time of any such determination, for any reason, no such spot rate is being quoted, the spot selling rate shall be determined by reference to such publicly available service for displaying exchange rates as my be selected by the Administrative Agent, or, in the event no such service is selected, such spot selling rate shall instead be the arithmetic average of spot rates of exchange in the market where its foreign currency exchange operations in respect of the applicable currency are then being conducted, at or about 11.00 a.m. Local Time, on such date for the purchase of the relevant currency for delivery two Business Days later.

"Statutory Reserve Rate" means a fraction (expressed as a decimal), the numerator of which is the number one and the denominator of which is the number one minus the aggregate of the maximum reserve percentages (including any marginal, special, emergency or supplemental reserves) expressed as a decimal established by the Board to which the Administrative Agent is subject with respect to the Adjusted LIBO Rate, for eurocurrency funding (currently referred to as "Eurocurrency Liabilities" in Regulation D of the Board). Such reserve percentages shall include those imposed pursuant to such Regulation D. Eurocurrency Loans shall be deemed to constitute eurocurrency funding and to be subject to such reserve requirements without benefit of or credit for proration, exemptions or offsets that may be available from time to time to any Lender under such Regulation D or any comparable regulation. The Statutory Reserve Rate shall be adjusted automatically on and as of the effective date of any change in any reserve percentage.

"Sterling" or "£" refers to the lawful currency of the United Kingdom.

"Subordinated Indebtedness" of a Person means any Indebtedness of such Person the payment of which is subordinated to payment of the Secured Obligations to the written satisfaction of the Administrative Agent.

"subsidiary" means, (a) with respect to any Person (the "parent") at any date, any corporation, limited liability company, partnership, association or other entity the accounts of which would be consolidated with those of the parent in the parent's consolidated financial statements if such financial statements were prepared in accordance with GAAP as of such date, as well as any other corporation, limited liability company, partnership, association or other entity (i) of which securities or other ownership interests representing more than 50% of the equity or more than 50% of the ordinary voting power or, in the case of a partnership, more than 50% of the general partnership interests are, as of such date, owned, controlled or held, or (ii) that is, as of such date, otherwise Controlled, by the parent or one or more subsidiaries of the parent or by the parent and one or more subsidiaries of the parent and (b) any subsidiary within the meaning of Section 1261(l) of the UK Companies Act of 2006 and any subsidiary undertaking in each case.

"Subsidiary" means any direct or indirect subsidiary of the Company or a Loan Party, as applicable; provided that any Specified Excluded Subsidiary shall not be a Subsidiary for the purposes of this Agreement.

"Supermajority Lenders" means, at any time, Lenders having Credit Exposure and unused Commitments representing at least 66 2/3% of the sum of the total Credit Exposure and unused Commitments at such time.

"Supplementary Pension Act" means the Luxembourg law of June 8, 1999 on the supplementary pension schemes, as amended.

"Swap" means any agreement, contract, or transaction that constitutes a "swap" within the meaning of section 1a(47) of the Commodity Exchange Act.

"Swap Agreements" means any agreement with respect to any swap, forward, future or derivative transaction or option or similar agreement involving, or settled by reference to, one or more rates, currencies, commodities, equity or debt instruments or securities, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or any combination of these transactions; provided that no phantom stock or similar plan providing for payments only on account of services provided by current or former directors, officers, employees or consultants of the Borrowers or the Subsidiaries shall be a Swap Agreement.

"Swap Obligations" of a Person means any and all obligations of such Person, whether absolute or contingent and howsoever and whensoever created, arising, evidenced or acquired (including all renewals, extensions and modifications thereof and substitutions therefor), under (a) any and all Swap Agreements, and (b) any and all cancellations, buy backs, reversals, terminations or assignments of any Swap Agreement transaction.

"Swingline Exposure" means, at any time, the sum of the Facility A Swingline Exposure and the Facility B Swingline Exposure.

"Swingline Lender" means, individually and collectively, the US Swingline Lender and the European Swingline Lender, as the context may require.

"Swingline Loan" means, individually and collectively, each US Swingline Loan and each European Swingline Loan, as the context may require.

"Syndication Agent" Bank of America, N.A., in its capacity as Syndication Agent.

"TARGET Day" means any day on which TARGET2 is open for settlement of payments in Euro.

"TARGET2" means the Trans-European Automated Real-time Gross Settlement Express Transfer payment system which utilizes a single shared platform and which was launched on November 19, 2007.

"Tax Restructuring" means, collectively, the Intellectual Property Reorganization, the Principal-Commissionaire Reorganization and the Tax Reorganization (each as defined on Schedule 1.01(d)).

"Tax Restructuring Transaction" means any transaction that constitutes a part of, effects or is effected in connection with the Tax Restructuring.

"Taxes" means any and all present or future taxes, levies, imposts, duties, deductions, withholdings, assessments, fees or other similar charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

"Tax Confirmation" means a confirmation by a Lender to any UK Loan Party that the Person beneficially entitled to interest payable to that Lender in respect of an advance hereunder is either:

(a) a company resident in the United Kingdom for United Kingdom tax purposes;

(b) a partnership each member of which is:

(i) a company so resident in the United Kingdom; or

(ii) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which brings into account in computing its chargeable profits (for the purposes of section 19 of the UK Corporation Tax Act 2009) the whole of any share of interest payable in respect of that advance that falls to it by reason of Part 17 of the UK Corporation Tax Act 2009; or

(c) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which brings into account interest payable in respect of that advance in computing the chargeable profits (within the meaning of section 11(2) of the UK Income and Corporation Taxes Act 1988) of that company.

"Test Period" means the most recent period of four consecutive fiscal quarters of the Company ended on or prior to such time (taken as one accounting period) in respect of which financial statements for each quarter or fiscal year in such period have been (or have been required to be) delivered pursuant to Section 5.01(a) or 5.01(b), as applicable.

"Third Amendment" shall mean that certain Third Amendment, dated as of [_____], 2013, among the Borrowers, the Administrative Agent and the Lenders.

"Third Amendment Effective Date" shall have the meaning ascribed to such term in the Third Amendment.

"Total Assets" means, at any date, the amount that would, in conformity with GAAP, be set forth opposite the caption "total assets" (or any like caption) on a consolidated balance sheet of the Company and the Subsidiaries.

"Total Full Cash Dominion Period" means any Level 2 Minimum Aggregate Availability Period; provided that a Total Full Cash Dominion Period may be discontinued no more than twice in any period of twelve consecutive months.

"Transactions" means the amendment and restatement of the Existing Credit Agreement in the form of this Agreement, the borrowing of Loans and other credit extensions, the use of the proceeds thereof and the issuance of Letters of Credit hereunder.

"Treaty" has the meaning assigned to such term in the definition "Treaty State".

"Treaty Lender" means a Lender which:

(a) is treated as a resident of a Treaty State for the purposes of the Treaty;

(b) does not carry on a business in the jurisdiction in which the applicable Borrower is located through a permanent establishment with which that Lender's participation in the Loan is effectively connected.

"Treaty State" means a jurisdiction having a double taxation agreement (a "Treaty") with the jurisdiction in which the relevant Borrower is located which makes provision for full exemption from the imposition of any withholding or deduction for or on account of tax imposed by the Borrower's jurisdiction on interest.

"Trigger Date" has the meaning assigned to such term in Section 5.16.

"Type", when used in reference to any Loan or Borrowing, refers to whether the rate of interest on such Loan, or on the Loans comprising such Borrowing, is determined by reference to the Adjusted LIBO Rate, the Alternate Base Rate or the ~~OVERNIGHT~~Overnight LIBO ~~RATE~~Rate.

"UCC" means the Uniform Commercial Code as in effect from time to time in the State of New York or any other state the laws of which are required to be applied in connection with the issue of perfection of security interests.

"UK Borrower" means, individually and collectively, Office Depot International (UK) Ltd. and Office Depot UK Ltd.

"UK Borrowing Base" means, at any time, with respect to the UK Loan Parties, the sum of:

(a) the sum of (i) the product of (A) 85% *multiplied by* (B) the UK Loan Parties' Eligible Accounts at such time, *minus* the Dilution Reserve related to the UK Loan Parties, *minus* any

other Reserve related to Accounts of the UK Loan Parties, (ii) the product of (A) 90% *multiplied by* (B) the UK Loan Parties' Eligible Credit Card Receivables at such time *minus* the Dilution Reserve related to the UK Loan Parties, *minus* any other Reserve related to Accounts of the UK Loan Parties, and (iii) the product of (A) 75% *multiplied* by (B) the Eligible Uninvoiced Accounts Receivable of the UK Loan Parties at such time *minus* the Dilution Reserve related to the UK Loan Parties, *plus*

(b) the lesser of (i) the product of (x) 75% *multiplied by* (y) the UK Loan Parties' Eligible Inventory, valued at the lower of cost (determined on a first-in-first-out basis or average cost basis) or market value, at such time, *minus* any Reserves related to the Eligible Inventory of the UK Loan Parties and (ii) the product of 85% *multiplied by* the High Season or Low Season, if applicable, Net Orderly Liquidation Value percentage (as applicable, based on the borrowing base delivery date as required under Section 5.01(f)) identified in the most recent inventory appraisal ordered by the Administrative Agent *multiplied by* the UK Loan Parties' Eligible Inventory, valued at the lower of cost (determined on a first-in-first-out basis or average cost basis) or market value, at such time *minus* any Reserves related to the Eligible Inventory of the UK Loan Parties, *plus*

(c) the lesser of (i) the product of (x) 75% *multiplied by* (y) the UK Loan Parties' Eligible LC Inventory, valued at the lower of cost (determined on a first-in-first-out basis or average cost basis) or market value, at such time, *minus*, without duplication of any Reserves accounted for in clause (b) above, Reserves relating to the Eligible LC Inventory of the UK Loan Parties and (ii) the product of 85% *multiplied by* the High Season or Low Season, if applicable, Net Orderly Liquidation Value percentage (as applicable, based on the borrowing base delivery date as required under Section 5.01(f)) identified in the most recent inventory appraisal ordered by the Administrative Agent *multiplied by* the UK Loan Parties' Eligible LC Inventory, valued at the lower of cost (determined on a first-in-first-out basis or average cost basis) or market value, at such time *minus*, without duplication of any Reserves accounted for in clause (b) above, Reserves related to the Eligible LC Inventory of the UK Loan Parties.

The Administrative Agent may, in its Permitted Discretion, adjust Reserves used in computing the Aggregate Borrowing Base and the UK Borrowing Base, with any such changes to be effective three Business Days after delivery of notice thereof to the Borrower Representative and the Lenders. The Aggregate Borrowing Base and the UK Borrowing Base at any time shall be determined by reference to the most recent Aggregate Borrowing Base Certificate and each other Borrowing Base Certificate delivered to the Administrative Agent pursuant to Section 5.01(f) of this Agreement.

For purposes of computing each of the UK Borrowing Base, the European Borrowing Base, the Aggregate Borrowing Base and interpreting the defined terms used in any of the foregoing, Inventory located in England and Wales or Scotland that is owned by a Luxembourg Loan Party that becomes a Principal as a result of any Luxembourg Restructuring Transactions shall be deemed to be owned by a UK Borrower; provided that immediately prior to the transfer of such Inventory to the Luxembourg Loan Party, such Inventory was Eligible Inventory.

"UK Borrowing Base Certificate" means a certificate, signed and certified as accurate and complete by a Financial Officer of each UK Borrower, in substantially the form of Exhibit B-3 or another form which is acceptable to the Administrative Agent in its sole discretion.

"UK Loan Party" means any Loan Party (including the UK Borrowers) organized under the laws of the United Kingdom.

"UK Non-Bank Lender" has the meaning assigned to such term in Section 2.17(a)(ii).

"UK Pension Scheme" means the Guilbert U.K. Retirement Benefits Plan governed by trust deed and rules dated September 27, 2002, as amended by deed on April 24, 2008.

"UK Qualifying Lender" means a Lender which is beneficially entitled to interest payable to that Lender in respect of an advance to any UK Loan Party hereunder and is either:

(a) a Lender (i) which is a bank (as is defined for the purpose of section 879 of the UK Income Tax Act 2007) making an advance hereunder or (ii) in respect of an advance made hereunder by a Person that was a bank (as so defined) at the time that the advance was made and, in either case, which is within the charge to United Kingdom corporation tax as respects any payments of interest made in respect of that advance;

(b) a Lender which is:

(i) a company resident in the United Kingdom for United Kingdom tax purposes;

(ii) a partnership each member of which is:

(x) a company so resident in the United Kingdom; or

(y) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which is required to bring into account in computing its chargeable profits (within the meaning of section 19 of the UK Corporation Tax Act 2009) the whole of any share of interest payable in respect of that advance that falls to it by reason of Part 17 of the UK Corporation Tax Act 2009;

(iii) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which brings into account that interest payable in respect of that advance in computing the chargeable profits (for the purposes of section 19 of the UK Corporation Tax Act 2009) of that company; or

(c) a Treaty Lender.

"UK Security Agreement" means (a) the two Debentures, dated as of the Initial Effective Date, among the UK Borrowers, respectively, and the European Collateral Agent, (b) the Deed of Charge, dated as of the Initial Effective Date, among the Irish Borrower and the European Collateral Agent, and (c) the Deeds of Charge, dated as of the Initial Effective Date, among Office Depot International B.V. and Office Depot B.V., respectively, and the European Collateral Agent, as the same may be amended, restated or otherwise modified from time, (d) the Deed of Charge, dated as of December 27, 2010, between Office Depot Finance B.V. and the European Collateral Agent, (e) any other charge or security agreement entered into, after the date of this Agreement, by any other UK Loan Party (as required by this Agreement or any other Loan Document for the purpose of creating a Lien on the property of any UK Loan Party (or any other property located in the United Kingdom)) and (f) any other charge or security agreement entered into, after the date of this Agreement, by any Loan Party (as required by this Agreement or any other Loan Document for the purpose of creating a Lien on any property located in the United Kingdom), which charge or security agreement is designated by the European Administrative Agent as a "UK Security Agreement", in each case as the same may be amended, restated or otherwise modified from time to time.

"United Kingdom" and "UK" means the United Kingdom of Great Britain and Northern Ireland.

"United States" and "US" means the United States of America.

"Unliquidated Obligations" means, at any time, any Secured Obligations (or portion thereof) that are contingent in nature or unliquidated at such time, including any Secured Obligation that is: (i) an obligation to reimburse a bank for drawings not yet made under a letter of credit issued by it; (ii) any other obligation (including any guarantee) that is contingent in nature at such time; or (iii) an obligation to provide collateral to secure any of the foregoing types of obligations.

"US Borrower" means any Borrower that is a "United States person" within the meaning of Section 7701(a)(30) of the Code.

"US Borrowing Base" means, at any time, with respect to the US Loan Parties, the sum of:

(a) the sum of (i) the product of (A) 85% *multiplied by* (B) the US Loan Parties' Eligible Accounts (other than Eligible Credit Card Receivables) at such time, *minus* the Dilution Reserve related to the US Loan Parties, *minus* any other Reserve related to Accounts of the US Loan Parties, (ii) the product of (A) 90% *multiplied by* (B) the US Loan Parties' Eligible Credit Card Receivables at such time *minus* the Dilution Reserve related to the US Loan Parties, *minus* any other Reserve related to Accounts of the US Loan Parties, and (iii) the product of (A) 75% *multiplied by* (B) the Eligible Uninvoiced Accounts Receivable of the US Loan Parties at such time *minus* the Dilution Reserve related to the US Loan Parties, *plus*

(b) the lesser of (i) the product of (x) 75% *multiplied by* (y) the US Loan Parties' Eligible Inventory, valued at the lower of cost (determined on a first-in-first-out basis or average cost basis) or market value, at such time, *minus* any Reserves related to the Eligible Inventory of the US Loan Parties and (ii) the product of 85% *multiplied by* the High Season or Low Season, if applicable, Net Orderly Liquidation Value percentage (as applicable, based on the borrowing base delivery date as required under Section 5.01(f)) identified in the most recent inventory appraisal ordered by the Administrative Agent *multiplied by* the US Loan Parties' Eligible Inventory, valued at the lower of cost (determined on a first-in-first-out basis or average cost basis) or market value, at such time *minus* any Reserves related to the Eligible Inventory of the US Loan Parties, *plus*

(c) the lesser of (i) the product of (x) 75% *multiplied by* (y) the US Loan Parties' Eligible LC Inventory, valued at the lower of cost (determined on a first-in-first-out basis or average cost basis) or market value, at such time, *minus*, without duplication of any Reserves accounted for in clause (b) above, Reserves relating to the Eligible LC Inventory of the US Loan Parties and (ii) the product of 85% *multiplied by* the High Season or Low Season, if applicable, Net Orderly Liquidation Value percentage (as applicable, based on the borrowing base delivery date as required under Section 5.01(f)) identified in the most recent inventory appraisal ordered by the Administrative Agent *multiplied by* the US Loan Parties' Eligible LC Inventory, valued at the lower of cost (determined on a first-in-first-out basis or average cost basis) or market value, at such time *minus*, without duplication of any Reserves accounted for in clause (b) above, Reserves related to the Eligible LC Inventory of the US Loan Parties.

The Administrative Agent may, in its Permitted Discretion, adjust Reserves used in computing the Aggregate Borrowing Base and the US Borrowing Base, with any such changes to be effective three Business Days after delivery of notice thereof to the Borrower Representative and the Lenders. The Aggregate Borrowing Base and the US Borrowing Base at any time shall be determined by reference to the most recent Aggregate Borrowing Base Certificate and each other Borrowing Base Certificate delivered to the Administrative Agent pursuant to Section 5.01(f) of this Agreement.

"US Borrowing Base Certificate" means a certificate, signed and certified as accurate and complete by a Financial Officer of the Borrower Representative, in substantially the form of Exhibit B-2 or another form which is acceptable to the Administrative Agent in its sole discretion.

"US Collateral Agent" means JPMCB, in its capacity as security trustee for itself, the Administrative Agent, the Issuing Banks and the Lenders, and its successors in such capacity.

"US Letter of Credit" means any letter of credit or similar instrument (including a bank guarantee) acceptable to the applicable Issuing Bank issued in dollars for the purpose of providing credit support to the Company.

"US Loan Party" means, individually and collectively, any Loan Party (including the Company) organized under the laws of the United States.

"US Protective Advance" means a Protective Advance made to or for the account of the Company.

"US Revolving Loan" means a Revolving Loan made to the Company.

"US Security Agreement" means (a) that certain US Security Agreement, dated as of the Initial Effective Date, between the US Loan Parties party thereto and the US Collateral Agent (for the benefit of the Agents, the Lenders and the Issuing Banks), (b) any other pledge or security agreement entered into, after the date of this Agreement by any other US Loan Party (as required by this Agreement or any other Loan Document for the purpose of creating a Lien on the property of any Loan Party organized in the US (or any other property located therein)), or any other Person and (c) any other pledge or security agreement entered into, after the date of this Agreement, by any Loan Party (as required by this Agreement or any other Loan Document for the purpose of creating a Lien on any property located in the US), which charge or security agreement is designated by the Administrative Agent as a "US Security Agreement", in each case as the same may be amended, restated or otherwise modified from time to time.

"US Swingline Lender" means JPMCB, in its capacity as lender of US Swingline Loans hereunder, and its successors and assigns in such capacity.

"US Swingline Loan" means a Swingline Loan made to the Company.

"VAT" means value added tax as provided for in the VATA 1994 or any similar or substitute tax.

"VATA 1994" means The Value Added Tax Act 1994.

"Vendor Rebates" means, with respect to any Loan Party, credits earned from vendors for volume purchases that reduce net inventory costs for such Loan Party.

"Wage Earner Protection Act Reserve" means on any date of determination, a reserve established from time to time by Administrative Agent in such amount as Administrative Agent determines reflects the amounts that may become due under the Wage Earner Protection Program Act (Canada) with respect to the employees of any Loan Party employed in Canada which would give rise to a Lien with priority under applicable law over the Lien securing the Obligations.

"Withdrawal Liability" means liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Part I of Subtitle E of Title IV of ERISA.

"Working Capital" means, at any date, the excess of current assets of the Company and its Subsidiaries on such date over current liabilities of the Company and its Subsidiaries on such date, all determined on a consolidated basis in accordance with GAAP.

SECTION 1.02 Classification of Loans and Borrowings. For purposes of this Agreement, Loans may be classified and referred to by Facility, (e.g., a "Facility A Loan"), Class (e.g., a "Revolving Loan") or by Type (e.g., a "Eurocurrency Loan"), by Facility and Class (e.g., a "Facility A Revolving Loan") or by Class and Type (e.g., a "Eurocurrency Revolving Loan"). Borrowings also may be classified and referred to by Class (e.g., a "Borrowing of Revolving Loans") or by Type (e.g., a "Eurocurrency Borrowing") or by Class and Type (e.g., a "Eurocurrency Borrowing of Revolving Loans").

SECTION 1.03 Terms Generally. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". The word "will" shall be construed to have the same meaning and effect as the word "shall". Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person's successors and assigns, (c) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement and (e) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

In this Agreement, where it relates to a Dutch Loan Party, a reference to:

(a) a necessary action to authorize, where applicable, includes without limitation:

(i) any action required to comply with the Works Councils Act of the Netherlands (*Wet op de ondernemingsraden*); and

(ii) obtaining an unconditional positive advice (*advies*) from the competent works council(s);

(b) gross negligence includes *grove schuld*;

(c) negligence includes *schuld*;

(d) a security interest includes any mortgage (*hypotheek*), pledge (*pandrecht*), retention of title arrangement (*eigendomsvoorbehoud*), privilege (*voorrecht*), right of retention (*recht van retentie*), right to reclaim goods (*recht van reclame*), and, in general, any right in rem (*beperkte recht*), created for the purpose of granting security (*goederenrechtelijk zekerheidsrecht*);

(e) wilful misconduct includes *opzet*;

(f) a winding-up, administration or dissolution (and any of those terms) includes a Dutch entity being declared bankrupt (*failliet verklaard*) or dissolved (*ontbonden*);

(g) a moratorium includes *surseance van betaling* and granted a moratorium includes *surséance verleend*;

(h) any step or procedure taken in connection with insolvency proceedings includes a Dutch entity having filed a notice under section 36 of the Dutch Tax Collection Act (*Invorderingswet* 1990);

(i) an administrative receiver includes a *curator*;

(j) an administrator includes a *bewindvoerder*; and

(k) an attachment includes a *beslag*.

SECTION 1.04 Accounting Terms; GAAP. Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP, as in effect from time to time; provided that, if the Borrower Representative notifies the Administrative Agent that the Borrowers request an amendment to any provision hereof to eliminate the effect of any change occurring after the date hereof in GAAP or in the application thereof on the operation of such provision (or if the Administrative Agent notifies the Borrower Representative that the Required Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith. In the event that historical accounting practices, systems or reserves relating to the components of the Aggregate Borrowing Base or the Borrowing Base of any Borrower are modified in a manner that is adverse to the Lenders in any material respect, the Borrowers will agree to maintain such additional reserves (for purposes of computing the Aggregate Borrowing Base and the Borrowing Base of each Borrower) in respect to the components of the Aggregate Borrowing Base and the Borrowing Base of each Borrower and make such other adjustments (which may include maintaining additional reserves, modifying the advance rates or modifying the eligibility criteria for the components of the Aggregate

Borrowing Base and the Borrowing Base of each Borrower). Notwithstanding any other provision contained herein, (a) all computations of amounts and ratios referred to in this Agreement shall be made without giving effect to any election under FASB ASC Topic 825 "Financial Instruments" (or any other financial accounting standard having a similar result or effect) to value any Indebtedness of the Company or its Subsidiaries at "fair value" as defined therein and (b) Indebtedness shall not include any obligations under leases that would be classified as operating leases under GAAP as in effect on the date hereof, and the payments thereon shall not constitute interest expense.

SECTION 1.05 Currency Translations. (a) For purposes of this Agreement and the other Loan Documents, where the permissibility of a transaction or determinations of required actions or circumstances depend upon compliance with, or are determined by reference to, amounts stated in dollars, such amounts shall be deemed to refer to dollars or Dollar Equivalents and any requisite currency translation shall be based on the Spot Selling Rate and the permissibility of actions taken under Article VI shall not be affected by subsequent fluctuations in exchange rates (provided that if Indebtedness is incurred to refinance or renew other Indebtedness, and such refinancing or renewal would cause the applicable dollar denominated limitation to be exceeded if calculated at the Spot Selling Rate, such dollar denominated restriction shall be deemed not to have been exceeded so long as (i) such refinancing or renewal Indebtedness is denominated in the same currency as such Indebtedness being refinanced or renewed and (ii) the principal amount of such refinancing or renewal Indebtedness does not exceed the principal amount of such Indebtedness being refinanced or renewed except as permitted under Section 6.01).

(b) For purposes of all calculations and determinations under this Agreement, any amount in any currency other than dollars shall be deemed to refer to dollars or Dollar Equivalents and any requisite currency translation shall be based on the Spot Selling Rate, and all certificates delivered under this Agreement, shall express such calculations or determinations in dollars or Dollar Equivalents.

ARTICLE II

The Credits

SECTION 2.01 Commitments. Subject to the terms and conditions set forth herein, (a) each Facility A Lender agrees to make Revolving Loans (the "Facility A Revolving Loans") from time to time during the Availability Period to the Company in dollars and (b) each Facility B Lender agrees to make Revolving Loans (the "Facility B Revolving Loans") from time to during the Availability Period to the Facility B Borrowers in dollars, Euros and Sterling, if, in each case after giving effect thereto:

(i) the Facility A Revolving Exposure or Facility B Revolving Exposure of any Lender would not exceed such Lender's Facility A Commitment or Facility B Commitment, respectively;

(ii) the total Revolving Exposure would not exceed the lesser of (x) the aggregate amount of the Commitments and (y) the Aggregate Borrowing Base;

(iii) the total Facility A Revolving Exposure would not exceed the lesser of (x) the aggregate amount of the Facility A Commitments and (y) the US Borrowing Base;

(iv) the total Facility B Revolving Exposure would not exceed the lesser of (x) the aggregate amount of the Facility B Commitments and (y) the Aggregate Borrowing Base *minus* the Facility A Revolving Exposure;

(v) the total Facility B Revolving Exposure relating to the European Borrowers would not exceed the European Sublimit; and

(vi) the total Revolving Exposure relating to the Company would not exceed the US Borrowing Base;

subject, in the case of each of clause (ii), (iii) and (iv) above, to the Administrative Agent's authority, in its sole discretion, to make Protective Advances pursuant to the terms of Section 2.04.

Within the foregoing limits and subject to the terms and conditions set forth herein, each Borrower may borrow, prepay and reborrow its Revolving Loans.

SECTION 2.02 Loans and Borrowings. (a) Each Loan (other than a Swingline Loan) shall be made as part of a Borrowing consisting of Loans of the same Facility, Class and Type made by the Lenders ratably in accordance with their respective Commitments of the applicable Facility and Class. Each Protective Advance and Swingline Loan shall be made in accordance with the procedures set forth in Sections 2.04 and 2.05.

(b) Subject to Section 2.14, (i) each Borrowing of US Revolving Loans denominated in dollars shall be comprised entirely of ABR Loans or Eurocurrency Loans as the Company may request in accordance herewith, (ii) each Borrowing of US Revolving Loans denominated in Euros or Sterling shall be comprised entirely of Eurocurrency Loans and (iii) each Borrowing of European Revolving Loans shall be comprised entirely of Eurocurrency Loans; provided that all Borrowing of Revolving Loans made on the Restatement Date shall be limited to ABR Borrowings of Revolving Loans denominated in dollars. Each Swingline Loan denominated in dollars (other than European Swingline Loans) shall be an ABR Loan and each Swingline Loan denominated in Euros or Sterling and any European Swingline Loan denominated in dollars shall be an Overnight LIBO Loan. Each Lender may make any Eurocurrency Loan to any Borrower by causing, at its option, any domestic or foreign branch or Affiliate of such Lender to make such Loan; provided that any exercise of such option shall not affect the obligation of the Lenders to make Loans in accordance with the terms hereof or Borrowers to repay any such Loan in accordance with the terms of this Agreement.

(c) At the commencement of each Interest Period for any Eurocurrency Borrowing of Revolving Loans, such Borrowing shall be in an aggregate amount that is an integral multiple of $1,000,000 and not less than $5,000,000. ABR Borrowing of Revolving Loans may be in any amount. Borrowings of more than one Type and Class may be outstanding at the same time; provided that there shall not at any time be more than a total of 12 Eurocurrency Borrowings outstanding.

(d) Notwithstanding any other provision of this Agreement, neither the Borrower Representative nor any Borrower shall be entitled to request, or to elect to convert or continue, any Borrowing if the Interest Period requested with respect thereto would end after the Maturity Date.

(e) Each Facility A Loan shall be made in dollars and each Facility B Loan shall be made in dollars, Euros or Sterling.

SECTION 2.03 Requests for Borrowing of Revolving Loans. To request a Borrowing of Revolving Loans, the Borrower Representative (or the applicable Borrower) shall notify the Administrative Agent, in the case of a requested Borrowing of Facility A Revolving Loans, or the Administrative Agent and the European Administrative Agent, in the case of a requested Borrowing of Facility B Revolving Loans, in each case either in writing (delivered by hand or facsimile) in a form approved by the Administrative Agent and/or the European Administrative Agent, as applicable, and signed by the Borrower Representative (or the applicable Borrower) or by telephone as follows:

(a) in the case of an ABR Borrowing, not later than 12:00 p.m., Local Time (or in case of an ABR Borrowing, the proceeds of which are to be applied to finance the reimbursement of an LC Disbursement as contemplated by Section 2.06(e), not later than 9:00 a.m., Local Time) on the date of the proposed Borrowing, and

(b) in the case of a Eurocurrency Borrowing, not later than 10:00 a.m., Local Time, three Business Days before the date of the proposed Borrowing.

Each telephonic Borrowing Request shall be irrevocable and shall be confirmed promptly by hand delivery or facsimile of a written Borrowing Request in a form approved by the Administrative Agent and/or the European Administrative Agent, as applicable, and signed by the Borrower Representative (or the Borrower making such request). Each such telephonic and written Borrowing Request shall specify the following information in compliance with Section 2.01:

(i) the name of the applicable Borrower;

(ii) the aggregate amount of the requested Borrowing and a breakdown of the separate wires comprising such Borrowing;

(iii) the Facility under which such Borrowing shall be made;

(iv) the date of such Borrowing, which shall be a Business Day;

(v) in the case of a Borrowing requested on behalf of a Facility B Borrower, the currency of the requested Borrowing;

(vi) whether such Borrowing is to be an ABR Borrowing or a Eurocurrency Borrowing; and

(vii) in the case of a Eurocurrency Borrowing, the initial Interest Period to be applicable thereto, which shall be a period contemplated by the definition of the term “Interest Period.”

If no election as to the Type of Borrowing of Revolving Loans is specified, then (A) a Borrowing of Revolving Loans requested in dollars shall be an ABR Borrowing and (B) a Borrowing of Revolving Loans requested in Euros or Sterling shall be a Eurocurrency Borrowing with an Interest Period of one month. If no Interest Period is specified with respect to any requested Eurocurrency Borrowing of Revolving Loans, then the applicable Borrower shall be deemed to have selected an Interest Period of one month’s duration. Promptly following receipt of a Borrowing Request in accordance with this Section, the Administrative Agent or the European Administrative Agent, as applicable, shall advise each Lender of the details thereof and of the amount of such Lender’s Loan to be made as part of the requested Borrowing.

SECTION 2.04 Protective Advances. (a) Subject to the limitations set forth below, the Administrative Agent is authorized by the Borrowers and the Lenders, from time to time in the Administrative Agent's sole discretion (but shall have absolutely no obligation to), to make (or authorize the Administrative Agent or the European Administrative Agent, as applicable, to make) (i) Loans to the Company in dollars on behalf of the Facility A Lenders (each such Loan, a "Facility A Protective Advance"), (ii) Loans to the Company in dollars, Euros or Sterling on behalf of the Facility B Lenders (each such Loan, a "Facility B US Protective Advance") and (iii) Loans to any European Borrower in dollars, Euros or Sterling on behalf of the Facility B Lenders (each such Loan, a "European Protective Advances"), which the Administrative Agent, in its Permitted Discretion, deems necessary or desirable (i) to preserve or protect the Collateral, or any portion thereof, (ii) to enhance the likelihood of, or maximize the amount of, repayment of the Loans and other Obligations or (iii) to pay any other amount chargeable to or required to be paid by any of the Borrowers pursuant to the terms of this Agreement, including payments of reimbursable expenses (including costs, fees, and expenses as described in Section 9.03) and other sums payable under the Loan Documents (any of such Loans are herein referred to as "Protective Advances"); provided that no Protective Advance may remain outstanding for more than 30 days; provided further that the aggregate amount of (A) Protective Advances outstanding at any time shall not (x) exceed $50,000,000 or (y) when added to the total Revolving Exposure, exceed the aggregate amount of the Commitments, (B) Facility A Protective Advances outstanding at any time shall not, when added to the total Facility A Revolving Exposure, exceed the aggregate amount of the Facility A Commitments, (C) Facility B Protective Advances outstanding at any time shall not, when added to the total Facility B Revolving Exposure, exceed the aggregate amount of the Facility B Commitments and (D) European Protective Advances outstanding at any time shall not, when added to the total Facility B Revolving Exposure relating to the European Borrowers, exceed the European Sublimit (provided that, for purposes of clauses (A) through (D) above, at any time when any Lender is a Defaulting Lender, such Defaulting Lender's Commitment shall be disregarded). Protective Advances may be made even if the conditions precedent set forth in Section 4.02 have not been satisfied. The Protective Advances shall be secured by the Liens in favor of each applicable Collateral Agent (for the benefit of the Agents, the Lenders and the Issuing Banks) in and to the Collateral and shall constitute Obligations hereunder. All Protective Advances denominated in dollars shall be ABR Borrowings and all Protective Advances denominated in Euros or Sterling shall be Overnight LIBO Borrowings. The Administrative Agent's authorization to make Protective Advances may be revoked at any time by the Required Lenders. Any such revocation must be in writing and shall become effective prospectively upon the Administrative Agent's receipt thereof. At any time that there is sufficient Aggregate Availability and the conditions precedent set forth in Section 4.02 have been satisfied, the Administrative Agent may request the Lenders to make a Revolving Loan, in the currency in which the applicable Protective Advance was denominated, to repay a Protective Advance. At any other time the Administrative Agent may require the Lenders to fund, in the currency in which the applicable Protective Advance was denominated, their risk participations described in Section 2.04(b). It is agreed that the Administrative Agent or the European Administrative Agent, as applicable shall endeavor, but without any obligation, to notify the Borrower Representative promptly after the making of any Protective Advance.

(b) Upon the making of a Protective Advance by the Administrative Agent or the European Administrative Agent, as applicable, in accordance with the terms hereof, each Facility A Lender or Facility B Lender, as applicable, shall be deemed, without further action by any party hereto, to have unconditionally and irrevocably purchased from the Administrative Agent or the European Administrative Agent, as applicable, without recourse or warranty, an undivided interest and participation in such Facility A Protective Advance or Facility B Protective Advance, as applicable, in

proportion to its Applicable Percentage. From and after the date, if any, on which any Lender is required to fund its participation in any Protective Advance purchased hereunder, the Administrative Agent or European Administrative Agent, as applicable, shall promptly distribute to such Lender, such Lender's Applicable Percentage of all payments of principal and interest and all proceeds of Collateral received by the Administrative Agent in respect of such Protective Advance.

SECTION 2.05 Swingline Loans. (a) Swingline Loans.

(i) The Administrative Agent, the US Swingline Lender and the Facility A Lenders agree that in order to facilitate the administration of this Agreement and the other Loan Documents, promptly after the Borrower Representative requests an ABR Borrowing under Facility A on behalf of the Company, the US Swingline Lender may elect to have the terms of this Section 2.05(a)(i) apply to such Borrowing Request by advancing, on behalf of the Facility A Lenders and in the amount so requested, same day funds to the Company on the applicable Borrowing date to the Funding Account(s) (each such Loan, a "Facility A Swingline Loan"), with settlement among them as to the Facility A Swingline Loans to take place on a periodic basis as set forth in Section 2.05(c). Each Facility A Swingline Loan shall be subject to all the terms and conditions applicable to other ABR Loans funded by the Facility A Lenders, except that all payments thereon shall be payable to the US Swingline Lender solely for its own account. In addition, no Facility A Swingline Loan shall be made if, after giving effect thereto:

(A) the aggregate principal amount of outstanding Facility A Swingline Loans would exceed the Facility A Swingline Sublimit;

(B) the Facility A Revolving Exposure of any Lender would exceed such Lender's Facility A Commitment;

(C) the total Revolving Exposure would exceed the lesser of (x) the sum of the aggregate amount of the Commitments and (y) the Aggregate Borrowing Base; or

(D) the total Facility A Revolving Exposure would exceed the lesser of (x) the aggregate amount of the Facility A Commitments and (y) the US Borrowing Base;

subject, in the case of each of clause (A), (C) and (D) above, to the Administrative Agent's authority, in its sole discretion, to make Protective Advances pursuant to the terms of Section 2.04.

(ii) The Administrative Agent, the US Swingline Lender and the Facility B Lenders agree that in order to facilitate the administration of this Agreement and the other Loan Documents, promptly after the Borrower Representative requests an ABR Borrowing under Facility B on behalf of the Company, the US Swingline Lender may elect to have the terms of this Section 2.05(a)(ii) apply to such Borrowing Request by advancing, on behalf of the Facility B Lenders and in the amount so requested, same day funds to the Company on the applicable Borrowing date to the Funding Account(s) (each such Loan, a "Facility B US Swingline Loan"), with settlement among them as to the Facility B US Swingline Loans to take place on a periodic basis as set forth in Section 2.05(c). Each Facility B US Swingline Loan shall be subject to all the terms and conditions applicable to other ABR Loans funded by the Facility B Lenders, except that all payments thereon shall be payable to the US Swingline Lender solely for its own account. In addition, no Facility B US Swingline Loan shall be made if, after giving effect thereto:

(A) the aggregate principal amount of outstanding Facility B Swingline Loans would exceed the Facility B Swingline Sublimit;

(B) the Facility B Revolving Exposure of any Lender would exceed such Lender's Facility B Commitment;

(C) the total Revolving Exposure would exceed the lesser of (x) the aggregate amount of the Commitments and (y) the Aggregate Borrowing Base;

(D) the total Facility B Revolving Exposure would exceed the lesser of (x) the aggregate amount of the Facility B Commitments and (y) the Aggregate Borrowing Base *minus* the Facility A Revolving Exposure; or

(E) the total Revolving Exposure relating to the Company would exceed the US Borrowing Base;

subject, in the case of each of clause (A), (C), (D) and (E) above, to the Administrative Agent's authority, in its sole discretion, to make Protective Advances pursuant to the terms of Section 2.04.

(iii) The European Administrative Agent, the European Swingline Lender and the Facility B Lenders agree that in order to facilitate the administration of this Agreement and the other Loan Documents, promptly after the Borrower Representative requests a Eurocurrency Borrowing on behalf of any European Borrower (or the applicable European Borrower requests such Borrowing), and provided that such Eurocurrency Borrowing request is received by the European Administrative Agent and the European Swingline Lender not later than 10:00 a.m., London time, the European Swingline Lender may elect to have the terms of this Section 2.05(a)(iii) apply to such Borrowing Request by advancing, on behalf of the Facility B Lenders and in the amount so requested, same day funds to the applicable European Borrower on the applicable Borrowing date to the Funding Account(s) (each such Loan, a "European Swingline Loan"), with settlement among them as to the European Swingline Loans to take place on a periodic basis as set forth in Section 2.05(c). Each European Swingline Loan shall be subject to all the terms and conditions applicable to other Eurocurrency Loans funded by the Facility B Lenders, except that (i) such European Swingline Loan shall accrue interest at a rate determined by reference to the ~~OVERNIGHT~~Overnight LIBO ~~RATE~~Rate and (ii) all payments thereon shall be payable to the European Swingline Lender solely for its own account. In addition, no European Swingline Loan shall be made if, after giving effect thereto:

(A) the aggregate principal amount of outstanding Facility B Swingline Loans would exceed the Facility B Swingline Sublimit;

(B) the Facility B Revolving Exposure of any Lender would exceed such Lender's Facility B Commitment;

(C) the total Revolving Exposure would exceed the lesser of (x) the aggregate amount of the Commitments and (y) the Aggregate Borrowing Base;

(D) the total Facility B Revolving Exposure would exceed the lesser of (x) the aggregate amount of the Facility B Commitments and (y) the Aggregate Borrowing Base ***minus*** the Facility A Revolving Exposure; or

(E) the total Facility B Revolving Exposure with respect to the European Borrowers would exceed the European Sublimit;

subject, in the case of each of clause (A), (C) and (D) above, to the Administrative Agent's authority, in its sole discretion, to make Protective Advances pursuant to the terms of Section 2.04.

(b) Lender Participations. Upon the making of a Facility A Swingline Loan or a Facility B Swingline Loan (whether before or after the occurrence of a Default and regardless of whether a Settlement has been requested with respect to such Swingline Loan), each Facility A Lender or Facility B Lender, as applicable, shall be deemed, without further action by any party hereto, to have unconditionally and irrevocably purchased from the applicable Swingline Lender, the Administrative Agent or the European Administrative Agent, as the case may be, without recourse or warranty, an undivided interest and participation in such Swingline Loan in proportion to its Applicable Percentage of the Facility A Commitments or Facility B Commitments, as applicable. The applicable Swingline Lender, the Administrative Agent or the European Administrative Agent may, at any time, require the applicable Lenders to fund, in the currency in which the applicable Swingline Loan was denominated, their participations. From and after the date, if any, on which any Lender is required to fund its participation in any Swingline Loan purchased hereunder, the Administrative Agent or the European Administrative Agent, as applicable, shall promptly distribute to such Lender, such Lender's Applicable Percentage of all payments of principal and interest and all proceeds of Collateral received by such Agent in respect of such Loan.

(c) Swingline Settlements. Each of the Administrative Agent and the European Administrative Agent, on behalf of the US Swingline Lender or the European Swingline Lender, as applicable, shall request settlement (a "Settlement") with the Facility A Lenders or Facility B Lenders, as applicable, on at least a weekly basis or on any earlier date that the Administrative Agent elects, by notifying the applicable Lenders of such requested Settlement by facsimile or e-mail no later than 12:00 noon Local Time (i) on the date of such requested Settlement (the "Settlement Date") with regard to US Swingline Loans and (ii) five Business Days prior to the Settlement Date with regard to European Swingline Loans (or, on the date of such requested Settlement, if a Default or an Event of Default has occurred and is continuing). Each Facility A Lender or Facility B Lender, as applicable (other than the Swingline Lenders, in the case of the Swingline Loans) shall transfer, in the currency in which the applicable Loan was denominated, the amount of such Lender's Applicable Percentage of the outstanding principal amount of the applicable Loan with respect to which Settlement is requested to the Administrative Agent or the European Administrative Agent, as applicable, to an account of such Agent as such Agent may designate, not later than 2:00 p.m., Local Time, on such Settlement Date. Settlements may occur during the existence of a Default and whether or not the applicable conditions precedent set forth in Section 4.02 have then been satisfied. Such amounts transferred to the applicable Agent shall be applied against the amounts of the applicable Swingline Lender's Swingline Loans and, together with such Swingline Lender's Applicable Percentage of such Swingline Loan, shall constitute Revolving Loans of such applicable Lenders, respectively. If any such amount is not transferred to the applicable Agent by any applicable Lender on such Settlement Date, the applicable Swingline Lender shall be entitled to recover such amount on demand from such Lender together with interest thereon as specified in Section 2.07.

SECTION 2.06 Letters of Credit. (a) General. Subject to the terms and conditions set forth herein, the Borrower Representative may request the issuance of Letters of Credit for its own account or for the account of another Borrower or for the account of OfficeMax and its Subsidiaries (or any Borrower may request the issuance of Letters of Credit for its own account), in a form reasonably acceptable to the Administrative Agent and the applicable Issuing Bank (a "Letter of Credit Request"), at any time and from time to time during the Availability Period. In the event of any inconsistency between the terms and conditions of this Agreement and the terms and conditions of any form of letter of credit application or other agreement submitted by the Borrower Representative or any Borrower to, or entered into by the Borrower Representative or any Borrower with, an Issuing Bank relating to any Letter of Credit, the terms and conditions of this Agreement shall control.

(b) Notice of Issuance, Amendment, Renewal, Extension; Certain Conditions. To request the issuance of a Letter of Credit (or the amendment, renewal or extension of an outstanding Letter of Credit), the Borrower Representative (or the applicable Borrower) shall hand deliver or facsimile (or transmit by electronic communication, if arrangements for doing so have been approved by the applicable Issuing Bank) to the applicable Issuing Bank and the Administrative Agent or European Administrative Agent, as applicable (prior to 9:00 a.m., Local Time, at least three Business Days prior to the requested date of issuance, amendment, renewal or extension) a Letter of Credit Request, or identifying the Letter of Credit to be amended, renewed or extended, and specifying the date of issuance, amendment, renewal or extension (which shall be a Business Day), the date on which such Letter of Credit is to expire (which shall comply with paragraph (c) of this Section), the amount of such Letter of Credit, the currency of such Letter of Credit (which shall be in dollars, in the case of each Facility A Letter of Credit, or dollars, Euros or Sterling, in the case of each Facility B Letter of Credit), the name and address of the beneficiary thereof and such other information as shall be necessary to prepare, amend, renew or extend such Letter of Credit. If requested by the applicable Issuing Bank, the applicable Borrower also shall submit a letter of credit application on such Issuing Bank's standard form in connection with any request for a Letter of Credit. A Letter of Credit shall be issued, amended, renewed or extended only if (and upon issuance, amendment, renewal or extension of each Letter of Credit the Borrowers shall be deemed to represent and warrant that), after giving effect to such issuance, amendment, renewal or extension (i) the aggregate LC Exposure shall not exceed the LC Sublimit and (ii) the Facility B LC Exposure shall not exceed $25,000,000. In addition, no Letter of Credit shall be issued, amended, renewed or extended if, after giving effect to such issuance, amendment, renewal or extension:

(A) the Facility A Revolving Exposure of any Lender would exceed such Lender's Facility A Commitment;

(B) the Facility B Revolving Exposure of any Lender would exceed such Lender's Facility B Commitment;

(C) the total Revolving Exposure would exceed the lesser of (x) the aggregate amount of the Commitments and (y) the Aggregate Borrowing Base;

(D) the total Facility A Revolving Exposure would exceed the lesser of (x) the aggregate amount of the Facility A Commitments and (y) the US Borrowing Base;

(E) the total Facility B Revolving Exposure would exceed the lesser of (x) the aggregate amount of the Facility B Commitments and (y) the Aggregate Borrowing Base *minus* the Facility A Revolving Exposure; or

(F) the total Facility B Revolving Exposure relating to the European Borrowers would exceed the European Sublimit;

(G) the total Revolving Exposure relating to the Company would exceed the US Borrowing Base;

subject, in the case of each of clause (C), (D) and (E) above, to the Administrative Agent's authority, in its sole discretion, to make Protective Advances pursuant to the terms of Section 2.04.

(c) Expiration Date. Each Letter of Credit shall expire at or prior to the close of business on the earlier of (i) the date one year after the date of the issuance of such Letter of Credit (or, in the case of any renewal or extension thereof, one year after such renewal or extension), subject to automatic extension or renewal for successive one-year periods and (ii) the date that is five Business Days prior to the Maturity Date.

(d) Participations. By the issuance of a Letter of Credit (or an amendment to a Letter of Credit increasing the amount thereof) and without any further action on the part of any Issuing Bank or the Lenders, the applicable Issuing Bank hereby grants to each Facility A Lender, with respect to a Facility A Letter of Credit, or each Facility B Lender, with respect to a Facility B Letter of Credit, and each Facility A Lender or Facility B Lender, as applicable, hereby acquires from the applicable Issuing Bank, a participation in such Letter of Credit equal to such Lender's Applicable Percentage of the aggregate amount available to be drawn under such Letter of Credit. In consideration and in furtherance of the foregoing, each Lender hereby absolutely and unconditionally agrees to pay to the Administrative Agent or the European Administrative Agent, as applicable, in the same currency as the applicable LC Disbursement, for the account of the applicable Issuing Bank, such Lender's Applicable Percentage of each LC Disbursement made by such Issuing Bank and not reimbursed by the Borrowers on the date due as provided in paragraph (e) of this Section, or of any reimbursement payment required to be refunded to the Borrowers for any reason. Each Lender acknowledges and agrees that its obligation to acquire participations pursuant to this paragraph in respect of Letters of Credit is absolute and unconditional and shall not be affected by any circumstance whatsoever, including any amendment, renewal or extension of any Letter of Credit or the occurrence and continuance of a Default or reduction or termination of the Commitments, and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever.

(e) Reimbursement. If any Issuing Bank shall make any LC Disbursement in respect of a Letter of Credit, the applicable Borrower shall reimburse such LC Disbursement by paying to the Administrative Agent or the European Administrative Agent, as applicable, in the currency in which the applicable Letter of Credit was issued, an amount equal to such LC Disbursement not later than 1:00 p.m., Local Time, on the date that such LC Disbursement is made, if the Borrower Representative or the applicable Borrower shall have received notice of such LC Disbursement prior to 9:00 a.m., Local Time, on such date, or, if such notice has not been received by the Borrower Representative or the applicable Borrower prior to such time on such date, then not later than 11:00 a.m., Local Time, on (i) the Business Day that the Borrower Representative or the applicable Borrower receives such notice, if such notice is received prior to 9:00 a.m., Local Time, on the day of receipt, or (ii) the Business Day immediately following the day that the Borrower Representative or the applicable

Borrower receives such notice, if such notice is not received prior to such time on the day of receipt; provided that the Borrower Representative on behalf of the applicable Borrower (or the applicable Borrower) may, subject to the conditions to borrowing set forth herein, request in accordance with Section 2.03 or 2.05 that such payment be financed with a Borrowing of Revolving Loans or Swingline Loan in an equivalent amount and like currency and, to the extent so financed, the Borrower's obligation to make such payment shall be discharged and replaced by the resulting Borrowing of Revolving Loans or Swingline Loan; provided further that no such payment shall be permitted to be financed with a Eurocurrency Borrowing. If any Borrower fails to make such payment when due, the Administrative Agent shall notify each Facility A Lender or Facility B Lender, as applicable, of the applicable LC Disbursement, the payment then due from the Borrowers in respect thereof and such Lender's Applicable Percentage thereof. Promptly following receipt of such notice, each applicable Lender shall pay to the Administrative Agent or the European Administrative Agent, as applicable, in the same currency as the applicable LC Disbursement, its Applicable Percentage of the payment then due from the applicable Borrower, in the same manner as provided in Section 2.07 with respect to Loans made by such Lender (and Section 2.07 shall apply, mutatis mutandis, to the payment obligations of the Lenders), and the applicable Agent shall promptly pay to the applicable Issuing Bank the amounts so received by it from the Lenders. Promptly following receipt by the Administrative Agent or the European Administrative Agent, as the case may be, of any payment from a Borrower pursuant to this paragraph, such Agent shall distribute such payment to the applicable Issuing Bank or, to the extent that Lenders have made payments pursuant to this paragraph to reimburse the applicable Issuing Bank, then such Agent shall distribute such payment to such Lenders and the applicable Issuing Bank as their interests may appear. Any payment made by a Lender pursuant to this paragraph to reimburse the applicable Issuing Bank for any LC Disbursement (other than the funding of Revolving Loans or a Swingline Loan as contemplated above) shall not constitute a Loan and shall not relieve the Borrowers or the Loan Guarantors of their respective obligations to reimburse such LC Disbursement.

(f) Obligations Absolute. The Borrowers' obligations to reimburse LC Disbursements as provided in paragraph (e) of this Section shall be absolute, unconditional and irrevocable, and shall be performed strictly in accordance with the terms of this Agreement under any and all circumstances whatsoever and irrespective of (i) any lack of validity or enforceability of any Letter of Credit or this Agreement, or any term or provision therein, (ii) any draft or other document presented under a Letter of Credit proving to be forged, fraudulent or invalid in any respect or any statement therein being untrue or inaccurate in any respect, (iii) payment by an Issuing Bank under a Letter of Credit against presentation of a draft or other document that does not comply with the terms of such Letter of Credit, or (iv) any other event or circumstance whatsoever, whether or not similar to any of the foregoing, that might, but for the provisions of this Section, constitute a legal or equitable discharge of, or provide a right of setoff against, the Borrowers' obligations hereunder. Neither the Administrative Agent, either Collateral Agent, the Lenders nor the Issuing Banks, nor any of their Related Parties, shall have any liability or responsibility by reason of or in connection with the issuance or transfer of any Letter of Credit or any payment or failure to make any payment thereunder (irrespective of any of the circumstances referred to in the preceding sentence), or any error, omission, interruption, loss or delay in transmission or delivery of any draft, notice or other communication under or relating to any Letter of Credit (including any document required to make a drawing thereunder), any error in interpretation of technical terms or any consequence arising from causes beyond the control of the applicable Issuing Bank; provided that the foregoing shall not be construed to excuse the applicable Issuing Bank from liability to any Borrower to the extent of any direct damages (as opposed to consequential damages, claims in respect of which are hereby waived by the Borrowers to the extent permitted by applicable law) suffered by such Borrower that are caused by the applicable Issuing Bank's failure to exercise care when determining whether drafts and other documents presented under a Letter of Credit comply with the terms thereof. The parties hereto expressly agree that, in the absence of gross

negligence or willful misconduct on the part of an Issuing Bank (as finally determined by a court of competent jurisdiction), such Issuing Bank shall be deemed to have exercised care in each such determination. In furtherance of the foregoing and without limiting the generality thereof, the parties agree that, with respect to documents presented which appear on their face to be in substantial compliance with the terms of a Letter of Credit, the applicable Issuing Bank may, in its sole discretion, either accept and make payment upon such documents without responsibility for further investigation, regardless of any notice or information to the contrary, or refuse to accept and make payment upon such documents if such documents are not in strict compliance with the terms of such Letter of Credit.

(g) Disbursement Procedures. The applicable Issuing Bank shall, promptly following its receipt thereof, examine all documents purporting to represent a demand for payment under a Letter of Credit. The applicable Issuing Bank shall promptly notify the Administrative Agent or the European Administrative Agent, as applicable, and the Borrower Representative (or applicable Borrower) by telephone (confirmed by facsimile) of such demand for payment and whether such Issuing Bank has made or will make an LC Disbursement thereunder; provided that any failure to give or delay in giving such notice shall not relieve the Borrowers or the Loan Guarantors of their obligations to reimburse the applicable Issuing Bank and the Lenders with respect to any such LC Disbursement.

(h) Interim Interest. If any Issuing Bank shall make any LC Disbursement, then, unless a Borrower shall reimburse such LC Disbursement in full on the date such LC Disbursement is made, the unpaid amount thereof shall bear interest, for each day from and including the date such LC Disbursement is made to but excluding the date that a Borrower reimburses such LC Disbursement, at the rate per annum then applicable to ABR Revolving Loans, in the case of an LC Disbursement in respect of a US Letter of Credit denominated in dollars, and at the rate per annum then applicable to Overnight LIBO Loans, in the case of an LC Disbursement in respect of a Letter of Credit denominated in Euros or Sterling or a European Letter of Credit denominated in dollars; provided that, if the Borrowers fail to reimburse such LC Disbursement when due pursuant to paragraph (e) of this Section, then Section 2.13(d) shall apply. Interest accrued pursuant to this paragraph shall be for the account of the applicable Issuing Bank, except that interest accrued on and after the date of payment by any Lender pursuant to paragraph (e) of this Section to reimburse such Issuing Bank shall be for the account of such Lender to the extent of such payment.

(i) Replacement of the Issuing Banks. Any Issuing Bank may be replaced at any time by written agreement among the Borrower Representative, the Administrative Agent (not to be unreasonably withheld or delayed), the replaced Issuing Bank and the successor Issuing Bank. The Administrative Agent shall notify the Lenders of any such replacement of an Issuing Bank. At the time any such replacement shall become effective, the Borrowers shall pay all unpaid fees accrued for the account of the replaced Issuing Bank pursuant to Section 2.12(b). From and after the effective date of any such replacement, (i) the successor Issuing Bank shall have all the rights and obligations of an Issuing Bank under this Agreement with respect to Letters of Credit to be issued thereafter and (ii) references herein to the term “Issuing Bank” shall be deemed to refer to such successor or to any previous Issuing Bank, or to such successor and all previous Issuing Banks, as the context shall require. After the replacement of an Issuing Bank hereunder, the replaced Issuing Bank shall remain a party hereto and shall continue to have all the rights and obligations of an Issuing Bank under this Agreement with respect to Letters of Credit issued by it prior to such replacement, but shall not be required to issue additional Letters of Credit.

(j) Cash Collateralization. If any Event of Default shall occur and be continuing, on the Business Day that the Borrower Representative receives notice from the Administrative Agent or the Required Lenders (or, if the maturity of the Loans has been accelerated, Lenders with LC Exposure representing more than 50% of the total LC Exposure) demanding the deposit of cash collateral pursuant to this paragraph or if any of the other provisions hereof require cash collateralization, the Borrowers shall deposit in an account with the applicable Collateral Agent, in the name of such Collateral Agent and for the benefit of the Agents, the Lenders and the Issuing Banks (the "LC Collateral Account"), an amount, in cash and in the currency in which the applicable Letters of Credit are denominated, equal to 103% of the LC Exposure as of such date *plus* accrued and unpaid interest and fees thereon; provided that the obligation to deposit such cash collateral shall become effective immediately, and such deposit shall become immediately due and payable, without demand or other notice of any kind, upon the occurrence of any Event of Default with respect to any Borrower described in clause (h) or (i) of Article VII. Such deposit shall be held by the applicable Collateral Agent as collateral for the payment and performance of the Secured Obligations. Each Collateral Agent shall have exclusive dominion and control, including the exclusive right of withdrawal, over such account, such account shall be subject to a Deposit Account Control Agreement and/or acknowledgement of notice, as applicable, and each Borrower hereby grants the Collateral Agent (for the benefit of the Agents, the Lenders and the Issuing Banks) a security interest in the LC Collateral Account. Other than any interest earned on the investment of such deposits, which investments shall be made at the option and sole discretion of each Collateral Agent and at each Borrower's risk and expense, such deposits shall not bear interest. Interest or profits, if any, on such investments shall accumulate in such account. Moneys in such account shall be applied by each Collateral Agent to reimburse the applicable Issuing Bank for LC Disbursements for which it has not been reimbursed and, to the extent not so applied, shall be held for the satisfaction of the reimbursement obligations of the Borrowers for the LC Exposure at such time or, if the maturity of the Loans has been accelerated (but subject to the consent of Lenders with LC Exposure representing more than 50% of the total LC Exposure), be applied to satisfy other Secured Obligations. If the Borrowers are required to provide an amount of cash collateral hereunder as a result of the occurrence of an Event of Default, such amount (to the extent not applied as aforesaid) shall be returned to the applicable Borrower or Borrower Representative for the account of the applicable Borrower within two Business Days after all such Defaults have been cured or waived.

(k) On the ~~Restatement~~Third Amendment Effective Date, (i) each Existing Letter of Credit, to the extent outstanding, shall be automatically and without further action by the parties thereto deemed converted into ~~(i)~~ a Facility A Letter of Credit~~, to the extent such Existing Letter of Credit was a Facility A Letter of Credit (as defined in the Existing Credit Agreement) immediately prior to the Restatement Date and (ii) a Facility B Letter of Credit, to the extent such Existing Letter of Credit was a Facility B Letter of Credit (as defined in the Existing Credit Agreement) immediately prior to the Restatement Date, in each case~~ pursuant to this Section 2.06 at the request of the Company and subject to the provisions hereof as if each such Existing Letter of Credit had been issued on the ~~Restatement~~Third Amendment Effective Date, (ii) each such Existing Letter of Credit shall be included in the calculation of LC Exposure and "Facility A LC Exposure" or "Facility B LC Exposure", as applicable and (iii) all liabilities of the Company and the other Loan Parties with respect to such Existing Letters of Credit shall constitute Obligations.

SECTION 2.07 Funding of Borrowings. (a) Each Lender shall make each Loan to be made by it hereunder on the proposed date thereof by wire transfer of immediately available funds by 2:00 p.m., Local Time, to the account of the Administrative Agent or the European Administrative Agent, as applicable, in an amount equal to such Lender's Applicable Percentage; provided that Swingline Loans shall be made as provided in Section 2.05. Each of the Administrative Agent and the European Administrative Agent, as applicable, will make such Loans available to the Borrower Representative (or, if directed by the Borrower Representative, to the account of the applicable Borrower) by promptly crediting the amounts so received, in like funds, to the Funding Account(s); provided that Revolving Loans made to finance the reimbursement of (i) an LC Disbursement as provided in Section 2.06(e) shall

be remitted by the Administrative Agent or the European Administrative Agent, as applicable, to the applicable Issuing Bank and (ii) a Protective Advance shall be retained by the Administrative Agent or the European Administrative Agent, as applicable, and disbursed in its discretion.

(b) Unless the Administrative Agent or the European Administrative Agent, as applicable, shall have received notice from a Lender prior to the proposed date of any Borrowing that such Lender will not make available to the Administrative Agent or the European Administrative Agent, as applicable, such Lender's share of such Borrowing, the Administrative Agent or the European Administrative Agent, as applicable, may assume that such Lender has made such share available on such date in accordance with paragraph (a) of this Section and may, in reliance upon such assumption, make available to the applicable Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Borrowing available to the Administrative Agent or the European Administrative Agent, as applicable (a "Non-Funding Lender"), then the applicable Lender and the Borrowers agree (jointly and severally with each other Borrower, but severally and not jointly with the applicable Lenders) to pay to the Administrative Agent or the European Administrative Agent, as applicable, forthwith on demand such corresponding amount with interest thereon, for each day from and including the date such amount is made available to the applicable Borrower to but excluding the date of payment to the Administrative Agent or the European Administrative Agent, as applicable, at (i) in the case of such Lender, the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent or the European Administrative Agent, as applicable, in accordance with banking industry rules on interbank compensation or (ii) in the case of the Borrowers, the interest rate applicable to ABR Loans (in the case of dollar-denominated amounts) or Overnight LIBO Loans (in the case of Euro or Sterling-denominated amounts). If such Lender pays such amount to the Administrative Agent or the European Administrative Agent, as applicable, then such amount shall constitute such Lender's Loan included in such Borrowing. Notwithstanding the foregoing, the Borrowers shall preserve their rights and remedies against any Non-Funding Lender which has not made Loans required by the terms and provisions hereof.

SECTION 2.08 Interest Elections. (a) Each Borrowing of Revolving Loans initially shall be of the Type specified in the applicable Borrowing Request and, in the case of a Eurocurrency Borrowing of Revolving Loans, shall have an initial Interest Period as specified in such Borrowing Request. Thereafter, the Borrower Representative may elect to convert such Borrowing to a different Type or to continue such Borrowing and, in the case of a Eurocurrency Borrowing of Revolving Loans, may elect Interest Periods therefor, all as provided in this Section. The Borrower Representative may elect different options with respect to different portions of the affected Borrowing, in which case each such portion shall be allocated ratably among the Lenders holding the Loans comprising such Borrowing, and the Loans comprising each such portion shall be considered a separate Borrowing. This Section shall not apply to Swingline Borrowings or Protective Advances, which may not be converted or continued.

(b) To make an election pursuant to this Section, the Borrower Representative shall notify the Administrative Agent or the European Administrative Agent, as applicable, of such election by telephone by the time that a Borrowing Request would be required under Section 2.03 if the Borrowers were requesting a Borrowing of Revolving Loans of the Type resulting from such election to be made on the effective date of such election. Each such telephonic Interest Election Request shall be irrevocable and shall be confirmed promptly by hand delivery or facsimile to the Administrative Agent or the European Administrative Agent, as applicable, of a written Interest Election Request in a form approved by the Administrative Agent or the European Administrative Agent, as applicable, and signed by the Borrower Representative.

(c) Each telephonic and written Interest Election Request shall specify the following information in compliance with Section 2.02:

(A) the Borrower, the Facility and the Borrowing to which such Interest Election Request applies and, if different options are being elected with respect to different portions thereof, the portions thereof to be allocated to each resulting Borrowing (in which case the information to be specified pursuant to clauses (iii) and (iv) below shall be specified for each resulting Borrowing);

(B) the effective date of the election made pursuant to such Interest

Election Request, which shall be a Business Day;

(C) whether the resulting Borrowing is to be an ABR Borrowing or a Eurocurrency Borrowing; and

(D) if the resulting Borrowing is a Eurocurrency Borrowing, the Interest Period to be applicable thereto after giving effect to such election, which shall be a period contemplated by the definition of the term "Interest Period".

If any such Interest Election Request requests a Eurocurrency Borrowing but does not specify an Interest Period, then the Borrowers shall be deemed to have selected an Interest Period of one month's duration.

(d) Promptly following receipt of an Interest Election Request, the Administrative Agent or the European Administrative Agent, as applicable, shall advise each Lender of the details thereof and of such Lender's portion of each resulting Borrowing.

(e) If the Borrower Representative fails to deliver a timely Interest Election Request with respect to a Eurocurrency Borrowing of Revolving Loans prior to the end of the Interest Period applicable thereto, then, unless such Borrowing is repaid as provided herein, at the end of such Interest Period such Borrowing shall be converted to (i) an ABR Borrowing, in the case of a Eurocurrency Borrowing of Revolving Loans denominated in dollars, or (ii) an Overnight LIBO Borrowing, in the case of a Eurocurrency Borrowing of Revolving Loans denominated in Euros or Sterling. Notwithstanding any contrary provision hereof, if an Event of Default has occurred and is continuing and the Administrative Agent, at the request of the Required Lenders, so notifies the Borrower Representative, then, so long as an Event of Default is continuing (i) no outstanding Borrowing of Revolving Loans may be converted to or continued as a Eurocurrency Borrowing and (ii) unless repaid, (A) each Eurocurrency Borrowing of Revolving Loans denominated in dollars shall be converted to an ABR Borrowing at the end of the Interest Period applicable thereto and (B) each Eurocurrency Borrowing of Revolving Loans denominated in Euros or Sterling shall be converted to an Overnight LIBO Borrowing at the end of the Interest Period applicable thereto.

SECTION 2.09 Termination and Reduction of Commitments. (a) Unless previously terminated, all Commitments shall terminate on the Maturity Date.

(b) The Borrowers may at any time terminate in full the Commitments and/or may at any time terminate in full the European Sublimit upon (i) the payment in full in cash of all outstanding Loans or European Loans, as applicable, together with accrued and unpaid interest thereon and on any Letters of Credit or European Letters of Credit, as applicable, (ii) the cancellation and return of all outstanding Letters of Credit or European Letters of Credit, as applicable (or alternatively, with respect to each applicable Letter of Credit, the furnishing to the applicable Collateral Agent of a cash

deposit in the currency in which the applicable Letters of Credit are denominated (or at the discretion of the Administrative Agent a back up standby letter of credit satisfactory to the Administrative Agent and in the currency in which the applicable Letters of Credit are denominated) equal to 103% of the LC Exposure as of such date), (iii) the payment in full in cash of the accrued and unpaid fees and (iv) the payment in full in cash of all reimbursable expenses and other Obligations or Obligations of the European Borrowers, as applicable, together with accrued and unpaid interest thereon. Upon the termination in full of the European Sublimit and the satisfaction in full of the Obligations of the European Borrowers (other than Obligations in respect of contingent liabilities not then due), (x) the European Borrowers will be released from their obligations under this Agreement and the other Loan Documents (including, but not limited to, all reporting obligations contained in Section 5.01 relating to the European Borrowing Base) in their capacities as such, other than in respect of obligations which expressly survive the term of this Agreement, (y) all Collateral and any Loan Guaranties of the European Borrowers will be released and (z) all events relating to any Minimum European Availability Period will cease to have effect. Notwithstanding the foregoing, the termination of the European Sublimit without a corresponding termination of the Commitments shall have no effect on the availability to the Company of the Facility B Commitments.

(c) The Borrowers may from time to time reduce the Commitments; provided that (i) each such reduction shall be in an amount that is an integral multiple of $1,000,000 and not less than $5,000,000, (ii) each such reduction shall be applied to the Facility A Commitments and the Facility B Commitments ratably in accordance with the aggregate amount of the Commitments at such time and (iii) the Borrowers shall not reduce the Commitments if, after giving effect to any concurrent prepayment of the Loans in accordance with Section 2.10, (A) the total Revolving Exposure would exceed the lesser of (x) the aggregate amount of the Commitments and (y) the Aggregate Borrowing Base, (B) the total Facility A Revolving Exposure would exceed the lesser of (x) the aggregate amount of the Facility A Commitments and (y) the US Borrowing Base, (C) the total Facility B Revolving Exposure would exceed the lesser of (x) the aggregate amount of the Facility B Commitments and (y) the Aggregate Borrowing Base *minus* the Facility A Revolving Exposure or (D) the total Facility B Revolving Exposure with respect to the European Borrowers would exceed the European Sublimit.

(d) The Borrower Representative shall notify the Administrative Agent of any election to terminate or reduce the Commitments or the European Sublimit under paragraph (b) or (c) of this Section at least three Business Days prior to the effective date of such termination or reduction, specifying such election and the effective date thereof. Promptly following receipt of any notice, the Administrative Agent shall advise the Lenders of the contents thereof. Each notice delivered by the Borrower Representative pursuant to this Section shall be irrevocable; provided that a notice of termination of the Commitments delivered by the Borrower Representative may state that such notice is conditioned upon the effectiveness of other credit facilities, in which case such notice may be revoked by the Borrower Representative (by notice to the Administrative Agent on or prior to the specified effective date) if such condition is not satisfied. Any termination or reduction of the Commitments shall be permanent. Each reduction of the Commitments shall be made ratably among the Lenders in accordance with their respective Commitments.

SECTION 2.10 Repayment of Loans; Evidence of Debt. (a) The Borrowers hereby unconditionally promise to pay to the Administrative Agent or the European Administrative Agent, as applicable (i) for the account of each Lender the then unpaid principal amount of each Revolving Loan on the Maturity Date and (ii) the then unpaid amount of each Protective Advance on the earlier of the Maturity Date and demand by such Agent.

(b) During any Full Cash Dominion Period, on each Business Day, the Administrative Agent or the European Administrative Agent, as applicable, shall apply all funds credited to any applicable Collection Account as of 10:00 a.m., Local Time, on such Business Day (whether or not immediately available) first to prepay any Protective Advances that may be outstanding, pro rata, and second to prepay the Revolving Loans (including Swingline Loans) (without a corresponding reduction in Commitments) and to cash collateralize outstanding LC Exposure; provided that during any Full Cash Dominion Period which is based solely on a European Full Cash Dominion Period (but not a Total Full Cash Dominion Period) the foregoing shall apply exclusively to the European Borrowers (including any Collection Account thereof) and the prepayment and/or cash collateralization of European Protective Advances, European Revolving Loans and Revolving Exposure relating to the European Borrowers in respect of their Facility B Loans. Any such application of funds shall be made (i) from Collections Accounts of the US Loan Parties first in respect of Obligations of the US Loan Parties under each Facility ratably in accordance with the then outstanding amounts thereof and second in respect of Obligations of the European Loan Parties and (ii) from Collections Accounts of the European Loan Parties and shall be made solely in respect of Obligations of the European Loan Parties. Notwithstanding anything to the contrary contained herein, after an Event of Default, funds credited to any applicable Collection Account shall be applied in accordance with Section 2.18(b)(ii).

(c) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrowers to such Lender resulting from each Loan made by such Lender, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder.

(d) [Reserved].

(e) The entries made in the accounts maintained pursuant to paragraph (c) of this Section shall be prima facie evidence of the existence and amounts of the obligations recorded therein; provided that the failure of any Lender, the Administrative Agent or the European Administrative Agent to maintain such accounts or any error therein shall not in any manner affect the obligation of the Borrowers to repay the Loans in accordance with the terms of this Agreement.

(f) Any Lender may request that Loans made by it be evidenced by a promissory note. In such event, the Borrowers shall prepare, execute and deliver to such Lender a promissory note payable to the order of such Lender (or, if requested by such Lender, to such Lender and its registered assigns) and in a form approved by the Administrative Agent. Thereafter, the Loans evidenced by such promissory note and interest thereon shall at all times (including after assignment pursuant to Section 9.04) be represented by one or more promissory notes in such form payable to the order of the payee named therein (or, if such promissory note is a registered note, to such payee and its registered assigns).

SECTION 2.11 Prepayment of Loans. (a) The Borrowers shall have the right at any time and from time to time, and without premium or penalty, to prepay any Borrowing in whole or in part, subject to prior notice in accordance with paragraph (c) of this Section.

(b) Except for Protective Advances permitted under Section 2.04, in the event and on such occasion that:

(i) the Facility A Revolving Exposure or Facility B Revolving Exposure of any Lender exceeds such Lender's Facility A Commitment or Facility B Commitment, respectively;

(ii) the total Revolving Exposure exceeds the lesser of (x) the aggregate amount of the Commitments or (y) the Aggregate Borrowing Base;

(iii) the total Facility A Revolving Exposure exceeds the lesser of (x) the aggregate amount of the Facility A Commitments and (y) the US Borrowing Base;

(iv) the total Facility B Revolving Exposure exceeds the lesser of (x) the aggregate amount of the Facility B Commitments and (y) the Aggregate Borrowing Base *minus* the Facility A Revolving Exposure;

(v) the total Facility B Revolving Exposure relating to the European Borrowers exceeds the European Sublimit; or

(vi) the total Revolving Exposure relating to the Company exceeds the US Borrowing Base;

the Borrowers, as applicable, shall promptly prepay the Revolving Loans, LC Exposure and/or Swingline Loans in an aggregate amount equal to such excess.

(c) The Borrower Representative shall notify the Administrative Agent and the European Administrative Agent, as applicable (and in the case of prepayment of a Swingline Loan, the applicable Swingline Lender) by telephone (confirmed by facsimile) of any prepayment hereunder (i) in the case of prepayment of a Eurocurrency Borrowing of Revolving Loans, not later than 10:00 a.m., Local Time, two Business Days before the date of prepayment, or (ii) in the case of prepayment of an ABR Borrowing of Revolving Loans or an Overnight LIBO Borrowing of Revolving Loans, not later than 10:00 a.m., Local Time, on the Business Day before the date of prepayment. Each such notice shall be irrevocable and shall specify the prepayment date and the principal amount of each Borrowing or portion thereof to be prepaid; provided that, if a notice of prepayment is given in connection with a conditional notice of termination of the Commitments as contemplated by Section 2.09, then such notice of prepayment may be revoked if such notice of termination is revoked in accordance with Section 2.09. Promptly following receipt of any such notice relating to a Borrowing of Revolving Loans, the applicable Agent shall advise the Lenders of the contents thereof. Each partial prepayment of any Borrowing of Revolving Loans shall be in an amount that would be permitted in the case of an advance of a Borrowing of Revolving Loans of the same Type as provided in Section 2.02. Each prepayment of a Borrowing of Revolving Loans shall be applied ratably to the Revolving Loans included in the prepaid Borrowing. Prepayments shall be accompanied by accrued interest to the extent required by Section 2.13.

SECTION 2.12 Fees. (a) The Borrowers agree to pay to the Administrative Agent for the account of each Lender a commitment fee, which shall accrue at the Applicable Commitment Fee Rate on the average daily amount of the Available Commitment of such Lender during the period from and including the Restatement Date to but excluding the date on which the Lenders' Commitments terminate. Accrued commitment fees shall be payable in arrears on the last Business Day of each calendar quarter and on the date on which the Commitments terminate, commencing on the first such date to occur after the Restatement Date. All commitment fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed.

(b) The Borrowers agree to pay (i) to the Administrative Agent for the account of each Lender a participation fee with respect to its participations in Letters of Credit, which shall accrue at the same Applicable Spread in the case of standby Letters of Credit, and 50% of the Applicable Spread in the case of trade Letters of Credit, in each case used to determine the interest rate applicable to Eurocurrency Revolving Loans on the average daily amount of such Lender's LC Exposure (excluding any portion thereof attributable to unreimbursed LC Disbursements) during the period from and including the Restatement Date to but excluding the later of the date on which such Lender's Commitment terminates and the date on which such Lender ceases to have any LC Exposure, and (ii) to the applicable Issuing Bank a fronting fee, which shall accrue at the rate of 0.125% per annum on the average daily amount of the LC Exposure (excluding any portion thereof attributable to unreimbursed LC Disbursements) during the period from and including the Restatement Date to but excluding the later of the date of termination of the Commitments and the date on which there ceases to be any LC Exposure, as well as such Issuing Bank's standard fees with respect to the issuance, amendment, renewal or extension of any Letter of Credit or processing of drawings thereunder. Participation fees and fronting fees accrued through and including the last day of each calendar quarter shall be payable ~~on the last~~within three Business Days of the end of each calendar quarter and on the date on which the Commitments terminate, commencing on the first such date to occur after the date hereof; provided that all such fees shall be payable on the date on which the Commitments terminate and any such fees accruing after the date on which the Commitments terminate shall be payable on demand. Any other fees payable to an Issuing Bank pursuant to this paragraph shall be payable within 10 days after demand. All participation fees and fronting fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed.

(c) The Borrowers agree to pay to the Administrative Agent, for its own account, fees payable in the amounts and at the times separately agreed upon between the Borrowers and the Administrative Agent.

(d) All fees payable hereunder shall be paid on the dates due, in immediately available dollars, to the Administrative Agent (or to the applicable Issuing Bank, in the case of fees payable to an Issuing Bank) for distribution, in the case of commitment fees and participation fees, to the Lenders. Fees paid shall not be refundable under any circumstances.

SECTION 2.13 Interest. (a) The Loans comprising each ABR Borrowing (including each US Swingline Loan and each Protective Advance denominated in dollars) shall bear interest at the Alternate Base Rate plus the Applicable Spread.

(b) The Loans comprising each Eurocurrency Borrowing shall bear interest at the Adjusted LIBO Rate for the Interest Period in effect for such Borrowing plus the Applicable Spread.

(c) The Loans comprising each Overnight LIBO Borrowing (including each European Swingline Loan and each Facility B Protective Advance denominated in Euros or Sterling) shall bear interest at the ~~OVERNIGHT~~Overnight LIBO ~~RATE~~Rate plus the Applicable Spread.

(d) Notwithstanding the foregoing, during the occurrence and continuance of an Event of Default, the Administrative Agent or the Required Lenders may, at their option, by notice to the Borrower Representative (which notice may be revoked at the option of the Required Lenders notwithstanding any provision of Section 9.02 requiring the consent of "each Lender directly affected

thereby" for reductions in interest rates), declare that (i) all Loans and participation fees on account of Letters of Credit shall bear interest at 2% plus the rate otherwise applicable to such Loans or participation fees, as applicable, as provided in the preceding paragraphs of this Section or (ii) in the case of any other amount outstanding hereunder, (x) if such amount is denominated in dollars, such amount shall accrue at 2% plus the rate applicable to ABR Loans as provided in paragraph (a) of this Section, and (y) if such amount is denominated in Euros or Sterling, such amount shall accrue at 2% plus the rate applicable to ~~OVERNIGHT~~Overnight LIBO ~~RATE~~Rate Loans as provided in paragraph (c) of this Section.

(e) Accrued interest on each Loan (for ABR Loans and Overnight LIBO Loans, accrued through the last day of the prior calendar month) shall be payable in arrears on each Interest Payment Date for such Loan and upon termination of the Commitments; provided that (i) interest accrued pursuant to paragraph (d) of this Section shall be payable on demand, (ii) in the event of any repayment or prepayment of any Loan (other than a prepayment of an ABR Loan prior to the end of the Availability Period), accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment and (iii) in the event of any conversion of any Eurocurrency Loan prior to the end of the current Interest Period therefor, accrued interest on such Loan shall be payable on the effective date of such conversion.

(f) All interest hereunder shall be computed on the basis of a year of 360 days, except that (i) interest computed by reference to the Alternate Base Rate at times when the Alternate Base Rate is based on the Prime Rate shall be computed on the basis of a year of 365 days (or 366 days in a leap year), and shall be payable for the actual number of days elapsed and (ii) interest computed on Loans and Letters of Credit denominated in Sterling shall be computed on the basis of a year of 365 days, and shall be payable for the actual number of days elapsed. The applicable Alternate Base Rate, LIBO Rate or ~~OVERNIGHT~~Overnight LIBO ~~RATE~~Rate shall be determined by the Administrative Agent or the European Administrative Agent, as applicable, and such determination shall be conclusive absent manifest error.

(g) All interest hereunder shall be paid in the currency in which the Loan giving rise to such interest is denominated.

SECTION 2.14 Alternate Rate of Interest. (a) If prior to the commencement of any Interest Period for a Eurocurrency Borrowing:

(A) the Administrative Agent determines (which determination shall be conclusive absent manifest error) that adequate and reasonable means do not exist for ascertaining the Adjusted LIBO Rate or the LIBO Rate, as applicable, for such Interest Period; or

(B) the Administrative Agent is advised by the Required Lenders that the Adjusted LIBO Rate or the LIBO Rate, as applicable, for such Interest Period will not adequately and fairly reflect the cost to such Lenders (or Lender) of making or maintaining their Loans (or its Loan) included in such Borrowing for such Interest Period;

then the Administrative Agent shall give notice thereof to the Borrower Representative and the Lenders by telephone or facsimile as promptly as practicable thereafter and, until the Administrative Agent notifies the Borrower Representative and the Lenders that the circumstances giving rise to such notice no longer exist, (i) any Interest Election Request that requests the conversion of any Borrowing of

Revolving Loans to, or continuation of any Borrowing of Revolving Loans as, a Eurocurrency Borrowing shall be ineffective, (ii) if any Borrowing Request requests a Eurocurrency Borrowing of Revolving Loans denominated in dollars, such Borrowing shall be made as an ABR Borrowing and (iii) if any Borrowing Request requests a Eurocurrency Borrowing of Revolving Loans denominated in Euros or Sterling, such Borrowing shall be made as an Alternate Rate Borrowing.

(b) If at any time:

(A) the Administrative Agent determines (which determination shall be conclusive absent manifest error) that adequate and reasonable means do not exist for ascertaining the ~~OVERNIGHT~~Overnight LIBO ~~RATE~~Rate; or

(B) the Administrative Agent is advised by the Required Lenders that the ~~OVERNIGHT~~Overnight LIBO ~~RATE~~Rate will not adequately and fairly reflect the cost to such Lenders (or Lender) of making or maintaining their Loans (or its Loan) included in any Overnight LIBO Borrowing;

then the Administrative Agent shall give notice thereof to the Borrower Representative and the Lenders by telephone or facsimile as promptly as practicable thereafter and, until the Administrative Agent notifies the Borrower Representative and the Lenders that the circumstances giving rise to such notice no longer exist, any Overnight LIBO Borrowing (including any Facility B Swingline Loan denominated in Euros or Sterling) shall be made as an Alternate Rate Borrowing.

SECTION 2.15 Increased Costs. (a) If any Change in Law shall:

(A) subject any Credit Party to any (or any increase in any) Other Connection Taxes with respect to this Agreement or any other Loan Document, any Letter of Credit, or any participation in a Letter of Credit or any Loan made or Letter of Credit issued by it, except any such Taxes imposed on or measured by its net income or profits (however denominated) or franchise taxes imposed in lieu of net income or profits taxes;

(B) impose, modify or deem applicable any reserve, special deposit or similar requirement against assets of, deposits with or for the account of, or credit extended by, any Lender (except any such reserve requirement reflected in the Adjusted LIBO Rate or ~~OVERNIGHT~~Overnight LIBO ~~RATE~~Rate) or any Issuing Bank; or

(C) impose on any Lender or any Issuing Bank or the London interbank market any other condition affecting this Agreement or Eurocurrency Loans or Overnight LIBO Loans made by such Lender or any Letter of Credit or participation therein;

and the result of any of the foregoing shall be to increase the cost to such Lender or such other Credit Party of making or maintaining any Eurocurrency Loan or Overnight LIBO Loan (or of maintaining its obligation to make any such Loan) or to increase the cost to such Lender or such other Credit Party of participating in, issuing or maintaining any Letter of Credit or to reduce the amount of any sum received or receivable by such Lender or such other Credit Party hereunder (whether of principal, interest or otherwise), then the Borrowers will pay to such Lender or such other Credit Party, as the case may be, such additional amount or amounts as will compensate such Lender or such other Credit Party, as the case may be, for such additional costs incurred or reduction suffered.

(b) If any Lender or any Issuing Bank determines that any Change in Law regarding capital requirements has or would have the effect of reducing the rate of return on such Lender's or such Issuing Bank's capital or on the capital of such Lender's or such Issuing Bank's holding company, if any, as a consequence of this Agreement or the Loans made by, or participations in Letters of Credit held by, such Lender, or the Letters of Credit issued by such Issuing Bank, to a level below that which such Lender or such Issuing Bank or such Lender's or such Issuing Bank's holding company could have achieved but for such Change in Law (taking into consideration such Lender's or such Issuing Bank's policies and the policies of such Lender's or such Issuing Bank's holding company with respect to capital adequacy), then from time to time the Borrowers will pay to such Lender or such Issuing Bank, as the case may be, such additional amount or amounts as will compensate such Lender or such Issuing Bank or such Lender's or such Issuing Bank's holding company for any such reduction suffered.

(c) Notwithstanding anything herein to the contrary, (i) all requests, rules, guidelines, requirements and directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or by United States or foreign regulatory authorities, in each case pursuant to Basel III and (ii) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith shall, in each case, be deemed to be a Change in Law, regardless of the date enacted, adopted or issued.

(d) A certificate of a Lender or any Issuing Bank setting forth the amount or amounts necessary to compensate such Lender or such Issuing Bank or its holding company, as the case may be, as specified in paragraph (a) or (b) of this Section shall be delivered to the Borrower Representative and shall be conclusive absent manifest error. The Borrowers shall pay such Lender or such Issuing Bank, as the case may be, the amount shown as due on any such certificate within 10 days after receipt thereof.

(e) Failure or delay on the part of any Lender or any Issuing Bank to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's or such Issuing Bank's right to demand such compensation; provided that the Borrowers shall not be required to compensate a Lender or an Issuing Bank pursuant to this Section for any increased costs or reductions incurred more than 270 days prior to the date that such Lender or such Issuing Bank, as the case may be, notifies the Borrower Representative of the Change in Law giving rise to such increased costs or reductions and of such Lender's or such Issuing Bank's intention to claim compensation therefor; provided further that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the 270-day period referred to above shall be extended to include the period of retroactive effect thereof.

SECTION 2.16 Break Funding Payments. In the event of (a) the payment of any principal of any Eurocurrency Loan other than on the last day of an Interest Period applicable thereto (including as a result of an Event of Default), (b) the conversion of any Eurocurrency Loan other than on the last day of the Interest Period applicable thereto, (c) the failure to borrow, convert, continue or prepay any Eurocurrency Loan on the date specified in any notice delivered pursuant hereto (regardless of whether such notice may be revoked under Section 2.09(d) and is revoked in accordance therewith), or (d) the assignment of any Eurocurrency Loan other than on the last day of the Interest Period applicable thereto as a result of a request by the Borrower Representative pursuant to Section 2.19, then, in any such event, the Borrowers shall compensate each Lender for the loss, cost and expense attributable to such

event. In the case of a Eurocurrency Loan, such loss, cost or expense to any Lender shall be deemed to include an amount determined by such Lender to be the excess, if any, of (i) the amount of interest which would have accrued on the principal amount of such Loan had such event not occurred, at the Adjusted LIBO Rate that would have been applicable to such Loan, for the period from the date of such event to the last day of the then current Interest Period therefor (or, in the case of a failure to borrow, convert or continue, for the period that would have been the Interest Period for such Loan), over (ii) the amount of interest which would accrue on such principal amount for such period at the interest rate which such Lender would bid were it to bid, at the commencement of such period, for dollar deposits of a comparable amount and period from other banks in the eurocurrency market. A certificate of any Lender setting forth any amount or amounts that such Lender is entitled to receive pursuant to this Section shall be delivered to the Borrower Representative and shall be conclusive absent manifest error. The Borrowers shall pay such Lender the amount shown as due on any such certificate within 10 days after receipt thereof.

SECTION 2.17 Taxes. (a) Any and all payments by or on account of any obligation of any Loan Party hereunder or under any other Loan Document shall be made free and clear of and without reduction or withholding for any Indemnified Taxes or Other Taxes; provided that if any applicable law (as determined in the good faith discretion of an applicable Withholding Agent (as defined below)) requires the deduction or withholding of any Indemnified Tax or Other Tax from any such payment (including, for the avoidance of doubt, any such deduction or withholding required to be made by the applicable Loan Party, the Administrative Agent, the European Administrative Agent, any Collateral Agent or, in the case of any Lender that is treated as a partnership for U.S. federal income tax purposes, by such Lender for the account of any of its direct or indirect beneficial owners), the applicable Loan Party, the Administrative Agent, the European Administrative Agent, the applicable Collateral Agent, the Lender or the applicable direct or indirect beneficial owner of a Lender that is treated as a partnership for U.S. federal income tax purposes (any such person a "Withholding Agent") shall make such deductions and timely pay the full amount deducted to the relevant Governmental Authority in accordance with applicable law and, if such Tax is an Indemnified Tax or Other Tax, then the sum payable by the applicable Loan Party shall be increased as necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section) the Administrative Agent, the European Administrative Agent, each Collateral Agent, any Lender, any Issuing Bank or its beneficial owner, as the case may be, receives an amount equal to the sum it would have received had no such deductions been made. A Loan Party is not required to make any payment to a Lender pursuant to this Section 2.17 for a tax deduction in respect of tax imposed by the United Kingdom from a payment of interest on a Borrowing if on the date on which the payment falls due:

(i) the payment could have been made to the relevant Lender without a tax deduction if it was a UK Qualifying Lender, but on that date that Lender is not or has ceased to be a UK Qualifying Lender other than as a result of any change after the date it became a Lender under this Agreement in (or in the interpretation, administration or application of) any law or Treaty, or any published practice or concession of any relevant taxing authority; or

(ii) (A) the relevant Lender is a UK Qualifying Lender solely under clause (b) of the definition of UK Qualifying Lender (a "UK Non-Bank Lender"), (B) an officer of H.M. Revenue & Customs has given (and not revoked) a direction under section 931 of the UK Income Tax Act 2007 (as that provision has effect on the date on which the relevant Lender became a party to this Agreement) which relates to that payment and that Lender has received from a UK Borrower a certified copy of such direction; and (C) the payment could have been made to the Lender without any tax deduction in the absence of such direction; or

(iii) the relevant Lender is a UK Non-Bank Lender and it has not, other than by reason of any change after the date of this Agreement in (or in the interpretation, administration, or application of) any law, or any published practice or concession of any relevant taxing authority, given a Tax Confirmation to a UK Borrower.

(b) Each UK Non-Bank Lender agrees that, prior to becoming a party to this Agreement, it will deliver a Tax Confirmation to the Borrower Representative.

(c) Each UK Non-Bank Lender agrees to promptly notify the Borrower Representative and the Administrative Agent if any of the information contained in the Tax Confirmation of such UK Non-Bank Lender is inaccurate.

(d) Without limiting the provisions of paragraph (a) above, the Borrowers shall timely pay, or at the option of the Administrative Agent, the European Administrative Agent or any Collateral Agent, as applicable, timely reimburse it for the payment of any Other Taxes to the relevant Governmental Authority in accordance with applicable law.

(e) The Borrowers shall jointly and severally indemnify the Administrative Agent, the European Administrative Agent, each Collateral Agent, each Lender and each Issuing Bank, within 10 days after demand therefor, for the full amount of any Indemnified Taxes or Other Taxes payable by the Administrative Agent, the European Administrative Agent, such Collateral Agent, such Lender (or its beneficial owner) or such Issuing Bank, as the case may be (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section) and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower Representative by the Administrative Agent, the European Administrative Agent, a Collateral Agent, a Lender or an Issuing Bank (with a copy to the Administrative Agent), as applicable, shall be conclusive absent manifest error. This paragraph (e) shall not apply to the extent that the Indemnified Taxes or Other Taxes (i) are compensated for by an increased payment under Section 2.17(a) or (ii) would have been compensated for by an increased payment under Section 2.17(a) but were not so compensated solely because one of the exclusions in Section 2.17(a)(i), (ii) or (iii) applied.

(f) Each Lender shall indemnify the Administrative Agent, the European Administrative Agent or any Collateral Agent, as applicable, within 10 days after demand therefor, for the full amount of any Taxes (but, in the case of any Indemnified Taxes and Other Taxes, only to the extent that the Loan Parties have not already indemnified the Administrative Agent for such Indemnified Taxes and Other Taxes and without limiting the obligation of the Loan Parties to do so) attributable to such Lender that are payable or paid by the Administrative Agent, the European Administrative Agent or any Collateral Agent, and reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error.

(g) As soon as practicable after any payment of Indemnified Taxes or Other Taxes by a Loan Party to a Governmental Authority, the Borrower Representative shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(h) Any Lender that is entitled to an exemption from or reduction of any applicable withholding tax with respect to payments hereunder or under any other Loan Document shall deliver to the Borrower Representative (with a copy to the Administrative Agent), at the time or times reasonably requested by the Borrower Representative or the Administrative Agent, such properly completed and executed documentation prescribed by applicable law as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if requested by the Borrower Representative, the Administrative Agent or the European Administrative Agent or any Collateral Agent, shall deliver such other documentation prescribed by applicable law or reasonably requested by the Borrower Representative or the Administrative Agent as will enable the Borrower Representative, the Administrative Agent or the European Administrative Agent or any Collateral Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such forms shall not be required if the Lender is not legally entitled to do so, and shall not be required (other than with respect to such documentation set forth in Sections 2.17(h)(i) through (v) below) if in the Lender's judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense (or, in the case of a Change in Law, any incremental material unreimbursed cost or expense) or would materially prejudice the legal or commercial position of such Lender.

Without limiting the generality of the foregoing, in the event that any Borrower is a US Borrower, any Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower Representative and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the request of the Borrower Representative or the Administrative Agent), whichever of the following is applicable:

(i) in the case of a Lender that is a United States person within the meaning of Section 7701(a)(30) of the Code, duly completed copies of Internal Revenue Service Form W-9 certifying that such Lender is exempt,

(ii) in the case of a Foreign Lender, duly completed copies of Internal Revenue Service Form W-8BEN claiming eligibility for benefits of an income tax treaty to which the United States of America is a party,

(iii) in the case of a Foreign Lender, duly completed copies of Internal Revenue Service Form W-8ECI,

(iv) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under section 881(c) of the Code, (x) a certificate substantially in the form of Exhibit E to the effect that (A) such Foreign Lender is not (I) a "bank" within the meaning of section 881(c)(3)(A) of the Code, (II) a "10 percent shareholder" of the Borrower within the meaning of section 881(c)(3)(B) of the Code or (III) a "controlled foreign corporation" described in section 881(c)(3)(C) of the Code and (B) the interest payment in question is not effectively connected with the United States trade or business conducted by such Lender (a "U.S. Tax Compliance Certificate") and (y) duly completed copies of Internal Revenue Service Form W-8BEN,

(v) to the extent a Foreign Lender is not the beneficial owner (for example, where the Foreign Lender is a partnership or participating Lender granting a typical participation), an Internal Revenue Service Form W-8IMY, accompanied by a Form W-8ECI, W-8BEN, U.S. Tax Compliance Certificate, Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that, if the Foreign Lender is a partnership (and not a participating Lender) and one or more beneficial owners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate on behalf of each such beneficial owner, or

(vi) any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in United States federal withholding tax duly completed together with such supplementary documentation as may be prescribed by applicable law to permit the Borrower to determine the withholding or deduction required to be made.

If a payment made to a Lender under any Loan Document would be subject to U.S. Federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Withholding Agent, at the time or times prescribed by law and at such time or times reasonably requested by the Withholding Agent, such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Withholding Agent as may be necessary for the Withholding Agent to comply with its obligations under FATCA, to determine that such Lender has or has not complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of the preceding sentence, "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

Each Lender agrees that if any form or certification it previously delivered by it expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrower Representative and the Administrative Agent in writing of its legal inability to do so.

(i) Without limiting the generality of Section 2.17(h), in the event that any Borrower is a UK Borrower, a Lender which becomes a party to this Agreement and which holds a passport under the HM Revenue & Customs DT Treaty Passport scheme and wishes that scheme to apply to this Agreement (where permitted by applicable law) shall notify the Loan Parties to that effect by including its scheme reference number and its jurisdiction of tax residence in the Commitment Schedule or, where applicable, in the form of Assignment and Assumption executed and delivered by that Lender. Following such notification, each UK Borrower shall file a duly completed form DTTP2 in respect of such Lender with HM Revenue & Customs within thirty (30) days of the date of such notification and shall promptly provide the Lender, the Administrative Agent and the European Administrative Agent with a copy of that filing. If a Lender has not notified its scheme reference number and its jurisdiction of tax residence pursuant to this Section 2.17(i), no UK Borrower (or any other Loan Party) shall file any form relating to the HM Revenue & Customs DT Treaty Passport scheme in respect of that Lender's Commitment(s) or its participation in any Borrowing. Nothing in this Section 2.17(i) shall require a Lender to (a) register under the HM Revenue & Customs DT Treaty Passport scheme, (b) to apply the HM Revenue & Customs DT Treaty Passport scheme in respect of any Borrowing if it has so registered or (c) to file Treaty forms (notwithstanding Section 2.17(h)) if it has notified its scheme reference number and its jurisdiction of tax residence in accordance with this Section 2.17(i) and the relevant UK Borrower has not complied with its obligations under this Section 2.17(i).

(j) If the Administrative Agent, the European Administrative Agent, either Collateral Agent, any Lender or any Issuing Bank determines, in its sole discretion, that it has received a refund of any Indemnified Taxes or Other Taxes as to which it has been indemnified pursuant to this Section 2.17 (including additional amounts paid by any Loan Party pursuant to this Section), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section with respect to the Indemnified Taxes or Other Taxes giving rise to such refund), net of all out-of-pocket expenses (including any Taxes) of the Administrative Agent, the European Administrative Agent, such Collateral Agent, such Lender or such Issuing Bank, as the case may be, and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund); provided, that such indemnifying party, upon the request of the Administrative Agent, the European Administrative Agent, such Collateral Agent, such Lender or such Issuing Bank, agrees to repay the amount paid over pursuant to this Section 2.17(j) (*plus* any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Administrative Agent, the European Administrative Agent, such Collateral Agent, such Lender or such Issuing Bank in the event the Administrative Agent, the European Administrative Agent, such Collateral Agent, such Lender or such Issuing Bank is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this paragraph (j), in no event will any Issuing Bank or Lender be required to pay any amount to any Loan Party the payment of which would place the Issuing Bank or such Lender in a less favorable net after-Tax position than the Issuing Bank or such Lender would have been in if the indemnification payments or additional amounts giving rise to such refund had never been paid. This paragraph shall not be construed to require the Administrative Agent, the European Administrative Agent, any Collateral Agent, any Lender or any Issuing Bank to make available its Tax returns (or any other information relating to its Taxes which it deems confidential) to the Borrowers or any other Person nor shall it be construed to require the Administrative Agent, the European Administrative Agent, any Collateral Agent, any Lender or any Issuing Bank, as the case may be, to apply for or otherwise initiate any refund contemplated in this Section 2.17.

(k) All amounts set out, or expressed to be payable under any Loan Document by any party to the Administrative Agent, the European Administrative Agent, either Collateral Agent, any Lender or any Issuing Bank which (in whole or in part) constitute the consideration for VAT purposes shall be deemed to be exclusive of any VAT which is chargeable in connection therewith. If, in connection with this Agreement, VAT is chargeable to, or in respect of any payment made by any Loan Party to, the Administrative Agent, the European Administrative Agent, either Collateral Agent, any Lender or any Issuing Bank, such Loan Party shall promptly pay to the Administrative Agent, the European Administrative Agent, such Collateral Agent, such Lender or such Issuing Bank, as the case may be, an amount equal to the amount of such VAT (and the Administrative Agent, the European Administrative Agent, such Collateral Agent, such Lender or such Issuing Bank, as the case may be, shall promptly provide an appropriate VAT invoice to such party).

(l) Where any party is required under any Loan Document to reimburse the Administrative Agent, the European Administrative Agent, either Collateral Agent, any Lender or any Issuing Bank, as the case may be, for any costs or expenses, that party shall also at the same time pay and indemnify each such Administrative Agent, European Administrative Agent, Collateral Agent, any Lender or any Issuing Bank, as the case may be, against all VAT and any stamp duty, registration or other similar tax payables, in each case incurred in connection with the entry into, performance or enforcement of any Loan Document.

(m) The agreements in this Section shall survive the termination of this Agreement and the payment of the Loans and all other amounts payable hereunder.

SECTION 2.18 Payments Generally; Allocation of Proceeds; Sharing of Set-offs. (a) The Borrowers shall make each payment required to be made by them hereunder (whether of principal, interest, fees or reimbursement of LC Disbursements, or of amounts payable under Section 2.15, 2.16 or 2.17, or otherwise) prior to 2:00 p.m., Local Time, on the date when due, in immediately available funds, without set-off or counterclaim. Except as otherwise expressly set forth herein, all payments of Loans shall be paid in the currency in which such Loans were made. Any amounts received after such time on any date may, in the discretion of the Administrative Agent or the European Administrative Agent, as applicable, be deemed to have been received on the next succeeding Business Day for purposes of calculating interest thereon. All such payments shall be made to the Administrative Agent or the European Administrative Agent, as applicable, at its offices at (i) for payments of US Revolving Loans, US Swingline Loans, LC Disbursements of any Issuing Bank in respect of US Letters of Credit, fronting fees payable to any Issuing Bank in respect of US Letters of Credit, US Protective Advances, fees payable pursuant to Section 2.12(a), participation fees payable pursuant to Section 2.12(b), fees payable pursuant to 2.12(c) and all other payments in dollars, to the Administrative Agent at 270 Park Avenue, New York, New York 10017 USA and (ii) for payments of European Revolving Loans, European Swingline Loans, LC Disbursements of any Issuing Bank in respect of European Letters of Credit, fronting fees payable to the an Issuing Bank in respect of European Letters of Credit and European Protective Advances, to the European Administrative Agent at 125 London Wall, London EC2Y 5AJ, United Kingdom, except payments to be made directly to an Issuing Bank or a Swingline Lender as expressly provided herein and except that payments pursuant to Sections 2.15, 2.16, 2.17 and 9.03 shall be made directly to the Persons entitled thereto. Each of the Administrative Agent and the European Administrative Agent shall distribute any such payments received by it for the account of any other Person to the appropriate recipient, in like funds, promptly following receipt thereof. If any payment hereunder shall be due on a day that is not a Business Day, the date for payment shall be extended to the next succeeding Business Day, and, in the case of any payment accruing interest, interest thereon shall be payable for the period of such extension. All payments hereunder shall be made in dollars, except that all payments in respect of Loans (and interest thereon) and LC Obligations shall be made in the same currency in which such Loan was made or Letter of Credit issued. During any Full Cash Dominion Period, solely for purposes of determining the amount of Loans available for borrowing purposes, checks (in addition to immediately available funds applied pursuant to Section 2.10(b)) from collections of items of payment and proceeds of any Collateral shall be applied in whole or in part against the applicable Obligations as of 10:00 a.m., Local Time, on the Business Day of receipt, subject to actual collection.

(b) Any proceeds of Collateral received by the Administrative Agent (i) not constituting either (A) a specific payment of principal, interest, fees or other sum payable under the Loan Documents (which shall be applied as specified by the Borrowers), (B) a mandatory prepayment (which shall be applied in accordance with Section 2.11) or (C) amounts to be applied from the Collection Account during a Full Cash Dominion Period (which shall be applied in accordance with Section 2.10(b)) or (ii) after an Event of Default has occurred and is continuing and the Administrative Agent so elects or the Required Lenders so direct, such funds shall be applied ratably first, to pay any fees, indemnities, or expense reimbursements including amounts then due to the Administrative Agent, the European Administrative Agent, either Collateral Agent and any Issuing Bank from the Borrowers (other than in connection with Banking Services or Swap Obligations) ratably, second, to pay any fees or expense reimbursements then due to the Lenders from the Borrowers (other than in connection with Banking Services or Swap Obligations) ratably, third, to pay interest due in respect of the Protective Advances ratably, fourth, to pay the principal of the Protective Advances ratably, fifth, to pay interest

then due and payable on the Loans (other than the Protective Advances) ratably, sixth, to prepay principal on the Loans (other than the Protective Advances) and unreimbursed LC Disbursements ratably, seventh, to pay an amount to the US Collateral Agent equal to 103% of the aggregate undrawn face amount of all outstanding Letters of Credit, to be held as cash collateral for such Obligations, eighth, to the ratable payment of any amounts owing with respect to Banking Services and Swap Obligations that are Secured Obligations, ninth, to the ratable payment of any other Secured Obligation due to the Administrative Agent, the European Administrative Agent, either Collateral Agent or any Lender by the Borrowers, and tenth, any balance remaining after the Secured Obligations shall have been paid in full and no Letters of Credit shall be outstanding (other than Letters of Credit which have been cash collateralized in accordance with the foregoing) shall be paid over to the applicable Borrower at its Funding Account. Notwithstanding anything to the contrary contained in this Agreement, unless so directed by the Borrower Representative, or unless a Default is in existence, neither the Administrative Agent, the European Administrative Agent, the Collateral Agents nor any Lender shall apply any payment which it receives to any Eurocurrency Loan of a Class, except (a) on the expiration date of the Interest Period applicable to any such Eurocurrency Loan or (b) in the event, and only to the extent, that there are no outstanding ABR Loans of the same Class and, in any such event, the Borrowers shall pay the break funding payment required in accordance with Section 2.16. Each of the Administrative Agent and the European Administrative Agent and the Lenders shall have the continuing and exclusive right to apply and reverse and reapply any and all such proceeds and payments to any portion of the Secured Obligations. Notwithstanding the foregoing, (i) any application of proceeds from the Collateral of the European Loan Parties shall be made (x) solely in respect of Obligations of the European Loan Parties and (y) prior to any application of proceeds from the Collateral of the US Loan Parties to the Obligations of the European Loan Parties and (ii) any application of proceeds from Collateral of the US Loan Parties shall be applied (A) first in respect of Obligations of the US Loan Parties under each Facility, in the order and priority set forth in clauses first through seventh above, ratably in accordance with the then outstanding amounts thereof, (B) second, in respect of Obligations of the Loan Parties under Facility B, in the order and priority set forth in clauses first through seventh above, and (C) third, in respect of Obligations of the Loan Parties under the Facilities, ratably in accordance with the then outstanding amounts thereof, in accordance with the order and priority set forth in clauses eighth through tenth above. Notwithstanding the foregoing, no amount received from any Loan Guarantor shall be applied to any Excluded Swap Obligation of such Loan Guarantor.

(c) At the election of the Administrative Agent or the European Administrative Agent, as the case may be, all payments of principal, interest, LC Disbursements, fees, premiums, reimbursable expenses (including, without limitation, all reimbursement for fees and expenses pursuant to Section 9.03), and other sums payable under the Loan Documents, may be paid from the proceeds of Borrowings made hereunder whether made following a request by the Borrower Representative pursuant to Section 2.03 or a deemed request as provided in this Section or may be deducted from any deposit account of any Borrower maintained with either the Administrative Agent or the European Administrative Agent. Each Borrower hereby irrevocably authorizes (i) the Administrative Agent and the European Administrative Agent to make a Borrowing for the purpose of paying each payment of principal, interest and fees as it becomes due hereunder or any other amount due under the Loan Documents and agrees that all such amounts charged shall constitute Loans (including Swingline Loans, but such a Borrowing may only constitute a Protective Advance if it is to reimburse costs, fees and expenses as described in Section 9.03) and that all such Borrowings shall be deemed to have been requested pursuant to Sections 2.03, 2.04 or 2.05, as applicable and (ii) the Administrative Agent and the European Administrative Agent to charge any deposit account of any Borrower maintained with such Agent for each payment of principal, interest and fees as it becomes due hereunder or any other amount due under the Loan Documents.

(d) If any Lender shall, by exercising any right of set-off or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of its Loans or participations in LC Disbursements resulting in such Lender receiving payment of a greater proportion of the aggregate amount of its Loans and participations in LC Disbursements and accrued interest thereon than the proportion received by any other Lender, then the Lender receiving such greater proportion shall purchase (for cash at face value) participations in the Loans and participations in LC Disbursements of other Lenders to the extent necessary so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Loans and participations in LC Disbursements; provided that (i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest, and (ii) the provisions of this paragraph shall not be construed to apply to any payment made by the Borrowers pursuant to and in accordance with the express terms of this Agreement or any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans or participations in LC Disbursements to any assignee or participant, other than to the Borrowers or any Subsidiary or Affiliate thereof (as to which the provisions of this paragraph shall apply); provided, further, that to the extent prohibited by applicable law as described in the definition of "Excluded Swap Obligation", no amounts received from, or set off with respect to, any Loan Guarantor shall be applied to any Excluded Swap Obligations of such Loan Guarantor. Each Borrower consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against such Borrower rights of set-off and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of such Borrower in the amount of such participation.

(e) Unless the Administrative Agent shall have received notice from the Borrower Representative prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders or an Issuing Bank hereunder that the Borrowers will not make such payment, the Administrative Agent or the European Administrative Agent, as applicable, may assume that the Borrowers have made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders or the applicable Issuing Bank, as the case may be, the amount due. In such event, if the Borrowers have not in fact made such payment, then each of the Lenders or the applicable Issuing Bank, as the case may be, severally agrees to repay to the Administrative Agent and the European Administration Agent, if applicable, forthwith on demand the amount so distributed to such Lender or such Issuing Bank with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent or the European Administration Agent, if applicable, at the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

(f) If any Lender shall fail to make any payment required to be made by it hereunder, then the Administrative Agent and, if applicable, the European Administrative Agent, may, in its discretion (notwithstanding any contrary provision hereof), apply any amounts thereafter received by it for the account of such Lender to satisfy such Lender's obligations hereunder until all such unsatisfied obligations are fully paid.

SECTION 2.19 Mitigation Obligations; Replacement of Lenders. If any Lender requests compensation under Section 2.15, or if the Borrowers are required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.17, or is otherwise a Departing Lender (as defined below), then:

(a) such Lender shall use reasonable efforts to designate a different lending office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 2.15 or 2.17, as the case may be, in the future, (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender (and the Borrowers hereby agree to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment) and (iii) would not breach any applicable law;

(b) the Borrowers may, at their sole expense and effort, require such Lender or any Defaulting Lender (herein, a "Departing Lender"), upon notice to the Departing Lender and the Administrative Agent, to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in Section 9.04), all its interests, rights and obligations under this Agreement to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided that (i) the Borrowers shall have received the prior written consent of the Administrative Agent (and if a Commitment is being assigned, the Issuing Banks), which consent shall not unreasonably be withheld or delayed, (ii) the Departing Lender shall have received payment of an amount equal to the outstanding principal of its Loans and participations in LC Disbursements and Swingline Loans, accrued interest thereon, accrued fees and all other amounts payable to it hereunder, from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrowers (in the case of all other amounts) and (iii) in the case of any such assignment resulting from a claim for compensation under Section 2.15 or payments required to be made pursuant to Section 2.17, such assignment will result in a reduction in such compensation or payments. A Departing Lender shall not be required to make any such assignment and delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrowers to require such assignment and delegation cease to apply.

SECTION 2.20 Returned Payments. If after receipt of any payment which is applied to the payment of all or any part of the Obligations, the Administrative Agent, the European Administrative Agent, either Collateral Agent, any Issuing Bank or any Lender is for any reason compelled to surrender such payment or proceeds to any Person because such payment or application of proceeds is invalidated, declared fraudulent, set aside, determined to be void or voidable as a preference, impermissible setoff, or a diversion of trust funds, or for any other reason, then the Obligations or part thereof intended to be satisfied shall be revived and continued and this Agreement shall continue in full force as if such payment or proceeds had not been received by the Administrative Agent, the European Administrative Agent, such Collateral Agent, such Issuing Bank or such Lender. The provisions of this Section 2.20 shall be and remain effective notwithstanding any contrary action which may have been taken by the Administrative Agent, the European Administrative Agent, either Collateral Agent, any Issuing Bank or any Lender in reliance upon such payment or application of proceeds. The provisions of this Section 2.20 shall survive the termination of this Agreement.

SECTION 2.21 Defaulting Lenders. Notwithstanding any provision of this Agreement to the contrary, if any Lender becomes a Defaulting Lender, then the following provisions shall apply for so long as such Lender is a Defaulting Lender:

(a) fees shall cease to accrue on the Available Commitment of such Defaulting Lender pursuant to Section 2.12(a);

(b) the Commitment and Credit Exposure of such Defaulting Lender shall not be included in determining consent to any waiver, amendment or modification pursuant to Section 9.02; provided, that no such amendment, modification or waiver shall (i) increase the Commitment of such Defaulting Lender without the consent of such Defaulting Lender, (ii) reduce or forgive the principal amount of any Loan or LC Disbursement of such Defaulting Lender or reduce the rate of interest thereon, or reduce or forgive any interest or fees payable to such Defaulting Lender hereunder, without the written consent of such Defaulting Lender or (iii) postpone any scheduled date of payment of the principal amount of any Loan or LC Disbursement of such Defaulting Lender, or any date for the payment of any interest, fees or other Obligations payable hereunder to such Defaulting Lender, or reduce the amount of, waive or excuse any such payment to such Defaulting Lender, or postpone the scheduled date of expiration of such Defaulting Lender's Commitment without the written consent of such Defaulting Lender;

(c) if any Swingline Exposure, LC Exposure or Protective Advance Exposure exists at the time such Lender becomes a Defaulting Lender then:

(i) all or any part of the Swingline Exposure, LC Exposure and Protective Advance Exposure of such Defaulting Lender shall be reallocated among the non-Defaulting Lenders in accordance with their respective Applicable Percentages but only to the extent the sum of all non-Defaulting Lenders' Revolving Exposures plus such Defaulting Lender's Swingline Exposure, LC Exposure and Protective Advance Exposure does not exceed the total of all non-Defaulting Lenders' Commitments;

(ii) if the reallocation described in clause (i) above cannot, or can only partially, be effected, the Borrowers shall within five Business Days following notice by the Administrative Agent (x) first, prepay such Protective Advance Exposure, (y) second, prepay such Swingline Exposure and (z) third, cash collateralize for the benefit of the Issuing Bank only the Borrowers' obligations corresponding to such Defaulting Lender's LC Exposure (in each case after giving effect to any partial reallocation pursuant to clause (i) above) in accordance with the procedures set forth in Section 2.06(j) for so long as such LC Exposure is outstanding;

(iii) if the Borrowers cash collateralize any portion of such Defaulting Lender's LC Exposure pursuant to clause (ii) above, the Borrowers shall not be required to pay any fees to such Defaulting Lender pursuant to Section 2.12(b) with respect to such Defaulting Lender's LC Exposure during the period such Defaulting Lender's LC Exposure is cash collateralized;

(iv) if the LC Exposure of the non-Defaulting Lenders is reallocated pursuant to clause (i) above, then the fees payable to the Lenders pursuant to Section 2.12(a) and Section 2.12(b) shall be adjusted in accordance with such non-Defaulting Lenders' Applicable Percentages; and

(v) if all or any portion of such Defaulting Lender's LC Exposure is neither reallocated nor cash collateralized pursuant to clause (i) or (ii) above, then, without prejudice to any rights or remedies of the Issuing Bank or any other Lender hereunder, all letter of credit fees payable under Section 2.12(b) with respect to such Defaulting Lender's LC Exposure shall be payable to the Issuing Bank until and to the extent that such LC Exposure is reallocated and/or cash collateralized; and

(d) so long as such Lender is a Defaulting Lender, the Swingline Lender shall not be required to fund any Swingline Loan and the Issuing Bank shall not be required to issue, amend or increase any Letter of Credit, unless it is reasonably satisfied that the related exposure and the Defaulting Lender's then outstanding LC Exposure will be 100% covered by the Commitments of the non-Defaulting Lenders and/or cash collateral will be provided by the Borrowers in accordance with Section 2.21(c), and participating interests in any newly made Swingline Loan or any newly issued or increased Letter of Credit shall be allocated among non-Defaulting Lenders in a manner consistent with Section 2.21(c)(i) (and such Defaulting Lender shall not participate therein).

If (i) a Bankruptcy Event with respect to a Parent of any Lender shall occur following the date hereof and for so long as such event shall continue or (ii) the Swingline Lender or the Issuing Bank has a good faith belief that any Lender has defaulted in fulfilling its obligations under one or more other agreements in which such Lender commits to extend credit, the Swingline Lender shall not be required to fund any Swingline Loan and the Issuing Bank shall not be required to issue, amend or increase any Letter of Credit, unless the Swingline Lender or the Issuing Bank, as the case may be, shall have entered into arrangements with the Borrowers or such Lender, reasonably satisfactory to the Swingline Lender or the Issuing Bank, as the case may be, to defease any risk to it in respect of such Lender hereunder.

In the event that the Administrative Agent, the European Administrative Agent, the Borrowers, the Swingline Lender and the Issuing Bank each agrees that a Defaulting Lender has adequately remedied (in their reasonable judgment) all matters that caused such Lender to be a Defaulting Lender, then the Swingline Exposure, LC Exposure and Protective Advance Exposure of the Lenders shall be readjusted to reflect the inclusion of such Lender's Commitment and on such date such Lender shall purchase at par such of the Loans of the other Lenders (other than Swingline Loans) as the Administrative Agent shall determine may be necessary in order for such Lender to hold such Loans in accordance with its Applicable Percentage.

SECTION 2.22 Additional or Increased Commitments. (a) Any Borrower may, at any time and from time to time on or after the ~~90th day after the Restatement~~ Third Amendment Effective Date, by written notice to the Administrative Agent, elect to request additional or increased Commitments hereunder, in an aggregate amount not in excess of $250,000,000. Each such notice shall specify the date (each, an "Increased Amount Date") on which such Borrower proposes that the additional or increased Commitments shall be effective, which shall be a date not less than three Business Days after the date on which such notice is delivered to Administrative Agent; provided, that any Lender offered or approached to provide all or a portion of any increased Commitments may elect or decline, in its sole discretion, to provide the same. Such additional or increased Commitments shall become effective as of such Increased Amount Date; provided, that (1) no Default or Event of Default shall exist on such Increased Amount Date before or after giving effect to such additional or increased Commitments and to the making of any Revolving Loans in respect of any additional or increased Commitments pursuant thereto; (2) any such additional or increased Commitments and the extensions of credit thereunder shall be ratable with the existing Commitments and extensions of credit thereunder; (3) the terms (other than the pricing) applicable to the additional or increased Commitments shall be the same as those applicable to the existing Commitments, provided that if the all-in yield (whether in the form of interest rate margins, upfront fees or any Adjusted LIBO Rate or Alternate Base Rate floor, with any such upfront fees being equated to interest margin) applicable to such additional or increased Commitments exceeds by more than 0.50% the corresponding all-in yield for the existing Commitments, the interest rate margin

with respect to the existing Commitments shall be increased by an amount equal to the difference between the all-in yield with respect the additional and increased Commitments and the corresponding all-in yield on the existing Commitments minus 0.50%; (4) any New Lender shall be subject to the approval of the Administrative Agent, such approval not to be unreasonably withheld; (5) such additional or increased Commitments shall be effected pursuant to one or more supplements to this Agreement executed and delivered by the Borrowers, the Administrative Agent and one or more New Lenders or existing Lenders; and (6) the Borrowers shall deliver or cause to be delivered any customary legal opinions or other documents reasonably requested by Administrative Agent in connection with any such transaction, including any supplements or amendments to the Collateral Documents providing for such additional or increased Commitments and the extensions of credit thereunder to be secured thereby.

(b) On any Increased Amount Date on which any additional or increased Commitments become effective, subject to the foregoing terms and conditions, each new lender with an additional Commitment (each, a "New Lender") shall become a Lender hereunder with respect to such additional Commitment and each Lender with an increased Commitment shall have its Commitment adjusted accordingly.

(c) Each supplement to this Agreement effected in accordance with Section 2.22(a) may, without the consent of any other Lenders, effect such amendments to this Agreement and the other Loan Documents as may be necessary or appropriate, in the opinion of the Administrative Agent, to implement the provisions of this Section 2.22 (including to establish transition provisions to provide for any additional or increased Commitments to share ratably in the extensions of credit under the Commitments).

ARTICLE III

Representations and Warranties

Each Loan Party represents and warrants to the Lenders that:

SECTION 3.01 Organization; Powers. Each of the Loan Parties and each of its Subsidiaries is duly organized or incorporated, validly existing and in good standing under the laws of the jurisdiction of its organization or incorporation, has all requisite power and authority to carry on its business as now conducted and**,** except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, is qualified to do business in, and is in good standing in, every jurisdiction where such qualification is required, except as otherwise set forth on Schedule 3.01.

SECTION 3.02 Authorization; Enforceability. (a) The Transactions are within each Loan Party's organizational powers and have been duly authorized by all necessary organizational actions and, if required, actions by equity holders. The Loan Documents to which each Loan Party is a party have been duly executed and delivered by such Loan Party and constitute a legal, valid and binding obligation of such Loan Party, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, examination, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

(b) The choice of governing law provisions contained in this Agreement and each other Loan Document are enforceable in the jurisdictions where each Loan Party is organized or incorporated or any Collateral is located. Any judgment obtained in connection with any Loan Document in the jurisdiction of the governing law of such Loan Document will be recognized and be enforceable in the jurisdictions where each Loan Party is organized or any Collateral is located.

(c) Subject to applicable Insolvency Laws, no European Loan Party nor any of its property or assets has any immunity from jurisdiction of any court or from any legal process (whether through service or notice, attachment prior to judgment, attachment in aid of execution, execution or otherwise) under the laws of the jurisdiction in which such European Loan Party is organized in respect of its obligations under the Loan Documents to which it or its property or assets is subject.

(d) The Loan Documents to which each European Loan Party is a party are in proper legal form under the laws of the jurisdiction in which each such European Loan Party is organized or incorporated and existing (i) for the enforcement thereof against each such European Loan Party under the laws of each such jurisdiction and (ii) in order to ensure the legality, validity, enforceability, priority or admissibility in evidence of such Loan Documents. It is not necessary to ensure the legality, validity, enforceability, priority or admissibility in evidence of the Loan Documents to which any European Loan Party is a party that any such Loan Documents be filed, registered or recorded with, or executed or notarized before, any court or other authority in the jurisdiction in which any such European Loan Party is organized or that any registration charge or stamp or similar tax be paid on or in respect of the applicable Loan Documents or any other document, except for any such filing, registration, recording, execution or notarization that is referred to in Section 3.16 or is not required to be made until enforcement of the applicable Loan Document.

(e) All legal requirements of the Luxembourg law of May 31, 1999, as amended, regarding the domiciliation companies have been complied with by the Luxembourg Borrower.

SECTION 3.03 Governmental Approvals; No Conflicts. The Transactions (a) do not require any consent or approval of, registration or filing with, or any other action by, any Governmental Authority, except such as have been obtained or made and are in full force and effect and except for filings necessary to perfect Liens created pursuant to the Loan Documents, and except in the case of court proceedings in a Luxembourg court of the presentation of the Loan Documents, either directly or by way of reference, to an *autorité constituéee*, such court or *autorité constituée* may require registration of all or part of the Loan Documents with the *Administration de l'Enregistement et des Domaines* in Luxembourg, which may result in registration duties, at a fixed rate of € 12 or an *ad valorem* rate which depends on the nature of the registered document, becoming due and payable, (b) will not violate any Requirement of Law applicable to any Loan Party or any of its Subsidiaries, (c) will not violate or result in a default under any material indenture, material agreement or other material instrument binding upon any Loan Party or any of its Subsidiaries or its assets, or give rise to a right thereunder to require any payment to be made by any Loan Party or any of its Subsidiaries, and (d) will not result in the creation or imposition of any Lien on any asset of any Loan Party or any of its Subsidiaries, except Liens created pursuant to the Loan Documents.

SECTION 3.04 Financial Condition; No Material Adverse Change. (a) The Company has heretofore furnished to the Lenders its consolidated balance sheet and statements of income, stockholders equity and cash flows (reported on a monthly basis) (i) as of and for the fiscal year ended December 25, 2010, reported on by Deloitte & Touche LLP, a registered public accounting firm, and (ii) as of and for the fiscal quarter and the portion of the fiscal year ended March 26, 2011, certified by its chief financial officer. Such financial statements present fairly, in all material respects, the financial position and results of operations and cash flows of the Company and its consolidated ~~S~~subsidiaries as of such dates and for such periods in accordance with GAAP, subject to year end audit adjustments and the absence of footnotes in the case of the statements referred to in clause (ii) above. Except as set forth

on Schedule 3.06 and except as otherwise permitted under this Agreement, neither the Company nor any of its consolidated ~~S~~subsidiaries has any material Guarantee obligations, contingent liabilities and liabilities for taxes, or any long-term leases or unusual forward or long-term commitments, including any interest rate or foreign currency swap or exchange transaction or other obligation in respect of derivatives, that are not reflected in the most recent financial statements referred to in this paragraph.

(b) Except for the Disclosed Matters, no event, change or condition has occurred that has had, or could reasonably be expected to have, a Material Adverse Effect, since December 25, 2010.

SECTION 3.05 Properties. (a) Each of the Loan Parties and its Subsidiaries has good and indefeasible title to, or valid leasehold interests in, all its real and personal property, free of all Liens other than Permitted Liens, except where failure would not reasonably be expected to have a Material Adverse Effect.

(b) Each Loan Party and its Subsidiaries owns, or is licensed to use, all material Intellectual Property that is necessary to its business as currently conducted and the use thereof by the Loan Parties and its Subsidiaries does not infringe in any material respect upon the rights of any other Person.

SECTION 3.06 Litigation and Environmental Matters. (a) There are no actions, suits or proceedings by or before any arbitrator or Governmental Authority pending against or, to the knowledge of any Loan Party, threatened against or affecting the Loan Parties or any of their Subsidiaries (i) as to which there is a reasonable possibility of an adverse determination and that, if adversely determined, could reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect (other than the Disclosed Matters) or (ii) that involve this Agreement or the Transactions.

(b) Except for the Disclosed Matters (i) no Loan Party nor any of its Subsidiaries has received notice of any claim with respect to any material Environmental Liability or knows of any basis for any material Environmental Liability and (ii) except with respect to any other matters that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, no Loan Party nor any of its Subsidiaries (1) has failed to comply with any applicable Environmental Law or to obtain, maintain or comply with any permit, license or other approval required under any Environmental Law or (2) has become subject to any Environmental Liability.

(c) Since the Restatement Date, there has been no change in the status of the Disclosed Matters that, individually or in the aggregate, has resulted in, or materially increased the likelihood of, a Material Adverse Effect.

SECTION 3.07 Compliance with Laws and Agreements. Each Loan Party and its Subsidiaries is in compliance with all Requirements of Law applicable to it or its property and all indentures, agreements and other instruments binding upon it or its property, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

SECTION 3.08 Investment Company Status. No Loan Party nor any of its Subsidiaries is an “investment company” as defined in, or subject to regulation under, the Investment Company Act of 1940 and shall not register as, conduct its business or take any action which shall cause it to be registered for the purposes of the European Communities (Markets in Financial Instruments) Regulations 2007.

SECTION 3.09 Taxes. Each Loan Party and its Subsidiaries has timely filed or caused to be filed all Tax returns and reports required to have been filed and has paid or caused to be paid all Taxes required to have been paid by it, except Taxes that are being contested in good faith by appropriate proceedings and for which such Loan Party or such Subsidiary, as applicable, has set aside on its books adequate reserves. No tax liens have been filed and no claims are being asserted with respect to any such taxes. As of the Restatement Date, no Taxes are imposed, by withholdings or otherwise, on any payment to be made by any European Borrower under any Loan Document, or are imposed on, or by virtue of, the execution or delivery by any European Borrower of any Loan Document. As of the Restatement Date, no European Borrower is required to make any deduction for or on account of Tax from any payment it may make under any Loan Document. Each Borrower is resident for Tax purposes only in the jurisdiction of its establishment or incorporation as the case may be.

SECTION 3.10 ERISA; Benefit Plans. (a) ~~No~~Except for Disclosed Matters, no ERISA Event has occurred or is reasonably expected to occur that, when taken together with all other such ERISA Events for which liability is reasonably expected to occur, could reasonably be expected to result in a Material Adverse Effect. Each Loan Party and ERISA Affiliate is in compliance with the applicable provisions of ERISA, the Code and any other federal, state or local laws relating to the Plans, and with all regulations and published interpretations thereunder, except as could not reasonably be expected to result in a Material Adverse Effect. ~~The~~Except for Disclosed Matters, the present value of all accumulated benefit obligations under each Plan that is subject to Title IV or Section 302 of ERISA or Section 412 or 4971 of the Code (based on the assumptions used for purposes of Statement of Financial Accounting Standards No. 87) did not, as of the date of the most recent financial statements reflecting such amounts, exceed the fair market value of the assets of such Plan.

(b) Except for the UK Pension Scheme, (i) neither a UK Loan Party nor any of its Subsidiaries or Affiliates is or has at any time been an employer (for the purposes of Sections 38 to 51 of the UK Pensions Act 2004) of an occupational pension scheme which is not a money purchase scheme (both terms as defined in the UK Pensions Schemes Act 1993) and (ii) neither a UK Loan Party nor any of its Subsidiaries or Affiliates is or has at any time been "connected" with or an "associate" of (as those terms are used in Sections 38 and 43 of the UK Pensions Act 2004) such an employer.

(c) The UK Pension Scheme is either fully funded based on the statutory funding objective of Section 222 of the UK Pensions Act 2004 or has in place a recovery plan that satisfies the requirements of Section 226 of the UK Pensions Act 2004.

(d) Except as, in the aggregate, could not reasonably be expected to have a Material Adverse Effect, (i) all employer and employee contributions (including insurance premiums) required by applicable law or by the terms of any Foreign Benefit Arrangement or Foreign Plan (including any policy held thereunder) have been made, or, if applicable, accrued in accordance with normal accounting practices; (ii) other than in relation to the UK Pension Scheme, the accrued benefit obligations of each Foreign Plan (based on those assumptions used to fund such Foreign Plan) with respect to all current and former participants do not exceed the assets of such Foreign Plan; (iii) each Foreign Plan that is required to be registered has been registered and has been maintained in good standing with applicable regulatory authorities; and (iv) each such Foreign Benefit Arrangement and Foreign Plan is in compliance (A) with all material provisions of applicable law and all material applicable regulations and regulatory requirements (whether discretionary or otherwise) and published interpretations thereunder with respect to such Foreign Benefit Arrangement or Foreign Plan and (B) with the terms of such plan or arrangement.

(e) No supplementary pension scheme pursuant to the Supplementary Pension Act has been, or will be, set up within the Luxembourg Borrower until the reimbursement of the Loans. The Luxembourg Borrower warrants that it has complied, and will comply, at all times with its obligation under the statutory provisions of the CAS.

(f) All pension schemes operated or maintained for the benefit of a Loan Party (including in the case of a UK Loan Party, its Subsidiaries or Affiliates) comply with all provisions of the relevant law and employ reasonable actuarial assumptions. Other than in relation to the UK Pension Scheme and other than as set forth on Schedule 3.10, no Loan Party has any unsatisfied liability in respect of any pension scheme and there are no circumstances which may give rise to any such liability which could reasonably be expected to have Material Adverse Effect. Each Loan Party shall ensure that all pension schemes operated by or maintained for the benefit of a Loan Party (including in the case of a UK Loan Party, its Subsidiaries or Affiliates) and/or any of its employees are, to the extent required by applicable law, funded or reserved to the extent failure to do so (or, with the expiry of a grace period, the giving of notice, the making of any determination under the Loan Documents or any combination of any of the foregoing taking into account all remedies of the Loan Parties under the Loan Documents) could reasonably be expected to have a Material Adverse Effect.

(g) No occupational pension scheme within the meaning of Section 2 of the Irish Pensions Act has been, or will be, set up by the Irish Borrower until the reimbursement of the Loans.

SECTION 3.11 Disclosure. Each Borrower has disclosed to the Lenders all agreements, instruments and corporate or other restrictions to which it or any Subsidiary is subject, and all other matters known to it, that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect. Neither the Confidential Information Memorandum nor any of the other reports, financial statements, certificates or other information furnished by or on behalf of any Loan Party to the Administrative Agent or any Lender in connection with the negotiation of this Agreement or any other Loan Document (as modified or supplemented by other information so furnished) contains any material misstatement of fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, and taken as a whole, not misleading; provided that, with respect to projected financial information, the Borrowers represent only that such information was prepared in good faith based upon assumptions believed to be reasonable at the time delivered and, if such projected financial information was delivered prior to the Restatement Date, as of the Restatement Date.

SECTION 3.12 No Default. No Loan Party nor any of its Subsidiaries is in default in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any agreement, instrument or other undertaking to which such Person is a party or by which it or any of its property is bound in any respect that could reasonably be expected to have a Material Adverse Effect. No Default or Event of Default has occurred and is continuing.

SECTION 3.13 Solvency. (a) Immediately after the consummation of the Transactions to occur on the ~~Restatement~~Third Amendment Effective Date, (i) the fair value of the assets of each Loan Party, at a fair valuation, will exceed its debts and liabilities, subordinated, contingent or otherwise; (ii) the present fair saleable value of the property of each Loan Party will be greater than the amount that will be required to pay the probable liability of its debts and other liabilities, subordinated, contingent or otherwise, as such debts and other liabilities become absolute and matured; (iii) each Loan Party will be able to pay its debts and liabilities, subordinated, contingent or otherwise, as such debts and liabilities become due, absolute and matured; and the Luxembourg Borrower is neither in a situation of illiquidity (*cessation de paiements*) nor has access to credit (*credit ébranlé*) within the meaning of Article 437 of the Luxembourg Commercial Code; and (iv) each Loan Party will not have unreasonably small capital with which to conduct the business in which it is engaged as such business is now conducted and is proposed to be conducted after the ~~Restatement~~Third Amendment Effective Date.

(b) No Loan Party intends to, or will permit any of its Subsidiaries to, and no Loan Party believes that it or any of its Subsidiaries will, incur debts beyond its ability to pay such debts as they mature, taking into account the timing of and amounts of cash to be received by it or any such Subsidiary and the timing of the amounts of cash to be payable on or in respect of its Indebtedness or the Indebtedness of any such Subsidiary.

SECTION 3.14 Insurance. Schedule 3.14 sets forth a description of all insurance maintained by or on behalf of the Loan Parties as of the ~~Restatement~~Third Amendment Effective Date. As of the ~~Restatement~~Third Amendment Effective Date, all premiums in respect of such insurance have been paid. The Borrowers believe that the insurance maintained by or on behalf of the Loan Parties and their Subsidiaries are adequate.

SECTION 3.15 Capitalization and Subsidiaries. Schedule 3.15 sets forth, as of the ~~Restatement~~Third Amendment Effective Date, (a) a correct and complete list of the name and relationship to the Company of each and all of the Company's ~~S~~subsidiaries, (b) a true and complete listing of each class of authorized Equity Interests of each Borrower (other than the Company), of which all of such issued shares are validly issued, outstanding, fully paid and non-assessable (to the extent such concepts are applicable), and owned beneficially and of record by the Persons identified on Schedule 3.15, and (c) the type of entity of the Company and each of its ~~S~~subsidiaries. All of the issued and outstanding Equity Interests owned by any Loan Party in its ~~S~~subsidiaries has been (to the extent such concepts are relevant with respect to such ownership interests) duly authorized and issued and is fully paid and non assessable.

SECTION 3.16 Security Interest in Collateral. (a) The provisions of this Agreement and the other Loan Documents create legal and valid Liens on all the Collateral in favor of the applicable Collateral Agent, for the benefit of the Agents, the Lenders and the Issuing Banks, and upon filing of UCC financing statements and the taking of actions or making of filings required for perfection under the laws of the relevant Collateral Documents, as necessary, and, if applicable, the taking of actions or making of filings with respect to Intellectual Property registrations or applications issued or pending, such Liens constitute perfected and continuing Liens on the Collateral, securing the Secured Obligations, enforceable against the applicable Loan Party and all third parties, and having priority over all other Liens on the Collateral, except in the case of (a) Permitted Encumbrances, to the extent any such Permitted Liens would have priority over the Liens in favor of the US Collateral Agent or the European Collateral Agent, as applicable, pursuant to any applicable law, (b) Liens created by a UK Loan Party where registration of particulars of such Liens at the (i) Companies House in England and Wales or Scotland is required under Section 860 or Section 878, as applicable, of the UK Companies Act 2006, (ii) UK Trade Marks Registry at the Patent Office in England and Wales or Scotland is required and (iii) UK Land Registry or UK Land Charges Registry in England and Wales or Scotland is required. As of the ~~Restatement~~Third Amendment Effective Date, the jurisdictions in which the filing of UCC financing statements are necessary are listed on Schedule 3.16.

(b) In relation to Liens created by a Dutch Security Agreement where registration is required with the Dutch tax authorities, each Loan Party which is a party to the Dutch Security Agreement pursuant to which an undisclosed right of pledge over receivables is granted in favor of the European Collateral Agent undertakes:

(i) to execute a supplemental deed of pledge (as described in such Dutch Security Agreement) on a monthly basis or following the commencement of a European Full Cash Dominion Period or the occurrence of a Default on a weekly basis (or with such other frequency as the European Collateral Agent may in its discretion acting reasonably designate in writing to the relevant Loan Party);

(ii) to register such supplemental deed with the tax authorities within two Business Days of its execution; and

(iii) to promptly provide the European Collateral Agent with a copy of any executed supplemental deed of pledge and evidence satisfactory to the European Collateral Agent of registration.

(c) In relation to any Irish Security Agreement, within 21 days of the execution of the deed of charge, each Loan Party which is a party thereto undertakes to file such Irish Security Agreement in the Irish Companies Registration Office as required under Section 99 of the Irish Companies Act 1963.

SECTION 3.17 Employment Matters. As of the ~~Restatement~~Third Amendment Effective Date, there are no strikes, lockouts or slowdowns, and no material unfair labor practice charges, against any Loan Party or its Subsidiaries pending or, to the knowledge of the Borrowers, threatened. The terms and conditions of employment, hours worked by and payments made to employees of the Loan Parties and their Subsidiaries have not been in material violation of the Fair Labor Standards Act, or any other applicable federal, provincial, territorial, state, local or foreign law dealing with such matters. All material payments due from any Loan Party or any of its Subsidiaries, or for which any claim may be made against any Loan Party or any of its Subsidiaries, on account of wages, vacation pay and employee health and welfare insurance and other benefits, have been paid or accrued as a liability on the books of the Loan Party or such Subsidiary.

SECTION 3.18 Common Enterprise. The successful operation and condition of each of the Loan Parties is dependent on the continued successful performance of the functions of the group of the Loan Parties as a whole and the successful operation of each of the Loan Parties is dependent on the successful performance and operation of each other Loan Party. Each Loan Party expects to derive benefit (and its board of directors or other governing body has determined that it may reasonably be expected to derive benefit), directly and indirectly, from (i) successful operations of each of the other Loan Parties and (ii) the credit extended by the Lenders to the Borrowers hereunder, both in their separate capacities and as members of the group of companies. Each Loan Party has determined that execution, delivery, and performance of this Agreement and any other Loan Documents to be executed by such Loan Party is within its purpose, will be of direct and indirect benefit to such Loan Party, and is in its best interest.

SECTION 3.19 Centre of Main Interests. For the purposes of the Council of the European Union Regulation No. 1346/2000 on Insolvency Proceedings, each European Borrower's centre of main interests (as that term is used in Article 3(1) therein) is situated in its jurisdiction of incorporation and it has no "establishment" (as that term is used in Article 2(h) therein) in any other jurisdiction.

SECTION 3.20 Anti-Corruption Laws and Sanctions. The Company has implemented and maintains in effect policies and procedures designed to ensure compliance by the Company, its Subsidiaries and their respective directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions, and the Company, its Subsidiaries and their respective officers and employees,

and to the knowledge of the Company its directors and agents, are in compliance with Anti-Corruption Laws and applicable Sanctions in all material respects. None of (a) the Company, any Subsidiary or to the knowledge of the Company or such Subsidiary any of their respective directors, officers or employees, or (b) to the knowledge of the Company, any agent of the Company or any Subsidiary that will act in any capacity in connection with or benefit from the credit facility established hereby, is a Sanctioned Person. The Transactions will not violate Anti-Corruption Laws or applicable Sanctions.

ARTICLE IV

Conditions

SECTION 4.01 Restatement Date. The amendment and restatement of the Existing Credit Agreement and the obligations of the Lenders to make Loans and of the Issuing Banks to issue Letters of Credit under this Agreement shall not become effective until the date on which each of the following conditions is satisfied (or waived in accordance with Section 9.02):

(a) Credit Agreement and Loan Documents. The Administrative Agent (or its counsel) shall have received (i) from each party hereto either (A) a counterpart of this Agreement signed on behalf of such party or (B) written evidence satisfactory to the Administrative Agent (which may include facsimile or .pdf transmission of a signed signature page of this Agreement) that such party has signed a counterpart of this Agreement and (ii) duly executed copies (or facsimile or .pdf copies) of any Loan Documents or any amendments to any Loan Documents as the Administrative Agent shall reasonably request and such other certificates, documents, instruments and agreements as the Administrative Agent shall reasonably request in connection with the transactions contemplated by this Agreement and the other Loan Documents, including any promissory notes requested by a Lender pursuant to Section 2.10 payable to the order of each such requesting Lender and written opinions of the Loan Parties' counsel, addressed to the Administrative Agent, the Issuing Banks and the Lenders.

(b) Closing Certificates; Certified Certificate of Incorporation; Good Standing Certificates. The Administrative Agent shall have received (i) a certificate of each Loan Party, dated the Restatement Date and executed by its Secretary, Assistant Secretary or authorized manager or director, which shall (A) certify the resolutions of its Board of Directors, Board of Managers, members or other body authorizing the execution, delivery and performance of the Loan Documents to which it is a party, (B) identify by name and title and bear the signatures of the Financial Officers and any other officers or managers of such Loan Party authorized to sign the Loan Documents to which it is a party, (C) in respect of each UK Loan Party organized under the laws of England and Wales, contain a statement to the effect that its entry into and performance by it of the transactions contemplated by the Loan Documents do not and will not exceed any limit on its powers to borrow, grant security or give guarantees or indemnities contemplated by the Loan Documents to which it is a party and (D) contain appropriate attachments, including the certificate or articles of incorporation or organization of each Loan Party certified by the relevant authority of the jurisdiction of organization of such Loan Party and a true and correct copy of its by-laws, memorandum and articles of association or operating, management or partnership agreement (or in the case of the Luxembourg Borrower, consolidated articles of incorporation, if applicable), and in the case of the Luxembourg Borrower an excerpt from the Luxembourg Trade and Companies Register not older than one day prior to drawdown; (ii) a long form certificate of good standing, status or compliance, as applicable, for each Loan Party from its jurisdiction of organization (to the extent such concept is relevant or applicable in such jurisdiction); (iii) in relation to the Luxembourg Borrower, a domiciliation certificate issued

by the Luxembourg domiciliation agent confirming that (a) it is duly authorized to act as domiciliation agent in Luxembourg in accordance with the Luxembourg law of April 5, 1993, as amended, on the financial sector and has complied with all legal requirements of the Luxembourg law of May 31, 1999, as amended, regarding the domiciliation of companies and the related circulars, (b) a domiciliation agreement has been entered into between MAS International S.à R.L. as domiciliation agent, and the Luxembourg Borrower, as domiciled company, on January 30, 2004 for an unlimited duration, (c) the domiciliation agreement is still in full force and effect as of the date of the domiciliation certificate and any conditions to which the domiciliation agreement is subject have been satisfied; and (d) the domiciled company has complied with all legal requirements of the Luxembourg law of May 31, 1999, as amended, regarding the domiciliation of companies and the related circulars; and (iv) a non-bankruptcy certificate in relation to the Luxembourg Borrower issued not later than one day prior to drawdown by the *2ème Section du Greffe du Tribunal d'Arrondissement de Luxembourg*.

(c) No Default Certificate. The Administrative Agent shall have received a certificate, signed by the chief financial officer of the Borrower Representative and dated the initial Borrowing date (i) stating that no Default has occurred and is continuing, (ii) stating that the representations and warranties contained in Article III are true and correct as of such date, and (iii) certifying any other factual matters as may be reasonably requested by the Administrative Agent.

(d) Fees. The Lenders and the Agents shall have received all fees required to be paid, and all expenses for which invoices have been presented (including the reasonable fees and expenses of legal counsel), on or before the Restatement Date. All such amounts will be paid with proceeds of Loans made on the Restatement Date and will be reflected in the funding instructions given by the Borrower Representative to the Administrative Agent on or before the Restatement Date.

(e) Lien Searches. The Administrative Agent shall have received the results of a recent lien search in each of the jurisdictions where assets of the Loan Parties (other than the Dutch Loan Parties) are located, and such search report shall reveal no liens on any of the assets of the Loan Parties except for liens permitted by Section 6.02 or discharged on or prior to the Restatement Date pursuant to a pay-off letter or other documentation satisfactory to the Administrative Agent.

(f) Fees under Existing Credit Agreement. The Lenders and Agents (in each case as defined under the Existing Credit Agreement) shall have received all fees required to be paid on or before the Restatement Date.

(g) Solvency. The Administrative Agent shall have received a solvency certificate from a Financial Officer of each Borrower (other than the Dutch Borrowers, the UK Borrowers and the Irish Borrower, which shall provide a representation as to solvency in a director's or similar certificate) or, in the case of the Luxembourg Borrower, from the authorised signatory of the Luxembourg Borrower.

(h) Acknowledgement and Confirmation. The Administrative Agent shall have received an acknowledgement and confirmation from each of the Loan Parties certifying that (i) all of its obligations and liabilities under each of the Loan Documents to which such Loan Party is a party remain in full force and effect on a continuous basis after giving effect to the amendment and restatement of this Agreement on the Restatement Date and (ii) all of the Liens

and security interests created and arising under each of the Loan Documents to which such Loan Party is a party remain in full force and effect on a continuous basis, and the perfected status and priority of each such Lien and security interest continues in full force and effect on a continuous basis, unimpaired, uninterrupted and undischarged, after giving effect to the amendment and restatement of this Agreement on the Restatement Date, as collateral security for its obligations, liabilities and Indebtedness under this Agreement and under its Loan Guaranty, as applicable; provided that with respect to any Dutch Loan Party and any Luxembourg Loan Party, such acknowledgement and confirmation shall be solely with respect to its Loan Guaranty.

(i) Closing Availability. After giving effect to all Borrowings to be made on the Restatement Date and the issuance of any Letters of Credit on the Restatement Date and payment of all fees and expenses due hereunder, and with all of the Loan Parties' indebtedness, liabilities and obligations current, the Borrowers' Aggregate Availability shall not be less than $500,000,000.

(j) Other Documents. The Administrative Agent shall have received such other documents as the Administrative Agent, the European Administrative Agent, either Collateral Agent, any Issuing Bank, any Lender or their respective counsel may have reasonably requested.

The Administrative Agent shall notify the Borrowers and the Lenders of the Restatement Date, and such notice shall be conclusive and binding. After the Restatement Date, the Administrative Agent shall make available to the Lenders executed versions of the Loan Documents. Notwithstanding the foregoing, the amendment and restatement of the Existing Credit Agreement and the obligations of the Lenders to make Loans and of any Issuing Bank to issue Letters of Credit hereunder shall not become effective unless each of the foregoing conditions is satisfied (or waived pursuant to Section 9.02) at or prior to 2:00 p.m., New York time, on June 30, 2011.

SECTION 4.02 Each Credit Event. The obligation of each Lender to make a Loan on the occasion of any Borrowing, and of each Issuing Bank to issue, amend, renew or extend any Letter of Credit, is subject to the satisfaction of the following conditions:

(a) The representations and warranties of the Borrowers set forth in this Agreement shall be true and correct in all material respects on and as of the date of such Borrowing or the date of issuance, amendment, renewal or extension of such Letter of Credit, as applicable, except that such representations and warranties (i) that relate solely to an earlier date shall be true and correct as of such earlier date and (ii) shall be true and correct in all respects if they are qualified by a materiality standard.

(b) At the time of and immediately after giving effect to such Borrowing or the issuance, amendment, renewal or extension of such Letter of Credit, as applicable, no Default shall have occurred and be continuing.

(c) Each Borrowing and each issuance of any Letter of Credit shall be made in accordance with the terms of clauses (i) – (vi) of Section 2.01.

Each Borrowing and each issuance, amendment, renewal or extension of a Letter of Credit shall be deemed to constitute a representation and warranty by the Borrowers on the date thereof as to the matters specified in paragraphs (a), (b) and (c) of this Section.

Notwithstanding the failure to satisfy the conditions precedent set forth in paragraphs (a) or (b) of this Section, unless otherwise directed by the Required Lenders, the Administrative Agent may, but shall have no obligation to, continue to make (or authorize the European Administrative Agent to make) Loans (which shall be considered Protective Advances hereunder) and an Issuing Bank may, but shall have no obligation to, issue or cause to be issued any Letter of Credit (or amend, renew or extend any Letter of Credit) for the ratable account and risk of Lenders from time to time if the Administrative Agent believes that making such Loans or issuing or causing to be issued (or amending, renewing or extending) any such Letter of Credit is in the best interests of the Lenders.

ARTICLE V

Affirmative Covenants

Until the Commitments have expired or been terminated and the principal of and interest on each Loan and all fees payable hereunder shall have been paid in full in cash and all Letters of Credit shall have expired or terminated (or have been cash collateralized in accordance with Section 2.06(j) hereof) and all LC Disbursements shall have been reimbursed, each Loan Party executing this Agreement covenants and agrees, jointly and severally with all of the Loan Parties, with the Lenders that:

SECTION 5.01 Financial Statements; Borrowing Base and Other Information. The Borrowers will furnish to the Administrative Agent (with copies to be provided to each Lender by the Administrative Agent):

(a) within 90 days after the end of each fiscal year of the Company, its audited consolidated balance sheet and related statements of operations, stockholders' equity and cash flows as of the end of and for such year, setting forth in each case in comparative form the figures for the previous fiscal year, all reported on by Deloitte & Touche LLP or another registered public accounting firm of recognized national standing (without a "going concern" or like qualification or exception and without any qualification or exception as to the scope of such audit) to the effect that such consolidated financial statements present fairly in all material respects the financial condition and results of operations of the Company and its consolidated ~~S~~subsidiaries on a consolidated basis in accordance with GAAP consistently applied, accompanied by any management letter prepared by said accountants;

(b) within 45 days after the end of each of the first three fiscal quarters of the Company, its consolidated balance sheet and related statements of operations, stockholders' equity and cash flows as of the end of and for such fiscal quarter and the then elapsed portion of the fiscal year, setting forth in each case in comparative form the figures for the corresponding period or periods of (or, in the case of the balance sheet, as of the end of) the previous fiscal year, all certified by a Financial Officer of the Borrower Representative as presenting fairly in all material respects the financial condition and results of operations of the Company and its consolidated ~~S~~subsidiaries on a consolidated basis in accordance with GAAP consistently applied, subject to normal year-end audit adjustments and the absence of footnotes;

(c) concurrently with any delivery of financial statements under clause (a) or (b) above, a certificate of a Financial Officer of the Borrower Representative in substantially the form of Exhibit C (each, a "Compliance Certificate") (i) certifying, in the case of the financial statements delivered under clause (b), as presenting fairly in all material respects the financial condition and results of operations of the Company and its consolidated ~~S~~subsidiaries on a consolidated basis in accordance with GAAP consistently applied, subject to normal year-end

audit adjustments and the absence of footnotes, (ii) certifying as to whether a Default has occurred and, if a Default has occurred, specifying the details thereof and any action taken or proposed to be taken with respect thereto, (iii) setting forth reasonably detailed calculations demonstrating compliance with Section 6.15 (to the extent applicable) and (iv) stating whether any change in GAAP or in the application thereof has occurred since the date of the audited financial statements referred to in Section 3.04 and, if any such change has occurred, specifying the effect of such change on the financial statements accompanying such certificate;

(d) concurrently with any delivery of financial statements under clause (a) above, a certificate of the accounting firm that reported on such financial statements stating whether they obtained knowledge during the course of their examination of such financial statements of any Event of Default (which certificate may be limited to the extent required by accounting rules or guidelines);

(e) as soon as available, but in any event not more than 30 days after the end of each fiscal year of the Company, a copy of the plan and forecast (including a projected consolidated and consolidating balance sheet, income statement and funds flow statement in form acceptable to the Administrative Agent) of the Company for each month of the upcoming fiscal year (the "Projections") in form reasonably satisfactory to the Administrative Agent;

(f) as soon as available, but in any event within 15 Business Days of the end of each calendar month (or within three Business Days of the end of each week at any time during a Level 2 Minimum Aggregate Availability Period), an Aggregate Borrowing Base Certificate, a US Borrowing Base Certificate, a UK Borrowing Base Certificate and a Dutch Borrowing Base Certificate, in each case which calculates such Borrowing Base, and supporting information in connection therewith, together with any additional reports with respect to the Aggregate Borrowing Base, the US Borrowing Base, the UK Borrowing Base or the Dutch Borrowing Base of a Borrower as the Administrative Agent or either Collateral Agent may reasonably request; provided that no UK Borrowing Base Certificate or Dutch Borrowing Base Certificate or additional reports with respect thereto shall be required if the European Sublimit shall have been terminated;

(g) as soon as available but in any event within 15 Business Days of the end of each calendar month (or, except as otherwise provided for on Schedule 5.01(g), within three Business Days of the end of each week at any time during a Level 2 Minimum Aggregate Availability Period) and at such other times as may be reasonably requested by the Administrative Agent or either Collateral Agent, as of the period then ended, all Borrowing Base Supplemental Documentation.

(h) ~~within 45 days of each March 31 and September 30, in the case of the US Loan Parties, and concurrently with any delivery of financial statements under paragraphs (a) and (b) above (or within 15 days of the end of each calendar month during any European Full Cash Dominion Period, in the case of the European Loan Parties), an updated customer list for each Loan Party, which list shall state the customer's name, mailing address and phone number (to the extent available) and shall be certified as true and correct by a Financial Officer of the Borrower Representative;~~[Reserved]

(i) promptly following any request therefor, such other information regarding the operations, business affairs and financial condition of any Borrower or any ~~S~~subsidiary, or compliance with the terms of this Agreement, as the Administrative Agent, either Collateral Agent or any Lender (through the Administrative Agent) may reasonably request; and

(j) as soon as available, but in any event within 15 Business Days of the end of each calendar month, a certificate setting forth the calculation of the Fixed Charge Coverage Ratio as of the last day of such calendar month, together with supporting information in connection therewith.

SECTION 5.02 Notices of Material Events. The Borrowers will furnish to the Administrative Agent and each Lender prompt written notice of the following:

(a) the occurrence of any Default or Event of Default;

(b) any actual knowledge of the Loan Parties of, or any receipt of any notice of, any governmental investigation or any litigation, arbitration or administrative proceeding (each, an "Action") commenced or, to the knowledge of any Loan Party, threatened against any Loan Party or any of its Subsidiaries that (i) seeks damages in excess of $25,000,000 (provided that there is a reasonable likelihood that damages in excess of $25,000,000 shall be awarded in connection with such Action), (ii) seeks injunctive relief (provided that there is a reasonable likelihood that such injunctive relief shall be granted and, if so granted, such injunctive relief would be reasonably likely to have a Material Adverse Effect on the Borrowers' ability to perform their obligations under the Loan Documents or would have a Material Adverse Effect on the Collateral), (iii) is asserted or instituted against any Plan, its fiduciaries or its assets (provided that such Action has a reasonable likelihood of success and seeks damages, or would result in liabilities, in excess of $25,000,000), (iv) alleges criminal misconduct by any Loan Party or any of its Subsidiaries (provided that such criminal misconduct would be reasonably likely to result in a Material Adverse Effect), (v) alleges the violation of any law regarding, or seeks remedies in connection with, any Environmental Laws (provided that such Action has a reasonable likelihood of success and seeks damages, or would result in liabilities, in excess of $25,000,000), (vi) contests any tax, fee, assessment, or other governmental charge in excess of $25,000,000, or (vii) involves any material product recall;

(c) any Lien (other than Permitted Encumbrances) or claim made or asserted against any of the Collateral; provided that such claim or assertion has a reasonable likelihood of success;

(d) any loss, damage, or destruction to the Collateral in the amount of $25,000,000 or more per occurrence or related occurrences, whether or not covered by insurance;

(e) any and all default notices received under or with respect to any leased location or public warehouse where Collateral with a fair market value in excess of $25,000,000 is located (which shall be delivered within 10 Business Days after receipt thereof);

(f) the occurrence of any ERISA Event or breach of the representations and warranties in Section 3.10 that, alone or together with any other ERISA Events or breaches of such representations and warranties that have occurred, could reasonably be expected to result in liability of the Loan Parties and their Subsidiaries, whether directly or by virtue of their affiliate with any ERISA Affiliate, in an aggregate amount exceeding $25,000,000;

(g) the release into the environment of any Hazardous Material that is required by any applicable Environmental Law to be reported to a Governmental Authority and which could reasonably be expected to lead to any material Environmental Liability;

(h) any other development that results in, or could reasonably be expected to result in, a Material Adverse Effect.

Each notice delivered under this Section shall be accompanied by a statement of a Financial Officer or other executive officer of the Borrower Representative setting forth the details of the event or development requiring such notice and any action taken or proposed to be taken with respect thereto.

SECTION 5.03 Existence; Conduct of Business. Each Loan Party will, and will cause each of its Subsidiaries to, (a) do or cause to be done all things necessary to preserve, renew and keep in full force and effect its legal existence and, except where any of the following could not reasonably be expected to result in a Material Adverse Effect, the rights, qualifications, licenses, permits, franchises, governmental authorizations, intellectual property rights, licenses and permits used or useful in the conduct of its business, and maintain all requisite authority to conduct its business in each jurisdiction in which its business is conducted; provided that the foregoing shall not prohibit any merger, consolidation, liquidation or dissolution permitted under Section 6.03 and (b) carry on and conduct its business in substantially the same manner and in substantially the same fields of enterprise as it is presently conducted.

SECTION 5.04 Payment of Obligations. Each Loan Party will, and will cause each of its Subsidiaries to, pay or discharge all Material Indebtedness and all other material liabilities and obligations, including Taxes, before the same shall become delinquent or in default, except where (a) the validity or amount thereof is being contested in good faith by appropriate proceedings, (b) such Loan Party or such Subsidiary has set aside on its books adequate reserves with respect thereto in accordance with GAAP and (c) the failure to make payment pending such contest could not reasonably be expected to result in a Material Adverse Effect.

SECTION 5.05 Maintenance of Properties. Each Loan Party will, and will cause each of its Subsidiaries to, keep and maintain all property material to the conduct of its business in good working order and condition, ordinary wear and tear excepted, except where the failure to do so could not reasonably be expected to result in a Material Adverse Effect.

SECTION 5.06 Books and Records; Inspection Rights. Without limiting Sections 5.11 or 5.12 hereof, each Loan Party will, and will cause each of its Subsidiaries to, (a) keep proper books of record and account in which full, true and correct entries are made of all dealings and transactions in relation to its business and activities and (b) on up to one occasion per calendar year permit any representatives designated by the Administrative Agent, either Collateral Agent or any Lender (including employees of the Administrative Agent, either Collateral Agent, any Lender or any consultants, accountants, lawyers and appraisers retained by the Administrative Agent, either Collateral Agent or any Lender), upon reasonable prior notice, to visit and inspect its properties and to examine and make extracts from its books and records, and the applicable Loan Party or Subsidiary will make its officers and independent accountants available to discuss its affairs, finances and condition with such representatives, all at such reasonable times as are requested; provided, however, that if an Event of Default has occurred and is continuing, there shall be no limitation on the number of such site visits and inspections. For purposes of this Section 5.06, it is understood and agreed that a single site visit and inspection may consist of examinations conducted at multiple relevant sites and involve one or more relevant Loan Parties and their assets. All such site visits and inspections shall be at the sole expense of the Loan Parties. In addition,

after the occurrence and during the continuance of any Event of Default, each Loan Party shall provide the Administrative Agent, each Collateral Agent and each Lender with access to its suppliers. The Loan Parties acknowledge that the Administrative Agent and each Collateral Agent, after exercising its rights of inspection, may prepare and distribute to the Lenders certain Reports pertaining to the Loan Parties' and their respective Subsidiaries assets for internal use by the Administrative Agent, each Collateral Agent and the Lenders.

SECTION 5.07 Compliance with Laws. (a) Each Loan Party will, and will cause each of its Subsidiaries to, comply with all Requirements of Law applicable to it or its property, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect. All the legal requirements of the Luxembourg law of May 31, 1999, as amended, regarding domiciliation companies have been complied with by the Luxembourg Borrower.

(b) US and Foreign Plans and Arrangements.

(i) For each existing, or hereafter adopted, Foreign Plan and Foreign Benefit Plan (together, a "Company Plan"), each Loan Party will, and will cause each Subsidiary to, in a timely fashion comply with and perform in all material respects all of its obligations under and in respect of such Company Plan, including under any funding agreements and all applicable laws and regulatory requirements (whether discretionary or otherwise).

(ii) All employer or employee payments, contributions or premiums required to be remitted, paid to or in respect of each Company Plan by a Loan Party or any Subsidiary thereof shall be paid or remitted by each Loan Party and each Subsidiary thereof in a timely fashion in accordance with the terms thereof, any funding agreements and all applicable laws.

(iii) The Loan Parties shall deliver to each Lender (A) if requested by such Lender, copies of each annual and other return, report or valuation with respect to each Company Plan, as filed with any applicable Governmental Authority; (B) promptly following receipt thereof, copies of any documents described in Sections 101(k) or 101(l) of ERISA that any Loan Party or any ERISA Affiliate may request with respect to any Multiemployer Plan; provided, that if the Loan Parties or any of their ERISA Affiliates have not requested such documents or notices from the administrator or sponsor of the applicable Multiemployer Plan, then, upon reasonable request of the Administrative Agent, the Loan Parties and/or their ERISA Affiliates shall promptly make a request for such documents or notices from such administrator or sponsor and the Company shall provide copies of such documents and notices to the Administrative Agent (on behalf of each requesting Lender) promptly after receipt thereof; (C) promptly after receipt thereof, a copy of any material direction, order, notice, ruling or opinion that any Loan Party or any Subsidiary of any Loan Party may receive from any applicable Governmental Authority with respect to any Company Plan; (D) notification within 30 days of any increases having a cost to one or more of the Loan Parties and their Subsidiaries in excess of $10,000,000 per annum in the aggregate, in the benefits of any existing Company Plan, or the establishment of any new Company Plan, or the commencement of contributions to any such plan to which any Loan Party was not previously contributing; and (E) notification within 30 days of any voluntary or involuntary termination of, or participation in, a Company Plan.

(c) UK Pension Plans and Benefit Plans.

(i) Each UK Loan Party shall ensure that all pension schemes registered in the UK, operated by, or maintained for the benefit of, it or its Subsidiaries or its Affiliates and/or any of their employees are fully funded based on the statutory funding objective under Section 222 of the UK Pensions Act 2004 or has in place a recovery plan that satisfies the requirements of Section 226 of the UK Pensions Act 2004 and that no action or omission is taken by any UK Loan Party or any of its Subsidiaries or Affiliates in relation to such a pension scheme which has or is reasonably likely to have a Material Adverse Effect (including, without limitation, the termination or commencement of winding-up proceedings of any such pension scheme or any UK Loan Party or any of its Subsidiaries or Affiliates ceasing to employ any active member of such a pension scheme).

(ii) Except in relation to the UK Pension Scheme, each UK Loan Party shall ensure that (A) neither it nor any of its Subsidiaries or Affiliates is at any time an employer (for the purposes of Sections 38 to 51 of the UK Pensions Act 2004) of an occupational pension scheme which is not a money purchase scheme (both terms as defined in the UK Pension Schemes Act 1993), or is "connected" with or an "associate" of (as those terms are used in Sections 38 and 43 of the UK Pensions Act 2004) such an employer and (B) no Person who becomes a Subsidiary or Affiliate of a UK Loan Party after the date of this Agreement, was formerly an employer (for the purposes of Sections 38 to 51 of the UK Pensions Act 2004) of an occupational pension scheme which is not a money purchase scheme (both terms as defined in the UK Pension Schemes Act 1993) or was formerly "connected" with or an "associate" of (as those terms are used in Sections 38 and 43 of the UK Pensions Act 2004) such an employer.

(iii) Each UK Loan Party shall deliver to the Administrative Agent at such times as those reports are prepared in order to comply with the then current statutory or auditing requirements (as applicable either to the trustees of any relevant schemes or to any UK Loan Party or any of its Subsidiaries or Affiliates), actuarial reports in relation to all pension schemes referred to in clause (c)(i) above.

(iv) Each UK Loan Party shall promptly notify the Administrative Agent of any material change in the rate of contributions to any pension schemes referred to in clause (c)(i) above paid or recommended to be paid (whether by the scheme actuary or otherwise) or required (by law or otherwise).

(v) Each UK Loan Party shall promptly notify the Administrative Agent of any investigation or proposed investigation by the Pensions Regulator which may lead to the issue by the Pensions Regulator of a Financial Support Direction or a Contribution Notice to it or any of its Subsidiaries or Affiliates.

(vi) Each UK Loan Party or any of its Subsidiaries or Affiliates shall immediately notify the Administrative Agent if it receives a Financial Support Direction or Contribution Notice from the Pensions Regulator.

(d) European Loan Party Pension Plans and Benefit Plans.

(i) Other than in relation to a money purchase scheme (as defined in the UK Pensions Scheme Act 1993) in the United Kingdom, whose establishment shall be notified to the Administrative Agent as soon as practicable, no European Loan Party shall establish, nor shall it permit any of its Subsidiaries to establish, any voluntary pension scheme and/or any voluntary benefit plan without the prior consent of the Administrative Agent, and shall maintain and operate its obligations under (A) the CAS, if applicable, (B) the benefit plan, if any, and (C) the voluntary pension schemes and/or voluntary benefit plans consented to by the Administrative Agent, if any, in all respects in conformity with the requirements of applicable law or contract.

(ii) All pension schemes applied by a Loan Party comply with all provisions of the relevant law and employ reasonable actuarial assumptions. Except in relation to the UK Pension Scheme, no Loan Party has any unsatisfied liability in respect of any pension scheme and there are no circumstances which may give rise to any liability which could reasonably be expected to have a Material Adverse Effect.

(e) Environmental Covenant. The Loan Parties and each of their Subsidiaries (i) shall be at all times in compliance with all Environmental Laws and (ii) ensure that their assets and operations are in compliance with all Environmental Laws and that no Hazardous Materials are, contrary to any Environmental Laws, discharged, emitted, released, generated, used, stored, managed, transported or otherwise dealt with, except, in each case in subclauses (i) and (ii), where failure to comply with any of the foregoing could not, either singly or in the aggregate, reasonably be expected to have a Material Adverse Effect.

SECTION 5.08 Use of Proceeds. The proceeds of the Loans will be used only (a) to pay fees and expenses in connection with the Transactions and (b) for working capital needs and general corporate purposes, including to refinance certain existing Indebtedness (including all or a portion of the Existing 2013 Notes). No part of the proceeds of any Loan and no Letter of Credit will be used, whether directly or indirectly, for any purpose that entails a violation of any of the Regulations of the Board, including Regulations T, U and X.

SECTION 5.09 Insurance. Each Loan Party will maintain with financially sound and reputable carriers having a financial strength rating of at least A- by A.M. Best Company (a) insurance in such amounts (with no greater risk retention) and against such risks (including loss or damage by fire and loss in transit; theft, burglary, pilferage, larceny, embezzlement, and other criminal activities; business interruption; and general liability) and such other hazards, as is customarily maintained by companies of established repute engaged in the same or similar businesses operating in the same or similar locations and (b) all insurance required pursuant to the Collateral Documents or (in the case of Loan Parties located outside of the United States) such other insurance maintained with other carriers as is satisfactory to the Administrative Agent in its Permitted Discretion. The Borrowers will furnish to the Lenders, upon request of the Administrative Agent, information in reasonable detail as to the insurance so maintained, which may be a Memorandum of Insurance. The Borrowers shall require all such policies to name the US Collateral Agent or the European Collateral Agent (on behalf of the Agents, the Lenders and the Issuing Banks) as additional insured or loss payee, as applicable.

SECTION 5.10 Casualty and Condemnation. The Borrowers (a) will furnish to the Administrative Agent (for delivery to the Lenders) prompt written notice of any casualty or other insured damage to any material portion of the Collateral or the commencement of any action or proceeding for the taking of any material portion of the Collateral or interest therein under power of eminent domain or by condemnation or similar proceeding and (b) will ensure that the net proceeds of any such event (whether in the form of insurance proceeds, condemnation awards or otherwise) are collected and applied in accordance with the applicable provisions of this Agreement and the Collateral Documents.

SECTION 5.11 Appraisals. On no more than one occasion per calendar year, at the request of the Administrative Agent or either Collateral Agent, the Loan Parties will provide the Administrative Agent or such Collateral Agent with appraisals or updates thereof of their Inventory from an appraiser selected and engaged by the Administrative Agent or such Collateral Agent, and prepared on a basis satisfactory to the Administrative Agent or such Collateral Agent, such appraisals and updates to include, without limitation, information required by applicable law and regulations. Notwithstanding the foregoing, in addition to the single Inventory appraisal permitted above (a) during any year when Aggregate Availability is at any time (i) less than the greater of (x) $400,000,000 and (y) an amount equal to 40% of the Commitments then in effect, but (ii) more than the greater of (x) $150,000,000 and (y) an amount equal to 15% of the Commitments then in effect, one additional Inventory appraisal shall be permitted per year and (b) during any year when Aggregate Availability is at any time less than the greater of (i) $150,000,000 and (ii) an amount equal to 15% of the Commitments then in effect, up to two additional Inventory appraisals shall be permitted per year; provided, however that if an Event of Default has occurred and is continuing, there shall be no limitation on the number of Inventory appraisals. For purposes of this Section 5.11, it is understood and agreed that a single Inventory appraisal may consist of examinations conducted at multiple relevant sites and involve one or more relevant Loan Parties and their assets. All such Collateral appraisals shall be at the sole expense of the Loan Parties.

SECTION 5.12 Field Examinations. On no more than one occasion per calendar year, at the request of the Administrative Agent or either Collateral Agent, the Loan Parties will permit, upon reasonable notice, the Administrative Agent or either Collateral Agent to conduct a field examination to ensure the adequacy of Collateral included in any Borrowing Base and related reporting and control systems. Notwithstanding the foregoing, in addition to the single annual field examination permitted above (a) during any year when Aggregate Availability is at any time (i) less than the greater of (x) $400,000,000 and (y) an amount equal to 40% of the Commitments then in effect, but (ii) more than the greater of (x) $150,000,000 and (y) an amount equal to 15% of the Commitments then in effect, one additional field examination shall be permitted per year and (b) during any year when Aggregate Availability is at any time less than the greater of (i) $150,000,000 and (ii) an amount equal to 15% of the Commitments then in effect, up to two additional field examinations shall be permitted per year; provided, however that if an Event of Default has occurred and is continuing, there shall be no limitation on the number or frequency of field examinations. For purposes of this Section 5.12, it is understood and agreed that a single field examination may be conducted at multiple relevant sites and involve one or more relevant Loan Parties and their assets. All such field examinations shall be at the sole expense of the Loan Parties.

SECTION 5.13 [Reserved].

SECTION 5.14 Additional Collateral; Further Assurances. (a) Subject to applicable law, the Company and each Subsidiary that is a US Loan Party shall (within five days after such formation or acquisition, or determination that such Subsidiary is no longer an Immaterial Subsidiary, or such longer period as may be agreed to by the Administrative Agent) cause each of their respective Subsidiaries (other than any Immaterial Subsidiary or any Foreign Subsidiary) formed or acquired after the Restatement Date or which cease to be Immaterial Subsidiaries (A) to become a US Loan Party by executing and delivering to the Administrative Agent a Joinder Agreement set forth as Exhibit D hereto

(each a "Joinder Agreement") or such other Loan Guaranty in form and substance satisfactory to the Administrative Agent and (B) to execute and deliver such amendments, supplements or documents of accession to any Collateral Documents as the applicable Collateral Agent deems necessary for such new Subsidiary grant to such Collateral Agent (for the benefit of the Agents, the Lenders and the Issuing Banks) a perfected first priority security interest in the Collateral described in such Collateral Document with respect to such new Subsidiary. Upon execution and delivery of such documents and agreements, each such Person (i) shall automatically become a Loan Guarantor hereunder and thereupon shall have all of the rights, benefits, duties, and obligations in such capacity under the Loan Documents and (ii) will grant Liens to the applicable Collateral Agent (in each case for the benefit of the Agents, the Lenders and the Issuing Banks), in any property of such Loan Party which constitutes Collateral.

(b) Without limiting the foregoing, each Loan Party will execute and deliver, or cause to be executed and delivered, to the Administrative Agent and each Collateral Agent such documents, agreements and instruments, and will take or cause to be taken such further actions (including the filing and recording of financing statements and other documents and such other actions or deliveries of the type required by Section 4.01, as applicable), which may be required by law or which the Administrative Agent or either Collateral Agent may, from time to time, reasonably request to carry out the terms and conditions of this Agreement and the other Loan Documents and to ensure perfection and priority of the Liens created or intended to be created by the Collateral Documents, all at the expense of the Loan Parties. In addition, each Loan Party will execute and deliver, or cause to be executed and delivered, to the Administrative Agent and each Collateral Agent filings with any governmental recording or registration office in any jurisdiction required by the Administrative Agent or either Collateral Agent, in the exercise of its Permitted Discretion, in order to perfect or protect the Liens of the applicable Collateral Agent granted under any Collateral Document in any Intellectual Property at the expense of the Lenders.

SECTION 5.15 Financial Assistance. Each European Loan Party shall comply in all respects with applicable legislation governing financial assistance, including Sections 678 to 683 of the UK Companies Act 2006; Section 60 of the Irish Companies Act 1963; Article 49-6 of the Luxembourg Law of August 10, 1915 concerning commercial companies, as amended (the "LSC"); and Section 2:98C and 2:207C of the Dutch Civil Code.

SECTION 5.16 Existing 2013 Notes. In the event that the aggregate outstanding principal amount of the Existing 2013 Notes is greater than $50,000,000 on the 90th day prior to the maturity thereof (such 90th day, the "Trigger Date"), the Company shall be required to maintain Liquidity of $500,000,000 (including Aggregate Availability of at least $400,000,000) at all times from the Trigger Date through the earlier of (a) the maturity of the Existing 2013 Notes and (b) the date on which the aggregate outstanding principal amount of the Existing 2013 Notes is $50,000,000 or less.

SECTION 5.17 Mexican Joint Venture. On the date that is 30 days after Grupo OMX becomes a wholly owned Subsidiary, Grupo OMX shall cease to be a Specified Excluded Subsidiary; provided, that Indebtedness and Liens incurred, or Investments made, by Grupo OMX prior to the date on which it becomes a wholly owned Subsidiary (other than any such Indebtedness or Liens incurred, or Investments made, in contemplation of Grupo OMX becoming a wholly owned Subsidiary) shall be deemed permitted under Sections 6.01, 6.02 and 6.04 and, for the avoidance of doubt, shall not count as usage of any baskets set forth therein (it being understood that such Indebtedness and Liens shall be included for all other purposes hereunder, including calculations of the Fixed Charge Coverage Ratio).

ARTICLE VI

Negative Covenants

Until the Commitments have expired or terminated and the principal of and interest on each Loan and all fees, expenses and other amounts payable under any Loan Document have been paid in full in cash and all Letters of Credit have expired or terminated (or have been cash collateralized in accordance with Section 2.06(j) hereof) and all LC Disbursements shall have been reimbursed, the Loan Parties covenant and agree, jointly and severally, with the Lenders that:

SECTION 6.01 Indebtedness. No Loan Party will, nor will it permit any of its Subsidiaries to, create, incur or suffer to exist any Indebtedness, except:

(a) the Secured Obligations;

(b) Indebtedness existing on the Third Amendment Effective ~~d~~Date ~~hereof~~ and set forth on Schedule 6.01 and extensions, renewals and replacements of any such Indebtedness in accordance with clause (f) hereof;

(c) Indebtedness of any Borrower to any Subsidiary or any other Borrower and of any Subsidiary to any Borrower or any other Subsidiary, provided that (i) Indebtedness of any Subsidiary that is not a Loan Party to any Borrower or any Subsidiary that is a Loan Party shall be subject to Section 6.04(d), Section 6.04(f) and Section 6.04(g) and (ii) Indebtedness of any Borrower to any Subsidiary and Indebtedness of any Subsidiary that is a Loan Party to any Borrower or to any other Subsidiary that is not a Loan Party shall be subordinated to the Secured Obligations on terms reasonably satisfactory to the Administrative Agent;

(d) Guarantees by any Borrower of Indebtedness of any Subsidiary or any other Borrower and by any Subsidiary of Indebtedness of any Borrower or any other Subsidiary, provided that (i) the Indebtedness so Guaranteed is permitted by this Section 6.01, (ii) Guarantees by any Borrower or any Subsidiary that is a Loan Party of Indebtedness of any Subsidiary that is not a Loan Party shall be subject to Section 6.04(e) and (iii) Guarantees permitted under this clause (d) shall be subordinated to the Secured Obligations of the applicable Subsidiary if, and on the same terms as, the Indebtedness so Guaranteed is subordinated to the Secured Obligations;

(e) Indebtedness of any Borrower or any Subsidiary incurred to finance the acquisition, construction or improvement of any fixed or capital assets (whether or not constituting purchase money Indebtedness), including Capital Lease Obligations and any Indebtedness assumed in connection with the acquisition of any such assets or secured by a Lien on any such assets prior to the acquisition thereof; provided that (i) such Indebtedness is incurred prior to or within 180 days after such acquisition or the completion of such construction or improvement and (ii) the aggregate principal amount of Indebtedness permitted by this paragraph (e) shall not exceed (A) in the case of any Capital Lease Obligations incurred or outstanding in respect of the Global Headquarters (together with Capital Lease Obligations outstanding in respect of the Global Headquarters listed on Schedule 6.01), ~~$175,000,000~~250,000,000 and (B) other than as referred to in clause (A) above and Schedule 6.01, $150,000,000, in each case at any time outstanding;

(f) Indebtedness which represents an extension, refinancing, replacement or renewal of any of the Indebtedness described in paragraphs (b), (e), (i), (j), (k), (l) and (m) of this Section 6.01; provided that, unless otherwise expressly permitted by this Section 6.01, (i) the principal amount of such Indebtedness is not increased, (ii) any Liens securing such Indebtedness are not extended to any additional property of any Loan Party or any of their respective Subsidiaries, (iii) no Loan Party or Subsidiary of any Loan Party that is not originally obligated with respect to repayment of such Indebtedness is required to become obligated with respect thereto, (iv) such extension, refinancing or renewal does not result in a shortening of the average weighted maturity of the Indebtedness so extended, refinanced or renewed, (v) the terms of any such extension, refinancing, or renewal (taken as a whole) are not more restrictive, taken as a whole, than the terms of this Agreement and (iv) if the Indebtedness that is refinanced, renewed, or extended was subordinated in right of payment to the Secured Obligations, then the terms and conditions of the refinancing, renewal, or extension Indebtedness must include subordination terms and conditions that are at least as favorable to the Administrative Agent and the Lenders as those that were applicable to the refinanced, renewed, or extended Indebtedness;

(g) Indebtedness owed to any Person providing workers' compensation, health, disability or other employee benefits or property, casualty or liability insurance, pursuant to reimbursement or indemnification obligations to such person, in each case incurred in the ordinary course of business;

(h) Indebtedness of any Borrower or any Subsidiary in respect of performance bonds, bid bonds, appeal bonds, surety bonds and similar obligations, in each case provided in the ordinary course of business;

(i) Indebtedness of the Company or any other US Loan Party; provided that both immediately before and immediately after giving pro forma effect thereto (i) no Default or Event of Default shall have occurred and be continuing and (ii) the Company shall be in compliance with Section 6.15 (determined on a Pro Forma Basis in respect of the Test Period in effect at such time, to the extent applicable); provided further the aggregate principal amount of Indebtedness permitted by this paragraph (i) shall not exceed $500,000,000 at any time outstanding;

(j) unsecured or subordinated Indebtedness of the Company having no scheduled principal payments or prepayments (other than pursuant to customary change of control or asset sale offer provisions) prior to the Maturity Date; provided that both immediately before and immediately after giving pro forma effect thereto (i) no Default or Event of Default shall have occurred and be continuing and (ii) the Company shall be in compliance with Section 6.15 (determined on a Pro Forma Basis in respect of the Test Period in effect at such time, to the extent applicable); provided further the aggregate principal amount of Indebtedness permitted by this paragraph (j) shall not exceed $500,000,000 at any time outstanding;

(k) Indebtedness of Foreign Subsidiaries; provided that the aggregate principal amount of Indebtedness permitted by this paragraph (k) shall not exceed $250,000,000 at any time outstanding; provided further that the aggregate principal amount of Indebtedness of the European Borrowers permitted by this paragraph (k) shall not exceed ~~$50,000,000~~100,000,000 at any time outstanding;

(l) Indebtedness of any Person that becomes a Subsidiary after the date hereof; provided that (i) such Indebtedness exists at the time such Person becomes a Subsidiary or such assets are acquired and is not created in contemplation of or in connection with such Person becoming a Subsidiary or such assets being acquired and (ii) the aggregate principal amount of Indebtedness permitted by this paragraph (l) shall not exceed ~~$100,000,000~~250,000,000 at any time outstanding;

(m) intercompany Indebtedness of the Company or any Subsidiary incurred to effectuate the Foreign Reorganization;

(n) Indebtedness incurred pursuant to a Permitted Foreign Subsidiary Factoring Facility; and

(o) (i) other unsecured Indebtedness not otherwise permitted by this Section 6.01 and (ii) Capital Lease Obligations; provided the aggregate principal amount of all Indebtedness permitted by this paragraph (o) shall not exceed $150,000,000 at any time outstanding~~.~~; and

(p) Indebtedness of any Loan Party and their respective Subsidiaries with respect to loans made to such Loan Party or Subsidiary on the cash surrender value of life insurance policies of employee and former employees of any Loan Party or Subsidiary or Specified Excluded Subsidiary in the ordinary course of business; provided that the aggregate principal amount of all Indebtedness permitted by this paragraph (p) shall not exceed the cash surrender value (without giving effect of such loan) of such policies.

SECTION 6.02 Liens. No Loan Party will, nor will it permit any of its Subsidiaries to, create, incur, assume or permit to exist any Lien on any property or asset now owned or hereafter acquired by it, or assign or sell any income or revenues (including accounts receivable) or rights in respect of any thereof, except:

(a) Liens created pursuant to any Loan Document;

(b) Permitted Encumbrances;

(c) any Lien on any property or asset of any Borrower or any Subsidiary existing on the Third Amendment Effective ~~d~~Date ~~hereof~~ and set forth on Schedule 6.02; provided that (i) such Lien shall not apply to any other property or asset of such Borrower or Subsidiary and (ii) such Lien shall secure only those obligations which it secures on the Third Amendment Effective ~~d~~Date ~~hereof~~ and extensions, renewals and replacements thereof that do not increase the outstanding principal amount thereof except to the extent permitted by clause (f) of Section 6.01;

(d) Liens on fixed or capital assets acquired, constructed or improved by any Borrower or any Subsidiary; provided that (i) such security interests secure Indebtedness permitted by clause (e) of Section 6.01, (ii) such security interests and the Indebtedness secured thereby are incurred prior to or within 180 days after such acquisition or the completion of such construction or improvement, (iii) the Indebtedness secured thereby does not exceed 100% of the cost of acquiring, constructing or improving such fixed or capital assets and (iv) such security interests shall not apply to any other property or assets of such Borrower or Subsidiary or any other Borrower or Subsidiary;

(e) any Lien existing on any property or asset (other than Accounts and Inventory) prior to the acquisition thereof by any Borrower or any Subsidiary or existing on any property or asset (other than Accounts and Inventory) of any Person that becomes a Subsidiary after the date hereof prior to the time such Person becomes a Subsidiary; provided that (i) such Lien is not created in contemplation of or in connection with such acquisition or such Person becoming a Subsidiary, as the case may be, (ii) such Lien shall not apply to any other property or assets of such Subsidiary and (iii) such Lien shall secure only those obligations which it secures on the date of such acquisition or the date such Person becomes a Subsidiary, as the case may be and extensions, renewals and replacements thereof that do not increase the outstanding principal amount thereof except to the extent permitted by clause (f) of Section 6.01;

(f) Liens (i) of a collecting bank arising in the ordinary course of business under Section 4-210 of the Uniform Commercial Code in effect in the relevant jurisdiction covering only the items being collected upon or (ii) in favor of a banking institution arising as a matter of law, encumbering amounts credited to deposit or securities accounts (including the right of set-off) and which are within the general parameters customary in the banking industry;

(g) Liens arising out of sale and leaseback transactions;

(h) Liens granted by a Subsidiary that is not a Loan Party in favor of any Borrower or another Loan Party in respect of Indebtedness owed by such Subsidiary;

(i) Liens securing Indebtedness permitted by Section 6.01(i) (including second priority Liens on the Collateral); provided that in the event any such Indebtedness is secured on a second priority basis by Liens on the Collateral, the Secured Obligations shall be secured by a perfected second priority Lien in all assets securing such Indebtedness on a first priority basis, subject to documentation (including an intercreditor agreement) satisfactory to the Agents; provided further that to the extent required by the terms thereof (without any modification in contemplation of this clause 6.02(i)), any Existing 2013 Notes that remain outstanding after a partial refinancing thereof with the proceeds from Indebtedness incurred pursuant to Section 6.01(i) shall be permitted to be secured on an equal and ratable basis by any assets securing such refinancing Indebtedness other than Liens on the Collateral (excluding any Collateral securing the Secured Obligations on a second priority basis as a result of the issuance of the refinancing Indebtedness);

(j) Liens securing Indebtedness permitted by Section 6.01(k);

(k) in the case of any Subsidiary that is not a wholly owned Subsidiary, purchase options, calls or similar rights of a third party or customary transfer restrictions with respect to Equity Interests in such Subsidiary set forth in its organizational documents or any related joint venture or similar agreement;

(l) leases, subleases, licenses and sublicenses of assets permitted by Section 6.05(j) or (p);

(m) Liens granted in connection with a Permitted Foreign Subsidiary Factoring Facility; ~~and~~

(n) Liens in favor of Boise White Paper, L.L.C. pursuant to the Boise White Paper Contract not to exceed $5,000,000;

(o) rights of lenders of Indebtedness under 6.01(p) to set off against the cash surrender value of the life insurance policies referenced to in such Section 6.01(p); and

(~~n~~p) Liens not otherwise permitted by this Section 6.02 so long as (i) neither (A) the aggregate outstanding principal amount of the obligations secured thereby nor (B) the aggregate fair market value (determined as of the date such Lien is incurred) of the assets subject thereto exceeds (as to the Borrowers and all Subsidiaries) $~~50,000,000~~100,000,000 at any one time and (ii) such Liens do not cover any ABL Priority Collateral (as defined in that certain Intercreditor Agreement, dated as of March 14, 2012, as amended, modified, restated or supplemented, among the Administrative Agent and Collateral Agent for the Secured Parties, U.S. Bank National Association, as collateral agent for the Notes Secured Parties (as defined therein) and each of the Loan Parties party thereto) other than any non-consensual Liens arising by operation of law.

Notwithstanding the foregoing, none of the Liens permitted pursuant to this Section 6.02 may at any time attach to any Loan Party's (i) Accounts, other than those permitted under clause (a) of the definition of Permitted Encumbrance and clause (a) above and (ii) Inventory, in each case other than those permitted under clauses (a), (b) and (h) of the definition of Permitted Encumbrance and clause (a) above and other than as provided in Section 6.02(i). Notwithstanding anything to the contrary contained in this Agreement or any Collateral Document (including any provision for, reference to, or acknowledgement of, any Lien or Permitted Lien), nothing herein and no approval by the Administrative Agent, either Collateral Agent or the Lenders of any Lien or Permitted Lien (whether such approval is oral or in writing) shall be construed as or deemed to constitute a subordination by the Administrative Agent, either Collateral Agent or the Lenders of any security interest or other right, interest or Lien in or to the Collateral or any part thereof in favor of any Lien or Permitted Lien or any holder of any Lien or Permitted Lien.

SECTION 6.03 Fundamental Changes. (a) No Loan Party will, nor will it permit any of its Subsidiaries to, merge into or consolidate with any other Person, or permit any other Person to merge into or consolidate with it, or liquidate or dissolve, except that, if at the time thereof and immediately after giving effect thereto no Event of Default shall have occurred and be continuing (i) any Subsidiary of a Borrower may merge into a Borrower in a transaction in which such Borrower is the surviving entity, (ii) any Loan Party (other than a Borrower) may merge into any Loan Party in a transaction in which the surviving entity is a Loan Party, (iii) any Subsidiary may transfer its assets to a Loan Party and any Subsidiary which is a non-Loan Party may transfer its assets to a non-Loan Party, (iv) any Subsidiary that is not a Loan Party may liquidate or dissolve if the Company determines in good faith that such liquidation or dissolution is in the best interests of the Company and is not materially disadvantageous to the Lenders, (v) any non-Loan Party may merge into, or consolidate with, another non-Loan Party; provided that any such merger involving a Person that is not a wholly owned Subsidiary immediately prior to such merger shall not be permitted unless also permitted by Section 6.04, (vi) any Borrower (other than a US Borrower) may merge into or consolidate with any other Borrower located in the same jurisdiction; provided that all actions reasonably required by the Administrative Agent in order to protect or perfect the security interest of the Collateral Agents in the Collateral have been taken, (vii) any Subsidiary that is not a Loan Party may merge into or consolidate with any Loan Party in a transaction in which the surviving entity is a Loan Party, (viii) any Subsidiary that is not a Loan Party may merge, consolidate, liquidate or dissolve and any Loan Party (other than a Borrower) may merge or consolidate; provided that, with respect to this clause (viii), (1) in each case, any such merger, consolidation, liquidation or dissolution is, or the purpose of which is to effectuate, an investment or acquisition permitted by Section 6.04 or a disposition permitted by Section 6.05 and (2) with respect to any merger or consolidation of any Loan Party (other than with respect to a disposition permitted by Section 6.05), the surviving entity is a Loan Party and (ix) the Irish Borrower may dissolve if the

Company determines in good faith that such dissolution is in the best interests of the Company and is not materially disadvantageous to the Lenders, so long as, with respect to this clause (ix), (1) the Irish Borrower is a Removed Borrower and (2) the Irish Borrower has no material assets or operations. Notwithstanding the foregoing, the OfficeMax Merger shall be permitted.

(b) No Loan Party will, nor will it permit any of its Subsidiaries to, engage in any business other than businesses of the type conducted by the Company and its Subsidiaries on the Restatement Date and businesses reasonably related or incidental thereto (including the provision of services).

SECTION 6.04 Investments, Loans, Advances, Guarantees and Acquisitions. No Loan Party will, nor will it permit any of its Subsidiaries to, purchase, hold or acquire (including pursuant to any merger with any Person that was not a Loan Party and a wholly owned Subsidiary prior to such merger) any Equity Interests, evidences of indebtedness or other securities (including any option, warrant or other right to acquire any of the foregoing) of, make or permit to exist any loans or advances to, Guarantee any obligations of, or make or permit to exist any investment or any other interest in, any other Person, or purchase or otherwise acquire (in one transaction or a series of transactions) any assets of any other Person constituting a business unit (whether through purchase of assets, merger or otherwise) (collectively, "Investments"), except:

(a) Permitted Investments, subject to, in the case of Loan Parties, control agreements in favor of the applicable Collateral Agent (in each case for the benefit of the Agents, the Lenders and the Issuing Banks) or otherwise subject to a perfected security interest in favor of the applicable Collateral Agent (in each case for the benefit of the Agents, the Lenders and the Issuing Banks);

(b) investments (and commitments (including consummation of any "put" arrangement in connection therewith) in respect thereof) in existence on the Third Amendment Effective ~~d~~Date ~~of this Agreement~~ and described on Schedule 6.04 and renewals, replacements and extensions thereof;

(c) investments by the Loan Parties and their Subsidiaries in Equity Interests in their respective Subsidiaries~~,~~ and Specified Excluded Subsidiaries; provided that in the case of any investments made pursuant to this paragraph (c) after the ~~Restatement~~Third Amendment Effective Date by Loan Parties in Subsidiaries that are not Loan Parties or are Specified Excluded Subsidiaries, both immediately before and immediately after giving pro forma effect thereto, no Default or Event of Default shall have occurred and be continuing and either (i) (A) the Fixed Charge Coverage Ratio for the Test Period in effect at the time such investment is to occur is at least 1.00 to 1.00 (determined on a Pro Forma Basis in respect of the Test Period in effect at such time) and (B) Aggregate Availability shall be at least $250,000,000 or (ii) Liquidity shall be at least $500,000,000, including Aggregate Availability of at least $400,000,000;

(d) loans or advances made by (i) any Borrower to any Subsidiary or Specified Excluded Subsidiary or any other Borrower or (ii) any Subsidiary to any Borrower or any other Subsidiary or Specified Excluded Subsidiary, provided that in the case of any loans and advances made by Loan Parties to Subsidiaries that are not Loan Parties or to Specified Excluded Subsidiaries, both immediately before and immediately after giving pro forma effect thereto, no Default or Event of Default shall have occurred and be continuing and either (i) (A) the Fixed Charge Coverage Ratio for the Test Period in effect at the time such investment is to

occur is at least 1.00 to 1.00 (determined on a Pro Forma Basis in respect of the Test Period in effect at such time) and (B) Aggregate Availability shall be at least $250,000,000 or (ii) Liquidity shall be at least $500,000,000, including Aggregate Availability of at least $400,000,000;

(e) Guarantees constituting Indebtedness permitted by Section 6.01, provided that in the case of any Indebtedness of Subsidiaries or Specified Excluded Subsidiaries that are not Loan Parties that is Guaranteed by any Loan Party, both immediately before and immediately after giving pro forma effect thereto, no Default or Event of Default shall have occurred and be continuing and either (i) (A) the Fixed Charge Coverage Ratio for the Test Period in effect at the time such investment is to occur is at least 1.00 to 1.00 (determined on a Pro Forma Basis in respect of the Test Period in effect at such time) and (B) Aggregate Availability shall be at least $250,000,000 or (ii) Liquidity shall be at least $500,000,000, including Aggregate Availability of at least $400,000,000;

(f) investments made by any Loan Party in any Subsidiary that is not a Loan Party or which is a Specified Excluded Subsidiary of the types described in paragraphs (c), (d) and (e) of this Section 6.04; provided that both immediately before and after giving pro forma effect thereto, (i) no Default or Event of Default shall have occurred and be continuing and (ii) no Level 4 Minimum Aggregate Availability Period shall be in effect; provided further that the aggregate principal amount of all investments permitted by this paragraph (f) shall not exceed ~~$75,000,000~~150,000,000 at any time outstanding.

(g) investments (including loans and advances) made by any Loan Party in any Subsidiary that is not a Loan Party or in a Specified Excluded Subsidiary; provided that (i) such investments are made in the ordinary course of business in connection with the Company's and its Subsidiaries' cash management systems and (ii) both immediately before and immediately after giving pro forma effect thereto, (i) no Default or Event of Default shall have occurred and be continuing and (ii) no Level 4 Minimum Aggregate Availability Period shall be in effect.

(h) loans or advances made by any Loan Party and the Subsidiaries to their employees on an arms'-length basis in the ordinary course of business consistent with past practices for travel and entertainment expenses, relocation costs and similar purposes up to a maximum of ~~$10,000,000~~25,000,000 in the aggregate at any time outstanding;

(i) subject to the applicable provisions of any Security Agreements (including Sections 4.2(a) and 4.4 of the US Security Agreement), notes payable, or stock or other securities issued by Account Debtors to any Loan Party pursuant to negotiated agreements with respect to settlement of such Account Debtor's Accounts in the ordinary course of business, consistent with past practices;

(j) investments or other obligations in the form of Swap Agreements permitted by Section 6.08;

(k) investments of any Person existing at the time such Person becomes a Subsidiary or consolidates or merges with a Borrower or any Subsidiary (including in connection with a Permitted Acquisition), so long as such investments were not made in contemplation of such Person becoming a Subsidiary or of such merger;

(l) investments received in connection with the dispositions of assets permitted by Section 6.05;

(m) investments constituting deposits described in clauses (c) and (d) of the definition of the term "Permitted Encumbrances";

(n) Permitted Acquisitions; provided that both immediately before and immediately after giving pro forma effect thereto, (i) no Default or Event of Default shall have occurred and be continuing, (ii) the Fixed Charge Coverage Ratio for the Test Period in effect at the time such Permitted Acquisition is to occur shall be at least 1.00 to 1.00 (determined on a Pro Forma Basis in respect of the Test Period in effect at such time) and (iii) no Minimum Aggregate Availability Period shall be in effect;

(o) intercompany investments made in connection with the Foreign Reorganization, including any Indebtedness permitted under Section 6.01(m);

(p) option, warrant and similar derivative transactions entered into by the Company in connection with a Permitted Convertible Notes Offering;

(q) Guarantees by any Borrower or any Subsidiary of leases or other obligations of any Borrower or any Subsidiary that do not constitute Indebtedness, in each case entered into in the ordinary course of business;

(r) investments made by Loan Parties in Subsidiaries that are not Loan Parties or in Specified Excluded Subsidiaries; provided that such investments are part of a series of substantially simultaneous investments by Loan Parties in other Loan Parties that results in substantially all the proceeds of the initial investment being invested, loaned or advanced in one or more Loan Parties; ~~and~~

(s) other investments not otherwise permitted by this Section 6.04; provided that both immediately before and immediately after giving pro forma effect thereto, (i) no Default or Event of Default shall have occurred and be continuing and (ii) no Level 4 Minimum Aggregate Availability Period shall be in effect; provided further that the aggregate principal amount of all investments permitted by this paragraph (s) shall not exceed ~~$75,000,000~~150,000,000 in any fiscal year of the Company~~.~~; and

(t) the OfficeMax Merger.

SECTION 6.05 Asset Sales. No Loan Party will, nor will it permit any of its Subsidiaries to, sell, transfer, lease or otherwise dispose of any asset, including any Equity Interest owned by it, nor will any Borrower permit any Subsidiary to issue any additional Equity Interest in such Subsidiary (other than to another Borrower or another Subsidiary in compliance with Section 6.04), except:

(a) sales, transfers and dispositions of (i) inventory in the ordinary course of business and (ii) used, obsolete, worn out or surplus equipment or property in the ordinary course of business;

(b) sales, transfers and dispositions to any Borrower or any Subsidiary or any Specified Excluded Subsidiary, provided that any such sales, transfers or dispositions involving a Subsidiary that is not a Loan Party or a Specified Excluded Subsidiary shall be made in compliance with Section 6.10 and 6.04;

(c) sales, transfers and dispositions of accounts receivable in connection with the compromise, settlement or collection thereof;

(d) sales, transfers and dispositions of investments permitted by clauses (g), (i) and

(j) of Section 6.04;

(e) sales, transfers and dispositions of assets in connection with the Foreign Reorganization;

(f) sales, transfers and dispositions of the Company's Equity Interests in the Mexican Joint Venture and Boise Cascade Holdings, L.L.C.;

(g) sale and leaseback transactions;

(h) dispositions resulting from any casualty or other insured damage to, or any taking under power of eminent domain or by condemnation or similar proceeding of, any property or asset of any Borrower or any Subsidiary;

(i) sales, transfers and other dispositions of assets that are not permitted by any other paragraph of this Section, provided that the aggregate fair market value of all assets sold, transferred or otherwise disposed of in reliance upon this paragraph (i) shall not exceed an amount equal to 10% of Total Assets; provided further that the aggregate fair market value of all assets sold, transferred or otherwise disposed of by the Loan Parties in reliance upon this paragraph (i) shall not exceed ~~$150,000,000~~200,000,000 during any fiscal year of the Company; provided further that a professional liquidator acceptable to the Administrative Agents shall be engaged in connection with any sale, transfer or other disposition or related series of sales, transfers or other dispositions of more than 10% of the Company's and its Subsidiaries' retail store base; provided, further that dispositions required by the Federal Trade Commission in connection with the OfficeMax Merger (i) shall not count against the $200,000,000 per fiscal year limit above and (ii) shall not be subject to the 10% of Total Assets threshold above; provided, that if such sale, transfer or other disposition or related series of sales, transfers or other dispositions consists of more than 10% of the Company's and its Subsidiaries' retail store base, the Administrative Agent shall be able to request an additional inventory appraisal; provided, further, that (i) the net proceeds from any disposition required by the Federal Trade Commission shall be used to prepay any outstanding Revolving Loans (with no corresponding reduction in Commitments) to the extent the Commitments are more than 20% drawn (excluding the effect of outstanding Letters of Credit);

(j) licenses of Intellectual Property that are in furtherance of, or integral to, other business transactions entered into by the Company or a Subsidiary in the ordinary course of business;

(k) Restricted Payments permitted by Section 6.09;

(l) dispositions of cash and Permitted Investments in the ordinary course of business or in connection with a transaction otherwise permitted under this Agreement;

(m) dispositions of cash and property permitted by Section 6.04(g);

(n) the dispositions described on Schedule 6.05(n);

(o) sales of inventory to an Original Vendor in connection with any Consignment Transaction; provided that the aggregate amount of Consignment Transactions (based on amount paid to the Company or its subsidiaries for the subject inventory by the Original Vendor) shall not exceed ~~$50,000,000~~100,000,000 in any fiscal year of the Company;

(p) leases, subleases, licenses and sublicenses of assets entered into by any Borrower or any Subsidiary in the ordinary course of business that do not materially interfere with the conduct of the business of the Company and its Subsidiaries taken as a whole; and

(q) sales, transfers and dispositions of accounts receivable pursuant to a Permitted Foreign Subsidiary Factoring Facility;

provided that all sales, transfers, leases and other dispositions permitted hereby (other than those permitted by paragraphs (b) (to the extent the applicable transaction is solely among Loan Parties), (e), (f), (h), (i), (j) and (k) above) shall be made for fair value and for at least 75% cash consideration.

SECTION 6.06 [Reserved].

SECTION 6.07 [Reserved].

SECTION 6.08 Swap Agreements. No Loan Party will, nor will it permit any of its Subsidiaries to, enter into any Swap Agreement, except (a) Swap Agreements entered into to hedge or mitigate risks to which any Borrower or any Subsidiary has actual exposure (other than those in respect of Equity Interests of any Subsidiary of the Company), (b) Swap Agreements entered into in order to effectively cap, collar or exchange interest rates (from fixed to floating rates, from one floating rate to another floating rate or otherwise) with respect to any interest-bearing liability or investment of any Borrower or any Subsidiary and (c) Swap Agreements entered into in connection with a Permitted Convertible Notes Offering.

SECTION 6.09 Restricted Payments; Certain Payments of Indebtedness. (a) No Loan Party will, nor will it permit any of its Subsidiaries to, declare or make, or agree to pay or make, directly or indirectly, any Restricted Payment, or incur any obligation (contingent or otherwise) to do so, except (i) each Loan Party and its Subsidiaries may declare and pay dividends or other distributions with respect to its common stock payable solely in additional shares of its common stock, and, with respect to its preferred stock, payable solely in additional shares of such preferred stock or in shares of its common stock; (ii) Subsidiaries may declare and pay dividends ratably with respect to their Equity Interests; (iii) the Company may make Restricted Payments, not exceeding ~~$10,000,000~~20,000,000 during any fiscal year, pursuant to and in accordance with equity incentive plans or other benefit plans for management or employees of the Company and the Subsidiaries and for deceased and terminated employees and present and former directors (including from their estates), (iv) the Company may enter into option, warrant and similar derivative transactions in connection with a Permitted Convertible Notes Offering and may settle such transactions in accordance with the terms thereof, (v) the Company may declare and pay dividends payable in cash with respect to its capital stock and may make payments, including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any Equity Interests in the Company or any option, warrant or other right to acquire any Equity Interests in the Company in an aggregate amount not to exceed ~~$75,000,000~~125,000,000 during

any fiscal year of the Company; provided that, with respect to this clause (v), both immediately before and immediately after giving pro forma effect thereto, (A) no Default or Event of Default shall have occurred and be continuing and (B) Liquidity shall be at least $500,000,000, including Aggregate Availability of at least $400,000,000; (vi) Restricted Payments in respect of Permitted Convertible Notes permitted under Section 6.09(b); (vii) the Company may make Restricted Payments (other than in cash) pursuant to any shareholder rights plan or similar arrangement; (viii) the Company may make other Restricted Payments; provided that, with respect to this clause (viii), both immediately before and immediately after giving pro forma effect thereto, (A) no Default or Event of Default shall have occurred and be continuing~~, and~~ (B) ~~the Fixed Charge Coverage Ratio for the Test Period in effect at the time such Restricted Payment is to occur~~Liquidity shall be at least ~~1.10 to 1.00 (determined on a Pro Forma Basis in respect of the Test Period in effect at such time) and (C) no Level 4 Minimum~~$500,000,000, including Aggregate Availability ~~Period shall be in effect~~of at least $400,000,000 and; (ix) upon receipt of requisite approval by the Company's shareholders of the OfficeMax Merger, Restricted Payments to the holders of preferred stock of the Company (the "Preferred Stockholders") to redeem up to and including 175,000 shares of preferred stock; and (x) immediately prior to consummation of the OfficeMax Merger, Restricted Payments (A) to the Preferred Stockholders to redeem any outstanding preferred shares of the Company and (B) to repurchase any outstanding common shares of the Preferred Stockholders such that immediately following consummation of the OfficeMax Merger, the Preferred Stockholders hold less than 5% of the undiluted common stock of the Company. Notwithstanding the foregoing, the Company may purchase, redeem or retire Equity Interests of the Company with (x) the net cash proceeds of the sale of its Equity Interests in the Mexican Joint Venture or in Boise Cascade Holdings, L.L.C.; provided that, both immediately before and immediately after giving pro forma effect thereto, (1) no Default or Event of Default shall have occurred and be continuing, (2) the Fixed Charge Coverage Ratio for the Test Period in effect at the time such Restricted Payment is to occur shall be at least 1.00 to 1.00 (determined on a Pro Forma Basis in respect of the Test Period in effect at such time) and (3) no Minimum Aggregate Availability Period shall be in effect or (y) up to 50% of the net cash proceeds resulting from any asset sales, transfers or dispositions under Section 6.05(g) or 6.05(i), provided that, such Restricted Payments are made within six months of the applicable asset sale, transfer or disposition and, both immediately before and immediately after giving pro forma effect thereto, (1) no Default or Event of Default shall have occurred and be continuing~~, (2) the Fixed Charge Coverage Ratio for the Test Period in effect at the time such Restricted Payment is to occur shall be at least 1.00 to 1.00 (determined on a Pro Forma Basis in respect of the Test Period in effect at such time)~~ and (~~3~~2) Liquidity shall be at least $500,000,000, including Aggregate Availability of at least $400,000,000.

(b) No Loan Party will, nor will it permit any of its Subsidiaries to, make or agree to pay or make, directly or indirectly, any payment or other distribution (whether in cash, securities or other property) of or in respect of principal of or interest on any Indebtedness, or any payment or other distribution (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any Indebtedness, except:

(A) payment of Indebtedness created under the Loan Documents;

(B) payment of regularly scheduled interest and principal payments as and when due in respect of any Indebtedness, other than payments in respect of the Subordinated Indebtedness prohibited by the subordination provisions thereof;

(C) refinancings of Indebtedness to the extent permitted by Section 6.01;

(D) payment of secured Indebtedness that becomes due as a result of the voluntary sale or transfer of the property or assets securing such Indebtedness;

(E) payment of Indebtedness owed to the Company or any wholly owned Subsidiary;

(F) payment of Indebtedness owed by non-Loan Parties;

(G) distributions of shares of common stock of the Company, together with cash payments in lieu of the issuance of fractional shares, in connection with the conversion settlement of any Permitted Convertible Notes;

(H) payment on account of the tender, redemption, prepayment or repurchase of all or any portion of the Existing 2013 Notes, the OMX Existing 2016 Notes and the loans referred to in Section 6.01)(p); provided that both immediately before and immediately after giving pro forma effect thereto, (i) no Default or Event of Default shall have occurred and be continuing and (ii) Liquidity shall be at least $600,000,000, including Aggregate Availability of at least $400,000,000; and

(I) other payments or distributions in respect of Indebtedness (including, without limitation, any cash conversion settlement or repurchase of any Permitted Convertible Notes); provided that both immediately before and immediately after giving pro forma effect thereto, no Default or Event of Default shall have occurred and be continuing and either (i) (x) the Fixed Charge Coverage Ratio for the Test Period in effect at the time such payment is to occur shall be at least 1.10 to 1.00 (determined on a Pro Forma Basis in respect of the Test Period in effect at such time) and (y) Aggregate Availability shall be at least $250,000,000 or (ii) Liquidity shall be at least $500,000,000, including Aggregate Availability of at least $400,000,000.

(c) Notwithstanding anything to the contrary contained in this Section 6.09, nothing in this Section 6.09 shall prohibit any Loan Party or any of the Subsidiaries from issuing Permitted Convertible Notes as otherwise permitted under this Agreement.

SECTION 6.10 Transactions with Affiliates. No Loan Party will, nor will it permit any of its Subsidiaries to, sell, lease or otherwise transfer any property or assets to, or purchase, lease or otherwise acquire any property or assets from, or otherwise engage in any other transactions with, any of its Affiliates, except (a) transactions that are at prices and on terms and conditions not less favorable to such Borrower or such Subsidiary than could be obtained on an arm's-length basis from unrelated third parties, (b) transactions between or among any Borrower and any Subsidiary that is a Loan Party not involving any other Affiliate, (c) transactions between or among any Subsidiaries that are not Loan Parties not involving any other Affiliate, (d) transactions permitted by Section 6.03, (e) transactions that are entered into in connection with the Foreign Reorganization, (f) any loans, advances, Guarantees and other investments permitted by Sections 6.04(c), (d), (e) or (i), (g) any Indebtedness permitted under Section 6.01(c), (d) or (i), (h) any Restricted Payment permitted by Section 6.09, (i) loans or advances to employees permitted under Section 6.04, (j) the payment of reasonable fees to directors of any Borrower or any Subsidiary who are not employees of such Borrower or Subsidiary, and compensation and employee benefit arrangements paid to, and indemnities provided for the benefit of, directors, officers or employees of the Borrowers or their Subsidiaries in the ordinary course of business and (k) any issuances of securities or other payments, awards or grants in cash, securities or otherwise pursuant to, or the funding of, employment agreements, stock options, equity incentive and stock ownership plans approved by a Borrower's or Subsidiary's board of directors.

SECTION 6.11 Restrictive Agreements. No Loan Party will, nor will it permit any of its Subsidiaries to, directly or indirectly, enter into, incur or permit to exist any agreement or other arrangement that prohibits, restricts or imposes any condition upon (a) the ability of such Loan Party or any of its Subsidiaries to create, incur or permit to exist any Lien upon any of its property or assets to secure the Secured Obligations under this Agreement, or (b) the ability of any Subsidiary to pay dividends or other distributions with respect to any shares of its Equity Interests or to make or repay loans or advances to any Borrower or any other Subsidiary or to Guarantee Indebtedness of any Borrower or any other Subsidiary; provided that (i) the foregoing shall not apply to restrictions and conditions imposed by law or by any Loan Document, (ii) the foregoing shall not apply to restrictions and conditions imposed on the Loan Parties existing on the Third Amendment Effective ~~d~~Date ~~hereof~~ identified on Schedule 6.11 (but shall apply to any extension or renewal of, or any amendment or modification expanding the scope of, any such restriction or condition), (iii) the foregoing shall not apply to customary restrictions and conditions contained in agreements relating to the sale of a Subsidiary or assets pending such sale, provided such restrictions and conditions apply only to the Subsidiary or assets that is to be sold and such sale is permitted hereunder, (iv) the foregoing shall not apply to any restriction in any agreement of any Person in effect at the time such Person becomes a Subsidiary so long as such restriction is not entered into in contemplation of such Person becoming a Subsidiary, (v) the foregoing shall not apply to restrictions or conditions imposed by any agreement relating to secured or unsecured high yield Indebtedness otherwise permitted by this Agreement or otherwise, so long as such restrictions or conditions (x) in the case of clause (a) above, do not impair the rights or benefits of the Administrative Agent, the Collateral Agent, any Issuing Bank or the Lenders with respect to the Collateral (subject to the provisions of any intercreditor arrangements with respect to Collateral which secures the Secured Obligations on a second priority or junior basis) or (y) in the case of clause (b) above with respect to (i) the ability of any Subsidiary to pay dividends or other distributions with respect to any shares of its Equity Interests, consist solely of requirements that such dividends or distributions by a non wholly owned Subsidiary be made on a pro rata basis, and (ii) to the making or repayment of loans or advances or the ability to Guarantee Indebtedness, consist solely of subordination requirements with respect to such intercompany obligations and that such underlying Indebtedness is otherwise permitted.

SECTION 6.12 Amendment of Material Documents. No Loan Party will, nor will it permit any of its Subsidiaries to, amend, modify or waive any of its rights under (a) (i) any agreement relating to any Subordinated Indebtedness or the Existing 2013 Senior Notes or (ii) its certificate of incorporation, by-laws, operating, management or partnership agreement or other organizational documents, in each case to the extent any such amendment, modification or waiver would be materially adverse to the Lenders or (b) any agreement relating to any Indebtedness permitted pursuant to Section 6.01(i) or (j) to the extent that after giving effect to any such amendment, modification or waiver, such Indebtedness would not be permitted under Section 6.01(i) or (j), as applicable.

SECTION 6.13 [Reserved].

SECTION 6.14 Capital Expenditures. During any Level 4 Minimum Aggregate Availability Period, the Loan Parties will not, nor will it permit any of its Subsidiaries to, incur or make any Capital Expenditures during any fiscal year of the Company set forth below in an amount exceeding the amount set forth opposite such period:

Period	Maximum Capital Expenditures
2011	$ 400,000,000
2012	$ 450,000,000
2013 and thereafter	$ ~~500,000,000~~600,000,000

SECTION 6.15 Fixed Charge Coverage Ratio. During any Level 1 Minimum Aggregate Availability Period the Loan Parties will not permit the Fixed Charge Coverage Ratio as of the last day of any Test Period (including the last Test Period prior to the commencement of such Minimum Aggregate Availability Period for which financial statements for the quarter or fiscal year then ended have been (or have been required to be) delivered pursuant to Section 5.01(a) or 5.01(b), as applicable) to be less than 1.00 to 1.00.

ARTICLE VII

Events of Default

If any of the following events ("Events of Default") shall occur:

(a) the Borrowers shall fail to pay any principal of any Loan or any reimbursement obligation in respect of any LC Disbursement when and as the same shall become due and payable, whether at the due date thereof or at a date fixed for prepayment thereof or otherwise;

(b) the Borrowers shall fail to pay any interest on any Loan or any fee or any other amount (other than an amount referred to in paragraph (a) of this Article) payable under this Agreement, when and as the same shall become due and payable**,** and such failure shall continue unremedied for a period of three Business Days;

(c) any representation or warranty made or deemed made by or on behalf of any Loan Party or any Subsidiary in or in connection with this Agreement or any Loan Document or any amendment or modification thereof or waiver thereunder, or in any report, certificate, financial statement or other document furnished pursuant to or in connection with this Agreement or any Loan Document or any amendment or modification thereof or waiver thereunder, shall prove to have been incorrect in any respect when made or deemed made (or in any material respect if such representation or warranty is not by its terms already qualified as to materiality);

(d) any Loan Party shall fail to observe or perform any covenant, condition or agreement contained in (i) Section 5.02(a), 5.03 (with respect to a Loan Party's existence) or 5.0 or in Article VI or (ii) Section 5.16;

(e) any Loan Party shall fail to observe or perform any covenant, condition or agreement contained in this Agreement or any other Loan Document (other than those which constitute a default under another Section of this Article), and such failure shall continue unremedied (i) for a period of one day after the earlier of any Loan Party's knowledge of such breach or notice thereof from the Administrative Agent (which notice will be given at the request

of any Lender) if such breach relates to terms or provisions of Section 5.01(f) or 5.01(g), in each case during a Level 3 Minimum Aggregate Availability Period, (ii) for a period of five days after the earlier of any Loan Party's knowledge of such breach or notice thereof from the Administrative Agent (which notice will be given at the request of any Lender) if such breach relates to terms or provisions of Section 5.01, 5.02 (other than Section 5.02(a)), 5.03 through 5.07, 5.09, 5.10 or 5.12 of this Agreement, (iii) for a period of 30 days after the earlier of any Loan Party's knowledge of such breach or notice thereof from the Administrative Agent (which notice will be given at the request of any Lender) if such breach relates to terms or provisions of any other Section of this Agreement or any other Loan Document or (iv) for a period beyond any period of grace (if any) provided in such other Loan Document.

(f) any Loan Party or any Subsidiary shall fail to make any payment (whether of principal or interest and regardless of amount) in respect of any Material Indebtedness, when and as the same shall become due and payable;

(g) any event or condition occurs that results in any Material Indebtedness becoming due prior to its scheduled maturity or that enables or permits (with or without the giving of notice, the lapse of time or both) the holder or holders of any Material Indebtedness or any trustee or agent on its or their behalf to cause any Material Indebtedness to become due, or to require the prepayment, repurchase, redemption or defeasance thereof, prior to its scheduled maturity; provided that this paragraph (g) shall not apply to secured Indebtedness that becomes due as a result of the voluntary sale or transfer of the property or assets securing such Indebtedness;

(h) (i) an involuntary proceeding (including the filing of any notice of intention in respect thereof) shall be commenced or an involuntary petition shall be filed (other than against an Immaterial Subsidiary) seeking (A) bankruptcy, liquidation, winding-up, dissolution, reorganization, examination, suspension of general operations or other relief in respect of a Loan Party or any Subsidiary of a Loan Party (other than any member of the European Group) or its debts, or of a substantial part of its assets, under any Insolvency Law now or hereafter in effect, (B) the composition, rescheduling, reorganization, examination, arrangement or readjustment of, or other relief from, or stay of proceedings to enforce, some or all of the debts or obligations of any Loan Party or any Subsidiary of a Loan Party (other than a member of the European Group), (C) the appointment of a receiver, interim receiver, receiver and manager, liquidator, provisional liquidator, administrator, examiner, trustee, custodian, sequestrator, conservator, examiner, agent or similar official for any Loan Party or any Subsidiary of a Loan Party (other than a member of the European Group) or for any substantial part of its assets or (E) possession, foreclosure, seizure or retention, sale or other disposition of, or other proceedings to enforce security over any substantial part of the assets of any Loan Party or any Subsidiary of a Loan Party (other than a member of the European Group) and, in any such case, such proceeding or petition shall continue undismissed for 60 days or an order or decree approving or ordering any of the foregoing shall be entered;

(ii) any corporate action, legal proceedings or other procedure or step is taken in relation to:

(A) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration, examination or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of any member of the European Group (other than any Immaterial Subsidiary);

(B) a composition, compromise, assignment or arrangement with any creditor of any member of the European Group (other than any Immaterial Subsidiary);

(C) the appointment of a liquidator, receiver, administrative receiver, administrator, examiner, compulsory manager or other similar officer in respect of any member of the European Group (other than any Immaterial Subsidiary) or any of its assets; or

(D) enforcement of any Lien over any assets of any member of the European Group (other than any Immaterial Subsidiary),

or any analogous procedure or step is taken with respect to any member of the European Group (other than any Immaterial Subsidiary) or its assets in any applicable jurisdiction;

(iii) any expropriation, attachment, sequestration, distress or execution or any analogous process in any jurisdiction affects any asset or assets of a member of the European Group (other than any Immaterial Subsidiary) having an aggregate value of $10,000,000 and is not discharged within 30 days;

(i) (i) any Loan Party or any Subsidiary (other than an Immaterial Subsidiary) of a Loan Party (other than a member of the European Group) shall (A) voluntarily commence any proceeding, file any petition, pass any resolution or make any application seeking liquidation, reorganization, administration or other relief under any Insolvency Law now or hereafter in effect, (B) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition described in paragraph (h) of this Article, (C) apply for or consent to the appointment of a receiver, interim receiver, receiver and manager, liquidator, assignee, trustee, custodian, sequestrator, administrator, examiner, conservator or similar official for such Loan Party or any such Subsidiary of a Loan Party or for a substantial part of its assets, (D) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (E) make a general assignment for the benefit of creditors or (F) take any action for the purpose of effecting any of the foregoing;

(ii) any member of the European Group (other than any Immaterial Subsidiary) is unable or admits inability to pay its debts as they fall due or is deemed to or declared to be unable to pay its debts under applicable law, suspends or threatens to suspend making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness;

(iii) the value of the assets of any member of the European Group (other than any Immaterial Subsidiary) is less than its liabilities (taking into account contingent and prospective liabilities);

(iv) a moratorium is declared in respect of any indebtedness of any member of the European Group (other than any Immaterial Subsidiary) (if a moratorium occurs, the ending of the moratorium will not cure any Event of Default caused by that moratorium);

(v) the Luxembourg Borrower is in a situation of illiquidity (*cessation de paiements*) and absence of access to credit (*credit ébranlé*) within the meaning of Article 437 of the Luxembourg Commercial Code or is subject to (i) insolvency proceedings (*faillite*) within the meaning of Articles 437 ff. of the Luxembourg Commercial Code or any other insolvency proceedings pursuant to the Council Regulation (EC) N° 1346/2000 of May 29, 2000 on insolvency proceedings, (ii) controlled management (*gestion contrôlée*) within the meaning of the grand ducal regulation of May 24, 1935 on controlled management, (iii) voluntary arrangement with creditors (*concordat préventif de faillite*) within the meaning of the law of April 14, 1886 on arrangements to prevent insolvency, as amended, (iv) suspension of payments (*sursis de paiement*) within the meaning of Articles 593 ff. of the Luxembourg Commercial Code or (v) voluntary or compulsory winding-up pursuant to the law of August 10, 1915 on commercial companies, as amended; or

(vi) the appointment of an ad hoc director (*administrateur provisoire*) by a court in respect of the Luxembourg Borrower or a substantial part of its assets.

(j) any Loan Party or any Subsidiary (other than an Immaterial Subsidiary) of a Loan Party shall become unable, admit in writing its inability or fail generally to pay its debts as they become due;

(k) one or more judgments for the payment of money in an aggregate amount in excess of $25,000,000 (to the extent not covered by insurance as to which the relevant insurance company has acknowledged coverage) shall be rendered against any Loan Party, any Subsidiary of any Loan Party or any combination thereof and the same shall remain undischarged for a period of 30 consecutive days during which execution shall not be effectively stayed, or any action shall be legally taken by a judgment creditor to attach or levy upon any assets of any Loan Party or any Subsidiary of any Loan Party to enforce any such judgment or any Loan Party or any Subsidiary of any Loan Party shall fail within 30 days to discharge one or more non-monetary judgments or orders which, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect, which judgments or orders, in any such case, are not stayed on appeal by proper proceedings diligently pursued;

(l) (i) an ERISA Event shall have occurred that, in the opinion of the Required Lenders, when taken together with all other ERISA Events that have occurred, could reasonably be expected to result in a Material Adverse Effect;

(ii) the Pensions Regulator issues a Financial Support Direction or a Contribution Notice to any UK Loan Party or any of its Subsidiaries or its Affiliates unless the aggregate liability of any such UK Loan Party, Subsidiary or Affiliate under all Financial Support Directions and Contribution Notices is less than $10,000,000;

(iii) in relation to the UK Pension Scheme, a statutory debt for the purposes of Section 75 or Section 75A of the Pensions Act 1995 is triggered, of an amount greater than $10,000,000 (or in aggregate with all such other debts within a period of two years is greater than $10,000,000);

(m) a Change in Control shall occur;

(n) the Loan Guaranty shall fail to remain in full force or effect or any action shall be taken to discontinue or to assert the invalidity or unenforceability of the Loan Guaranty, or any Loan Guarantor shall fail to comply with any of the terms or provisions of the Loan Guaranty to which it is a party, or any Loan Guarantor shall deny that it has any further liability under the Loan Guaranty to which it is a party, or shall give notice to such effect;

(o) any Collateral Document shall for any reason fail to create a valid and perfected first priority security interest in any Collateral purported to be covered thereby, except as permitted by the terms of any Collateral Document, or any Collateral Document shall fail to remain in full force or effect or any action shall be taken to discontinue or to assert the invalidity or unenforceability of any Collateral Document;

(p) any material provision of any Loan Document for any reason ceases to be valid, binding and enforceable in accordance with its terms (or any Loan Party shall challenge the enforceability of any Loan Document or shall assert in writing, or engage in any action or inaction based on any such assertion, that any provision of any of the Loan Documents has ceased to be or otherwise is not valid, binding and enforceable in accordance with its terms); or

(q) all the legal requirements of the Luxembourg law of May 31, 1999, as amended, regarding the domiciliation companies have not been complied with by the Luxembourg Borrower;

then, and in every such event (other than an event with respect to the Borrowers described in paragraph (d)(ii), (h) or (i) of this Article), and at any time thereafter during the continuance of such event, the Administrative Agent may, and at the request of the Required Lenders shall, by notice to the Borrower Representative, take either or both of the following actions, at the same or different times: (i) terminate the Commitments, and thereupon the Commitments shall terminate immediately, and (ii) declare the Loans then outstanding to be due and payable in whole (or in part, in which case any principal not so declared to be due and payable may thereafter be declared to be due and payable), and thereupon the principal of the Loans so declared to be due and payable, together with accrued interest thereon and all fees and other obligations of the Borrowers accrued hereunder, shall become due and payable immediately, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrowers; and in case of any event with respect to the Borrowers described in paragraph (d)(ii), (h) or (i) of this Article, the Commitments shall automatically terminate and the principal of the Loans then outstanding, together with accrued interest thereon and all fees and other obligations of the Borrowers accrued hereunder, shall automatically become due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrowers. Upon the occurrence and the continuance of an Event of Default, the Administrative Agent and each Collateral Agent may, and at the request of the Required Lenders shall, exercise any rights and remedies provided to such Administrative Agent or Collateral Agent under the Loan Documents or at law or equity, including all remedies provided under the UCC.

ARTICLE VIII

The Administrative Agent, the European Administrative Agent and Collateral Agents

Each of the Lenders and the Issuing Banks hereby irrevocably appoints the Administrative Agent, the European Administrative Agent and each Collateral Agent as its agent and

authorizes the Administrative Agent, the European Administrative Agent and each Collateral Agent to take such actions on its behalf, including execution of the other Loan Documents, and to exercise such powers as are delegated to such Agent by the terms of the Loan Documents, together with such actions and powers as are reasonably incidental thereto.

Any bank serving as the Administrative Agent, the European Administrative Agent or a Collateral Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent, the European Administrative Agent or a Collateral Agent, and such bank and its Affiliates may accept deposits from, lend money to, invest in and generally engage in any kind of business with the Loan Parties or any Subsidiary of a Loan Party or other Affiliate thereof as if it were not the Administrative Agent, the European Administrative Agent or a Collateral Agent hereunder.

Neither the Administrative Agent, the European Administrative Agent nor either Collateral Agent shall have any duties or obligations except those expressly set forth in the Loan Documents. Without limiting the generality of the foregoing, (a) neither the Administrative Agent, the European Administrative Agent nor either Collateral Agent shall be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing, (b) neither the Administrative Agent, the European Administrative Agent nor either Collateral Agent shall have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated by the Loan Documents that such Agent is required to exercise in writing as directed by the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 9.02), and (c) except as expressly set forth in the Loan Documents, neither the Administrative Agent, the European Administrative Agent nor either Collateral Agent shall have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to any Loan Party or any of its Subsidiaries that is communicated to or obtained by the bank serving as the Administrative Agent, the European Administrative Agent or either Collateral Agent or any of its Affiliates in any capacity. Neither the Administrative Agent, the European Administrative Agent nor either Collateral Agent shall be liable for any action taken or not taken by it with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 9.02) or in the absence of its own gross negligence or willful misconduct. Neither the Administrative Agent, the European Administrative Agent nor either Collateral Agent shall be deemed to have knowledge of any Default unless and until written notice thereof is given to such Agent by the Borrower Representative or a Lender, and neither the Administrative Agent nor any Collateral Agent shall be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with any Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or in connection with any Loan Document, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth in any Loan Document, (iv) the adequacy, accuracy or completeness of any information (whether oral or written) set forth or in connection with any Loan Document, (v) the legality, validity, enforceability, effectiveness, adequacy or genuineness of any Loan Document or any other agreement, instrument or document, (vi) the creation, perfection or priority of Liens on the Collateral or the existence of the Collateral, or (vii) the satisfaction of any condition set forth in Article IV or elsewhere in any Loan Document, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent, the European Administrative Agent or any Collateral Agent.

The Administrative Agent, the European Administrative Agent and each Collateral Agent shall each be entitled to rely upon, and shall not incur any liability for relying upon, (i) any representation, notice, request, certificate, consent, statement, instrument, document or other writing or

communication believed by it to be genuine, correct and to have been authorized, signed or sent by the proper Person, (ii) any statement made to it orally or by telephone and believed by it to be made or authorized by the proper Person or (iii) any statement made by a director, authorized signatory or employee of any Person regarding any matters which may reasonably be assumed to be within his or her knowledge or within his or her power to verify. The Administrative Agent, the European Administrative Agent and each Collateral Agent may consult with legal counsel (who may be counsel for the Borrowers), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

The Administrative Agent, the European Administrative Agent and each Collateral Agent may perform any and all its duties and exercise its rights and powers by or through any one or more sub-agents appointed by the Administrative Agent, the European Administrative Agent or each Collateral Agent, as the case may be. The Administrative Agent, the European Administrative Agent and each Collateral Agent and any such sub-agent may perform any and all its duties and exercise its rights and powers through their respective Related Parties. The exculpatory provisions of the preceding paragraphs shall apply to any such sub-agent and to the Related Parties of the Administrative Agent, the European Administrative Agent and each Collateral Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as The Administrative Agent, the European Administrative Agent and each Collateral Agent, as the case may be.

Subject to the appointment and acceptance of a successor Administrative Agent, European Administrative Agent or Collateral Agent, as the case may be, as provided in this paragraph, of the Administrative Agent, the European Administrative Agent and each Collateral Agent, may resign at any time by notifying the Lenders, the Issuing Banks and the Borrower Representative. Upon any such resignation, the Required Lenders shall have the right, in consultation with the Borrowers, to appoint a successor (which shall, in the case of the European Collateral Agent only, be an Affiliate acting through an office in the United Kingdom). If no successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Agent gives notice of its resignation, then the retiring Agent may, on behalf of the Lenders and the Issuing Banks, appoint its successor in such capacity, which shall be a commercial bank or an Affiliate of any such commercial bank or a Lender (and in the case of the European Collateral Agent only, be an Affiliate acting through an office in the United Kingdom). Upon the acceptance of its appointment as Administrative Agent, European Administrative Agent or a Collateral Agent hereunder by a successor, such successor shall succeed to and become vested with all the rights, powers, privileges, obligations and duties of the retiring Administrative Agent, European Administrative Agent or Collateral Agent, and the retiring Administrative Agent, European Administrative Agent or Collateral Agent shall be discharged from its duties and any further obligations hereunder. The retiring Administrative Agent, European Administrative Agent or Collateral Agent shall, at its own cost, make available to the successor Administrative Agent, European Administrative Agent or Collateral Agent any documents and records and provide any assistance which the successor Administrative Agent, European Administrative Agent or Collateral Agent may reasonably request for the purposes of performing its functions as Administrative Agent, European Administrative Agent or Collateral Agent under the Loan Documents. The fees payable by the Borrowers to a successor Administrative Agent, European Administrative Agent or Collateral Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrowers and such successor. After the Administrative Agent's, European Administrative Agent's or Collateral Agent's resignation hereunder, the provisions of this Article and Section 9.03 shall continue in effect for the benefit of such retiring Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while it was acting as Administrative Agent, European Administrative Agent or Collateral Agent.

Each Lender acknowledges that it has, independently and without reliance upon the Administrative Agent, the European Administrative Agent, either Collateral Agent or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent, the European Administrative Agent, either Collateral Agent or any other Lender and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or related agreement or any document furnished hereunder or thereunder.

Each Lender hereby agrees that (a) as of the Restatement Date, it has been provided access to each Report prepared by or on behalf of the Administrative Agent; (b) neither the Administrative Agent, the European Administrative Agent nor either Collateral Agent (i) makes any representation or warranty, express or implied, as to the completeness or accuracy of any Report or any of the information contained therein or any inaccuracy or omission contained in or relating to a Report and (ii) shall be liable for any information contained in any Report; (c) the Reports are not comprehensive audits or examinations, and that any Person performing any field examination will inspect only specific information regarding the Loan Parties and will rely significantly upon the Loan Parties' books and records, as well as on representations of the Loan Parties' personnel and that neither the Administrative Agent, the European Administrative Agent nor either Collateral Agent undertakes any obligation to update, correct or supplement the Reports; (d) it will keep all Reports confidential and strictly for its internal use, and it will not share the Report with any other Person except as otherwise permitted pursuant to Section 9.12 of this Agreement; and (e) without limiting the generality of any other indemnification provision contained in this Agreement, it will pay and protect, and indemnify, defend, and hold the Administrative Agent, the European Administrative Agent, each Collateral Agent and any such other Person preparing a Report harmless from and against, the claims, actions, proceedings, damages, costs, expenses, and other amounts (including reasonable attorney fees) incurred by as the direct or indirect result of any third parties who might obtain all or part of any Report through the indemnifying Lender (except as permitted pursuant to Section 9.12 of this Agreement).

The US Collateral Agent shall act as the secured party, on behalf of the Administrative Agent, the Lenders and the Issuing Banks, with respect to all Collateral of each Loan Party that is organized in any jurisdiction, other than any Participating Member State, and the European Collateral Agent shall act as the secured party, on behalf of the Administrative Agent, the Lenders and the Issuing Banks, with respect to all Collateral of a Loan Party that is organized in any Participating Member State.

Each Lender, each Issuing Bank, the US Collateral Agent, the European Administrative Agent and the Administrative Agent appoints the European Collateral Agent to act as security trustee under and in connection with the UK Security Agreement on the terms and conditions set forth on Schedule 8.

The Syndication Agent and Documentation Agents shall not have any right, power, obligation, liability, responsibility or duty under this Agreement other than those applicable to all Lenders as such.

ARTICLE IX

Miscellaneous

SECTION 9.01 Notices. (a) Except in the case of notices and other communications expressly permitted to be given by telephone (and subject to paragraph (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by facsimile, as follows:~~1~~

(i) if to any Loan Party, to the Borrower Representative at:

Office Depot, Inc.
6600 North Military Trail
Boca Raton, FL 33496
Attention: Vice President and Treasurer
Telephone: 561-438-~~6931~~3796
Facsimile: 561-438-3353

with a copy to the General Counsel
6600 North Military Trail
Boca Raton, FL 33496

Telephone: 561-438-1837

(ii) if to the Administrative Agent, the US Collateral Agent, the Administrative Agent or the US Swingline Lender, to:

JPMorgan Chase Bank, N.A.
270 Park Avenue, Floor 04
New York, NY 10017
Attention: Barry Bergman
Facsimile: 212-270-6637

(iii) if to the European Collateral Agent, to:

JPMorgan Chase Bank, N.A., London Branch
10 Aldermanbury
London EC2V 7RF
Un~~i~~ited Kingdom
Attention: Tim Jacob
Facsimile: +44 20 7325 6813

(iv) if to the European Administrative Agent or the European Swingline Lender, to:

J.P. Morgan Europe Limited
Loans Agency 9th floor

~~1 Confirm notice addresses/contacts~~

125 London Wall
London EC2Y 5AJ
United Kingdom
Attention: Sue Dalton
Facsimile: + 44 20 7777 2542

(v) if to any Issuing Bank, as notified to the Administrative Agent and the Borrower Representative.

(vi) if to any other Lender, to it at its address or facsimile number set forth in its Administrative Questionnaire.

All such notices and other communications (i) sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received or (ii) sent by facsimile shall be deemed to have been given when sent, provided that if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next Business Day for the recipient.

(b) Notices and other communications to the Lenders hereunder may be delivered or furnished by electronic communications (including e-mail and internet or intranet websites) pursuant to procedures approved by the Administrative Agent; provided that the foregoing shall not apply to notices pursuant to Article II or to compliance and no Event of Default certificates delivered pursuant to Section 5.01(d) unless otherwise agreed by the Administrative Agent and the applicable Lender. The Administrative Agent or the Borrower Representative (on behalf of the Loan Parties) may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications. All such notices and other communications (i) sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), provided that if not given during the normal business hours of the recipient, such notice or communication shall be deemed to have been given at the opening of business on the next Business Day for the recipient, and (ii) posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (b)(i) of notification that such notice or communication is available and identifying the website address therefor.

(c) Any party hereto may change its address or facsimile number for notices and other communications hereunder by notice to the other parties hereto.

SECTION 9.02 Waivers; Amendments. (a) No failure or delay by any Agent, any Issuing Bank or any Lender in exercising any right or power hereunder or under any other Loan Document shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Agents, the Issuing Banks and the Lenders hereunder and under any other Loan Document are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of any Loan Document or consent to any departure by any Loan Party therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) of this Section, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Without limiting the generality of the foregoing, the making of a Loan or issuance of a Letter of Credit shall not be construed as a waiver of any Default, regardless of whether any Agent, any Lender or any Issuing Bank may have had notice or knowledge of such Default at the time.

(b) Neither this Agreement nor any other Loan Document nor any provision hereof or thereof may be waived, amended or modified except (i) in the case of this Agreement, pursuant to an agreement or agreements in writing entered into by the Borrowers and the Required Lenders or (ii) in the case of any other Loan Document, pursuant to an agreement or agreements in writing entered into by the Administrative Agent, the applicable Collateral Agent (to the extent it is a party to such Loan Document) and each Loan Party that is a party thereto, with the consent of the Required Lenders; provided that no such agreement shall (i) increase the Commitment of any Lender without the written consent of such Lender, (ii) reduce or forgive the principal amount of any Loan or LC Disbursement or reduce the rate of interest thereon, or reduce or forgive any interest or fees payable hereunder, without the written consent of each Lender directly affected thereby, (iii) postpone any scheduled date of payment of the principal amount of any Loan or LC Disbursement, or any date for the payment of any interest, fees or other Obligations payable hereunder, or reduce the amount of, waive or excuse any such payment, postpone the scheduled date of expiration of any Commitment or increase the advance rates set forth in the definition of US Borrowing Base, UK Borrowing Base or Dutch Borrowing Base, without the written consent of each Lender affected thereby, (iv) change Section 2.10(b) or Section 2.18(b) or (d) in a manner that would alter the manner in which payments are shared or the relative priorities of such payments, in each case, without the written consent of each Lender, (v) modify eligibility criteria, as such eligibility criteria are in effect on the Restatement Date (including adding new categories of eligible assets or reserves), in any manner that has the effect of weakening or eliminating any applicable eligibility criteria or increasing the amounts available to be borrowed hereunder without the written consent of the Supermajority Lenders, (vi) change the definition of "Dilution Reserve" or "Rent Reserve" without the written consent of the Supermajority Lenders, (vii) change any of the provisions of this Section or the definition of "Required Lenders" or "Supermajority Lenders" or any other provision of any Loan Document specifying the number or percentage of Lenders (or Lenders of any Class) required to waive, amend or modify any rights thereunder or make any determination or grant any consent thereunder, without the written consent of each Lender, (viii) release any Loan Guarantor from its obligation under its Loan Guaranty (except as otherwise permitted herein or in the other Loan Documents), without the written consent of each Lender, (ix) except as provided in paragraph (c) of this Section or in any Collateral Document, release all or substantially all of the Collateral, without the written consent of each Lender or (x) subordinate the Obligations to any other Indebtedness or the Liens securing the Obligations to any other Liens without the written consent of each Lender; provided further that no such agreement shall amend, modify or otherwise affect the rights or duties of any Agent, any Issuing Bank or any Swingline Lender hereunder without the prior written consent of such Agent, such Issuing Bank or such Swingline Lender, as the case may be. The Administrative Agent may also amend the Commitment Schedule to reflect assignments entered into pursuant to Section 9.04.

Notwithstanding anything to the contrary herein, the Administrative Agent may, with the consent of the Company only, amend, modify or supplement this Agreement or any other Loan Document to (i) cure any ambiguity, omission, defect or inconsistency or (ii) provide for a materiality standard relating to delivery or notice requirements in any Security Agreement (other than the US Security Agreement), so long as such amendment, modification or supplement does not adversely affect the rights of any Lender or the Lenders shall have received, at least five Business Days' prior written notice thereof and the Administrative Agent shall not have received, within five Business Days of the date of such notice to the Lenders, a written notice from the Required Lenders stating that the Required Lenders object to such amendment.

(c) The Lenders hereby irrevocably authorize each Collateral Agent, at its option and in its sole discretion, to release any Liens granted to either Collateral Agent by the Loan Parties on any Collateral (i) upon the termination of the all Commitments, payment and satisfaction in full in cash of all Secured Obligations (other than Unliquidated Obligations), and the cash collateralization of all Unliquidated Obligations in a manner reasonably satisfactory to each affected Lender, (ii) constituting property being sold or disposed of if the Loan Party disposing of such property certifies to the applicable Collateral Agent that the sale or disposition is made in compliance with the terms of this Agreement (and each Collateral Agent may rely conclusively on any such certificate, without further inquiry), (iii) constituting property leased to a Loan Party under a lease which has expired or been terminated in a transaction permitted under this Agreement or (iv) as required to effect any sale or other disposition of such Collateral in connection with any exercise of remedies by a Collateral Agent or the Lenders pursuant to Article VII or (v) if such Liens were granted by any Loan Party with respect to which 100% of its Equity Interests have been sold in a transaction permitted pursuant to Section 6.05. Except as provided in the preceding sentence or in Section 9.02(b), neither Collateral Agent will release any Liens on Collateral without the prior written authorization of the Required Lenders. The Lenders hereby irrevocably authorize the Administrative Agent, at its option and in its sole discretion, to (A) release any Loan Guarantor from its obligation under its Loan Guaranty if 100% of the Equity Interests of such Loan Guarantor have been sold in a transaction permitted pursuant to Section 6.05 and (B) release the Irish Borrower from its obligation under its Loan Guaranty if the Irish Borrower is being dissolved in a transaction permitted pursuant to Section 6.03(a)(ix). Any such release shall not in any manner discharge, affect, or impair the Obligations or any Liens (other than those expressly being released) upon (or obligations of the Loan Parties in respect of) all interests retained by the Loan Parties, including the proceeds of any sale, all of which shall continue to constitute part of the Collateral.

(d) If, in connection with any proposed amendment, waiver or consent requiring the consent of "each Lender" or "each Lender affected thereby," the consent of the Required Lenders is obtained, but the consent of other necessary Lenders is not obtained (any such Lender whose consent is necessary but not obtained being referred to herein as a "Non-Consenting Lender"), then the Borrowers may elect to replace a Non-Consenting Lender as a Lender party to this Agreement, provided that, concurrently with such replacement, (i) another bank or other entity which is reasonably satisfactory to the Borrowers and the Administrative Agent shall agree, as of such date, to purchase for cash the Loans and other Obligations (other than Obligations paid by the Borrowers in accordance with clause (ii) below) due to the Non-Consenting Lender pursuant to an Assignment and Assumption and to become a Lender for all purposes under this Agreement and to assume all obligations of the Non-Consenting Lender to be terminated as of such date and to comply with the requirements of paragraph (b) of Section 9.04, and (ii) the Borrowers shall pay to such Non-Consenting Lender in same day funds on the day of such replacement (1) all interest, fees and other amounts then accrued but unpaid to such Non-Consenting Lender by the Borrowers hereunder to and including the date of termination, including without limitation payments due to such Non-Consenting Lender under Sections 2.15 and 2.17, and (2) an amount, if any, equal to the payment which would have been due to such Lender on the day of such replacement under Section 2.16 had the Loans of such Non-Consenting Lender been prepaid on such date rather than sold to the replacement Lender.

SECTION 9.03 Expenses; Indemnity; Damage Waiver. (a) Borrowers shall pay (i) all reasonable out-of-pocket expenses incurred by the Administrative Agent, the European Administrative Agent, each Collateral Agent, each Bookrunner and their respective Affiliates, including the reasonable fees, charges and disbursements of counsel for the Administrative Agent, the European Administrative Agent, each Collateral Agent and each Bookrunner (limited, in the absence of an actual conflict of interest, to one counsel and one third party appraiser and/or field examiner in each relevant jurisdiction), as the case may be, in connection with the syndication and distribution (including, without limitation, via

the internet or through a service such as Intralinks) of the credit facilities provided for herein, the preparation and administration of the Loan Documents or any amendments, modifications or waivers of the provisions of the Loan Documents (whether or not the transactions contemplated hereby or thereby shall be consummated), (ii) all reasonable out-of-pocket expenses incurred by any Issuing Bank in connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment thereunder and (iii) all out-of-pocket expenses incurred by any Agent, any Bookrunner, any Issuing Bank or any Lender, including the reasonable fees, charges and disbursements of any counsel for any Agent, any Issuing Bank or any Lender, in connection with the enforcement, collection or protection of its rights in connection with the Loan Documents, including its rights under this Section, or in connection with the Loans made or Letters of Credit issued hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans or Letters of Credit. Expenses being reimbursed by the Borrowers under this Section include, without limiting the generality of the foregoing, costs and expenses incurred in connection with:

(i) appraisals and insurance reviews;

(ii) field examinations and the preparation of Reports based on the fees charged by a third party retained by the Administrative Agent or either Collateral Agent or the internally allocated fees for each Person employed by the Administrative Agent or either Collateral Agent with respect to each field examination, together with the reasonable fees and expenses associated with collateral monitoring services performed by the Specialized Due Diligence Group of the Administrative Agent (and the Borrowers agree to modify or adjust the computation of the Borrowing Base—which may include maintaining additional Reserves, modifying the advance rates or modifying the eligibility criteria for the components of the Borrowing Base—to the extent required by the Administrative Agent as a result of any such evaluation, appraisal or monitoring);

(iii) background checks regarding senior management and/or key investors, as deemed necessary or appropriate in the sole discretion of the Administrative Agent;

(iv) taxes, fees and other charges for (A) lien and title searches and title insurance and (B) recording the Collateral Documents, filing financing statements and continuations, and other actions to perfect, protect, and continue the Liens of each Collateral Agent;

(v) sums paid or incurred to take any action required of any Loan Party under the Loan Documents that such Loan Party fails to pay or take; and

(vi) forwarding loan proceeds, collecting checks and other items of payment, and establishing and maintaining the accounts and lock boxes, and costs and expenses of preserving and protecting the Collateral.

All of the foregoing costs and expenses may be charged when due to the Borrowers as Revolving Loans or to another deposit account, all as described in Section 2.18(c).

(b) The Borrowers shall, jointly and severally, indemnify the Agents, the Issuing Banks and each Lender, and each Related Party of any of the foregoing Persons (each such Person being called an "Indemnitee") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, penalties, liabilities and related expenses, including the fees, charges and disbursements of any counsel for any Indemnitee, incurred by or asserted against any Indemnitee arising out of, in connection

with, or as a result of (i) the execution or delivery of the Loan Documents or any agreement or instrument contemplated thereby, the performance by the parties hereto of their respective obligations thereunder or the consummation of the Transactions or any other transactions contemplated hereby, (ii) any Loan or Letter of Credit or the use of the proceeds therefrom (including any refusal by any Issuing Bank to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit), (iii) any actual or alleged presence or release of Hazardous Materials on or from any property owned or operated by any Borrower or any of their Subsidiaries, or any Environmental Liability related in any way to any Borrower or any of their Subsidiaries, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory and regardless of whether any Indemnitee is a party thereto; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, penalties, liabilities or related expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee.

(c) To the extent that the Borrowers fail to pay any amount required to be paid by it to any Agent, any Issuing Bank or any Swingline Lender under paragraph (a) or (b) of this Section, each Lender severally agrees to pay to such Agent, such Issuing Bank or such Swingline Lender, as the case may be, such Lender's Applicable Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount; provided that the unreimbursed expense or indemnified loss, claim, damage, penalty, liability or related expense, as the case may be, was incurred by or asserted against such Agent, such Issuing Bank or such Swingline Lender in its capacity as such.

(d) To the extent permitted by applicable law, no Loan Party shall assert, and each hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement or any agreement or instrument contemplated hereby, the Transactions, any Loan or Letter of Credit or the use of the proceeds thereof.

(e) All amounts due under this Section shall be payable promptly after written demand therefor.

SECTION 9.04 Successors and Assigns. (a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby (including any Affiliate of any Issuing Bank that issues any Letter of Credit), except that (i) the Borrowers may not assign or otherwise transfer any of their rights or obligations hereunder without the prior written consent of each Lender (and any attempted assignment or transfer by the Borrowers without such consent shall be null and void) and (ii) no Lender may assign or otherwise transfer its rights or obligations hereunder except in accordance with this Section. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby (including any Affiliate of any Issuing Bank that issues any Letter of Credit), Participants (to the extent provided in paragraph (c) of this Section) and, to the extent expressly contemplated hereby, the Related Parties of each of the Agents, the Issuing Banks and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Subject to the conditions set forth in paragraph (c)(ii) below, any Lender may assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans at the time owing to it) with the prior written consent (such consent not to be unreasonably withheld) of:

(i) the Borrower Representative, provided that no consent of the Borrower Representative shall be required for an assignment to a Lender, an Affiliate of a Lender, an Approved Fund or, if an Event of Default has occurred and is continuing, any other assignee; and provided, further, that the Borrower Representative shall be deemed to have consented to any such assignment unless the Borrower Representative shall object thereto by written notice to the Administrative Agent within five Business Days after having received notice thereof; and

(ii) the Administrative Agent and the Issuing Banks; provided that no consent of the Administrative Agent or the Issuing Banks shall be required for an assignment to a Lender, an Affiliate of a Lender or an Approved Fund; provided further that no consent of any Issuing Bank (other than JPMCB) shall be required if such Issuing Bank does not have outstanding Letters of Credit issued by it with an aggregate face value in excess of $1,000,000.

For the purposes of this Section 9.04(b), the term "Approved Fund" has the following meaning:

"Approved Fund" means any Person (other than a natural person) that is engaged in making, purchasing, holding or investing in bank loans and similar extensions of credit in the ordinary course of its business and that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

(c) Assignments shall be subject to the following additional conditions:

(i) except in the case of an assignment to a Lender or an Affiliate of a Lender or an assignment of the entire remaining amount of the assigning Lender's Commitment or Loans of any Class, the amount of the Commitment or Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent) shall not be less than $5,000,000 unless each of the Borrower Representative and the Administrative Agent otherwise consent, provided that no such consent of the Borrower Representative shall be required if an Event of Default has occurred and is continuing;

(ii) in order to comply with the Dutch Act on the Financial Supervision (*Wet op het financieel toezicht*), the amount transferred under this Section 9.04(c)(ii) shall include an outstanding portion of at least €50,000 (or its equivalent in other currencies) per Lender or such other amount as may be required from time to time by the Dutch Act on the Financial Supervision (or implementing legislation) or if less, the new Lender shall confirm in writing to the Borrowers that it is a professional market party within the meaning of the Dutch Act on the Financial Supervision;

(iii) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement;

(iv) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee of $3,500 to be paid by the assignee or the assignor; and

(v) the assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire in which the assignee designates one or more Credit Contacts to whom all syndicate-level information (which may contain material non-public information about the Company, the Loan Parties and their Related Parties or their respective securities) will be made available and who may receive such information in accordance with the assignee's compliance procedures and applicable laws, including federal, provincial, territorial and state securities laws.

(d) Subject to acceptance and recording thereof pursuant to paragraph (b)(iv) of this Section, from and after the effective date specified in each Assignment and Assumption the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 2.15, 2.16, 2.17 and 9.03). Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section 9.04 shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with paragraph (g) of this Section.

(e) The Administrative Agent, acting for this purpose as an agent of the Borrowers, shall maintain at one of its offices a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitment of, and principal amount of the Loans and LC Disbursements owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive, and the Borrowers, the Administrative Agent, each Collateral Agent, the Issuing Banks and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrowers, the Issuing Banks and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(f) Upon its receipt of a duly completed Assignment and Assumption executed by an assigning Lender and an assignee, the assignee's completed Administrative Questionnaire (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in paragraph (c)(iv) of this Section and any written consent to such assignment required by paragraph (b) of this Section, the Administrative Agent shall accept such Assignment and Assumption and record the information contained therein in the Register; provided that if either the assigning Lender or the assignee shall have failed to make any payment required to be made by it pursuant to Section 2.05, 2.06(d) or (e), 2.07(b), 2.18(d) or 9.03(c), the Administrative Agent shall have no obligation to accept such Assignment and Assumption and record the information therein in the Register unless and until such payment shall have been made in full, together with all accrued interest thereon. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this paragraph.

(g) (i) Any Lender may, without the consent of the Borrowers, any Agent, any Issuing Bank or any Swingline Lender, sell participations to one or more banks or other entities (a "Participant") in all or a portion of such Lender's rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans owing to it); provided that (A) such Lender's obligations under this Agreement shall remain unchanged, (B) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (C) the Borrowers, the Agents, the Issuing Banks and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in the first proviso to Section 9.02(b) that affects such Participant. Subject to paragraph (g)(ii) of this Section, the Borrowers agree that each Participant shall be entitled to the benefits of Sections 2.15, 2.16 and 2.17 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 9.08 as though it were a Lender, provided such Participant agrees to be subject to Section 2.18(c) as though it were a Lender. Each Lender that sells a participation shall, acting solely for this purpose as an agent of the Borrowers, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each participant's interest in the Loans or other obligations under this Agreement (the "Participant Register"). The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary.

(ii) A Participant shall not be entitled to receive any greater payment under Section 2.15 or 2.17 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Borrower Representative's prior written consent. A Participant that would be a Foreign Lender if it were a Lender shall not be entitled to the benefits of Section 2.17 unless the Borrower Representative is notified of the participation sold to such Participant and such Participant agrees, for the benefit of the Borrowers, to comply with Section 2.17(g) as though it were a Lender.

(h) Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including without limitation any pledge or assignment to secure obligations to a Federal Reserve Bank, and this Section shall not apply to any such pledge or assignment of a security interest; provided that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

(i) In case of assignment, transfer or novation by the assigning Lender of all or any part of its rights and obligations under any of the Loan Documents, the assigning Lender and its assignee shall agree that, for the purposes of Article 1278 of the Luxembourg Civil Code (to the extent applicable), the Liens created under the Loan Documents, securing the rights assigned, transferred or novated thereby, will be preserved for the benefit of the assignee.

SECTION 9.05 Survival. All covenants, agreements, representations and warranties made by the Loan Parties in the Loan Documents and in the certificates or other instruments delivered in connection with or pursuant to this Agreement or any other Loan Document shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of the Loan Documents and the making of any Loans and issuance of any Letters of Credit, regardless of any investigation made by any such other party or on its behalf and notwithstanding that any Agent, any

Issuing Bank or any Lender may have had notice or knowledge of any Default or incorrect representation or warranty at the time any credit is extended hereunder, and shall continue in full force and effect as long as the principal of or any accrued interest on any Loan or any fee or any other amount payable under this Agreement is outstanding and unpaid or any Letter of Credit is outstanding (unless the same has been cash collateralized in accordance with Section 2.06(j) hereof) and so long as the Commitments have not expired or terminated. The provisions of Sections 2.15, 2.16, 2.17 and 9.03 and Article VIII shall survive and remain in full force and effect regardless of the consummation of the transactions contemplated hereby, the repayment of the Loans, the expiration or termination of the Letters of Credit and the Commitments or the termination of this Agreement or any provision hereof.

SECTION 9.06 Counterparts; Integration; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement, the other Loan Documents and any separate letter agreements with respect to fees payable to the Administrative Agent constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 4.01, this Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof which, when taken together, bear the signatures of each of the other parties hereto, and thereafter shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Delivery of an executed counterpart of a signature page of this Agreement by facsimile shall be effective as delivery of a manually executed counterpart of this Agreement.

SECTION 9.07 Severability. Any provision of any Loan Document held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions thereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

SECTION 9.08 Right of Setoff. If an Event of Default shall have occurred and be continuing, each Lender and each of its Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other obligations at any time owing by such Lender or Affiliate to or for the credit or the account of the Borrowers or any Loan Guarantor against any and all of the Secured Obligations held by such Lender, irrespective of whether or not such Lender shall have made any demand under the Loan Documents and although such obligations may be unmatured; provided that no amounts set off with respect to any Loan Guarantor shall be applied to any Excluded Swap Obligations of such Loan Guarantor. The applicable Lender shall promptly notify the Borrower Representative and the Administrative Agent of such set-off or application, provided that any failure to give or any delay in giving such notice shall not affect the validity of any such set-off or application under this Section. The rights of each Lender under this Section are in addition to other rights and remedies (including other rights of setoff) which such Lender may have.

SECTION 9.09 Governing Law; Jurisdiction; Consent to Service of Process. (a) The Loan Documents (other than those containing a contrary express choice of law provision) shall be governed by and construed in accordance with the laws of the State of New York, but giving effect to federal laws applicable to national banks.

(b) Each Loan Party hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of any US Federal or New York State court sitting in the Borough of Manhattan, New York in any action or proceeding arising out of or relating to any Loan Documents, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State or, to the extent permitted by law, in such Federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement or any other Loan Document shall affect any right that the Administrative Agent, the European Administrative Agent, either Collateral Agent, any Issuing Bank or any Lender may otherwise have to bring any action or proceeding relating to this Agreement or any other Loan Document against any Loan Party or its properties in the courts of any jurisdiction.

(c) Each Loan Party hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement or any other Loan Document in any court referred to in paragraph (b) of this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 9.01. Nothing in this Agreement or any other Loan Document will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

SECTION 9.10 WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT, ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

SECTION 9.11 Headings. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

SECTION 9.12 Confidentiality. Each of the Agents, the Issuing Banks and the Lenders agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its and its Affiliates' directors, officers, employees and agents, including accountants, legal counsel and other advisors (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any regulatory authority, (c) to the extent required by Requirement of Laws or by any subpoena or similar legal process, (d) to any other party to this Agreement, (e) in connection with the exercise of any remedies hereunder or any suit, action or

proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement or (ii) any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to the Loan Parties and their obligations, (g) with the consent of the Borrower Representative or (h) to the extent such Information (i) becomes publicly available other than as a result of a breach of this Section or (ii) becomes available to the Administrative Agent, the Issuing Bank or any Lender on a non-confidential basis from a source other than the Borrowers. For the purposes of this Section, "Information" means all information received from the Borrowers relating to the Borrowers or their business, other than any such information that is available to the Administrative Agent, any Issuing Bank or any Lender on a non-confidential basis prior to disclosure by the Borrowers; provided that, in the case of information received from the Borrowers after the date hereof, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

EACH LENDER ACKNOWLEDGES THAT INFORMATION AS DEFINED IN SECTION 9.12 FURNISHED TO IT PURSUANT TO THIS AGREEMENT MAY INCLUDE MATERIAL NON-PUBLIC INFORMATION CONCERNING THE COMPANY AND ITS AFFILIATES AND THEIR RELATED PARTIES OR THEIR RESPECTIVE SECURITIES, AND CONFIRMS THAT IT HAS DEVELOPED COMPLIANCE PROCEDURES REGARDING THE USE OF MATERIAL NON-PUBLIC INFORMATION AND THAT IT WILL HANDLE SUCH MATERIAL NON-PUBLIC INFORMATION IN ACCORDANCE WITH THOSE PROCEDURES AND APPLICABLE LAW, INCLUDING FEDERAL, PROVINCIAL, TERRITORIAL AND STATE SECURITIES LAWS.

ALL INFORMATION, INCLUDING REQUESTS FOR WAIVERS AND AMENDMENTS, FURNISHED BY THE BORROWERS OR THE ADMINISTRATIVE AGENT PURSUANT TO, OR IN THE COURSE OF ADMINISTERING, THIS AGREEMENT WILL BE SYNDICATE-LEVEL INFORMATION, WHICH MAY CONTAIN MATERIAL NON-PUBLIC INFORMATION ABOUT THE COMPANY, THE LOAN PARTIES AND THEIR RELATED PARTIES OR THEIR RESPECTIVE SECURITIES. ACCORDINGLY, EACH LENDER REPRESENTS TO THE BORROWERS AND THE ADMINISTRATIVE AGENT THAT IT HAS IDENTIFIED IN ITS ADMINISTRATIVE QUESTIONNAIRE A CREDIT CONTACT WHO MAY RECEIVE INFORMATION THAT MAY CONTAIN MATERIAL NON-PUBLIC INFORMATION IN ACCORDANCE WITH ITS COMPLIANCE PROCEDURES AND APPLICABLE LAW, INCLUDING FEDERAL, PROVINCIAL, TERRITORIAL AND STATE SECURITIES LAWS.

SECTION 9.13 Several Obligations; Nonreliance; Violation of Law. The respective obligations of the Lenders hereunder are several and not joint and the failure of any Lender to make any Loan or perform any of its obligations hereunder shall not relieve any other Lender from any of its obligations hereunder. Each Lender hereby represents that it is not relying on or looking to any margin stock for the repayment of the Borrowings provided for herein. Anything contained in this Agreement to the contrary notwithstanding, neither any Issuing Bank nor any Lender shall be obligated to extend credit to the Borrowers in violation of any Requirement of Law.

SECTION 9.14 USA PATRIOT Act. Each Lender that is subject to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) hereby notifies the Borrowers that pursuant to the requirements of such Act, it is required to obtain, verify and record information that identifies the Borrowers, which information includes the names and addresses of the Borrowers and other information that will allow such Lender to identify the Borrowers in accordance with such Act.

SECTION 9.15 Disclosure. Each Loan Party and each Lender hereby acknowledges and agrees that the Administrative Agent and/or its Affiliates from time to time may hold investments in, make other loans to or have other relationships with any of the Loan Parties and their respective Affiliates.

SECTION 9.16 Appointment for Perfection. Each Lender hereby appoints each other Lender as its agent for the purpose of perfecting Liens (in each case for the benefit of the Agents, the Lenders and the Issuing Banks) in assets which, in accordance with Article 9 of the UCC or any other applicable law can be perfected only by possession. Should any Lender (other than either Collateral Agent) obtain possession of any such Collateral, such Lender shall notify the Administrative Agent and, promptly upon the request of the Administrative Agent, shall deliver such Collateral to the applicable Collateral Agent or otherwise deal with such Collateral in accordance with the instructions of the applicable Collateral Agent.

SECTION 9.17 Interest Rate Limitation. Notwithstanding anything herein to the contrary, if at any time the interest rate applicable to any Loan, together with all fees, charges and other amounts which are treated as interest on such Loan under applicable law (collectively the "Charges"), shall exceed the maximum lawful rate (the "Maximum Rate") which may be contracted for, charged, taken, received or reserved by the Lender holding such Loan in accordance with applicable law, the rate of interest payable in respect of such Loan hereunder, together with all Charges payable in respect thereof, shall be limited to the Maximum Rate and, to the extent lawful, the interest and Charges that would have been payable in respect of such Loan but were not payable as a result of the operation of this Section shall be cumulated and the interest and Charges payable to such Lender in respect of other Loans or periods shall be increased (but not above the Maximum Rate therefor) until such cumulated amount, together with interest thereon at the Federal Funds Effective Rate to the date of repayment, shall have been received by such Lender.

SECTION 9.18 Waiver of Immunity. To the extent that any Borrower has, or hereafter may be entitled to claim or may acquire, for itself, any Collateral or other assets of the Loan Parties, any immunity (whether sovereign or otherwise) from suit, jurisdiction of any court or from any legal process (whether through service of notice, attachment prior to judgment, attachment in aid of execution or otherwise) with respect to itself, any Collateral or any other assets of the Loan Parties, such Borrower hereby waives such immunity in respect of its obligations hereunder and under any promissory notes evidencing the Loans hereunder and any other Loan Document to the fullest extent permitted by applicable Requirements of Law and, without limiting the generality of the foregoing, agrees that the waivers set forth in this Section 9.18 shall be effective to the fullest extent now or hereafter permitted under the Foreign Sovereign Immunities Act of 1976 (as amended, and together with any successor legislation) and are, and are intended to be, irrevocable for purposes thereof.

SECTION 9.19 Currency of Payment. Each payment owing by any Borrower hereunder shall be made in the relevant currency specified herein or, if not specified herein, specified in any other Loan Document executed by the Administrative Agent, the US Collateral Agent or the European Collateral Agent (the "Currency of Payment") at the place specified herein (such requirements are of the essence of

this Agreement). If, for the purpose of obtaining judgment in any court, it is necessary to convert a sum due hereunder in a Currency of Payment into another currency, the parties hereto agree that the rate of exchange used shall be that at which in accordance with normal banking procedures the Administrative Agent could purchase such Currency of Payment with such other currency at the Spot Selling Rate on the Business Day preceding that on which final judgment is given. The obligations in respect of any sum due hereunder to any Lender or any Issuing Bank shall, notwithstanding any adjudication expressed in a currency other than the Currency of Payment, be discharged only to the extent that, on the Business Day following receipt by such Lender or Issuing Bank of any sum adjudged to be so due in such other currency, such Lender or Issuing Bank may, in accordance with normal banking procedures, purchase the Currency of Payment with such other currency. Each Borrower agrees that (a) if the amount of the Currency of Payment so purchased is less than the sum originally due to such Lender or Issuing Bank in the Currency of Payment, as a separate obligation and notwithstanding the result of any such adjudication, such Borrower shall immediately pay the shortfall (in the Currency of Payment) to such Lender or Issuing Bank and (b) if the amount of the Currency of Payment so purchased exceeds the sum originally due to such Lender or Issuing Bank, such Lender or Issuing Bank shall promptly pay the excess over to such Borrower in the currency and to the extent actually received.

SECTION 9.20 Conflicts. In the event of any conflict between the terms of this Agreement and the terms of any other Loan Document, the terms of this Agreement shall, to the extent of such conflict, prevail.

SECTION 9.21 Parallel Debt. To grant the security pursuant to any Dutch Security Agreement to the European Collateral Agent, each European Loan Party irrevocably and unconditionally undertakes (and to the extent necessary undertakes in advance (*bij voorbaat*)) to pay to the European Collateral Agent amounts equal to any amounts owing from time to time by a European Loan Party to any Guaranteed Party under any Loan Document as and when those amounts are due.

Each European Loan Party and the Administrative Agent and the Guaranteed Parties acknowledge that the obligations of each Loan Party under this Section 9.21 are several and are separate and independent (*eigen zelfstandige verplichtingen*) from, and shall not in any way limit or affect, the corresponding obligations of that Loan Party to any Guaranteed Party under any Loan Document (its "Corresponding Debt") nor shall the amounts for which each Loan Party is liable under Section 9.21 (its "Parallel Debt") be limited or affected in any way by its Corresponding Debt provided that:

(a) the Parallel Debt of each Loan Party shall be decreased to the extent that its Corresponding Debt has been irrevocably paid or (in the case of guarantee obligations) discharged; and

(b) the Corresponding Debt of each Loan Party shall be decreased to the extent that its Parallel Debt has been irrevocably paid or (in the case of guarantee obligations) discharged; and

(c) the amount of the Parallel Debt of each Loan Party shall at all times be equal to the amount of its Corresponding Debt.

(a) For the purpose of this Section 9.21, the European Collateral Agent acts in its own name and on behalf of itself and not as agent, representative or trustee of any Guaranteed Party, and its claims in respect of each Parallel Debt shall not be held on trust.

(b) The Liens granted under the Dutch Security Agreements to the European Collateral Agent to secure each Parallel Debt is granted to the European Collateral Agent in its capacity as sole creditor of each Parallel Debt.

(c) All monies received or recovered by the European Collateral Agent pursuant to this Section 9.21, and all amounts received or recovered by the European Collateral Agent from or by the enforcement of any Lien granted to secure each Parallel Debt, shall be applied in accordance with Section 2.18(b).

(d) Without limiting or affecting the European Collateral Agent ‘s rights against the Loan Parties (whether under this Section 9.21 or under any other provision of the Loan Documents), each Loan Party acknowledges that:

(a) nothing in this Section 9.21 shall impose any obligation on the European Collateral Agent to advance any sum to any Loan Party or otherwise under any Loan Document, except in its capacity as Guaranteed Party; and

(b) for the purpose of any vote taken under any Loan Document, the European Collateral Agent shall not be regarded as having any participation or commitment other than those which it has in its capacity as a Guaranteed Party.

For the avoidance of doubt:

(a) the Parallel Debt of each Loan Party will become due and payable (*opeisbaar*) at the same time its Corresponding Debt becomes due and payable; and

(b) a Loan Party may not repay or prepay its Parallel Debt unless directed to do so by the European Collateral Agent or the Lien pursuant to a Dutch Security Agreement is enforced by the European Collateral Agent.

SECTION 9.22 [Reserved].

SECTION 9.23 Removal of Borrowers; Actions to Release Collateral. (a) Any European Borrower shall be removed as a Borrower (each, a “Removed Borrower”) upon delivery by such Borrower to the Administrative Agent of a written notification to such effect, repayment in full of all Loans made to such Borrower, cash collateralization of all Obligations in respect of Letters of Credit issued for the account of such Borrower and repayment in full of all other amounts owing by such Borrower under this Agreement and the other Loan Documents (it being agreed that any such repayment shall be in accordance with the other terms of this Agreement); provided that both immediately before and immediately after giving pro forma effect thereto, (i) no Default or Event of Default shall have occurred and be continuing and (ii) no Level 4 Minimum Aggregate Availability Period shall be in effect, provided that this clause (ii) shall not apply to the Irish Borrower so long as the Irish Borrower has no material assets or operations.

(b) Upon any removal pursuant to paragraph (a) of this Section 9.23, (i) the applicable Removed Borrower shall be released from its obligations with respect to this Agreement and the other Loan Documents (other than its obligations under its Loan Guaranty which shall not be released except in accordance with clause (viii) of the proviso in Section 9.02(b) or, with respect to the Irish Borrower, in accordance with Section 9.02(c)), (ii) all Liens granted to any Collateral Agent on the Collateral of the applicable Removed Borrower shall be automatically released and (iii) such Removed Borrower shall no

longer constitute a "Dutch Borrower", "UK Borrower", "Irish Borrower" or "Luxembourg Borrower", as applicable, a "European Borrower" or a "Borrower" for purposes of this Agreement or any other Loan Document, but shall continue to constitute a "Loan Guarantor" for purposes of this Agreement and the other Loan Documents until released from its obligations under its Loan Guaranty in accordance with clause (viii) of the proviso in Section 9.02(b).

(c) In connection with any removal pursuant to paragraph (a) of this Section 9.23 and notwithstanding any provisions of this Agreement or the other Loan Documents to the contrary, the Administrative Agent or the applicable Collateral Agent, upon receipt of any certificates or other documents reasonably requested by it to confirm compliance with this Agreement, shall promptly execute and deliver to such Borrower, at such Borrower's expense, all documents that such Borrower shall reasonably request to evidence release of such Borrower from its obligations with respect to this Agreement and the other Loan Documents; provided, however, that no Removed Borrower shall be permitted to be released from its obligation under its Loan Guaranty except in accordance with clause (viii) of the proviso in Section 9.02(b).

(d) At such time as any Indebtedness incurred pursuant to Section 6.01(i) (including any Indebtedness incurred prior to the Third Amendment Effective Date pursuant to Section 6.01(i) (as in effect prior to the Third Amendment Effective Date)) shall have been repaid in full and the holders thereof shall have released the Liens securing the obligations thereunder in accordance with the terms of such Indebtedness, any Liens created by the Loan Documents as a consequence of the issuance of such Indebtedness shall be automatically released.

(e) In connection with any release of Collateral pursuant to this Section 9.23 or any other release of Collateral in connection with any sale or disposition of Collateral permitted under this Agreement, the Administrative Agent or the applicable Collateral Agent, upon receipt of any certificates or other documents reasonably requested by it to confirm compliance with this Agreement, shall promptly execute and deliver to any Loan Party, at such Loan Party's expense, all documents that such Loan Party shall reasonably request to evidence such release.

SECTION 9.24 Specified Tax Restructuring Transactions. Notwithstanding anything to the contrary contained in this Agreement (including Article V or VI) or any other Loan Document, each Specified Tax Restructuring Transaction shall, to the extent not otherwise permitted under this Agreement or any other Loan Document, be permitted.

ARTICLE X

Loan Guaranty

SECTION 10.01 Guaranty. (a) Each Loan Guarantor and any of its successors or assigns (other than those that have delivered a separate Loan Guaranty) hereby agrees that it is jointly and severally liable for, and, as primary obligor and not merely as surety, absolutely and unconditionally guarantees, to the extent permissible under the laws of the country in which such Loan Guarantor is located or organized, to the Lenders, the Agents and the Issuing Banks (collectively, the "Guaranteed Parties") the prompt payment when due, whether at stated maturity, upon acceleration or otherwise, and at all times thereafter, of the Secured Obligations (excluding with respect to any Loan Guarantor, any Excluded Swap Obligations of such Loan Guarantor) and all costs and expenses including, without limitation, all court costs and attorneys' and paralegals' fees (including allocated costs of in-house counsel and paralegals) and expenses paid or incurred by the Agents, the Issuing Banks and the Lenders in endeavoring to collect all or any part of the Secured Obligations from, or in prosecuting any action

against, any Borrower, any other Loan Guarantor or any other guarantor of all or any part of the Secured Obligations (such costs and expenses, together with the Secured Obligations, collectively the "Guaranteed Obligations"). Each Loan Guarantor further agrees that the Guaranteed Obligations may be extended or renewed in whole or in part without notice to or further assent from it, and that it remains bound upon its guarantee notwithstanding any such extension or renewal. All terms of this Loan Guaranty apply to and may be enforced by or on behalf of any domestic or foreign branch or Affiliate of any Lender that extended any portion of the Guaranteed Obligations. Notwithstanding anything in the foregoing to the contrary, in no event shall the Guarantee Obligations of any European Loan Party include the Obligations of the US Loan Parties.

If any payment by a Loan Guarantor or any discharge given by a Guaranteed Party (whether in respect of the obligations of any Loan Guarantor or any security for those obligations or otherwise) is avoided or reduced as a result of insolvency or any similar event: (a) the liability of each Loan Guarantor shall continue as if the payment, discharge, avoidance or reduction had not occurred; and (b) each Guaranteed Party shall be entitled to recover the value or amount of that security or payment from each Loan Guarantor, as if the payment, discharge, avoidance or reduction had not occurred.

The obligations of each Loan Guarantor under this Article X will not be affected by an act, omission, matter or thing which, but for this Article X, would reduce, release or prejudice any of its obligations under this Article X (without limitation and whether or not known to it or any Guaranteed Party) including: (a) any time, waiver or consent granted to, or composition with, any Loan Guarantor or other person; (b) the release of any other Loan Guarantor or any other person under the terms of any composition or arrangement with any creditor of any member of the European Group; (c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any Loan Guarantor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security; (d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of an Loan Guarantor or any other person; (e) any amendment, novation, supplement, extension (whether of maturity or otherwise) or restatement (in each case, however fundamental and of whatsoever nature) or replacement of a Loan Document or any other document or security; (f) any unenforceability, illegality or invalidity of any obligation of any person under any Loan Document or any other document or security; or (g) any insolvency or similar proceedings.

Without prejudice to the generality of the above, each Loan Guarantor expressly confirms, as permissible under applicable law, that it intends that this guarantee shall extend from time to time to any (however fundamental) variation, increase, extension or addition of or to any of the Loan Documents and/or any amount made available under any of the Loan Documents for the purposes of or in connection with any of the following: acquisitions of any nature; increasing working capital; enabling investor distributions to be made; carrying out restructurings; refinancing existing facilities; refinancing any other indebtedness; making facilities available to new borrowers; any other variation or extension of the purposes for which any such facility or amount might be made available from time to time; and any fees, costs and/or expenses associated with any of the foregoing.

Each Loan Guarantor waives any right it may have of first requiring any Guaranteed Party (or any trustee or agent on its behalf) to proceed against or enforce any other rights or security or claim payment from any person before claiming from that Loan Guarantor under this Article X. This waiver applies irrespective of any law or any provision of a Loan Document to the contrary.

This guarantee is in addition to and is not in any way prejudiced by any other guarantee or security now or subsequently held by any Guaranteed Party.

This guarantee does not apply to any liability to the extent that it would result in this guarantee constituting unlawful financial assistance within the meaning of Section 678 of the UK Companies Act 2006, or section 60 of the Irish Companies Act 1963, or any equivalent and applicable provisions under the laws of the jurisdiction of incorporation of the relevant Loan Guarantor.

(b) Notwithstanding anything to the contrary in the Credit Agreement, the aggregate obligations and liabilities of any entity incorporated under the laws of the Grand Duchy of Luxembourg (a "Luxembourg Guarantor") with respect to the repayment under a joint and several liability clause of any borrowing, costs or expenses, and the granting of any guarantee, indemnity or security under this Agreement:

(i) shall not include any payment which, if made, would either constitute a misuse of corporate assets as defined under article 171-1 of the LSC or amount to prohibited financial assistance as provided in article 49-6 of the LSC; and

(ii) shall be limited to the aggregate of:

(A) any sums borrowed by such Luxembourg Guarantor or any obligation or liability of such Luxembourg Guarantor's direct or indirect subsidiaries incurred under the Credit Agreement; and

(B) ninety-five percent (95%) of the net assets of such Luxembourg Guarantor, where the net assets means the shareholder's equity (*capitaux propres*, as referred to in article 34 of the Luxembourg law of December 19, 2002 on the commercial register and annual accounts) of such Luxembourg Guarantor as (i) shown in the latest financial statements (*comptes annuels*) available at the date of the relevant payment hereunder and approved by the shareholders of such Luxembourg Guarantor or (ii) existing as of the Closing Date.

SECTION 10.02 Guaranty of Payment. This Loan Guaranty is a guaranty of payment and not of collection. Each Loan Guarantor waives any right to require any Agent, any Issuing Bank or any Lender to sue any Borrower, any other Loan Guarantor, any other guarantor, or any other Person obligated for all or any part of the Guaranteed Obligations (each, an "Obligated Party"), or otherwise to enforce its payment against any collateral securing all or any part of the Guaranteed Obligations.

As an original and independent obligation under this Loan Guaranty, each Loan Guarantor shall:

(a) indemnify each Guaranteed Party and its successors, endorsees, transferees and assigns and keep the Guaranteed Parties indemnified against all costs, losses, expenses and liabilities of whatever kind resulting from the failure by the Loan Parties or any of them, to make due and punctual payment of any of the Secured Obligations (excluding, with respect to any Loan Guarantor, any Excluded Swap Obligations of such Loan Guarantor) or resulting from any of the Secured Obligations being or becoming void, voidable, unenforceable or ineffective against any Loan Party (including, but without limitation, all legal and other costs, charges and expenses incurred by each Guaranteed Party, or any of them, in connection with preserving or enforcing, or attempting to preserve or enforce, its rights under this Loan Guaranty); and

(b) pay on demand the amount of such costs, losses, expenses and liabilities whether or not any of the Guaranteed Parties has attempted to enforce any rights against any Loan Party or any other Person or otherwise.

SECTION 10.03 No Discharge or Diminishment of Loan Guaranty. (a) Except as otherwise provided for herein, the obligations of each Loan Guarantor hereunder are unconditional and absolute and not subject to any reduction, limitation, impairment or termination for any reason (other than the indefeasible payment in full in cash of the Guaranteed Obligations), including: (i) any claim of waiver, release, extension, renewal, settlement, surrender, alteration, or compromise of any of the Guaranteed Obligations, by operation of law or otherwise; (ii) any change in the corporate existence, structure or ownership of any Borrower or any other guarantor of or other person liable for any of the Guaranteed Obligations; (iii) any insolvency, bankruptcy, winding-up, liquidation, reorganization or other similar proceeding affecting any Obligated Party, or their assets or any resulting release or discharge of any obligation of any Obligated Party; or (iv) the existence of any claim, setoff or other rights which any Loan Guarantor may have at any time against any Obligated Party, any Agent, any Issuing Bank, any Lender, or any other person, whether in connection herewith or in any unrelated transactions.

(b) The obligations of each Loan Guarantor hereunder are not subject to any defense or setoff, counterclaim, recoupment, or termination whatsoever by reason of the invalidity, illegality, or unenforceability of any of the Guaranteed Obligations or otherwise, or any provision of applicable law or regulation purporting to prohibit payment by any Obligated Party, of the Guaranteed Obligations or any part thereof.

(c) Further, the obligations of any Loan Guarantor hereunder are not discharged or impaired or otherwise affected by: (i) the failure of any Agent, any Issuing Bank or any Lender to assert any claim or demand or to enforce any remedy with respect to all or any part of the Guaranteed Obligations; (ii) any waiver or modification of or supplement to any provision of any agreement relating to the Guaranteed Obligations; (iii) any release, non-perfection, or invalidity of any indirect or direct security for the obligations of any Borrower for all or any part of the Guaranteed Obligations or any obligations of any other guarantor of or other person liable for any of the Guaranteed Obligations; (iv) any action or failure to act by any Agent, any Issuing Bank or any Lender with respect to any collateral securing any part of the Guaranteed Obligations; or (v) any default, failure or delay, willful or otherwise, in the payment or performance of any of the Guaranteed Obligations, or any other circumstance, act, omission or delay that might in any manner or to any extent vary the risk of such Loan Guarantor or that would otherwise operate as a discharge of any Loan Guarantor as a matter of law or equity (other than the indefeasible payment in full in cash of the Guaranteed Obligations).

SECTION 10.04 Defenses Waived. To the fullest extent permitted by applicable law, each Loan Guarantor hereby waives any defense based on or arising out of any defense of any Borrower or any other Loan Guarantor or the unenforceability of all or any part of the Guaranteed Obligations from any cause, or the cessation from any cause of the liability of any Borrower or any other Loan Guarantor, other than the indefeasible payment in full in cash of the Guaranteed Obligations. Without limiting the generality of the foregoing, each Loan Guarantor irrevocably waives acceptance hereof, presentment, demand, protest and, to the fullest extent permitted by law, any notice not provided for herein, as well as any requirement that at any time any action be taken by any person against any Obligated Party, or any other person. Each Collateral Agent may, at its election, foreclose on any Collateral held by it by one or more judicial or nonjudicial sales, accept an assignment of any such Collateral in lieu of foreclosure or

otherwise act or fail to act with respect to any collateral securing all or a part of the Guaranteed Obligations, compromise or adjust any part of the Guaranteed Obligations, make any other accommodation with any Obligated Party or exercise any other right or remedy available to it against any Obligated Party, without affecting or impairing in any way the liability of such Loan Guarantor under this Loan Guaranty except to the extent the Guaranteed Obligations have been fully and indefeasibly paid in cash. To the fullest extent permitted by applicable law, each Loan Guarantor waives any defense arising out of any such election even though that election may operate, pursuant to applicable law, to impair or extinguish any right of reimbursement or subrogation or other right or remedy of any Loan Guarantor against any Obligated Party or any security.

SECTION 10.05 Rights of Subrogation. No Loan Guarantor will assert any right, claim or cause of action, including, without limitation, a claim of subrogation, contribution or indemnification that it has against any Obligated Party, or any collateral, until the Loan Parties and the Loan Guarantors have fully performed all their obligations to the Agents, the Issuing Banks and the Lenders.

SECTION 10.06 Reinstatement; Stay of Acceleration. If at any time any payment of any portion of the Guaranteed Obligations is rescinded or must otherwise be restored or returned upon the insolvency, bankruptcy, or reorganization of any Borrower or otherwise, each Loan Guarantor's obligations under this Loan Guaranty with respect to that payment shall be reinstated at such time as though the payment had not been made and whether or not the Agents, the Issuing Banks and the Lenders are in possession of this Loan Guaranty. If acceleration of the time for payment of any of the Guaranteed Obligations is stayed upon the insolvency, bankruptcy or reorganization of any Borrower, all such amounts otherwise subject to acceleration under the terms of any agreement relating to the Guaranteed Obligations shall nonetheless be payable by the Loan Guarantors forthwith on demand by the Lender.

SECTION 10.07 Information. Each Loan Guarantor assumes all responsibility for being and keeping itself informed of the Borrowers' financial condition and assets, and of all other circumstances bearing upon the risk of nonpayment of the Guaranteed Obligations and the nature, scope and extent of the risks that each Loan Guarantor assumes and incurs under this Loan Guaranty, and agrees that neither any Agent, any Issuing Bank nor any Lender shall have any duty to advise any Loan Guarantor of information known to it regarding those circumstances or risks.

SECTION 10.08 Termination. The Lenders may continue to make loans or extend credit to the Borrowers based on this Loan Guaranty until five days after it receives written notice of termination from any Loan Guarantor. Notwithstanding receipt of any such notice, each Loan Guarantor will continue to be liable to the Lenders for any Guaranteed Obligations created, assumed or committed to prior to the fifth day after receipt of the notice, and all subsequent renewals, extensions, modifications and amendments with respect to, or substitutions for, all or any part of that Guaranteed Obligations.

SECTION 10.09 Taxes. (a) All payments of the Guaranteed Obligations will be made by each Loan Guarantor free and clear of and without withholding or deduction for any Taxes or Other Taxes; provided that if any Loan Guarantor shall be required to withhold or deduct any Taxes or Other Taxes from such payments, then (i) the sum payable shall be increased as necessary so that after making all required withholdings or deductions (including withholdings or deductions applicable to additional sums payable under this Section) the Administrative Agent, the Collateral Agents, Lender or Issuing Bank (as the case may be) receives an amount equal to the sum it would have received had no such withholdings or deductions been made, (ii) such Loan Guarantor shall make such withholdings or deductions, (iii) such Loan Guarantor shall pay the full amount withheld or deducted to the relevant Governmental Authority in accordance with applicable law and (iv) such Loan Guarantor shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, and a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

SECTION 10.10 Luxembourg Registration Duties. The Luxembourg Borrower shall not be required to pay or indemnify any Lender or the Agents for any registration duties (*droits d'enregistrements*) pertaining to the registration of a Loan Document if such registration is not required to preserve the rights of any such Lender or Agent.

SECTION 10.11 Maximum Liability. The provisions of this Loan Guaranty are severable, and in any action or proceeding involving any corporate law, or any provincial, state, federal or foreign bankruptcy, insolvency, reorganization or other law affecting the rights of creditors generally, if the obligations of any Loan Guarantor under this Loan Guaranty would otherwise be held or determined to be void, voidable, avoidable, invalid or unenforceable on account of the amount of such Loan Guarantor's liability under this Loan Guaranty, then, notwithstanding any other provision of this Loan Guaranty to the contrary, the amount of such liability shall, without any further action by the Loan Guarantors or the Lenders, be automatically limited and reduced to the highest amount that is valid and enforceable as determined in such action or proceeding (such highest amount determined hereunder being the relevant Loan Guarantor's "Maximum Liability". This Section with respect to the Maximum Liability of each Loan Guarantor is intended solely to preserve the rights of the Lenders to the maximum extent not subject to avoidance under applicable law, and no Loan Guarantor nor any other person or entity shall have any right or claim under this Section with respect to such Maximum Liability, except to the extent necessary so that the obligations of any Loan Guarantor hereunder shall not be rendered voidable under applicable law. Each Loan Guarantor agrees that the Guaranteed Obligations may at any time and from time to time exceed the Maximum Liability of each Loan Guarantor without impairing this Loan Guaranty or affecting the rights and remedies of the Lenders hereunder, provided that, nothing in this sentence shall be construed to increase any Loan Guarantor's obligations hereunder beyond its Maximum Liability.

SECTION 10.12 Contribution. In the event any Loan Guarantor (a "Paying Guarantor") shall make any payment or payments under this Loan Guaranty or shall suffer any loss as a result of any realization upon any collateral granted by it to secure its obligations under this Loan Guaranty, each other Loan Guarantor (each a "Non-Paying Guarantor") shall contribute to such Paying Guarantor an amount equal to such Non-Paying Guarantor's "Applicable Percentage" of such payment or payments made, or losses suffered, by such Paying Guarantor. For purposes of this Article X, each Non-Paying Guarantor's "Applicable Percentage" with respect to any such payment or loss by a Paying Guarantor shall be determined as of the date on which such payment or loss was made by reference to the ratio of (i) such Non-Paying Guarantor's Maximum Liability as of such date (without giving effect to any right to receive, or obligation to make, any contribution hereunder) or, if such Non-Paying Guarantor's Maximum Liability has not been determined, the aggregate amount of all monies received by such Non-Paying Guarantor from the Borrowers after the date hereof (whether by loan, capital infusion or by other means) to (ii) the aggregate Maximum Liability of all Loan Guarantors hereunder (including such Paying Guarantor) as of such date (without giving effect to any right to receive, or obligation to make, any contribution hereunder), or to the extent that a Maximum Liability has not been determined for any Loan Guarantor, the aggregate amount of all monies received by such Loan Guarantors from the Borrowers after the date hereof (whether by loan, capital infusion or by other means). Nothing in this provision shall affect any Loan Guarantor's several liability for the entire amount of the Guaranteed Obligations (up to such Loan Guarantor's Maximum Liability). Each of the Loan Guarantors covenants and agrees that its right to receive any contribution under this Loan Guaranty from a Non-Paying Guarantor shall be subordinate and junior in right of payment to the payment in full in cash of the Guaranteed Obligations. This provision is for the benefit of the Administrative Agent, the Collateral Agents, the Issuing Banks, the Lenders and the Loan Guarantors and may be enforced by any one, or more, or all of them in accordance with the terms hereof.

SECTION 10.13 Liability Cumulative. The liability of each Loan Party as a Loan Guarantor under this Article X is in addition to and shall be cumulative with all liabilities of each Loan Party to the Agents, the Issuing Banks and the Lenders under this Agreement and the other Loan Documents to which such Loan Party is a party or in respect of any obligations or liabilities of the other Loan Parties, without any limitation as to amount, unless the instrument or agreement evidencing or creating such other liability specifically provides to the contrary.

SECTION 10.14 Effective Agreement. (a) On the ~~Restatement~~Third Amendment Effective Date, the Existing Credit Agreement shall be amended and restated in its entirety by this Agreement. The parties hereto acknowledge and agree that (i) this Agreement and the other Loan Documents, whether executed and delivered in connection herewith or otherwise, do not constitute a novation, payment and reborrowing, or termination of the "Obligations" (as defined in the Existing Credit Agreement) under the Existing Credit Agreement as in effect prior to the ~~Restatement~~Third Amendment Effective Date and (ii) such "Obligations" are in all respects continuing (as amended and restated hereby) with only the terms thereof being modified as provided in this Agreement.

(b) On the ~~Restatement~~Third Amendment Effective Date, any Lender (as defined in the Existing Credit Agreement) that is not a Lender under this Agreement shall have no Commitments or obligations hereunder. Each Lender that is a party to the Existing Credit Agreement hereby waives the requirement set forth in Section 2.09(d) of the Existing Credit Agreement that the Borrower Representative give at least three Business Days' notice of termination of the "Commitments" as defined in the Existing Agreement.

(c) On the ~~Restatement~~Third Amendment Effective Date, any outstanding Revolving Loan, Swingline Exposure, LC Exposure or Protective Advance Exposure under the Existing Credit Agreement shall be reallocated among the Lenders in accordance with their respective Applicable Percentages and the Lenders shall advance such funds to the Administrative Agent (and the Administrative Agent shall take any actions) as shall be required to (i) repay Loans (as defined in the Existing Credit Agreement) held by "Lenders" under the Existing Credit Agreement that are not Lenders under this Agreement and (ii) reallocate Loans such that each Lender's share of outstanding Loans as of the ~~Restatement~~Third Amendment Effective Date shall be equal to its Applicable Percentage after giving effect to the ~~Restatement~~Third Amendment Effective Date.

SECTION 10.15 Keepwell. Each Qualified Keepwell Provider hereby jointly and severally absolutely, unconditionally, and irrevocably undertakes to provide such funds or other support as may be needed from time to time by each other Loan Party to honor all of its obligations under this guarantee in respect of any Swap Obligation (provided, however, that each Qualified Keepwell Provider shall only be liable under this Section 10.15 for the maximum amount of such liability that can be hereby incurred without rendering its obligations under this Section 10.15, or otherwise under this guarantee, voidable under applicable law relating to fraudulent conveyance or fraudulent transfer, and not for any greater amount). The obligations of each Qualified Keepwell Provider under this Section 10.15 shall remain in full force and effect until the payment in full of the Guaranteed Obligations and the release of such Qualified Keepwell Provider from its obligations hereunder pursuant to Section 9.02 of the Credit Agreement. Each Qualified Keepwell Provider intends that this Section 10.15 constitute, and this Section 10.15 shall be deemed to constitute, a "keepwell, support, or other agreement" for the benefit of each other Loan Party for all purposes of section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

ARTICLE XI

The Borrower Representative

SECTION 11.01 Appointment; Nature of Relationship. The Company is hereby appointed by each of the Borrowers as its contractual representative (herein referred to as the "Borrower Representative") hereunder and under each other Loan Document, and each of the Borrowers irrevocably authorizes the Borrower Representative to act as the contractual representative of such Borrower with the rights and duties expressly set forth herein and in the other Loan Documents. The Borrower Representative agrees to act as such contractual representative upon the express conditions contained in this Article XI. Additionally, each Borrower hereby appoints, to the extent the Borrower Representative requests any Loan on behalf of such Borrower, the Borrower Representative as its agent to receive all of the proceeds of such Loan in the Funding Account(s), at which time the Borrower Representative shall promptly disburse such Loan to such Borrower. Neither the Agents, the Lenders nor the Issuing Banks and their respective officers, directors, agents or employees, shall not be liable to the Borrower Representative or any Borrower for any action taken or omitted to be taken by the Borrower Representative or the Borrowers pursuant to this Section 11.01.

SECTION 11.02 Powers. The Borrower Representative shall have and may exercise such powers under the Loan Documents as are specifically delegated to the Borrower Representative by the terms of each thereof, together with such powers as are reasonably incidental thereto. The Borrower Representative shall have no implied duties to the Borrowers, or any obligation to the Lenders to take any action thereunder except any action specifically provided by the Loan Documents to be taken by the Borrower Representative.

SECTION 11.03 Employment of Agents. The Borrower Representative may execute any of its duties as the Borrower Representative hereunder and under any other Loan Document by or through authorized officers.

SECTION 11.04 Notices. Each Borrower shall immediately notify the Borrower Representative of the occurrence of any Default hereunder, each such notice to refer to this Agreement describing such Default and stating that such notice is a "notice of default." In the event that the Borrower Representative receives such a notice, the Borrower Representative shall give prompt notice thereof to the Administrative Agent, the Collateral Agents and the Lenders. Any notice provided to the Borrower Representative hereunder shall constitute notice to each Borrower on the date received by the Borrower Representative.

SECTION 11.05 Successor Borrower Representative. Upon the prior written consent of the Administrative Agent, the Borrower Representative may resign at any time, such resignation to be effective upon the appointment of a successor Borrower Representative acceptable to the Administrative Agent. The Administrative Agent shall give prompt written notice of such resignation to the Lenders.

SECTION 11.06 Execution of Loan Documents; Borrowing Base Certificate. The Borrowers hereby empower and authorize the Borrower Representative, on behalf of the Borrowers, to execute and deliver to the Agents and the Lenders the Loan Documents and all related agreements, certificates, documents, or instruments as shall be necessary or appropriate to effect the purposes of the Loan Documents, including without limitation, the any Borrowing Base Certificate and any certificates

required pursuant to Article V. Each Borrower agrees that any action taken by the Borrower Representative or the Borrowers in accordance with the terms of this Agreement or the other Loan Documents, and the exercise by the Borrower Representative of its powers set forth therein or herein, together with such other powers that are reasonably incidental thereto, shall be binding upon all of the Borrowers.

SECTION 11.07 Reporting. Each Borrower hereby agrees that such Borrower shall furnish promptly after each fiscal month to the Borrower Representative a copy of its Borrowing Base Certificate and any other certificate or report required hereunder or requested by the Borrower Representative on which the Borrower Representative shall rely to prepare the Aggregate Borrowing Base Certificate and the Borrowing Base Certificate of each Borrower and Compliance Certificates required pursuant to the provisions of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

BORROWERS:

OFFICE DEPOT, INC.

By _____
Name: Michael D. Newman
Title: Executive Vice President and Chief Financial Officer

OFFICE DEPOT INTERNATIONAL (UK) LTD.

By _____
Name:
Title:

OFFICE DEPOT UK LTD.

By _____
Name:
Title:

OFFICE DEPOT INTERNATIONAL B.V.

By _____
Name:
Title:

OFFICE DEPOT B.V.

By _____
Name:
Title:

OFFICE DEPOT FINANCE B.V.

By _____
Name:
Title:

OD INTERNATIONAL (LUXEMBOURG) FINANCE S.À R.L.

By _____
Name:
Title:

By _____
Name:
Title:

VIKING FINANCE (IRELAND) LTD.

By _____
Name:
Title:

LOAN GUARANTORS:

4SURE.COM, INC.

By _____
Name: ~~Jennifer Boese~~Richard Leland
Title: Vice President and Treasurer

OD AVIATION, INC.

By _____
Name: ~~Jennifer Boese~~Richard Leland
Title: Vice President and Treasurer

OD INTERNATIONAL, INC.

By _____
Name: ~~Jennifer Boese~~Richard Leland
Title: Vice President and Treasurer

OD OF TEXAS, LLC

By _____
Name: ~~Jennifer Boese~~Richard Leland
Title: Vice President and Treasurer

SOLUTIONS4SURE.COM, INC.

By _____
Name: ~~Jennifer Boese~~Richard Leland
Title: Vice President and Treasurer

THE OFFICE CLUB, INC.

By _____
Name: ~~Jennifer Boese~~Richard Leland
Title: Vice President and Treasurer

VIKING OFFICE PRODUCTS, INC.

By _____

Name: ~~Jennifer Boese~~Richard Leland
Title: Vice President and Treasurer

[Signature Page to Amended and Restated Credit Agreement]

JPMORGAN CHASE BANK, N.A., individually, as Administrative Agent, US Collateral Agent and Lender

By _____
Name:
Title:

JPMORGAN CHASE BANK, N.A., LONDON BRANCH, as European Administrative Agent and European Collateral Agent

By _____
Name:
Title:

BANK OF AMERICA, N.A., as Syndication Agent and Lender

By _____
Name:
Title:

[Signature Page to Amended and Restated Credit Agreement]

CITIBANK, N.A., as Documentation Agent and Lender

By _____
Name:
Title:

[Signature Page to Amended and Restated Credit Agreement]

WELLS FARGO BANK, NATIONAL
ASSOCIATION, as Documentation Agent and Lender

By _____
Name:
Title:

[Signature Page to Amended and Restated Credit Agreement]

CONFIDENTIAL

December 11, 2008

Ms. Deborah A. O'Connor
24W485 Eugenia Drive
Naperville, IL 60540

Dear Deb:

OfficeMax Incorporated (the "Company") is amending and restating the terms of your letter agreement dated July 9, 2008 (the "Agreement") which provides you with severance benefits if your employment with the Company is terminated before or after a "change in control of the Company" (as defined in Section 2 of the Agreement). Agreement terms are being amended solely to comply with Section 409A of the Internal Revenue Code of 1986, as amended, with such changes effective January 1, 2009. As you may know, Section 409A subjects non-qualified deferred compensation, including certain severance benefits, to various rules and restrictions. On and after the execution of the amended and restated Agreement, it shall be known as the Agreement. The Agreement terms are as follows:

1. Term of Agreement. This Agreement is effective as of January 1, 2009 and shall continue in effect through January 1, 2010 provided that, on each January 1, the term of this Agreement shall automatically be extended so as to terminate on the 2nd anniversary of such date, unless, not later than September 30 of the preceding year, the Company shall have given notice not to extend this Agreement. However, if a change in control of the Company occurs during the term of this Agreement, this Agreement shall continue in effect for a period of 24 months after the month in which the change in control of the Company occurred.

2. Change in Control.

A. A "change in control of the Company" shall be deemed to have occurred if an event set forth in any one of the following paragraphs occurs:

(1) Any Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing 25% or more of either the then outstanding shares of common stock of the Company or the combined voting power of the Company's then outstanding securities; provided, however, if such Person acquires securities directly from the Company, such securities shall not be included unless such Person acquires additional securities which, when added to the securities acquired directly from the Company, exceed 25% of the Company's then

outstanding shares of common stock or the combined voting power of the Company's then outstanding securities; and provided further that any acquisition of securities by any Person in connection with a transaction described in Subsection 2.A(3)(i) of this Agreement shall not be deemed to be a change in control of the Company; or

(2) The individuals who, on any date following the date hereof, constitute the Board (the "Incumbent Board Members"), cease, in any two year period following such date, to represent at least a majority of the number of directors then serving, provided, however, that any new director whose appointment or election by the Board or nomination for election by the Company's stockholders was approved by a vote of at least 2/3rds of the Incumbent Board Members shall be deemed for purposes hereof to be Incumbent Board Members, unless such director's initial assumption of office is in connection with an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of directors of the Company; or

(3) The consummation of a merger or consolidation of the Company (or any direct or indirect subsidiary of the Company) with any other corporation other than (i) a merger or consolidation which would result in both (a) Incumbent Board Members continuing to constitute at least a majority of the number of directors of the combined entity immediately following consummation of such merger or consolidation, and (b) the voting securities of the Company outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or any parent thereof) more than 50% of the combined voting power of the voting securities of the Company or such surviving entity or any parent thereof outstanding immediately after such merger or consolidation, or (ii) a merger or consolidation effected with the approval of the Board to implement a recapitalization of the Company (or similar transaction) in which no Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing 25% or more of either the then outstanding shares of common stock of the Company or the combined voting power of the Company's then outstanding securities; provided that securities acquired directly from the Company shall not be included unless the Person acquires additional securities which, when added to the securities acquired directly from the Company, exceed 25% of the Company's then outstanding shares of common stock or the combined voting power of the Company's then outstanding securities; and provided further that any acquisition of securities by any Person in connection with a transaction described in Subsection 2.A(3)(i) of this Agreement shall not be deemed to be a change in control of the Company; or

(4) The stockholders of the Company approve a plan of complete liquidation or dissolution of the Company or the consummation of an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets, other than a sale or disposition by the Company of all or substantially all of the Company's assets to an entity, more than 50% of the combined voting power of the voting securities of which are owned by Persons in substantially the same proportions as their ownership of the Company immediately prior to such sale.

A transaction described in Section 2.A(3) which is not a change in control of the Company solely due to the operation of Subsection 2.A(3)(i)(a) will nevertheless constitute a change in control of the Company if the Board determines, prior to the consummation of the transaction, that there is not a reasonable assurance that, for at least two years following the consummation of the transaction, at least a majority of the members of the board of directors of the surviving entity or any parent will continue to consist of Continuing Directors and individuals whose election or nomination for election by the shareholders of the surviving entity or any parent would be approved by a vote of at least two-thirds of the Continuing Directors and individuals whose election or nomination for election has previously been so approved.

Notwithstanding the foregoing, any event or transaction which would otherwise constitute a change in control of the Company (a "Transaction") shall not constitute a change in control of the Company for purposes of your benefits under this Agreement if, in connection with the Transaction, you participate as an equity investor in the acquiring entity or any of its affiliates (the "Acquirer"). For purposes of the preceding sentence, you shall not be deemed to have participated as an equity investor in the Acquiror by virtue of (a) obtaining beneficial ownership of any equity interest in the Acquiror as a result of the grant to you of an incentive compensation award under one or more incentive plans of the Acquiror (including but not limited to the conversion in connection with the Transaction of incentive compensation awards of the Company into incentive compensation awards of the Acquiror), on terms and conditions substantially equivalent to those applicable to other executives of the Company immediately prior to the Transaction, after taking into account normal differences attributable to job responsibilities, title, and the like; (b) obtaining beneficial ownership of any equity interest in the Acquiror on terms and conditions substantially equivalent to those obtained in the Transaction by all other stockholders of the Company; or (c) having obtained an incidental equity ownership in the Acquiror prior to and not in anticipation of the Transaction.

B. For purposes of this Agreement, a "potential change in control of the Company" shall be deemed to have occurred if (1) the Company enters into an agreement, the consummation of which would result in the occurrence of a change in control of the Company, (2) the Company or any Person publicly announces an intention to take or to consider taking actions which if consummated would constitute a change in control of the Company; (3) any Person becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing 9.5% or more of either the then outstanding shares of common stock of the Company or the combined voting power of the Company's then outstanding securities, provided that securities acquired directly from the Company shall not be included unless the Person acquires additional securities which, when added to the securities acquired directly from the Company, exceed 9.5% of the Company's then outstanding shares of common stock

(or the combined voting power of the Company's then outstanding securities); or (4) the Board adopts a resolution to the effect that a potential change in control of the Company for purposes of this Agreement has occurred. You agree that, subject to the terms and conditions of this Agreement, in the event of a potential change in control of the Company, you will at the option of the Company remain in the employ of the Company until the earlier of (a) the date which is 6 months from the occurrence of the first potential change in control of the Company, or (b) the date of a change in control of the Company.

C. For purposes of this Agreement, "Beneficial Owner" shall have the meaning set forth in Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the "Exchange Act").

D. For purposes of this Agreement, "Person" shall have the meaning given in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof, except that "Person" shall not include (1) the Company or any of its subsidiaries, (2) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or any of its subsidiaries, (3) an underwriter temporarily holding securities pursuant to an offering of such securities, (4) a corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company, or (5) an individual, entity or group that is permitted to and does report its beneficial ownership of securities of the Company on Schedule 13G under the Exchange Act (or any successor schedule), provided that if the individual, entity or group later becomes required to or does report its ownership of Company securities on Schedule 13D under the Exchange Act (or any successor schedule), then the individual, person or group shall be deemed to be a Person for purposes of this Agreement as of the first date on which the individual, person or group becomes required to or does report its ownership on Schedule 13D.

3. Termination and Change in Control. Except as set forth in Sections 6, 7, and 10.A, no benefits shall be payable under this Agreement unless there is a change in control of the Company, your employment is terminated, and your termination is a Qualifying Termination or a Qualifying Early Termination. Your termination is a Qualifying Termination if a change in control of the Company occurs and your employment subsequently terminates during the term of this Agreement, unless your termination is because of your death, by the Company for Cause or Disability, or by you other than for Good Reason. Your termination is a Qualifying Early Termination if a potential change in control of the Company occurs, your employment terminates during the pendency of the potential change in control of the company and during the term of this Agreement, the termination is in contemplation of a change in control of the Company, and an actual change in control of the Company occurs within one year following your termination, unless your termination is because of your death, by the Company for Cause or Disability, or by you other than for Good Reason. A transfer of your employment from the Company to one of its subsidiaries, from a subsidiary to the Company, or between subsidiaries is not a termination of employment for purposes of this Agreement.

A. Disability. If, as a result of your incapacity due to physical or mental illness or injury, you are absent from your duties with the Company on a full-time basis for 6 consecutive months, and within 30 days after written notice of termination is given you have not returned to the full-time performance of your duties, the Company may terminate your employment for "Disability."

B. Cause. Termination by the Company of your employment for "Cause" means termination upon (1) your willful and continued failure to substantially perform your duties with the Company (other than failure resulting from your incapacity due to physical or mental illness or injury, or actual or anticipated failure resulting from your termination for Good Reason), after a demand for substantial performance is delivered to you by the Board which specifically identifies the manner in which the Board believes that you have not substantially performed your duties, or (2) your willful engagement in conduct which is demonstrably and materially injurious to the Company, monetarily or otherwise. For purposes of this Section 3.B, no act or failure to act on your part shall be considered "willful" unless done or omitted to be done by you not in good faith and without reasonable belief that your act or omission was in the best interest of the Company. Notwithstanding the foregoing, you shall not be deemed to have been terminated for Cause unless and until:

- a resolution is duly adopted by the affirmative vote of not less than three-quarters of the entire membership of the Board at a meeting of the Board called and held for the purpose (after reasonable notice to you and an opportunity for you, together with your counsel, to be heard before the Board), finding that in the good faith opinion of the Board you were guilty of conduct set forth above in clauses (1) or (2) of this Section 3.B and specifying the particulars of your conduct in detail, and
- a copy of this resolution is delivered to you.

All decisions by the Company regarding termination for Cause must be supported by clear and convincing evidence.

C. Good Reason. "Good Reason" means any of the following, if occurring without your express written consent after a change in control of the Company:

(1) The assignment to you of any duties materially inconsistent with your responsibilities as an Executive Officer of the Company or a significant adverse alteration in your responsibilities from those in effect immediately prior to the change in control of the Company;

(2) A material reduction by the Company in your annual base salary as in effect on the date of this Agreement (as the same may be increased from time to time), except for across-the-board salary reductions similarly affecting all executives of the Company and all executives of any Person in control of the Company;

(3) A material reduction by the Company in your target annual cash incentive as in effect immediately prior to the change in control of the Company;

(4) The Company's requiring you to be based anywhere located more than 50 miles from the primary office location at which you were based immediately prior to the change in control of the Company, except for required travel on the Company's business to an extent substantially consistent with your business travel obligations as existed immediately prior to the change in control;

(5) Following the change in control of the Company, a material reduction by the Company in aggregate benefits and compensation available to you, including paid time off, welfare benefits, short-term incentives, pension, life insurance, healthcare, and disability plans, as compared to such benefits and compensation available to you immediately prior to the change in control of the Company;

(6) Following the change in control of the Company, a material reduction by the Company in long-term equity incentives available to you as compared to such incentives available to you immediately prior to the change in control of the Company, except for across-the-board long-term equity incentive reductions similarly affecting all executives of the Company and all executives of any Person in control of the Company; or

(7) The failure of the Company to obtain a satisfactory agreement from any successor to assume and agree to perform this Agreement, as contemplated in Section 10.

Notwithstanding the foregoing, the events described in clauses (1) through (7) above shall not constitute Good Reason unless (A) you have delivered a Notice of Termination to the Company according to Sections 3.D. and 11 within 90 days of the occurrence of the event, which notice sets forth in reasonable detail the basis for your claim that Good Reason exists and (B) the Company fails to cure such event or circumstance within the 30 day period following receipt of such Notice of Termination.

For purposes of determining whether a Qualifying Early Termination has occurred, references to a change in control of the Company in this Section 3.C shall be deemed to refer to any potential change in control of the Company pending at the time of the event or circumstance alleged to be Good Reason.

Your right to terminate your employment pursuant to this Section 3.C shall not be affected by your incapacity due to physical or mental illness or injury. Your continued employment shall not constitute consent to, or a waiver of rights with respect to, any act or failure to act constituting Good Reason.

D. Notice of Termination. Any purported termination by the Company or by you shall be communicated by written Notice of Termination to the other party according to Section 11. A "Notice of Termination" must indicate the specific termination provision in this Agreement relied upon and set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of your employment under the indicated provision.

E. Date of Termination. "Date of Termination" means:

(1) if your employment is terminated for Disability, 30 days after the Notice of Termination is given (provided that you have not returned to the performance of your duties on a full-time basis during that 30-day period);

(2) if your employment is terminated for Cause, for Good Reason, or for any other reason other than Disability or a Qualifying Early Termination, the date specified in the Notice of Termination (which, in the case of a termination for Cause shall not be less than 30 days from the date the Notice of Termination is given, and in the case of a termination for Good Reason shall not be less than 10 days or more than 60 days from the date the Notice of Termination is given);

(3) if your termination is a Qualifying Early Termination, the later of the date determined according to subsection (1) or (2) above, or the date upon which the actual change in control of the Company occurs; or

(4) if a dispute exists regarding the termination, the date on which the dispute is finally determined, either by mutual written agreement of the parties or by a final judgment, order or decree of a court of competent jurisdiction (the time for appeal having expired and no appeal having been perfected), or, if earlier, the last day of the term of this Agreement. This subsection (4) shall apply only if (i) the party receiving the Notice of Termination notifies the other party within 30 days that a dispute exists, (ii) the notice of dispute is made in good faith, and (iii) the party giving the notice of dispute pursues resolution of the dispute with reasonable diligence. While any dispute is pending under this subsection (4), the Company will continue to pay you your full compensation in effect when the Notice of Termination giving rise to the dispute was given (including, but not limited to, base salary) and continue you as a participant in all compensation, benefit and insurance plans and programs in which you were participating when the Notice of Termination giving rise to the dispute was given, until the dispute is finally resolved, or if earlier, the last day of the term of this Agreement. Amounts paid under this subsection (4) are in addition to all other amounts due under this Agreement and shall not be offset against or reduce any other amounts due under this Agreement.

4. Compensation upon Termination for Cause or Other than for Good Reason. If your employment is terminated for Cause or by you other than for Good Reason, the Company shall pay you only your full base salary through the Date of Termination at the rate in effect at the time Notice of Termination is given, plus all other amounts to which you are entitled under any compensation plan of the Company at the time those payments are due, and the Company shall have no further obligations to you under this Agreement.

5. Compensation upon a Qualifying Termination or Qualifying Early Termination. If your employment is terminated pursuant to a Qualifying Termination or Qualifying Early Termination, then you shall be entitled to the benefits provided in this Section 5.

A. The Company will pay you the amounts specified below within fifteen (15) days after the execution of the release required pursuant to Section 8.E and after the expiration of any revocation period provided for in the release has passed. Notwithstanding the foregoing, in no event shall payment be made later than March 15 of the calendar year after the calendar year in which your Date of Termination occurs. If the applicable release revocation period has not expired by March 10 of the calendar year following your Date of Termination, all severance to which you are entitled pursuant to Section 5.A(3) shall be forfeit.

(1) Your full base salary through the Date of Termination (or, in the case of a Qualifying Early Termination, through your last day of employment if such amount has not already been paid) at the rate in effect at the time Notice of Termination is given without regard to any reduction in base salary that would constitute Good Reason (whether or not any reduction is asserted as Good Reason), plus all other amounts to which you are entitled under any compensation plan of the Company at the time those payments are due (in each case, to the extent not already paid); and

(2) To the extent not already paid, a lump sum amount equal to the greater of the value of your unused and accrued time off, less any advanced time off, in accordance with the Company's Your Time Off Policy (or any successor policy) as in effect immediately prior to the change in control of the Company or as in effect on the Date of Termination (or, in the case of a Qualifying Early Termination, as in effect on your last day of employment), whichever is more favorable to you; and

(3) A lump sum severance payment equal to one times the sum of (a) your annual base salary at the rate in effect at the time Notice of Termination is given without regard to any reduction in base salary that would

constitute Good Reason (whether or not any reduction is asserted as Good Reason) ("Base Salary"), plus (b) the Target Bonus. For purposes of this paragraph (3), "Target Bonus" means an amount equal to the average annual incentive earned by you in the three completed years preceding the Date of Termination, provided that in either case, if you have earned fewer than three annual bonuses prior to the Date of Termination, Target Bonus means your target annual incentive for the year in which occurs the Date of Termination (or, in the case of a Qualifying Early Termination, your last day of employment) without regard to any reduction in the target incentive that would constitute Good Reason (whether or not any reduction is asserted as Good Reason).

B. With respect to each benefit listed below, the Company shall, at its sole discretion, comply with either subsection (1) or (2) below:

(1) for a 12-month period following the Date of Termination, maintain, in full force and effect for your continued benefit at substantially the same cost to you as determined immediately prior to your last day of employment, all life (other than the Company's Executive Life Insurance Program, if applicable), disability, accident and healthcare insurance plans, programs, or arrangements, and financial counseling services in which you were participating immediately prior to the change in control of the Company (or in the case of a Qualifying Early Termination, immediately prior to your last day of employment), or, if more favorable to you, the plans, programs, or arrangements in which you were participating immediately prior to the Date of Termination; or

(2) at the time specified in Section 5.A, pay you a lump sum payment equal to 12 times 150% of the sum of (a) the monthly group premium, less the amount of employee contributions, for the life (other than executive life, if applicable), disability, accident and healthcare insurance plans, programs, or arrangements, and (b) the monthly allowance for financial counseling services, in each case in which you were participating immediately prior to the change in control of the Company (or in the case of a Qualifying Early Termination, immediately prior to your last day of employment), or, if more favorable to you, the plans, programs, or arrangements in which you were participating immediately prior to the Date of Termination.

The forfeiture provision specified in Section 5.A. applies to the benefits provided under this Section 5.B.

If the Company chooses to provide the benefits indicated under subsection (1), and your continued participation (or a particular type of coverage) is not possible or becomes impossible under the general terms and provisions of the plans, programs or arrangements, then the Company shall arrange to provide you with benefits, at substantially the same cost to you as determined immediately prior to your last day of employment, which are substantially similar to those which you are entitled to receive under such plans, programs and arrangements.

Notwithstanding the foregoing, the Company shall continue to pay the Company-paid premium under the Company's Executive Life Insurance Program (or a successor plan) for twelve months following the Date of Termination.

For a Qualifying Early Termination, any portion of the period commencing on the day after your last day of employment through and including the Date of Termination during which the Company provides you with benefit continuation or pays the Company-paid premium under the Company's Executive Life Insurance Program (or a successor plan) will apply toward the 12-month payment period required above.

C. You shall not be required to mitigate the amount of any payment provided for in this Section 5 by seeking other employment or otherwise, nor shall the amount of any payment or benefit provided for in Section 5.A be reduced by any compensation earned by you as the result of employment by another employer or by retirement benefits after the Date of Termination, or otherwise, except as specifically provided in Section 5.D. Benefits otherwise receivable by you pursuant to Section 5.B(1) shall be reduced to the extent comparable benefits are actually received by you during the 12-month period following your termination, and you must report any such benefits actually received by you to the Company.

D. If you experience a Qualifying Termination or a Qualifying Early Termination that entitles you to benefits under this Agreement, and your termination also entitles you to benefits under the offer letter between you and OfficeMax as amended by letter dated July 9, 2008 (the "Offer Letter"), then benefits otherwise receivable by you pursuant to Section 5.A shall be offset by amounts to which you are entitled under the Offer Letter.

E. Code Section 409A Provision. Notwithstanding anything in this Agreement to the contrary, in all cases, if you are a "specified employee" of the Company for purposes of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code") at the time of your separation from service (as determined pursuant to Code Section 409A) with the Company and if an exception under Code Section 409A does not apply, any severance payment(s) that are otherwise scheduled to commence to you immediately after your separation from service will be delayed in their entirety by 6 months from the date of your separation from service. On the first regularly scheduled payroll date following the 6-month anniversary of the date of your separation from service, the Company will pay you a lump sum payment equal to the severance payment(s) that you would otherwise have received through such payroll date, and the balance of the benefit payments to which you are entitled under this Section 5 will be paid thereafter on the original schedule. The Company believes such delay in payment will avoid the application of adverse taxation to you under Code Section 409A. However, the Company does not guarantee such tax treatment and you are strongly encouraged to consult your own tax, financial and legal advisors regarding the effects of this Agreement on your personal tax situation.

6. Legal Fees. The Company shall pay to you all reasonable legal fees and expenses which you incur following a change in control of the Company (a) as a result of contesting or disputing your termination, (b) in seeking in good faith to obtain or enforce any right or benefit provided by this Agreement (provided, in the case of clauses (a) and (b) that you shall refund all such fees and expenses to the Company should you not substantially prevail in the applicable proceeding), or (c) in connection with any tax audit or proceeding to the extent applicable to the application of Section 4999 of the Internal Revenue Code of 1986 as amended, to any payment or benefit provided under this Agreement. This payment shall be made within 10 business days after the Company receives your written request for payment accompanied by reasonable evidence of fees and expenses incurred.

7. Excise Tax Provisions.

A. Notwithstanding any provision of this Agreement to the contrary (but except as provided in the following sentence), if you would receive payments under this Agreement or under any other plan, program, or policy sponsored by the Company which relate to a change in control of the Company (the "Total Payments") and which are determined by the Company to be subject to excise tax under Section 4999 of the Code (the "Excise Tax"); then the Company shall pay to you an additional amount (the "Gross-up Payment") such that the net amount retained by you, after deduction of any Excise Tax on the Total Payments and any federal, state and local income taxes, employment taxes and Excise Tax upon the Gross-up Payment, shall be equal to the Total Payments. Notwithstanding the preceding sentence, if it shall be determined that the Total Payments do not exceed 110% of the greatest amount (the "Reduced Amount") that could be paid to you such that the receipt of Total Payments would not give rise to any Excise Tax, then no Gross-Up Payment shall be made to you, and the portion of the Total Payments that are payable hereunder shall be reduced such that the Total Payments equal the Reduced Amount. The reduction of the amounts payable hereunder shall be made in consultation with you and in such a manner as to maximize the value of all Total Payments actually made you.

B. For purposes of determining whether any of the Total Payments will be subject to the Excise Tax and the amount of such Excise Tax, (1) all of the Total Payments shall be treated as "parachute payments" (within the meaning of Section 280G(b)(2) of the Code) unless, in the Company's opinion, the payments or benefits (in whole or in part) do not constitute parachute payments, including by reason of Section 280G(b)(4)(A) of the Code, and (2) all "excess parachute payments" within the meaning of Section 280G(b)(1) of the Code shall be treated as subject to the Excise Tax unless, in the Company's opinion, the excess parachute payments (in whole or in part) represent reasonable compensation for services actually rendered (within the meaning of Section 280G(b)(4)(B) of the Code) in

excess of the base amount allocable to such reasonable compensation, or are otherwise not subject to the Excise Tax. For purposes of determining the amount of the Gross-up Payment, you will be deemed to pay federal income tax at the highest marginal rate of federal income taxation in the calendar year in which the Gross-up Payment is to be made and state and local income taxes at the highest marginal rate of taxation in the state and locality of your residence on the Date of Termination, net of the maximum reduction in federal income taxes which could be obtained from deduction of state and local taxes.

C. The Company will pay you the amount of the Gross-up Payment as soon as the amount can be determined, but in no event later than the 30th day after the Date of Termination. At the time that payments are made under this Agreement, the Company shall provide you with a written statement setting forth the manner in which the payments were calculated and the basis for the calculations including, without limitation, any opinions or other advice the Company has received from its tax counsel, its auditor, or other advisors or consultants (and any opinions or advice which are in writing shall be attached to the statement).

D. If the Excise Tax is finally determined to be less than the amount taken into account in calculating the Gross-up Payment, you shall repay to the Company, within 5 business days following the time that the amount of the reduction in Excise Tax is finally determined, the portion of the Gross-up Payment attributable to the reduction (plus that portion of the Gross-up Payment attributable to the Excise Tax and federal, state, and local income and employment taxes imposed on the Gross-up Payment being repaid by you, to the extent that such repayment results in a reduction in the Excise Tax and a dollar-for-dollar reduction in your taxable income and wages for purposes of federal, state, and local income and employment taxes). If the Excise Tax is determined, for any reason, to exceed the amount taken into account in calculating the Gross-up Payment, the Company shall make an additional Gross-up Payment in respect of the excess (including any interest, penalties, or additions payable by you with respect to the Excise Tax) within 5 business days following the time that the amount of the excess is finally determined. In no event shall such payment be made later than December 31 of the year following the year in which the Excise Tax is paid. You and the Company shall reasonably cooperate with the other in connection with any administrative or judicial proceedings concerning the existence or amount of liability for Excise Tax with respect to the Total Payments.

8. Employee Covenants; Release.

A. You agree that you will not, directly or indirectly, use, make available, sell, disclose or otherwise communicate to any person, other than in the course of your assigned duties and for the benefit of the Company, either during the period of your employment or at any time thereafter, any nonpublic, proprietary or confidential information, knowledge or data relating to the Company, any of its subsidiaries, affiliated companies or businesses, which you obtained during your employment by the Company. This restriction will not apply to information that

(i) was known to the public before its disclosure to you; (ii) becomes known to the public after disclosure to you through no wrongful act of yours; or (iii) you are required to disclose by applicable law, regulation or legal process (provided that you provide the Company with prior notice of the contemplated disclosure and reasonably cooperate with the Company at its expense in seeking a protective order or other appropriate protection of such information).

B. During your employment with the Company and for one year after your termination, you agree that you will not, directly or indirectly, individually or on behalf of any other person, firm, corporation or other entity, knowingly solicit, aid or induce any managerial level employee of the Company or any of its subsidiaries or affiliates to leave employment in order to accept employment with or render services to or with any other person, firm, corporation or other entity unaffiliated with the Company or knowingly take any action to materially assist or aid any other person, firm, corporation or other entity in identifying or hiring any such employee.

C. You agree that during and after your employment with the Company you shall not make any public statements that disparage the Company, its respective affiliates, employees, officers, directors, products or services. Notwithstanding the foregoing, (i) statements made in the course of sworn testimony in administrative, judicial or arbitral proceedings (including, without limitation, depositions in connection with such proceedings) shall not be subject to this Section 8.C, and (ii) nothing in this Section 8.C shall in anyway be interpreted to preclude or limit you from pursuing your legal rights or from otherwise communicating with governmental agencies pursuant to legislation or regulations permitting or requiring such communications.

D. For a period of 12 months after your termination of employment with the Company (or for a period of 12 months after a final judgment or injunction enforcing this covenant), you agree not to, directly as an employee or indirectly as a consultant or contractor, without the prior written consent of the Company, be employed in the same or similar capacity as you were employed by the Company immediately prior to termination of your employment, by another business entity or person engaged in the sale or distribution of office supplies, office furniture, computer consumables or related office products or services in North America.

In agreeing to this restriction, you specifically acknowledge the substantial value to the Company of Confidential Information and your intimate knowledge of the Company’s business and agree that such constitutes goodwill and a protectable interest of the Company.

E. Notwithstanding anything in this Agreement to the contrary, the payment to you of the benefits provided in Section 5 is conditioned upon your execution and delivery to the Company (and your failure to revoke) a customary general release of claims.

9. Deferred Compensation and Benefits Trust. The Company has established a Deferred Compensation and Benefits Trust, and shall comply with the terms of that Trust.

For this purpose, the term Deferred Compensation and Benefits Trust shall mean an irrevocable trust or trusts established or to be established by the Company with an independent trustee or trustees for the benefit of persons entitled to receive payments or benefits, the assets of which nevertheless will be subject to claims of the Company's creditors in the event of bankruptcy or insolvency.

10. Successors; Binding Agreement.

A. The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no succession had taken place. Failure of the Company to obtain an assumption and agreement prior to the effectiveness of any succession which occurs during your employment with the Company and the term of this Agreement shall be a breach of this Agreement and shall entitle you to compensation from the Company in the same amount and on the same terms as you would be entitled hereunder if you experience a Qualifying Termination or Qualifying Early Termination, except that for purposes of this Section 10.A, the date on which any such succession becomes effective shall be deemed the Date of Termination. As used in this Agreement, "Company" shall mean OfficeMax Incorporated and any successor to its business and/or assets which assumes and agrees to perform this Agreement.

B. This Agreement shall inure to the benefit of and be enforceable by your personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. If you should die while any amount would still be payable to you under this Agreement if you had continued to live, all such amounts, unless otherwise provided in this Agreement, shall be paid in accordance with the terms of this Agreement to your devisee, legatee or other designee or if there is no such designee, to your estate.

C. Any dispute between you and the Company regarding this Agreement may be resolved either by binding arbitration or by judicial proceedings at your sole election, and the Company agrees to be bound by your election in that regard, provided that the Company is entitled to seek equitable relief in a court of competent jurisdiction in connection with the enforcement of the covenants set forth in Section 8. Under no circumstance will a violation or alleged violation of those covenants entitle the Company to withhold or offset a payment or benefit due under this Agreement.

11. Notice. For the purposes of this Agreement, notices and all other communications provided for in the Agreement shall be in writing and shall be deemed to have been duly given when delivered or mailed by United States registered mail, return receipt requested, postage prepaid, addressed to the respective addresses set forth on the first page of this Agreement, provided that all notices to the Company shall be directed to the attention of the Board with a copy to the Secretary of the Company, or to such other address as either party may have furnished to the other in writing in accordance with this Section 11, except that notice of change of address shall be effective only upon receipt.

12. Miscellaneous. No provision of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing and signed by you and an officer designated by the Board. No waiver by either party at any time of any breach by the other party of, or compliance with, any condition or provision of this Agreement to be performed by the other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. No agreements or representations, oral or otherwise, express or implied, with respect to the subject matter of this Agreement have been made by either party which are not expressly set forth in this Agreement. All references to sections of the Exchange Act or the Code shall be deemed also to refer to any successor provisions to those sections. If the obligations of the Company under Sections 4, 5, 6 and 7 arise prior to the expiration of the term of this Agreement, those obligations shall survive the expiration of the term.

13. Validity. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect.

14. Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

15. No Guaranty of Employment. Neither this Agreement nor any action taken under this Agreement shall be construed as giving you a right to be retained as an employee or an executive officer of the Company.

16. Governing Law. This Agreement shall be governed by and construed in accordance with Delaware law.

17. Other Benefits. Any payments made to you pursuant to this Agreement are in addition to, and not in lieu of, any amounts to which you may be entitled under any other employee benefit plan, program or policy of the Company, except that (A) payments made to you pursuant to Section 5.A(3) shall be in lieu of any severance payment to which you would otherwise be entitled under any severance pay policy of the Company and (B) payments and benefits to which you are entitled under this Agreement may be subject to offset by payments and benefits to which you are entitled under the Offer Letter, as specifically provided in this Agreement.

If this letter correctly sets forth our agreement on the subject matter hereof, kindly sign and return to the Company the enclosed copy of this letter which will then constitute our agreement on this subject.

Sincerely,

OFFICEMAX INCORPORATED

By /s/ Matthew R. Broad
Matthew R. Broad
Executive Vice President - General Counsel

Agreed to this 11th day of December, 2008

/s/ Deborah A. O'Connor
Deborah A. O'Connor

OFFICEMAX INCORPORATED
RETENTION BONUS AGREEMENT

This OfficeMax Performance-Based Retention Bonus Agreement ("Agreement") is made and entered into by and between OfficeMax Incorporated ("OfficeMax" or "Company") and **Deb O'Connor** ("Associate") as of May 1, 2013.

WHEREAS, OfficeMax Incorporated has entered into a Merger Agreement with Office Depot, Inc. ("the Merger Agreement") which, upon regulatory approval and the passage of other conditions, will close ("the Closing"), resulting in a merger of equals; and

WHEREAS, the Associate has business knowledge and expertise critical to a successful Closing and integration of the merging entities.

THEREFORE, in consideration of the reciprocal obligations and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Potential Bonus. Associate will be eligible to receive a Potential Bonus of up to **$225,000** (such dollar amount hereinafter referred to as the "Potential Bonus"), provided Associate agrees to the terms and conditions of this Agreement. The Potential Bonus is divided into two equal installments. The first installment is divided equally into time-based and performance-based portions, and the second installment is time-based. The agreed upon performance objectives for the performance-based portion shall be documented and form a part of this Agreement.

2. Vesting and Payment of the Potential Bonus. Associate's entitlement to the Potential Bonus shall not vest until the following dates and in the following manner:

   A. The first installment of the Potential Bonus shall vest on the earlier of (i) March 31, 2014, or (ii) Closing (the "First Vesting Date"), provided Associate is employed by OfficeMax on that date. In vesting, the performance-based portion may be adjusted based on Associate's performance against agreed upon objectives prior to the Closing, as assessed by the Company in its sole and absolute discretion. Any portion of the Potential Bonus that does not vest based on this performance adjustment shall be cancelled.

   B. The remainder of the Potential Bonus shall vest on the earlier of (i) the six-month anniversary of the Closing, or (ii) June 30, 2014 (the "Second Vesting Date"), provided Associate is employed by OfficeMax on that date.

   The Bonus shall be paid in cash (subject to applicable deductions for income and employment taxes) as soon as possible after each installment vests and in no event later than two and one-half months after such vesting. In no event shall the performance-based adjustment cause the Potential Bonus to exceed the full amount of the Potential Bonus.

   If prior to the First Vesting Date or to the Second Vesting Date the Associate's employment with the Company is terminated involuntarily by the Company for any reason other than the reason set forth in Section 3 below or voluntarily by the Associate for any reason, any unvested portion of the Potential Bonus shall be immediately cancelled and forfeited.

3. Involuntary Termination of Employment or Termination Due to Death or Total and Permanent Disability Prior to Vesting Date(s). If, prior to the First Vesting Date, (i) Associate's employment is involuntarily terminated for reasons which qualify Associate for payment of severance under a Company severance plan or policy (or which would qualify Associate for payment of severance under a Company severance plan or policy as of the date of this Agreement) or (ii) Associate's employment is terminated due to Associate's death or total and permanent disability, then the full amount of the Potential Bonus, without any adjustment based on performance, shall immediately vest and be payable as soon as practical but in no event later than two and one-half months after the termination date. If, after the First Vesting Date but prior to the Second Vesting Date, (i) Associate's employment is involuntarily terminated for reasons which qualify Associate for payment of severance under a Company severance plan or policy (or which would qualify Associate for payment of

severance under a Company severance plan or policy as of the date of this Agreement) or (ii) Associate's employment is terminated due to Associate's death or total and permanent disability, then the full amount of the unvested remainder of the Potential Bonus, without any adjustment based on performance, shall immediately vest and be payable as soon as practical but in no event later than two and one-half months after the termination date. Any amounts due under this Section 3 are contingent upon appropriate documentation, such as, in the case of section 3(a)(i), Associate executing the Company's customary release of claims agreement in favor of the Company, its officers, directors, employees/associates, agents, affiliate entities, successors and assigns.

4. Successors and Binding Agreement. This Agreement shall inure to the benefit of and be binding upon the successors and assigns of OfficeMax. Associate shall have no right to assign this Agreement, it being personal to the Associate.

5. Non-Exclusivity of Rights. Nothing in this Agreement shall restrict or limit Associate's continuing or future entitlement or participation in any plan, program, practice, benefit or policy provided by the Company for which Associate qualifies, nor shall this Agreement in any respect limit or otherwise affect any rights Associate may have under any other contract or agreement with the Company.

6. Section 409A. Any payment pursuant to this Agreement is intended to constitute a payment pursuant to the "short-term deferral" exception under Code Section 409A, and this Agreement shall be interpreted consistent with this intent. To the extent applicable, this Agreement shall at all times be operated in accordance with the requirements of Code Section 409A, including any applicable exceptions. The Company shall have authority to take action, or refrain from taking action, with respect to the payments and benefits under this Agreement, that is reasonably necessary to comply with Code Section 409A, including but not limited to delaying a payment pursuant to the six-month deferral rule should (i) the Associate be a "specified employee" within the meaning of Code Section 409A and (ii) the Company make a good faith determination that any amount payable pursuant to this Agreement constitutes nonqualified deferred compensation for purposes of Code Section 409A.

7. Confidentiality. Because the number of associates to whom a retention agreement may be offered is very limited, the terms and conditions of this Agreement shall be kept strictly confidential at all times and Associate shall make no disclosure of its terms to anyone except as expressly authorized by this Agreement. Associate further acknowledges and agrees that this confidentiality provision is an essential and material term of this Agreement. Associate agrees not to disclose directly or indirectly to any third person: (i) the terms of this Agreement, or (ii) the existence of this Agreement, except to the extent disclosure is made to Associate's spouse or to obtain legal, accounting or financial advice. In the event that Associate violates this provision of confidentiality, OfficeMax's obligations under this Agreement shall immediately terminate.

8. Non-Solicitation and Non-Compete. Without limiting or otherwise impacting any other agreement or obligation regarding a restrictive covenant and to the maximum extent allowable under applicable state law, for the period beginning on the date of this Agreement and ending one year following Associate's termination of employment with the Company (or its successor), Associate will not (i) directly or indirectly employ, recruit or solicit for employment any person who is (or was within six (6) months prior to Associate's employment termination date) an employee of OfficeMax, an affiliate, subsidiary or successor; or (ii) commence Employment with a Competitor in a substantially similar capacity to any position Associate held with the Company during the last twelve (12) months of Associate's employment with the Company and having the responsibility with the same geographic area(s) for which Associate had responsibility during the last twelve (12) months of Associate's employment with Company. If Associate violates the terms of this Section 8 at any time, Associate will forfeit, as of the first day of any such violation, all right, title and interest to the Potential Bonus, whether vested and paid or not. The Company shall be entitled to repayment of any amount of the Potential Bonus that had been paid, together with reimbursement of any fees and expenses (including attorneys' fees) incurred by or on behalf of the Company in enforcing its rights under this Section 8. As a condition of this Agreement, to the extent permitted by law, Associate consents to a deduction from any amounts the Company, an affiliate, subsidiary, or successor owes to Associate (including wages or other compensation, fringe benefits, or vacation pay, as well as other amounts owed to Associate), to the extent of any amounts that Associate owes to the Company under this Section 8. If OfficeMax does not recover by means of set-off the full amount owed to OfficeMax, the Associate agrees to pay immediately the unpaid balance to OfficeMax.

a. "Competitor" means any business, foreign or domestic, which is engaged, at any time relevant to the provisions of this Agreement, in the sale or distribution of products, or in the provision of services in competition with the products sold or distributed or services provided by OfficeMax, an affiliate, subsidiary, partnership, or joint venture of OfficeMax. The determination of whether a business is a Competitor shall be made by OfficeMax's General Counsel, in his or her sole and complete discretion.

b. "Employment with a Competitor" means providing services as an employee or consultant, or otherwise rendering services of a significant nature for remuneration, to a Competitor, as determined by OfficeMax's General Counsel, in his or her sole and complete discretion.

9. No Modification of At Will Relationship. This Agreement is not intended to nor does it modify the at-will relationship between OfficeMax and Associate. It does not create an employment contract or agreement between OfficeMax and Associate.

10. Invalidity of Any Provision. If any provision of this Agreement is held by a court of competent jurisdiction to be void or unenforceable for any reason, in whole or in part, the remaining provisions of this Agreement, or their remaining portions, will nevertheless continue with full force and effect, and Associate agrees that a court of competent jurisdiction will have jurisdiction to reform such provision to the extent necessary to cause it be to enforceable to the maximum extent permitted by law, and Associate agrees to be bound by such reformation.

11. Waiver/Amendment. The failure of OfficeMax to enforce any provision of this Agreement will not be construed as a waiver of any such provision, nor will such failure prevent OfficeMax thereafter from enforcing such provision or any other provision of this Agreement. This Agreement may not be amended except in a writing signed by both parties.

12. Controlling Law. The laws of the state of Delaware (without regard to any state's conflict of laws rules) shall be controlling in all matters relating to this Agreement. Associate irrevocably submits to venue and exclusive personal jurisdiction of the United States District Court for the Northern District of Illinois, Eastern Division, or the state courts of DuPage County, Illinois, for any dispute arising out of this Agreement, and waives all objects to jurisdiction and venue of such courts.

13. Period for Acceptance. Associate must sign this Agreement and return it sealed in the enclosed addressed envelope to **Dave Halleck,** Human Resources no later than **May 10, 2013,** in order for this Agreement to become effective. If this Agreement is not received by such date, OfficeMax's offer set forth herein automatically is withdrawn as of that date. Due to the confidentiality of this Agreement do not fax or email this document.

OfficeMax Incorporated

/s/ Steve Parsons

Steve Parsons
Executive Vice President,
Chief Human Resources Officer

Associates Printed Name: Deb O'Connor

Associates Signature: /s/ Deb O'Connor
Date: 5/7/13

OFFICEMAX INCORPORATED
RETENTION BONUS AGREEMENT

This OfficeMax Performance-Based Retention Bonus Agreement ("Agreement") is made and entered into by and between OfficeMax Incorporated ("OfficeMax" or "Company") and **Deborah O'Connor** ("Associate") as of July 24, 2013.

WHEREAS, OfficeMax Incorporated has entered into a Merger Agreement with Office Depot, Inc. ("the Merger Agreement") which, upon regulatory approval and the passage of other conditions, will close ("the Closing"), resulting in a merger of equals; and

WHEREAS, the Associate has business knowledge and expertise critical to a successful Closing and integration of the merging entities.

THEREFORE, in consideration of the reciprocal obligations and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Potential Bonus. Associate will be eligible to receive a Potential Bonus of up to **$100,000** (such dollar amount hereinafter referred to as the "Potential Bonus"), provided Associate agrees to the terms and conditions of this Agreement. The Potential Bonus is divided into two equal installments. The first installment is divided equally into time-based and performance-based portions, and the second installment is time-based. The agreed upon performance objectives for the performance-based portion shall be documented and form a part of this Agreement.

2. Vesting and Payment of the Potential Bonus. Associate's entitlement to the Potential Bonus shall not vest until the following dates and in the following manner:

   A. The first installment of the Potential Bonus shall vest on the earlier of (i) March 31, 2014, or (ii) Closing (the "First Vesting Date"), provided Associate is employed by OfficeMax on that date. In vesting, the performance-based portion may be adjusted based on Associate's performance against agreed upon objectives prior to the Closing, as assessed by the Company in its sole and absolute discretion. Any portion of the Potential Bonus that does not vest based on this performance adjustment shall be cancelled.

   B. The remainder of the Potential Bonus shall vest on the earlier of (i) the six-month anniversary of the Closing, or (ii) June 30, 2014 (the "Second Vesting Date"), provided Associate is employed by OfficeMax on that date.

   The Bonus shall be paid in cash (subject to applicable deductions for income and employment taxes) as soon as possible after each installment vests and in no event later than two and one-half months after such vesting. In no event shall the performance-based adjustment cause the Potential Bonus to exceed the full amount of the Potential Bonus.

   If prior to the First Vesting Date or to the Second Vesting Date the Associate's employment with the Company is terminated involuntarily by the Company for any reason other than the reason set forth in Section 3 below or voluntarily by the Associate for any reason, any unvested portion of the Potential Bonus shall be immediately cancelled and forfeited.

3. Involuntary Termination of Employment or Termination Due to Death or Total and Permanent Disability Prior to Vesting Date(s). If, prior to the First Vesting Date, (i) Associate's employment is involuntarily terminated for reasons which qualify Associate for payment of severance under a Company severance plan or policy (or which would qualify Associate for payment of severance under a Company severance plan or policy as of the date of this Agreement) or (ii) Associate's employment is terminated due to Associate's death or total and permanent disability, then the full amount of the Potential Bonus, without any adjustment based on performance, shall immediately vest and be payable as soon as practical but in no event later than two and one-half months after the termination date. If, after the First Vesting Date but prior to the Second Vesting Date, (i) Associate's employment is involuntarily terminated for reasons which qualify Associate for payment of severance under a Company severance plan or policy (or which would qualify Associate for payment of

severance under a Company severance plan or policy as of the date of this Agreement) or (ii) Associate's employment is terminated due to Associate's death or total and permanent disability, then the full amount of the unvested remainder of the Potential Bonus, without any adjustment based on performance, shall immediately vest and be payable as soon as practical but in no event later than two and one-half months after the termination date. Any amounts due under this Section 3 are contingent upon appropriate documentation, such as, in the case of section 3(a)(i), Associate executing the Company's customary release of claims agreement in favor of the Company, its officers, directors, employees/associates, agents, affiliate entities, successors and assigns.

4. Successors and Binding Agreement. This Agreement shall inure to the benefit of and be binding upon the successors and assigns of OfficeMax. Associate shall have no right to assign this Agreement, it being personal to the Associate.

5. Non-Exclusivity of Rights. Nothing in this Agreement shall restrict or limit Associate's continuing or future entitlement or participation in any plan, program, practice, benefit or policy provided by the Company for which Associate qualifies, nor shall this Agreement in any respect limit or otherwise affect any rights Associate may have under any other contract or agreement with the Company.

6. Section 409A. Any payment pursuant to this Agreement is intended to constitute a payment pursuant to the "short-term deferral" exception under Code Section 409A, and this Agreement shall be interpreted consistent with this intent. To the extent applicable, this Agreement shall at all times be operated in accordance with the requirements of Code Section 409A, including any applicable exceptions. The Company shall have authority to take action, or refrain from taking action, with respect to the payments and benefits under this Agreement, that is reasonably necessary to comply with Code Section 409A, including but not limited to delaying a payment pursuant to the six-month deferral rule should (i) the Associate be a "specified employee" within the meaning of Code Section 409A and (ii) the Company make a good faith determination that any amount payable pursuant to this Agreement constitutes nonqualified deferred compensation for purposes of Code Section 409A.

7. Confidentiality. Because the number of associates to whom a retention agreement may be offered is very limited, the terms and conditions of this Agreement shall be kept strictly confidential at all times and Associate shall make no disclosure of its terms to anyone except as expressly authorized by this Agreement. Associate further acknowledges and agrees that this confidentiality provision is an essential and material term of this Agreement. Associate agrees not to disclose directly or indirectly to any third person: (i) the terms of this Agreement, or (ii) the existence of this Agreement, except to the extent disclosure is made to Associate's spouse or to obtain legal, accounting or financial advice. In the event that Associate violates this provision of confidentiality, OfficeMax's obligations under this Agreement shall immediately terminate.

8. Non-Solicitation and Non-Compete. Without limiting or otherwise impacting any other agreement or obligation regarding a restrictive covenant and to the maximum extent allowable under applicable state law, for the period beginning on the date of this Agreement and ending one year following Associate's termination of employment with the Company (or its successor), Associate will not (i) directly or indirectly employ, recruit or solicit for employment any person who is (or was within six (6) months prior to Associate's employment termination date) an employee of OfficeMax, an affiliate, subsidiary or successor; or (ii) commence Employment with a Competitor in a substantially similar capacity to any position Associate held with the Company during the last twelve (12) months of Associate's employment with the Company and having the responsibility with the same geographic area(s) for which Associate had responsibility during the last twelve (12) months of Associate's employment with Company. If Associate violates the terms of this Section 8 at any time, Associate will forfeit, as of the first day of any such violation, all right, title and interest to the Potential Bonus, whether vested and paid or not. The Company shall be entitled to repayment of any amount of the Potential Bonus that had been paid, together with reimbursement of any fees and expenses (including attorneys' fees) incurred by or on behalf of the Company in enforcing its rights under this Section 8. As a condition of this Agreement, to the extent permitted by law, Associate consents to a deduction from any amounts the Company, an affiliate, subsidiary, or successor owes to Associate (including wages or other compensation, fringe benefits, or vacation pay, as well as other amounts owed to Associate), to the extent of any amounts that Associate owes to the Company under this Section 8. If OfficeMax does not recover by means of set-off the full amount owed to OfficeMax, the Associate agrees to pay immediately the unpaid balance to OfficeMax.

a. "Competitor" means any business, foreign or domestic, which is engaged, at any time relevant to the provisions of this Agreement, in the sale or distribution of products, or in the provision of services in competition with the products sold or distributed or services provided by OfficeMax, an affiliate, subsidiary, partnership, or jointventure of OfficeMax. The determination of whether a business is a Competitor shall be made by OfficeMax's General Counsel, in his or her sole and complete discretion.

b. "Employment with a Competitor" means providing services as an employee or consultant, or otherwise rendering services of a significant nature for remuneration, to a Competitor, as determined by OfficeMax's General Counsel, in his or her sole and complete discretion.

9. No Modification of At Will Relationship. This Agreement is not intended to nor does it modify the at-will relationship between OfficeMax and Associate. It does not create an employment contract or agreement between OfficeMax and Associate.

10. Invalidity of Any Provision. If any provision of this Agreement is held by a court of competent jurisdiction to be void or unenforceable for any reason, in whole or in part, the remaining provisions of this Agreement, or their remaining portions, will nevertheless continue with full force and effect, and Associate agrees that a court of competent jurisdiction will have jurisdiction to reform such provision to the extent necessary to cause it be to enforceable to the maximum extent permitted by law, and Associate agrees to be bound by such reformation.

11. Waiver/Amendment. The failure of OfficeMax to enforce any provision of this Agreement will not be construed as a waiver of any such provision, nor will such failure prevent OfficeMax thereafter from enforcing such provision or any other provision of this Agreement. This Agreement may not be amended except in a writing signed by both parties.

12. Controlling Law. The laws of the state of Delaware (without regard to any state's conflict of laws rules) shall be controlling in all matters relating to this Agreement. Associate irrevocably submits to venue and exclusive personal jurisdiction of the United States District Court for the Northern District of Illinois, Eastern Division, or the state courts of DuPage County, Illinois, for any dispute arising out of this Agreement, and waives all objects to jurisdiction and venue of such courts.

13. Period for Acceptance. Associate must sign this Agreement and return it sealed in the enclosed addressed envelope to **Dave Halleck,** Human Resources no later than **August 16, 2013,** in order for this Agreement to become effective. If this Agreement is not received by such date, OfficeMax's offer set forth herein automatically is withdrawn as of that date. Due to the confidentiality of this Agreement do not fax or email this document.

OfficeMax Incorporated

/s/ Steve Parsons

Steve Parsons
Executive Vice President,
Chief Human Resources Officer

Associates Printed Name: Deborah O'Connor

Associates Signature: /s/ Deborah O'Connor
Date: _____

Exhibit 21

LIST OF OFFICE DEPOT INC.'S SIGNIFICANT SUBSIDIARIES

Domestic/US Subsidiaries:

Name	*Jurisdiction of Incorporation*
The Office Club, Inc.	California
Viking Office Products, Inc.	California
Computers4Sure.com, Inc.	Connecticut
Solutions4Sure.com, Inc.	Connecticut
OD International, Inc.	Delaware
Office Depot Delaware Overseas Finance No. 1, LLC	Delaware
Japan Office Supplies, LLC	Delaware
ODV France LLC	Delaware
OD France, LLC	Delaware
4Sure.com, Inc.	Delaware
Swinton Avenue Trading Limited, Inc.	Delaware
2300 South Congress LLC	Delaware
Neighborhood Retail Development Fund, LLC	Delaware
HC Land Company LLC	Delaware
Notus Aviation, Inc.	Delaware
OD Medical Solutions LLC	Delaware
OD Brazil Holdings, LLC	Delaware
Office Depot N.A. Shared Services LLC	Delaware
Office Depot (Netherlands) LLC	Delaware
Office Depot Foreign Holdings GP, LLC	Delaware
Office Depot Foreign Holdings LP, LLC	Delaware
eDepot, LLC	Delaware
Mapleby Holdings Merger Corporation+	Delaware
Wahkiakum Gas Corporation+	Delaware
Reliable Express Corporation+	Delaware
Picabo Holdings, Inc.+	Delaware
OMX Timber Finance Holdings II, LLC+	Delaware
OMX Timber Finance Holdings I, LLC+	Delaware
OfficeMax Incorporated+	Delaware
OfficeMax Southern Company+	Louisiana
OfficeMax Nevada Company+	Nevada
OMX, Inc.+	Nevada
OfficeMax North America, Inc.+	Ohio
North American Card and Coupon Services, LLC	Virginia

Foreign Subsidiaries of the Company:

Name	*Jurisdiction of Incorporation*
OfficeMax Australia Limited+	Australia
Viking Direkt GesmbH	Austria
Office Depot International BVBA	Belgium
Clearfield Insurance Limited+	Bermuda
Office Depot Overseas Holding Limited	Bermuda
Office Depot Brasil Limitada (inactive)	Brazil
Office Depot Brasil Participacoes Limitada	Brazil
Grand & Toy Limited+	Canada (Ontario)
AsiaEC.com Limited	Cayman
Office Depot Network Technology Ltd.	China
Office Depot Merchandising (Shenzhen) Co. Ltd.	China
Office Depot s.r.o.	Czech Republic
Office Depot France SNC	France
OD Participations (France) SAS *(f.k.a. OD S.N.C.)*	France
Office Depot BS *(f.k.a. Guilbert France S.A.S.)*	France
Office Depot (Holding) France SNC	France
Office Depot Deutschland GMBH	Germany
Guilbert Beteiligungsholding GMBH	Germany
Office Depot Service – und BeteiligungsGmbH&Co.KG	Germany
Office Depot Asia Holding Limited	Hong Kong
Office Depot Global Sourcing Ltd (f.k.a. Office Supply Solutions (Hong Kong) Ltd.)	Hong Kong
Office Depot Reliance Supply Solutions Private Limited (f.k.a. EOffice Planet India Private Limited)	India
Office Depot Private Limited	India
Viking Direct (Ireland) Limited	Ireland
Viking Finance (Ireland) Limited	Ireland
Office Depot Ireland Limited	Ireland
Office Depot Italia S.r.l.	Italy
Viking Holding Italia S.r.l *(f.k.a. Viking Office Products S.r.l.)*	Italy
Office Depot Korea Co., Ltd.	Korea (South)
Guilbert Luxembourg S.A.R.L.	Luxembourg
OD International (Luxembourg) Finance S.A.R.L.	Luxembourg
OM Luxembourg Holdings S.à r.l.+	Luxembourg
Grupo OfficeMax S. de R.L. de C.V.+	Mexico
Viking Direct B.V.	Netherlands
Office Depot B.V. *(f.k.a. Guilbert Nederland B.V.)*	Netherlands
Office Depot International B.V.	Netherlands
Office Depot Latin American Holdings B.V.	Netherlands
Office Depot Finance B.V. *(f.k.a. Office Depot NA B.V.)*	Netherlands
Office Depot Netherlands B.V.	Netherlands
Office Depot (Netherlands) C.V.	Netherlands
Heteyo Holdings BV.	Netherlands
Guilbert International B.V.	Netherlands
Office Depot (Operations) Holdings B.V.	Netherlands
Office Depot Coöperatief W.A.	Netherlands
Office Depot Europe B.V.	Netherlands
Xtreme Office B.V.	Netherlands
OfficeMax New Zealand Limited+	New Zealand
Office Depot Puerto Rico, LLC	Puerto Rico

Name	*Jurisdiction of Incorporation*
Office Depot Service Center SRL	Romania
Office Depot s.r.o.	Slovak Republic (Slovakia)
Office Depot S.L.	Spain
Office Depot Sweden (Holding) AB	Sweden
Office Depot Svenska AB *(f.k.a. Frans Svanström & Co AB)*	Sweden
Office Depot GmbH	Switzerland
Office Depot Holding GmbH	Switzerland
Office Depot International (UK) Limited	United Kingdom
Viking Direct (Holdings) Limited	United Kingdom
Office Depot UK Limited	United Kingdom
Guilbert UK Pension Trustees Ltd	United Kingdom
Guilbert UK Holdings Ltd	United Kingdom
Niceday Distribution Centre Ltd	United Kingdom
Office 1 (1995) Ltd	United Kingdom
Office 1 Ltd	United Kingdom
Reliable UK Ltd	United Kingdom
Curry's Limited	United Kingdom
Office Depot (Holdings) Ltd.	United Kingdom
Office Depot (Holdings) 2 Ltd.	United Kingdom
Office Depot Europe Holdings Ltd.	United Kingdom
Office Depot (Holdings) 3 Ltd.	United Kingdom

* *Ownership may consist of one subsidiary or any combination of subsidiaries, which may include Office Depot, Inc.*

\+ *Acquired pursuant to the Agreement and Plan of Merger between Office Depot, Inc. and OfficeMax Incorporated as of November 5, 2013.*

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement Nos. 333-45591, 333-59603, 333-63507, 333-68081, 333-69831, 333-41060, 333-80123, 333-90305, 333-123527, 333-144936, 333-177496, and 333-192185 on Form S-8 of our reports dated February 25, 2014 relating to the consolidated financial statements and financial statement schedule of Office Depot, Inc. and subsidiaries (the "Company"), and the effectiveness of the Company's internal control over financial reporting, appearing in this Annual Report on Form 10-K of the Company for the fiscal year ended December 28, 2013.

/s/ DELOITTE & TOUCHE LLP
Certified Public Accountants

Boca Raton, Florida
February 25, 2014

Exhibit 23.2

CONSENT OF INDEPENDENT AUDITORS

We consent to the incorporation by reference in Registration Statements No. 333-45591, No. 333-59603, No. 333-63507, No. 333-68081, No. 333-69831, No. 333-41060, No. 333-80123, No. 333-90305, No. 333-123527, No. 333-144936, and No. 333-177496 on Form S-8 of our report dated February 15, 2013 and November 7, 2013 with respect to Note 17, relating to the consolidated financial statements of Office Depot de México, S. A. de C. V. as of December 31, 2012 and for the years ended December 31, 2012 and 2011 (which report expresses an unqualified opinion and includes an explanatory paragraph regarding the fact that Mexican Financial Reporting Standards vary from accounting principles generally accepted in the United States of America, the nature and effects of which are presented in Note 19 in such consolidated financial statements), appearing in the Annual Report on Form 10-K of Office Depot, Inc. for the year ended December 28, 2013.

/s/ Ma. Isabel Romero Miranda
Galaz, Yamazaki, Ruiz Urquiza, S.C.
Member of Deloitte Touche Tohmatsu Limited

Mexico City, Mexico
February 25, 2014

Exhibit 31.1

Rule 13a-14(a)/15d-14(a) Certification

I, Roland C. Smith, certify that:

1. I have reviewed this annual report on Form 10-K of Office Depot, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ ROLAND C. SMITH
Name: Roland C. Smith
Title: Chief Executive Officer
Date: February 25, 2014

Exhibit 31.2

Rule 13a-14(a)/15d-14(a) Certification

I, Stephen E. Hare, certify that:

1. I have reviewed this annual report on Form 10-K of Office Depot, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ STEPHEN E. HARE
Name: Stephen E. Hare
Title: Executive Vice President and Chief Financial Officer
Date: February 25, 2014

Exhibit 32

Office Depot, Inc.

Certification of CEO and CFO Pursuant to
18 U.S.C. Section 1350, as Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Annual Report on Form 10-K of Office Depot, Inc. (the "Company") for the fiscal year ended December 28, 2013 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Roland C. Smith, as Chief Executive Officer of the Company, and Stephen E. Hare, as Chief Financial Officer of the Company, each hereby certifies, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to each officer's knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ ROLAND C. SMITH
Name: Roland C. Smith
Title: Chief Executive Officer
Date: February 25, 2014

/s/ STEPHEN E. HARE
Name: Stephen E. Hare
Title: Chief Financial Officer
Date: February 25, 2014

A signed original of this written statement required by Section 1350 of Title 18 of the United States Code has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

The foregoing certification is being furnished as an exhibit to the Report pursuant to Item 601(b)(32) of Regulation S-K and Section 1350 of Title 18 of the United States Code and, accordingly, is not being filed with the Securities and Exchange Commission as part of the Report and is not to be incorporated by reference into any filing of the Company under the Securities Act of 1933 or the Securities Exchange Act of 1934 (whether made before or after the date of the Report, irrespective of any general incorporation language contained in such filing).

Exhibit 99

Office Depot de México, S. A. de C. V. and Subsidiaries

Consolidated Financial Statements as of
July 9, 2013(Unaudited) and December
31, 2012 and for the Period from
January 1, 2013 to July 9, 2013
(Unaudited) and for the Years Ended
December 31, 2012 and 2011

Office Depot de México, S. A. de C. V. and Subsidiaries

Consolidated Financial Statements for the Period from January 1, 2013 to July 9, 2013 (Unaudited) and for the Years Ended 2012 and 2011

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Independent Auditors' Report to the Board of Directors and Stockholders of Office Depot de México, S. A. de C. V.

We have audited the accompanying consolidated financial statements of Office Depot de México, S. A. de C. V. and its subsidiaries (the "Company"), which comprise the consolidated balance sheet as of December 31, 2012 and the related consolidated statements of comprehensive income, changes in stockholders' equity, and cash flows for the years ended December 31, 2012 and 2011, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Mexican Financial Reporting Standards; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Office Depot de México, S. A. de C. V. and its subsidiaries as of December 31, 2012, and the results of their operations and their cash flows for the years then ended in accordance with Mexican Financial Reporting Standards.

MFRS vary in certain significant respects from accounting principles generally accepted in the United States of America ("U.S. GAAP"). Information relating to the nature and effect of such differences is presented in Note 19 to the accompanying consolidated financial statements.

The accompanying consolidated financial statements have been translated into English for the convenience of readers.

Galaz, Yamazaki, Ruiz Urquiza, S. C.
Member of Deloitte Touche Tohmatsu Limited

/s/ C. P. C. Ma. Isabel Romero Miranda

February 15, 2013
(November 7, 2013 with respect to Note 17)
México City, México

Office Depot de México, S. A. de C. V. and Subsidiaries

Consolidated Balance Sheets
As of July 9, 2013 (Unaudited) and December 31, 2012
(In thousands of Mexican pesos)

	09/07/2013 (Unaudited)	31/12/2012
Assets		
Current assets:		
Cash and cash equivalents	$ 631,536	$ 348,761
Accounts receivable and recoverable taxes – Net	933,827	1,033,617
Due from related parties	389	307
Inventories – Net	3,417,622	3,368,349
Prepaid expenses	79,764	94,436
Total current assets	5,063,138	4,845,470
Property, equipment and leasehold improvements – Net	4,246,215	4,327,788
Deferred income taxes	134,117	98,288
Deferred statutory employee profit sharing	808	808
Intangible assets – Net	62,148	78,295
Goodwill	61,648	61,648
Total	$9,568,074	$9,412,297
Liabilities and stockholders' equity		
Current liabilities:		
Trade accounts payable	$2,144,236	$2,208,524
Office Depot Asia Holding Limited – Related party	20,072	17,309
Accrued expenses	375,501	414,388
Taxes payable	63,441	118,178
Total current liabilities	2,603,250	2,758,399
Employee benefits	45,651	44,951
Total liabilities	2,648,901	2,803,350
Stockholders' equity:		
Common stock	1,266,239	1,266,239
Retained earnings	5,561,504	5,204,895
Foreign currency translation	91,430	137,813
Total stockholders' equity	6,919,173	6,608,947
Total	$9,568,074	$9,412,297

See accompanying notes to the consolidated financial statements.

Office Depot de México, S. A. de C. V. and Subsidiaries

Consolidated Statements of Comprehensive Income
For the period from January 1, 2013 to July 9, 2013 (unaudited) and for the years ended December 31, 2012 and 2011
(In thousands of Mexican pesos)

	09/07/2013 (Unaudited)	31/12/2012	31/12/2011
Revenues:			
Net sales	$7,439,152	$15,086,057	$14,051,901
Other	33,971	47,048	70,722
	7,473,123	15,133,105	14,122,623
Costs and expenses:			
Cost of sales	5,235,562	10,482,201	9,941,600
Selling, administrative and general expenses	1,663,641	3,260,774	2,912,261
	6,899,203	13,742,975	12,853,861
Other expenses	—	(588)	(39,334)
Net comprehensive financing cost:			
Bank commissions	(74,426)	(212,687)	(172,290)
Interest expense	(230)	(5,283)	(21,580)
Interest income	8,018	9,352	10,486
Exchange gain (loss)	696	(7,456)	5,107
Other financial income – Net	35,738	56,873	74,047
	(30,204)	(159,201)	(104,230)
Income before income taxes	543,716	1,230,341	1,125,198
Income tax expense	187,107	410,679	396,936
Consolidated net income	356,609	819,662	728,262
Other comprehensive (loss) income for the year Foreign currency translation (loss) gain	(46,383)	(36,152)	150,899
Total comprehensive income for the year	$ 310,226	$ 783,510	$ 879,161

See accompanying notes to the consolidated financial statements.

Office Depot de México, S. A. de C. V. and Subsidiaries

Consolidated Statements of Changes in Stockholders' Equity
For the period from January 1, 2013 to July 9, 2013 (unaudited) and for the years ended December 31, 2012 and 2011
(In thousands of Mexican pesos)

	Common stock	Retained earnings	Foreign currency translation	Total stockholders' equity
Balances as of January 1, 2011	$1,266,239	$4,256,971	$ 23,066	$5,546,276
Dividends paid ($10.81 pesos per share)	—	(600,000)	—	(600,000)
Comprehensive income	—	728,262	150,899	879,161
Balances as of December 31, 2011	1,266,239	4,385,233	173,965	5,825,437
Comprehensive income	—	819,662	(36,152)	783,510
Balances as of December 31, 2012	1,266,239	5,204,895	137,813	6,608,947
Comprehensive income (unaudited)	—	356,609	(46,383)	310,226
Balances as of July 9, 2013 (unaudited)	$1,266,239	$5,561,504	$ 91,430	$6,919,173

See accompanying notes to the consolidated financial statements.

Office Depot de México, S. A. de C. V. and Subsidiaries

Consolidated Statements of Cash Flows
For the period from January 1, 2013 to July 9, 2013 (unaudited) and for the years ended December 31, 2012 and 2011
(In thousands of Mexican pesos)

	09/07/2013 (Unaudited)	31/12/2012	31/12/2011
Operating activities:			
Income before income taxes	$ 543,716	$1,230,341	$1,125,198
Items related to investing activities:			
Depreciation and amortization	160,283	329,049	302,872
Loss (gain) on sale of fixed assets	15,815	(1,195)	(1,147)
Interest income	(8,018)	(9,352)	(10,486)
Other	—	—	(708)
Items related to financing activities:			
Interest expense	230	5,283	21,580
	712,026	1,554,126	1,437,309
Accounts receivable and recoverable taxes	99,790	(170,697)	(51,571)
Due to/from related parties – Net	(2,681)	17,226	(527)
Inventories	(49,273)	(435,198)	(204,088)
Prepaid expenses	14,672	11,415	17,365
Trade accounts payable	(68,201)	49,430	54,145
Accrued expenses	(144,437)	(130,535)	(88,054)
Income taxes paid	(172,123)	(289,477)	(251,339)
Other liabilities	5,870	4,176	(20,136)
Net cash provided by operating activities	401,005	610,466	893,104
Investing activities:			
Purchases of equipment and investments in leasehold improvements	(85,743)	(538,834)	(529,491)
Proceeds from sale of equipment	2,194	6,556	6,321
Interest received	8,018	9,352	10,486
Net cash used in investing activities	(75,531)	(522,926)	(512,684)
Financing activities:			
Borrowings from related party	—	550,000	400,000
Banks borrowings	6,512	—	100,000
Repayments to related party	—	(550,000)	(400,000)
Repayments of bank borrowings	(2,598)	—	(100,000)
Interest paid	(230)	(5,283)	(21,580)
Dividends paid	—	—	(600,000)
Net cash provided by (used in) financing activities	3,684	(5,283)	(621,580)
Net increase (decrease) in cash and cash equivalents	329,158	82,257	(241,160)
Effects of exchange rate changes on cash	(46,383)	(36,152)	150,899
Cash and cash equivalents at beginning of period/year	348,761	302,656	392,917
Cash and cash equivalents at end of period/year	$ 631,536	$ 348,761	$ 302,656

See accompanying notes to the consolidated financial statements.

1. Nature of business

Office Depot de México, S. A. de C. V. ("ODM", a 50% owned subsidiary of Grupo Gigante, S. A. B. de C. V. and 50% owned affiliate of Office Depot Delaware Overseas Finance 1, LLC) and subsidiaries (collectively, the "Company") is a chain of 215 stores in Mexico, five in Costa Rica, eight in Guatemala, three in El Salvador, two in Honduras, four in Panama, twelve in Colombia, eight distribution centers, a cross dock in Mexico that sells office supplies and electronic goods, and a printing service specializing in the retail and catalogue business for office supplies.

2. Significant events

On July 9, 2013, Grupo Gigante, S. A. B. de C. V. ("Grupo Gigante") acquired 50% of the outstanding shares of the Company, which were previously owned by a subsidiary of Office Depot, Inc. As a result of the acquisition, Grupo Gigante owns 100% of the outstanding shares of ODM as of such date. Grupo Gigante issued a bridge loan to finance the acquisition. The bridge loan is guaranteed by ODM and certain of its subsidiaries, as well as certain other subsidiaries of Grupo Gigante. On September 23, 2013, Grupo Gigante pre-paid 50% of the outstanding amount of bridge loan.

3. Basis of presentation

a. ***Comparability*** – The consolidated financial statements for the period from January 1, 2013 to July 9, 2013 represent the result of operations of the Company through that date, which is the date on which Grupo Gigante acquired the remaining 50% of the outstanding shares of the Company, as discussed in Note 2 above. As that period is less than a full year, the consolidated financial information as of July 9, 2013 and for the period from January 1, 2013 to July 9, 2013 may not be comparable to the consolidated financial information for the years ended December 31, 2012 and 2011.

b. ***Explanation for translation into English*** **-** The accompanying consolidated financial statements have been translated from Spanish into English for use outside of Mexico. These consolidated financial statements are presented on the basis of Mexican Financial Reporting Standards ("MFRS"), individually referred to as *Normas de Información Financiera* or "NIFs". Certain accounting practices applied by the Company that conform with MFRS may not conform with accounting principles generally accepted in the country of use.

c. ***Monetary unit of the financial statements***—The consolidated financial statements and notes as of July 9, 2013 and December 31, 2012 and 2011 and for the period from January 1, 2013 to July 9, 2013and for the years ended December 31, 2012 and 2011, include balances and transactions denominated in Mexican pesos of different purchasing power.

d. ***Consolidation of financial statements***—The consolidated financial statements include the financial statements of ODM and those of its subsidiaries over which it exercises control. ODM's shareholding percentage in their capital stock is shown below:

Company	Equity	Activity
Direct Subsidiaries:		
Centro de Apoyo, S. A. de C. V.	99.998000%	A Mexican real estate company, which owns properties where several stores of ODM are located.
O. D. G. Caribe, S. A. de C. V.	99.999999%	A Mexican holding company of subsidiaries specialized in the retail, catalogue business for office supplies, located in Colombia.
Servicios Administrativos Office Depot, S. A. de C. V.	99.840000%	Provides administrative services to Mexican related parties, located in Mexico.
OD Guatemala y Cía. LTDA	99.999900%	Operates stores specializing in the sale of services and office supplies, located in Guatemala.
Erial BQ, S. A.	100.000000%	Operates stores specializing in the sale of services and office supplies, located in Costa Rica.
OD El Salvador, LTDA de C. V.	99.990000%	Operates stores specializing in the sale of services and office supplies, located in El Salvador.
OD Honduras, S. de R. L.	99.999000%	Operates stores specializing in the sale of services and office supplies, located in Honduras.
OD Panamá, S. A.	100.000000%	Operates stores specializing in the sale of services and office supplies, located in Panama.
Formas Eficientes, S. A. de C. V.	99.922000%	The distribution and handling of office supplies inventories as well as printed forms, located in Mexico.
FESA Formas Eficientes, S. A.	100.000000%	The distribution and handling of office supplies inventories as well printed forms, located in Costa Rica.
Ofixpres, S.A. de C.V.	99.939000%	The distribution and handling of office supplies inventories as well as printed forms, located in El Salvador.

Company	Equity	Activity
Indirect subsidiaries:		
Centro de Apoyo Caribe S. A. de C. V.	90.000000%	The acquisition and leasing of all types of real estate. This company has not initiated operations as of the date of these consolidated financial statements (subsidiary of Centro de Apoyo, S. A. de C. V.), located in Mexico.
OD Colombia, S. A. S.	89.900000%	Stores specializing in the sale of services and office supplies (subsidiary of ODG Caribe, S. A. de C. V.), located in Colombia.

Company	Equity	Activity
Indirect subsidiaries:		
Papelera General, S. A. de C. V.	99.990000%	The distribution of office supplies (subsidiary of Formas Eficientes, S. A. de C. V.), located in México.
Ofixpres, S. A. S.	100.000000%	The distribution and handling of office supplies inventories as well as fabrication of printed forms, located in Colombia, (subsidiary of OD Colombia, S. A. S.).
OD Peru, S. A. C.	99.000000%	This company has not initiated operations as of the date of these consolidated financial statements and it is located in Peru.

All intercompany balances and transactions have been eliminated in the accompanying consolidated financial statements.

e. ***Translation of financial statements of foreign subsidiaries***—To consolidate financial statements of foreign subsidiaries, the accounting policies of the foreign entity are converted to MFRS using the currency in which transactions are recorded.

As the functional currency is the same as the currency in which transactions are recorded for all of the Company's foreign operations, the financial statements are subsequently translated to Mexican pesos using the following exchange rates: 1) the closing exchange rate in effect at the balance sheet date for assets and liabilities; 2) historical exchange rates for stockholders' equity, and 3) the rate on the date of accrual of revenues, costs and expenses. Translation effects are recorded in stockholders' equity.

The currency in which transactions are recorded and the functional currency of foreign operations and the exchange rates used in the different translation processes are as follows:

Company	Recording currency	Functional currency	Exchange rate to translate from functional currency to Mexican pesos 09/07/2013
OD Guatemala y Cía. LTDA	Quetzal	Quetzal	1.6529
Erial BQ, S. A.	Colon	Colon	0.0256
FESA Formas Eficientes, S. A.	Colon	Colon	0.0256
OD El Salvador, LTDA de C. V.	US dollars	US dollars	12.9267
Ofixpres, S.A. de C.V.	US dollars	US dollars	12.9267
OD Honduras, S. de R. L.	Lempiras	Lempiras	0.6333
OD Panamá, S. A.	US Dollars	US Dollars	12.9267
OD Colombia, S. A. S.	Colombian pesos	Colombian pesos	0.0067
Ofixpres, S. A. S.	Colombian pesos	Colombian pesos	0.0067

f. ***Comprehensive income***—Represents changes in stockholders' equity during the year, for concepts other than capital contributions, reductions and distributions, and is comprised of the net income (loss) of the year, plus other comprehensive income (loss) items of the same period, which are presented directly in stockholders' equity without affecting results. Other comprehensive income (loss) is represented by the effects of translation of foreign operations.

g. ***Classification of costs and expenses***—Costs and expenses presented within results were classified according to their function. Consequently, cost of sales is presented separately from the other costs and expenses.

4. Summary of significant accounting policies

The accompanying consolidated financial statements have been prepared in conformity with MFRS, which require that management make certain estimates and use certain assumptions that affect the amounts reported in the consolidated financial statements and their related disclosures; however, actual results may differ from such estimates. The Company's management, upon applying professional judgment, considers that estimates made and assumptions used were adequate under the circumstances. The significant accounting policies of the Company are as follows:

a. ***Accounting changes*** **-**

Beginning January 1, 2013, the Company adopted the following new NIFs:

NIF B-3, *Statement of Comprehensive Income or Loss* —Establishes the option of presenting a) a single statement of income or loss and other comprehensive income or loss (statement of comprehensive income or loss) that contains the components of net income or loss and other comprehensive results (OCI) including OCI attributable to other entities accounted for by the equity method or b) two separate statements that include the statement of income, which should include only the components that make up the net income or loss, and the statement of other comprehensive results, which should present net income or loss and the components of OCI including OCI attributable to other entities accounted for by the equity method. It also establishes that items should not be presented as non-ordinary in segregated form, either in the financial statements or in notes to the financial statements.

NIF B-4, *Statement of Changes in Stockholders' Equity*—Establishes the general standards for the presentation and structure of the statement of changes in stockholders' equity, such as presenting retrospective adjustments for accounting changes and error corrections which affect the opening balances of each of the components of stockholders' equity, and presenting comprehensive income or loss in a single heading, or detailing all items in accordance with NIF B-3.

NIF B-6, *Statement of Financial Position*—Establishes the structure of the statement of financial position and the related presentation and disclosure requirements.

The adoption of these new standards did not have material effects in the accompanying consolidated financial statements.

b. ***Recognition of the effects of inflation*** **-** Beginning on January 1, 2008, the Company discontinued recognition of the effects of inflation in its consolidated financial statements for those entities that do not operate in an inflationary environment, as that term is defined in MFRS. However, assets and stockholders' equity include the restatement effects recognized by those entities through December 31, 2007. The cumulative inflation rate in Mexico for the two fiscal years prior to those ended December 31, 2012 and 2011 was 12.26% and 15.19%, respectively, for which reason the economic environment continued to be considered non-inflationary in all periods. Inflation rates for the period ended July 9, 2013 and for the years ended 2012 and 2011 were 1.30%, 3.57% and 3.82%, respectively.

c. ***Cash and cash equivalents***—Cash and cash equivalents consist mainly of bank deposits in checking accounts and short-term investments that a) are highly liquid and easily convertible into cash, b) mature within three months from their acquisition date and c) are subject to low risk of material changes in value. Cash is stated at nominal value and cash equivalents are valued at fair value; any fluctuations in value are recognized in comprehensive financing (cost) income of the period

d. ***Concentration of credit risk***—The Company sells products to customers primarily in the retail trade in Mexico. The Company conducts periodic evaluations of its customers' financial condition and generally does not require collateral. The Company does not believe that significant risk of loss from a concentration of credit risk exists given the large number of customers that comprise its customer base and their geographical dispersion. The Company also believes that its potential credit risk is adequately covered by the allowance for doubtful accounts.

e. ***Inventories and cost of sales***—Inventories are stated at the lower of cost or realizable value. Cost is determined using the average cost method.

f. ***Property, equipment and leasehold improvements***—Property, equipment and leasehold improvements are recorded at acquisition cost. Balances from acquisitions made through December 31, 2007, were restated for the effects of inflation by applying factors derived from the NCPI (National Consumer Price Index) through that date.

Depreciation is calculated using the straight-line method based on the useful lives of the related assets, as follows:

	Average years
Buildings	40
Leasehold improvements	9-25
Furniture and fixtures	4-10
Computers	4
Vehicles	4-8

The useful lives of fixed assets are reviewed at least annually to determine whether events and circumstances warrant a revision.

g. ***Impairment of long-lived assets in use***—The Company reviews the carrying amounts of long-lived asset in use, other than goodwill and intangible assets with indefinite useful lives, when an impairment indicator suggests that such amounts might not be recoverable, considering the greater of the present value of future net cash flows or the net sales price upon disposal. Impairment is recorded when the carrying amounts exceed the greater of the aforementioned amounts. Impairment indicators considered for these purposes are, among others, operating losses or negative cash flows in the period if they are combined with a history or projection of losses, depreciation and amortization charged to results, which in percentage terms in relation to revenues are substantially higher than that of previous years, obsolescence, competition and other legal and economic factors.

h. ***Goodwill and intangible assets***—Goodwill represents the excess of consideration paid over the fair value of the net assets acquired in subsidiary shares, as of the date of acquisition. Through December 31, 2007, goodwill was restated for the effects of inflation using the NCPI. Intangible assets with indefinite useful lives are carried at cost. Goodwill and intangible assets with indefinite useful lives are not amortized and are subject to impairment tests at least once a year, regardless of the existence of impairment indicators.

The Company amortizes the cost of its intangible assets with definite useful lives over such estimated useful lives. These lives are reviewed at least annually to determine whether events and circumstances warrant a revision. Useful lives are as follows:

	Years
Customer list	5
Non-compete agreement	10

i. ***Provisions***—Provisions are recognized for current obligations that arise from a past event, that are probable to result in the use of economic resources, and that can be reasonably estimated.

j. ***Direct employee benefits***—Direct employee benefits are calculated based on the services rendered by employees, considering their most recent salaries. The liability is recognized as it accrues. These benefits include mainly statutory employee profit sharing (“PTU”) payable, compensated absences, such as vacation and vacation premiums, and incentives.

k. ***Employee benefits for termination, retirement and other*—**Liabilities related to seniority premiums and, severance payments are recognized as they accrue and are calculated by independent actuaries based on the projected unit credit method using nominal interest rates.

l. ***Statutory employee profit sharing (PTU)*—**PTU is recorded in the results of the year in which it is incurred and presented under selling, administrative and general expenses within results. Deferred PTU is derived from temporary differences that result from comparing the accounting and PTU bases of assets and liabilities and is recognized only when it can be reasonably assumed that such difference will generate a liability or benefit, and there is no indication that circumstances will change in such a way that the liabilities will not be paid or benefits will not be realized.

m. ***Income taxes*—**Income tax ("ISR") and the Business Flat Tax ("IETU") are recorded in the results of the year they are incurred. To recognize deferred income taxes, based on its financial projections, the Company determines whether it expects to incur ISR or IETU and, accordingly, recognizes deferred taxes based on that expectation. Deferred taxes are calculated by applying the corresponding tax rate to temporary differences resulting from comparing the accounting and tax bases of assets and liabilities and including, if any, future benefits from tax loss carryforwards and certain tax credits. Deferred tax assets are recorded only when there is a high probability of recovery.

During December 2013, the 2014 Mexican Tax Reform was enacted, which eliminated the concept of IETU. Accordingly, deferred IETU recognized through the enactment date would require elimination.

n. ***Foreign currency transactions*—**Foreign currency transactions are recorded at the applicable exchange rate in effect at the transaction date. Monetary assets and liabilities denominated in foreign currency are translated into functional currency amounts at the applicable exchange rate in effect at the balance sheet date. Exchange fluctuations are recorded as a component of net comprehensive financing cost within results.

o. ***Revenue recognition*—**Revenues are recognized in the period in which the risks and rewards of ownership of the inventories are transferred to the customers, which generally coincides with the delivery of products to customers in satisfaction of orders.

Revenue is recognized at the point of sale for retail transactions and at the time of successful delivery for contract, catalog and internet sales. Sales taxes collected are not included in reported sales. The Company does not charge shipping and handling costs to its customers; such costs are included within selling, administrative and general expenses within results and amounted to $56,207 (unaudited), $124,109 and $118,037 for the period from January 1, 2013 to July 9, 2013 and for the years ended in 2012 and 2011, respectively.

p. ***Advertising*—**Advertising costs are charged to expense when incurred. Advertising expense for the period from January 1, 2013 to July 9, 2013 and for the years ended December 31, 2012 and 2011 was $75,005 (unaudited), $239,639 and $203,451, respectively. Prepaid advertising costs were $31,076 (unaudited), $44,723 and $59,936 for the period from January 1, 2013 to July 9, 2013 and for the years ended December 31, 2012 and 2011, respectively.

5. Cash and cash equivalents

	09/07/2013 (Unaudited)	31/12/2012
Checking accounts	$ 341,914	$258,009
Readily available daily investments	289,622	90,752
	$ 631,536	$348,761

6. Accounts receivable and recoverable taxes

	09/07/2013 (Unaudited)	31/12/2012
Trade accounts receivable	$ 647,146	$ 663,894
Allowance for doubtful accounts	(6,053)	(5,728)
	641,093	658,166
Sundry debtors	29,720	33,263
Recoverable taxes, mainly value-added tax and income tax	263,014	342,188
	$ 933,827	$1,033,617

Movements in the allowance for doubtful accounts for the period from January 1, 2013 to July 9, 2013 and for the years ended December 31, 2012 and 2011 are as follows:

	Balance at beginning of period	Additional charged to expenses	Write-offs of uncollectible accounts	Balance at ending of period
09/07/2013(Unaudited)	$ 5,728	$ 612	$ (287)	$ 6,053
31/12/2012	10,259	(2,042)	2,489	5,728
31/12/2011	4,109	7,556	1,406	10,259

7. Inventories

	09/07/2013 (Unaudited)	31/12/2012
Inventories	$3,439,069	$3,337,106
Allowance for obsolete inventories	(36,545)	(19,516)
	3,402,524	3,317,590
Goods in-transit	15,098	50,759
	$3,417,622	$3,368,349

Movements in the allowance for obsolete inventories for the period from January 1, 2013 to July 9, 2013 and for the years ended December 31, 2012 and 2011 are as follows:

	Balance at beginning of period	Additional charged to expenses	Shrinkage	Balance at ending of period
09/07/2013(Unaudited)	$19,516	$ 22,847	$ 5,818	$36,545
31/12/2012	12,659	20,712	13,855	19,516
31/12/2011	11,983	16,759	16,083	12,659

8. Property, equipment and leasehold improvements

	09/07/2013 (Unaudited)	31/12/2012	31/12/2011
a. Investment			
Land	$1,373,298	$1,378,984	$1,365,260
Buildings	1,871,696	1,803,077	1,713,779
Leasehold improvements	1,584,713	1,600,527	1,476,640
Furniture and fixtures	1,082,554	1,064,491	966,230
Computers	382,090	375,465	314,352
Vehicles	175,922	171,582	160,225
Construction in-progress	34,757	86,554	73,774
	$6,505,030	$6,480,680	$6,070,260
b. Accumulated depreciation and amortization			
Buildings	$ 408,354	$ 380,134	$ 325,758
Leasehold improvements	729,871	713,485	644,443
Furniture and fixtures	711,959	675,835	612,433
Computers	286,887	270,329	247,264
Vehicles	121,744	113,109	106,936
	$2,258,815	$2,152,892	$1,936,834
	$4,246,215	$4,327,788	$4,133,426

Depreciation expense for the period from January 1, 2013 to July 9, 2013 and for the years ended December 31, 2012 and 2011 were $110,426 (unaudited), $230,248 and $207,982, respectively.

Amortization expense for the period from January 1, 2013 to July 9, 2013 and December 31, 2012 and 2011 was $49,857 (unaudited), $98,801 and $94,890, respectively, which includes amortization of leasehold improvements as well as intangibles detailed in Note 8.

9. Intangible assets

	09/07/2013 (Unaudited)	31/12/2012
Intangible assets with finite useful lives:		
Non-compete agreement	$ 22,473	$ 22,412
Customer list	101,726	105,908
	124,199	128,320
Accumulated amortization	(74,552)	(63,575)
	49,647	64,745
Intangible asset with indefinite useful life:		
Trademark	12,501	13,550
	$ 62,148	$ 78,295

Amortization expense of intangible assets for the period from January 1, 2013 to July 9, 2013 and for the years ended December 31, 2012 and 2011 were $10,976 (unaudited), $23,266 and $36,641, respectively. The estimated amortization expense of intangible assets with finite lives for each of the three following years is as follows:

Remaining period of 2013	$ 23,340
2014	23,340
2015	18,065

10. Employee benefits

a. The Company pays seniority premium benefits to its employees, which consist of a lump sum payment of 12 days' wage for each year worked, calculated using the most recent salary, not to exceed twice the minimum wage established by law. The related liability and annual cost of such benefits are calculated by an independent actuary on the basis of formulas defined in the plans using the projected unit credit method.

b. The Company also provides statutorily mandated severance benefits to its employees terminated under certain circumstances. Such benefits consist of a one-time payment of three months wages plus 20 days wages for each year of service payable upon involuntary termination without just cause.

c. Present value of these obligations are:

	09/07/2013 (Unaudited)	31/12/2012
Defined benefit obligation – Underfunded	$ (45,651)	$(45,804)
Unrecognized items:		
Past service costs, change in methodology and changes to the plan	—	989
Transition liability	—	83
Actuarial gains and losses	—	(219)
Total unrecognized amounts pending amortization	—	853
Net projected liability	$ (45,651)	$(44,951)

d. Nominal rates used in actuarial calculations are as follows:

	09/07/2013 %	31/12/2012 %
Discount of the projected benefit obligation at present value	8.19	8.19
Salary increase	5.73	5.73
Minimum wage increase rate	4.27	4.27

The transition liability balance generated in 2007 will be amortized over a five-year period.

e. Net cost for the period includes the following items:

	09/07/2013 (Unaudited)	31/12/2012
Service cost	$ 7,645	$ 10,913
Interest cost	1,504	2,954
Amortization of unrecognized prior service costs	52	208
Amortization of actuarial gains	—	1,412
Effect of personnel reduction or early termination (other than a restructuring or discontinued operation)	—	(605)
Net cost for the period	$ 9,201	$ 14,882

f. Changes in present value of the defined benefit obligation are as follows:

	09/07/2013 (Unaudited)	31/12/2012
Benefit obligation at beginning of year	$ 44,951	$ 40,775
Service cost	7,645	10,913
Interest cost	1,504	2,954
Amortization of unrecognized prior service costs	52	208
Actuarial gains and losses – Net	—	1,412
Benefits paid	(8,501)	(10,706)
Effect of personnel reduction or early termination	—	(605)
Present value of the defined benefit obligation as of December 31, 2012	$ 45,651	$ 44,951

g. Under Mexican legislation, the Company must make payments equivalent to 2% of its workers' daily integrated salary to a defined contribution plan that is part of the retirement savings system. The expense for the period from January 1, 2013 to July 9, 2013 and for the years ended December 31, 2012 and 2011 was $8,244 (unaudited), $15,908 and $14,348, respectively.

h. Balance of PTU payable is as follows:

	09/07/2013 (Unaudited)	31/12/2012
PTU:		
Current	$ (6,396)	$(11,489)
Deferred	—	5
	$ (6,396)	$(11,485)

11. Stockholders' equity

a. Common stock at par value (historical pesos) as of July 9, 2013 (unaudited) and December 31, 2012 is as follows:

	Number of shares	Amount
Fixed capital:		
Series A	2,500	$ 25
Series B	2,500	25
	5,000	50
Variable capital:		
Series A	27,749,159	277,492
Series B	27,749,159	277,492
Total	55,498,318	554,984
	55,503,318	$555,034

Common stock consists of common nominative shares at a par value of $10 per share. Series A shares represent 50% of common stock and may only be acquired by Mexican citizens. Series B shares represent 50% of common stock and may be freely subscribed. Variable capital is unlimited.

b. Pursuant to a resolution at the general ordinary stockholders' meeting held on April 8, 2011, a dividend was declared out of the net tax income account (CUFIN) for $600,000.

c. During an extraordinary shareholder's meeting held on January 6, 2014, the shareholders approved the amendment of the Entity's bylaws in their entirety to conform them to the provisions of the *Ley del Mercado de Valores* (Mexican Securities Market Law, or "LMV") applicable to public corporations, thereby, adopting the denomination of a corporation with variable capital public stock (*sociedad anónima bursátil de capital variable*). At that time, they also approved a 15 for 1 stock split, as a result of which, as of such date, the total fixed common stock of the Entity is comprised of 75,000 shares and the total variable common stock of the Entity is comprised of 832,474,770 shares for total ordinary and nominative, no par value shares of 832,549,770.

d. Retained earnings include the statutory legal reserve. The General Corporate Law requires that at least 5% of net income of the year be transferred to the legal reserve until the reserve equals 20% of capital stock at par value (historical pesos). The legal reserve may be capitalized but may not be distributed unless the entity is dissolved. The legal reserve must be replenished if it is reduced for any reason. At July 9, 2013 and December 31, 2012, the legal reserve, in historical pesos, was $111,007.

e. Stockholders' equity, except restated paid-in capital and tax retained earnings will be subject to ISR payable by the Company at the rate in effect upon distribution. Any tax paid on such distribution may be credited against annual and estimated income taxes of the year in which the tax on dividends is paid and the following two fiscal years.

f. The balances of the stockholders' equity tax accounts as of July 9, 2013 and December 31, 2012 are:

	09/07/2013 (Unaudited)	31/12/2012
Contributed capital account	1,589,641	$1,569,241
Net tax income account (CUFIN)	5,924,445	5,855,646
Total	7,514,086	$7,424,887

12. Foreign currency balances and transactions

a. As of July 9, 2013 and December 31, 2012, the foreign currency monetary position is as follows:

	09/07/2013 (Unaudited)	31/12/2012
Thousands of U.S. dollars:		
Monetary assets	$ 23,734	$ 27,895
Monetary liabilities	(34,289)	(35,546)
Net monetary liability position	(10,555)	(7,651)
Equivalent in thousands of Mexican pesos	$(137,459)	$(99,310)

b. Transactions denominated in foreign currency were as follows:

(Thousands of U.S. dollars)	09/07/2013 (Unaudited)	31/12/2012	31/12/2011
Import purchases	58,427	192,777	183,755
Acquisition of fixed assets	3,772	22,538	18,657
Other expenses	243	822	606

c. Mexican peso exchange rates in effect at the dates of the consolidated balance sheets and the date of issuance of the accompanying consolidated financial statements were as follows:

	07/02/2014 (Unaudited)	09/07/2013	31/12/2012	31/12/2011
Mexican pesos per one				
U. S. dollar	$ 13.22	$ 12.92	$ 12.98	$ 13.98

13. Transactions and balances with related parties

a. Transactions with related parties, carried out in the ordinary course of business, were as follows:

	09/07/2013 (Unaudited)	31/12/2012	31/12/2011
Sales:			
Restaurantes Toks, S. A. de C. V.	$ 577	$ 1,142	$ 1,144
Servicios Gastronómicos Gigante, S. A. de C. V.	96	162	155
Servicios Toks, S. A. de C. V.	77	110	146
Distribuidora Store Home, S. A. de C. V.	42	78	76
Unidad de Servicios Compartidos, S. A. de C. V.	33	118	48
Grupo Gigante, S. A. B. de C. V.	8	32	17
Gigante, S. A. de C. V.	1	6	2
Gigante Grupo Inmobiliario, S. A. de C. V.	13	16	24
Other related parties	1,601	1,989	1,778
Leases and maintenance income:			
Restaurantes Toks, S. A. de C. V.	6,450	12,943	11,244
Distribuidora Store Home, S. A. de C. V.	1,544	3,350	3,004
Servicios Toks, S. A. de C. V.	1,296	2,393	2,277
Other related parties	—	1,210	1,167

	09/07/2013 (Unaudited)	31/12/2012	31/12/2011
Leases, maintenance and other expenses:			
Gigante Grupo Inmobiliario	23,125	40,142	38,891
Office Depot, Inc.	3,867	1,161	3,088
Gigante, S. A. de C. V.	1,364	2,680	170
Other related parties	3,682	15,558	9,687
Grupo Gigante, S. A. B. de C. V.	—	1,957	—
Interest expense:			
Grupo Gigante, S. A. B. de C. V.		4,832	18,899
Acquisition and maintenance of vehicles:			
Ola Polanco, S. A. de C. V.	954	1,929	2,433
Nami Naucalpan, S. A. de C. V.	897	—	—
Purchase of inventories:			
Office Depot Asia Holding Limited	196,739	426,262	269,706

b. Balances due from related parties are as follows:

	09/07/2013 (Unaudited)	31/12/2012
Restaurantes Toks, S. A. de C. V.	$ 276	$ 194
Servicios Toks, S. A. de C. V.	35	12
Grupo Gigante S. A. B. de C. V.	—	27
Distribuidora Storehome, S. A. de C. V.	45	18
Servicios Gastronómicos Gigante, S. A. de C. V.	33	30
Gigante, S. A. de C. V.	—	7
Other related parties	—	19
	$ 389	$ 307

14. Other expenses

a. Detail is as follows:

	09/07/2013 (Unaudited)	31/12/2012	31/12/2011
Colombian equity tax	$ —	$ —	$ (39,334)
Others	—	588	—
	$ —	$ 588	$ (39,334)

15. Tax environment

Income taxes in Mexico -

The Company is subject to ISR and IETU and pays the greater of the two.

ISR -The rate was 30% in 2013 and 2012 and as a result of the new 2014 ISR law (2014 Law), it will continue at 30% in 2014 and subsequent years.

IETU – IETU was eliminated as of 2014; therefore, through December 11, 2013, the enactment date of the 2014 Mexican tax reform, this tax was incurred based on revenues less deductions and certain tax credits based on cash flows from each year. The respective rate was 17.5%.

Based on its financial projections and according to Interpretation of Financial Information Standard ("INIF") 8, *Effects of the Business Flat Tax*, the Company determined that certain subsidiaries will pay ISR while others will pay IETU. Therefore, deferred income taxes are calculated under both tax regimes.

Income taxes in other countries -

The foreign subsidiaries calculate income taxes on their individual results, in accordance with the regulations of each country.

The tax rates applicable in other countries where the Company operates and the period in which tax losses may be applied, are as follows:

	09/07/2013 (Unaudited)	Statutory income tax rate (%) 31/12/2012	31/12/2011	Period of expiration
Colombia	34.0	33.0	33.0	(a)
Costa Rica	30.0	30.0	30.0	3
El Salvador	30.0	30.0	25.0	(b)
Guatemala	31.0	31.0	31.0	(b)
Honduras	30.0	31.0	35.0	4
Panama	25.0	25.0	25.0	5

(a) Tax losses generated in 2006 may be amortized up to 25% in each fiscal year. Beginning 2007, tax losses may be amortized without limitation on the value or period.

(b) Operating losses are not amortizable.

a. Income taxes are as follows:

	09/07/2013 (Unaudited)	31/12/2012	31/12/2011
ISR:			
Current	$ 204,810	$446,002	$398,200
Deferred	(37,972)	(79,600)	(41,574)
	166,838	366,402	356,626
IETU:			
Current	20,771	33,660	25,728
Deferred	(502)	10,617	14,582
	20,269	44,277	40,310
Total	$ 187,107	$410,679	$396,936

b. Income taxes and the reconciliation of the statutory and effective ISR rates, expressed in amounts and as a percentage of income before income taxes, are:

	09/07/2013 (Unaudited) %	31/12/2012 %	31/12/2011 %
Statutory tax rate	30	30	30
Effects of inflation	—	(1)	(2)
Non-deductible expenses	1	1	1
Other	—	(1)	2
IETU	3	4	4
	34%	33%	35%

c. The main items originating the deferred ISR asset as of July 9, 2013 and December 31, 2012 are:

	09/07/2013 (Unaudited)	31/12/2012
Deferred ISR asset:		
Effect of tax loss carryforwards	$ 97,621	$ 96,368
Property, equipment and leasehold improvements	164,225	139,298
Accrued expenses	17,196	29,050
Allowance for doubtful accounts	464	342
Other, net	14,412	11,636
Deferred ISR asset	293,918	276,694
Deferred ISR liability:		
Inventories	(5,059)	(18,657)
Prepaid expenses	(14,213)	(15,661)
Deferred ISR liability	(19,272)	(34,318)
Valuation allowance for deferred ISR asset	(93,068)	(93,068)
Net deferred ISR asset	$ 181,578	$ 149,308

Movements in the valuation allowance for the deferred ISR asset for the period from January 1, 2013 to July 9, 2013 and for the years ended December 31, 2012 and 2011 are as follows:

	Balance at beginning of period	Additional charged to expenses	Amortization of tax losses	Balance at ending of period
2013	93,068	—	—	93,068
2012	75,587	17,481	—	93,068
2011	79,242	21,147	24,802	75,587

d. As of December 31, the main items that give rise to a deferred IETU liability are:

	09/07/2013 (Unaudited)	2012
Deferred IETU liability:		
Accounts receivable from affiliated companies	(60,126)	$ (62,627)
Vehicles	(2,527)	(2,261)
Deferred IETU liability	(62,653)	(64,888)

	09/07/2013 (Unaudited)	2012
Deferred IETU asset:		
Accrued expenses	15,192	13,868
Deferred IETU asset:	15,192	13,868
Total IETU liability	(47,461)	$(51,020)
Deferred income taxes	134,117	$ 98,288

e. The benefits of restated tax loss carryforwards in Mexico for which the deferred ISR asset has been recognized, can be recovered subject to certain conditions in different jurisdictions. Restated amounts as of December 31, 2012 and expiration dates are:

Year of Expiration	Tax loss carryforwards
2013	$ 3,568
2014	2,556
2015	2,086
2016	2,001
2017	1,256
2018	995
2019	369
2020	23
2021	22
2022	22
	$ 12,898

In Colombia, tax losses carryforwards of $282,023 as of December 31, 2012 can be recovered without limitation on the value or period.

16. Commitments and Contingencies

Commitments

The Company leases retail stores and other facilities under operating lease agreements with initial lease terms expiring in various years through 2040. In addition to minimum rentals, there are certain executory costs such as real estate taxes, insurance and common area maintenance on most of the Company's facility leases.

The table below shows future minimum lease payments due under the non-cancelable portions of our leases as of July 9, 2013.

2013	$ 213,663
2014	427,326
2015	427,326
2016	427,326
2017	427,326
Thereafter	2,727,416
	$4,650,383

Rent expense was $207,637 (unaudited) for the period from January 1, 2013 to July 9, 2013, $404,505 in 2012 and $352,185 in 2011.

Legal Matters

On August 31, 2005, in an effort to expand operations within Mexico, a sublease agreement with respect to a plot of land was signed between the Company and a third party, under which the Company would sublease the land and build one of its Office Depot stores. After subsequent analysis, in its own best interest, the Company decided not to proceed with the project and notified the third party of its intent to early terminate the sublease contract. The third party considered this to be a breach of the sublease contract, which resulted in the Company filing a lawsuit against the sublessor in July 2006, seeking the early termination of the contract. The third party filed a counterclaim against the Company seeking mandatory performance by the Company under the contract.

In October 2008, the Company was ordered under the counterclaim to comply with the terms of the sublease agreement, which requires the construction of an Office Depot store on the plot of land. The Company filed an appeal in January 2009. On August 19, 2010, the court rejected the Company's appeal of January 2009. The Company filed an *amparo* or appeal (an injunction on constitutional grounds) against the August 19, 2010 resolution as result of which (after the corresponding legal steps), the court resolved the case on October 5, 2012 by ratifying the first resolution issued on October 2008 against the Company.

Subsequently, the Company filed another appeal in November 2012.

The Company, together with its external counsel, estimated that the accrued rentals and the approximate cost of the construction of the Office Depot store were approximately $18,000 and a liability was recognized for this amount as of December 31, 2012, which is included in accrued expenses in the accompanying consolidated financial statements.

On February 14, 2013, a negotiated settlement was agreed upon between the Company and the third party, whereby the Company agreed to settle the claim for $11,600. The adjustment to the provision was recognized, during the period, in the accompanying consolidated financial statements.

17. Subsequent events

The Company has evaluated events subsequent to July 9, 2013, 2014 to assess the need for potential recognition or disclosure in the accompanying consolidated financial statements. Such events were evaluated through February 25, 2014, the date these consolidated financial statements were available to be reissued. Based upon this evaluation, the following events took place that require disclosure:

a. On September 20, 2013, the Entity issued 6.875% Senior Notes in domestic and international markets, for a total of $350 million U.S. dollars, maturing on September 20, 2020. The Entity used the proceeds of the issuance of the Senior Notes to grant Grupo Gigante an unsecured loan for $4,352,543, which expires on September 20, 2020. Such loan will earn annual interest of 7.225%.

b. At a shareholder's meeting held on September 20, 2013, the shareholder approved the declaration of dividends in the amount of $4,352,543, payable within 84 months from September 20, 2013. Any unpaid amount will bear interest at an annual rate of 7.175%.

18. New accounting principles

During 2013, the Mexican Board for the Research and Development of Financial Reporting Standards enacted the following NIFs, which go into effect January 1, 2014, although early application is permitted as follows:

NIF B-12 Offsetting of Financial Assets and Financial Liabilities

NIF C-14 Transfer and Cancellation of Financial Assets

Some of the principal changes established in these standards are:

NIF B-12, *Offsetting of Financial Assets and Financial Liabilities*- Stipulates that the offsetting of financial assets and liabilities should be offset in the statement of financial position when: a) there is a legal right and obligation to collect or pay an offset amount, and b) the amount resulting from offsetting the financial assets of the financial liability reflects the expected cash flows of the entity when it liquidates two or more financial instruments. Furthermore, it establishes that an entity should offset only when the following two conditions are fulfilled: 1) it has a legally enforceable and effective right to offset the financial asset and the financial liability under any circumstances and, in turn; 2) it has the intention of liquidating the financial asset and financial liability on an offset basis or realizing the financial asset and liquidating the financial liability simultaneously.

NIF C-14, *Transfer and Cancellation of Financial Assets*- Establishes the standards related to the accounting recognition of transfers and cancellations of financial assets different from cash and cash equivalents, such as receivables or negotiable financial instruments, as well as the presentation in the financial statements of such transfers and the related disclosures. In order for a transfer to also qualify as a cancellation, there should be a full assignment of the risks and benefits inherent to the financial asset.

The transferor of the financial asset will eliminate it from its statement of financial position at the time that it is no longer has rights or is exposed to the future profit or loss, respectively, therefrom. Conversely, the recipient will assume the risks inherent to such financial asset acquired and will have an additional return if the cash flows originated thereby exceed those originally estimated, or a loss if the cash flows received were lower.

At the date of issuance of these consolidated financial statements, the Entity has not finalized its analysis with respect to the effects of these new provisions on its financial information.

19. Differences between MFRS and accounting principles generally accepted in the United States of America (“U.S. GAAP”)

The accompanying consolidated financial statements of the Company are prepared in accordance with MFRS, which may vary in certain significant respects from U.S. GAAP. Note 3 to the accompanying consolidated financial statements summarizes the accounting policies adopted by the Company. The principal differences between MFRS and U.S. GAAP as they affect the Company’s consolidated net income, consolidated stockholders’ equity, presentation of consolidated financial information and the relevant disclosures are summarized below:

	09/07/2013 (Unaudited)	31/12/2012	31/12/2011
Consolidated net income under MFRS	$ 356,609	$819,662	$728,262
(i) Elimination of effects of inflation	12,090	24,056	30,570
(ii) Employee retirement obligations	(12)	972	(485)
(iii) Rent holidays	(7,812)	(9,251)	411

	09/07/2013 (Unaudited)	31/12/2012	31/12/2011
(v) Deferred PTU asset	—	(4)	79
Total U.S. GAAP adjustments	4,266	15,773	30,575
(vi) (vi) Deferred income tax effects on U.S. GAAP adjustments	(2,182)	(3,569)	22,927
Consolidated net income under U.S. GAAP	$ 358,693	$831,866	$781,764

	09/07/2013 (Unaudited)	31/12/2012
Consolidated stockholders' equity under MFRS (1)	$6,919,173	$6,608,947
(i) Elimination effects of inflation	(408,720)	(422,222)
(ii) Change in employee retirement obligations	1,339	967
(iii) Rent holidays	(56,297)	(48,719)
(iv) Amortization of goodwill	13,812	13,812
(v) Deferred PTU asset	(808)	(808)
Total U.S. GAAP adjustments	$ (450,674)	$ (456,970)
(vi) Deferred income tax effects on U.S. GAAP adjustments	136,980	135,183
Consolidated stockholders' equity under U.S. GAAP	$6,605,478	$6,287,160

(1) Individual adjustments to the accompanying reconciliation of stockholders' equity include the effects of translation of foreign operations whose functional currency is different from the Mexican peso.

(i) *Elimination of the effects of inflation*—Through December 31, 2007, MFRS required the recognition of the comprehensive effects of inflation on consolidated financial information. Beginning January 1, 2008, MFRS only requires the recognition of the effects of inflation for entities that operate in an inflationary environment (one whose cumulative inflation for the preceding three-year periods equals or exceeds 26%). Since that date, Mexico has ceased to be an inflationary economic environment. However assets and stockholders' equity under MFRS include the effects of inflation recognized through December 31, 2007. The elimination of the effects of inflation on individual line items in the consolidated balance sheets under MFRS are as follows:

	09/07/2013 (Unaudited)	31/12/2012
Property, equipment and leasehold improvements	$ 394,446	$407,875
Intangible assets	377	450
Goodwill	13,897	13,897
Total adjustment	$ 408,720	$422,222

U.S. GAAP generally requires the use of the historical cost basis of accounting, except when an entity operates in a highly inflationary economy. Accordingly, the comprehensive effects of inflation recognized under MFRS have been eliminated in the accompanying reconciliation of consolidated net income and stockholders' equity to U.S. GAAP.

(ii) *Employee benefits*—Under MFRS, liabilities from seniority premiums, pension plans and severance payment are recognized as they accrue determined based on actuarial calculations using the projected unit credit method. The liability recognized under MFRS does not include unrecognized items such as actuarial gains and losses and prior service costs, which under MFRS, will be amortized to the liability generally over the remaining service period of the employees.

U.S. GAAP requires recognition of the fully overfunded or underfunded status of the liability for defined benefit employee obligations, with an offsetting entry to other comprehensive income. The amounts included in other comprehensive income are reclassified into results generally over the remaining service period of the employees. Additionally, for certain termination benefits under MFRS, modifications to a plan and the related prior service costs are recognized within results in the year of modification; under U.S. GAAP, these prior service costs are recognized in other comprehensive income and amortized to results generally over the remaining service period of the employees. Accordingly, the adjustment in the accompanying reconciliations of consolidated net income and stockholders' equity to U.S. GAAP include (i) the recognition of the fully underfunded status of the obligation under U.S. GAAP within other comprehensive income and (ii) the difference in recognition of prior service costs related to certain termination benefits, given modifications to such benefits in 2010.

In addition, U.S. GAAP requires certain additional disclosures as shown below:

	Employee benefits 09/07/2013 (Unaudited)	Employee benefits 31/12/2012
As of December 31:		
Projected benefit obligation	$ 46,516	$ 45,804
Change in benefit obligation:		
Benefit obligation at beginning of year	45,804	41,780
Service cost	7,645	10,913
Interest cost	1,504	2,954
Amortization of transition obligation	64	128
Amortization of prior service cost	—	974
Actuarial gain		(239)
Benefits paid	(8,501)	(10,706)
Benefit obligation at end of year	$ 46,516	$ 45,804

	Employee benefits 09/07/2013 (Unaudited)	Employee benefits 31/12/2012
Components of net periodic cost:		
Service cost	$ 7,645	$ 10,912
Interest cost	1,504	2,954
Amortization of transition obligation	64	128
Amortization of prior service cost	—	112
Effect of personnel reduction or early termination (other than a restructuring or discontinued operation)	—	—
Amortization of net gain	—	(197)
Net periodic cost	$ 9,213	$ 13,910

The amount in accumulated other comprehensive income expected to be recognized as component of net periodic benefit cost over the following fiscal year is $1,825.

Weighted-average assumptions used to determine benefit obligations and net periodic benefit cost as of and for the year ended December 31, 2012:

	09/07/2013 %	31/12/2012 %
Discount of the projected benefit obligation at present value	8.19	8.19
Salary increase	5.73	5.73
Minimum wage increase rate	4.27	4.27

(iii) *Rent holidays*—Under MFRS, rental expense is recorded beginning when the related store initiates operations.

Under U.S. GAAP, rental expense is recognized on a straight-line basis, or another more appropriate systematic approach, which does not necessarily depend upon initiation of operations of the related store.

(iv) *Amortization of goodwill*—Under MFRS, goodwill stemming from an acquisition of a business was amortized through 2004.

Under U.S. GAAP, amortization of goodwill ceased on January 1, 2002. The adjustment to the reconciliation of consolidated stockholders' equity represents the amortization of goodwill which occurred on goodwill from January 1, 2002 to December 31, 2005.

(v) *Deferred PTU asset*—Mexican statutory requirements require Mexican entities to pay statutory PTU to their employees. Current PTU is recorded in the results of the year in which it is incurred. The recognition of deferred PTU is also required, whether it results in a net liability or net asset position, and is determined considering temporary differences between the accounting and the PTU bases of assets and liabilities.

While U.S. GAAP also contemplates the recognition of a net deferred PTU liability, it does not permit the recognition of a net deferred PTU asset, given that it does not necessarily embody a probable future benefit to contribute directly or indirectly to the future net cash inflows of an entity. Accordingly, the adjustment in the accompanying reconciliation of consolidated net income and stockholders' equity represents the removal of such deferred PTU asset.

(vi) *Deferred income taxes*—The recognition of income taxes, including deferred income taxes, under MFRS considers a methodology similar to that required under U.S. GAAP. The adjustments to the accompanying reconciliations of consolidated net income and stockholders' equity represent the deferred income tax effects of the aforementioned U.S. GAAP adjustments.

Under both MFRS and U.S. GAAP, the change in deferred income taxes resulting from the effects of accounting for inflation with respect to the tax values of assets and liabilities is recorded as a component of income tax expense.

MFRS requires the classification of the net deferred income tax asset or liability as long-term, while U.S. GAAP requires classification based on the current or long-term nature of the asset or liability to which the deferred relates.

A reconciliation of the net deferred income tax asset from MFRS to U.S. GAAP and the composition of the net deferred income tax asset under U.S. GAAP is as follows:

	09/07/2013 (Unaudited)	31/12/2012
Reconciliation of deferred income tax asset:		
Net deferred income tax asset under MFRS	$ 134,117	$ 98,288
Effects of elimination of inflation	123,575	124,058
Effects of employee retirement obligations	213	215
Effects of rent holidays	16,951	14,669
Effects of amortization of goodwill	(4,144)	(4,144)
Effects of actuarial gains in other comprehensive income	385	385
Total U.S. GAAP adjustments to net deferred income tax asset	$ 136,980	$135,183
Net deferred income tax asset under U.S. GAAP	271,097	233,471
Net deferred ISR asset under U.S. GAAP	318,558	284,231
Net deferred IETU asset under U.S. GAAP	(47,461)	(50,760)
Composition of net deferred income tax asset:		
ISR		
Current deferred ISR assets (liabilities):		
Allowance for doubtful accounts	$ 464	$ 342
Inventories	(5,059)	(18,657)
Accrued liabilities	17,196	28,407
Prepaid expenses	(14,213)	(15,661)
Current deferred ISR liability – Net	(1,612)	(5,569)
Non – current deferred ISR assets (liabilities):		
Rents holidays	16,951	14,669
Property, equipment and leasehold improvements	284,254	260,195
Effect of tax loss carryforwards	97,621	96,368
Other, net	14,412	11,636
Valuation allowance for deferred ISR asset	(93,068)	(93,068)
Non – current deferred ISR asset – Net	320,170	289,800
Net deferred ISR asset under U.S. GAAP	$ 318,558	$284,231

The effective rate differs from the statutory rate mainly due to the effects of non-deductible expenses as well as different tax rates applicable in different tax jurisdiction in which the Company operates.

	09/07/2013 (Unaudited)	31/12/2012
IETU		
Current deferred IETU asset/liability:		
Account receivable from affiliated companies	$ (60,126)	$(62,627)
Accrued expenses	15,192	14,128
	(44,934)	(48,499)
Non – current deferred IETU assets – liabilities):		
Vehicles	(2,527)	(2,261)
Non – current deferred IETU asset – Net	(2,527)	(2,261)
Total IETU liability under U.S. GAAP	$ (47,461)	$(50,760)

U.S. GAAP also provides guidance regarding recognition, measurement and disclosure of uncertain tax positions taken by an enterprise. If an entity is unable to conclude that it is not more likely than not that the position it took will be upheld upon examination by the related tax authorities, all or a portion of the benefit related to such tax position may not be recognized. The Company has not taken any tax position for which it does not believe that it is more likely than not that the full amount of the benefit taken will be sustained upon review, based on technical merits of the position taken. The tax years that remain subject to examination by tax authorities are 2008 to 2013.

(vii) *Additional presentation and disclosure differences* -

(a) *Fair value of financial instruments and fair value measurements* - Under U.S. GAAP, an entity is required to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. U.S. GAAP establishes a fair value hierarchy based on the level of independent, objective evidence surrounding the inputs used to measure fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. Inputs used to measure fair value fall within one of the following three levels:

Level 1- applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.

Level 2—applies to assets or liabilities for which there are inputs other than quoted prices that are observable for the asset or liability such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions (less active markets); or model-derived valuations in which significant inputs are observable or can be derived principally from, or corroborated by, observable market data.

Level 3—applies to assets or liabilities for which there are unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of the assets or liabilities.

The Company's financial instruments consist principally of cash, accounts receivable, trade accounts payable and accrued expenses. The Company believes that the recorded values of these financial instruments approximate their current fair values because of their nature and respective maturity dates or durations.

(b) *Classification of certain items in the consolidated balance sheets and consolidated statements of income*—Under MFRS, the classification of certain costs and expenses differ from that required by U.S. GAAP.

i. Other expense of $0 (unaudited), $588 and $38,266 for the period from January 1, 2013 to July 9, 2013, and for the years ended December 31, 2012 and 2011, respectively, is considered other operating expense under U.S. GAAP.

ii. Normal bank commissions stemming from credit card transactions are included within comprehensive financing cost within results under MFRS; these amounts are included within selling, administrative and general expenses under U.S. GAAP. The Company also incurs additional bank commissions on interest-free sales offered to customers, where such sale is ultimately financed by the bank and not the Company. In those cases, the sale price of the product sold is increased. Those additional commissions are included within comprehensive financing cost under MFRS. Under U.S. GAAP, the amounts are a reduction of the additional revenue charged to the customers. The amounts reclassified in the period from January 1, 2013 to July 9, 2013 and for the years ended December 31, 2012 and 2011 are $10,682 (unaudited), $70,618 and $62,309, respectively.

iii. Certain items classified within other revenues within results under MFRS are presented within other operating income under U.S. GAAP. Such amounts for the period from January 1, 2013 to July 9, 2013 and for years ended December 31, 2012 and 2011 are $4,724 (unaudited), $12,069 and $9,567, respectively.

(c) *Consolidated statement of cash flows*—Under MFRS, the Company presents a consolidated statement of cash flows similar to that required under U.S. GAAP. However, certain classification differences exist, mainly with respect to interest paid. As well, U.S. GAAP requires disclosures of non-cash investing and financing activities.

	09/07/2013 (Unaudited)	31/12/2012	31/12/2011
Net income under U.S. GAAP	$ 358,693	$ 831,866	$ 781,764
Depreciation and amortization	149,958	298,277	287,053
Allowance for doubtful accounts	(325)	4,531	(6,150)
(Gain) loss on sale of fixed assets	15,815	(1,195)	(1,147)
Deferred income tax	(38,010)	(65,415)	(49,343)
Net periodic cost	9,149	13,910	10,235
Unrealized foreign exchange loss (gain)	—	2,578	6,095
	495,280	1,084,552	1,028,507
Changes in operating assets and liabilities:			
Accounts receivable and recoverable taxes	115,007	(187,415)	(45,421)
Due to/from related parties	2,681	17,226	(527)
Inventories	(49,273)	(435,198)	(204,088)
Trade accounts payable	(68,201)	61,564	48,050
Accrued expenses	(102,061)	19,834	68,478
Accrued taxes	—	—	—
Other liabilities	9,353	52,267	(2,305)
Cash flows provided by operating activities	402,786	612,830	892,694

	09/07/2013 (Unaudited)	31/12/2012	31/12/2011
Cash flows from investing activities:			
Purchases of equipment and investments in leasehold improvements	(85,743)	(538,834)	(529,491)
Proceeds from the sale of equipment	2,194	6,556	6,321
Net cash used in investing activities	(83,549)	(532,278)	(523,170)
Cash flows from financing activities:			
Borrowings from related party		550,000	400,000
Banks borrowings	6,512	—	100,000
Repayments to related party	—	(550,000)	(400,000)
Repayments of banks borrowings	(2,598)	—	(100,000)
Dividends paid	—	—	(600,000)
Net cash used in financing activities	3,914	—	(600,000)
Effect of exchange rate changes on cash	(40,376)	(34,447)	140,215
Cash and cash equivalents:			
Net increase (decrease) for the year	282,775	46,105	(90,261)
Beginning of period	348,761	302,656	392,917
End of the period	$ 631,536	$ 348,761	$ 302,656

Supplemental disclosures of cash flow information

Cash paid during the year for:

	09/07/2013 (Unaudited)	31/12/2012	31/12/2011
Interest paid	$ 230	$ 5,283	$ 21,580
Income taxes paid	172,123	289,477	251,339

Supplemental disclosure of noncash investing activities:

	09/07/2013 (Unaudited)	31/12/2012	31/12/2011
Fixed assets acquired during the year included in accounts payable	$ 10,940	$ 13,237	$ 45,152

(viii) *New accounting pronouncements under U.S. GAAP:*

The following are new pronouncements issued under U.S. GAAP which will be effective in future reporting periods:

In February 2013, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2013-02, *Comprehensive Income (Topic 220): Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income*. The amendments in this Update supersede and replace the presentation requirements for reclassifications out of accumulated other comprehensive income in ASU 2011-05 (issued in June 2011) and 2011-12 (issued in December 2011) for all public and private organizations. The amendments require an entity to provide information about the amounts reclassified out of accumulated other comprehensive income by component. In addition, an entity is required to present, either on the face of the statement where net income is presented or in the notes, significant amounts reclassified out of accumulated other comprehensive income by the respective line items of net income but only if the amount reclassified is required under U.S. GAAP to be reclassified to net income in its entirety in the same reporting period. For other amounts that are not required under U.S. GAAP to be reclassified in their entirety to net income, an entity is required to cross-reference to other disclosures required under U.S. GAAP that provide additional detail about those amounts. The amended guidance is effective prospectively for reporting periods beginning after December 15, 2013.

In March 2013, the FASB issued ASU No. 2013-05, *Foreign Currency Matters (Topic 830: Parent's Accounting for the Cumulative Translation Adjustment upon Derecognition of Certain Subsidiaries or Groups of Assets within a Foreign Entity or of an Investment in a Foreign Entity*. This ASU offers guidance on a parent's accounting for the cumulative translation adjustment upon derecognition of a subsidiary or group of assets within a foreign entity. This new guidance requires that the parent release any related cumulative translation adjustment into net income only if the sale or transfer results in the complete or substantially complete liquidation of the foreign entity in which the subsidiary or group of assets had resided. The Company will adopt this ASU prospectively in the 2015 fiscal year.

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