

OFFICE DEPOT INC
Form DEF 14A
March 10, 2011
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE 14A
PROXY STATEMENT PURSUANT TO SECTION 14(a) OF THE
SECURITIES EXCHANGE ACT OF 1934

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

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

OFFICE DEPOT, INC.

(Exact Name of Registrant as Specified In Its Charter)

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

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OFFICE DEPOT, INC.

6600 North Military Trail

Boca Raton, Florida 33496

**NOTICE OF ANNUAL MEETING OF
SHAREHOLDERS**

DATE	April 21, 2011
TIME	8:30 a.m. Eastern Daylight Time
LOCATION	Boca Raton Marriott at Boca Center 5150 Town Center Circle Boca Raton, FL 33486 (561) 392-4600
ITEMS OF BUSINESS	<ol style="list-style-type: none">1. To elect eleven (11) members of the Board of Directors named, and for the term described, in this Proxy Statement;2. To ratify our Audit Committee's appointment of Deloitte & Touche, LLP as our independent registered public accounting firm for the current year;3. To hold an advisory vote on executive compensation;4. To hold an advisory vote on the frequency of holding an advisory vote on executive compensation;5. To approve an Amendment to our 2007 Long-Term Incentive Plan;6. To consider a Proposal from a shareholder recommending that our Board of Directors amend the Company's Bylaws (and each appropriate document) to give holders of 10% or more of the Company's outstanding common stock (or the lowest percentage permitted by law above 10%) the power to call a special shareholder meeting; and

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7. To transact any other business that may properly come before the meeting.

RECORD DATE

You must own Office Depot voting securities of record as of the close of business on March 3, 2011 to attend and vote at our Annual Meeting of Shareholders and any adjournment thereof.

ANNUAL REPORT

Our 2010 Annual Report on Form 10-K is enclosed with these proxy materials.

By order of the Board of Directors,

Elisa D. Garcia C.

Executive Vice President, General Counsel &

Corporate Secretary

Boca Raton, Florida

March 10, 2011

Please note that for security reasons, we will require that you present the admission ticket included with this Proxy Statement and a positive picture identification if you attend our Annual Meeting. We reserve the right to exclude any person whose name does not appear on our official shareholder list as of our record date of March 3, 2011. If you hold shares in street name and do not have a ticket, you must bring a letter from your stockbroker, or a current brokerage statement, to indicate that the broker is holding shares for your benefit. We also reserve the right to request any person to leave the Annual Meeting who is disruptive, refuses to follow the rules established for the meeting or for any other reason. Cameras, recording devices and other electronic devices, signs and placards will NOT be permitted at the meeting.

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PROXY STATEMENT
FOR THE
2011 ANNUAL MEETING OF SHAREHOLDERS
OF OFFICE DEPOT, INC.
6600 North Military Trail
Boca Raton, Florida 33496
Telephone (561) 438-4800

This Proxy Statement is solicited on behalf of the Board of Directors of Office Depot, Inc. (Office Depot or the Company). This Proxy Statement contains important information about our 2011 Annual Meeting of Shareholders to be held on April 21, 2011 (Annual Meeting), at 8:30 a.m. Eastern Daylight Time, at the Boca Raton Marriott at Boca Center, 5150 Town Center Circle, Boca Raton, Florida 33486. We are providing this Proxy Statement and accompanying proxy card to our shareholders on or about March 10, 2011. Our shareholders of record are invited to attend the Annual Meeting and are requested to vote on the proposals described in this Proxy Statement.

Purposes of the Meeting. Important matters outlined in the Notice of this Meeting will be considered at our Annual Meeting. We have provided these proxy materials to you in connection with the solicitation of proxies by our board of directors (Board of Directors or Board), or individually, each a Director). Our Board of Directors asks that you authorize your proxies to vote as our Board of Directors recommends.

Notice of Electronic Availability of Proxy Statement and Annual Report on Form 10-K. As permitted by rules adopted by the Securities and Exchange Commission (the SEC), Office Depot is making this Proxy Statement and our Annual Report on Form 10-K available to its shareholders electronically via the Internet. You may access these materials at www.proxyvote.com. On or about March 10, 2011, we will mail to our U.S. and Canadian shareholders this Proxy Statement, our 2010 Annual Report on Form 10-K and proxy card.

Voting Your Shares. You may vote your shares in one of the following ways: (1) in person at the Annual Meeting; (2) by completing, signing and returning your proxy card to us in the enclosed postage-paid envelope; (3) by voting electronically using a touch-tone telephone at 800-690-6903; or (4) by using the Internet to vote your shares at www.proxyvote.com. If your shares are held in street name with a broker or similar party, you will need to contact your broker to determine whether you will be able to vote using one of these alternative methods. If you vote over the Internet, you may incur costs such as telephone and Internet access charges for which you will be responsible. If you choose to use the Internet or telephone to vote, you must do so by 6:00 p.m. Eastern Daylight Time on April 20, 2011, the day before our Annual Meeting takes place.

Delaware law permits electronically transmitted proxies, provided that each such proxy contains or is submitted with information from which the inspectors of election can determine that such proxy was authorized by the shareholder. The voting procedures available to registered shareholders for the Annual Meeting are designed to authenticate each shareholder by use of a control number, to allow shareholders to vote their shares, and to confirm that their instructions have been properly recorded.

OUR BOARD OF DIRECTORS RECOMMENDS:

that you vote FOR its nominees for Directors of the Company as described in Item 1;

that you vote FOR the ratification of our Audit Committee s appointment of Deloitte & Touche, LLP as our independent registered public accounting firm as described in Item 2;

that you vote FOR, on an advisory basis, the approval of the executive compensation as described in Item 3;

that you vote FOR, on an advisory basis, the option of once every year as the frequency for an advisory vote on executive compensation as described in Item 4;

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that you vote FOR the Amendment to the 2007 Long-Term Incentive Plan as described in Item 5; and

that you vote AGAINST the shareholder proposal described in Item 6.

We also strongly urge you to vote by means of the telephone or the Internet as this allows for automatic tally of your votes and also saves Office Depot the cost of return postage. However you choose to vote, we urge you to VOTE as early as possible.

Proxies. Our Board of Directors has appointed certain persons (proxies) to vote proxy shares in accordance with the instructions of our shareholders. If you authorize the proxies to vote your shares, but do NOT specify how your shares should be voted, they will vote your shares as our Board of Directors recommends. If any other matters are presented for consideration at our Annual Meeting, your shares also will be voted as our Board of Directors recommends. You can change or revoke your proxy: (1) by mailing your request to our Corporate Secretary at our corporate headquarters, at 6600 North Military Trail, Boca Raton, FL 33496, so that it is received not later than 4:00 p.m. Eastern Daylight Time, on April 20, 2011; (2) by filing a proxy with a later date; or (3) by voting your shares by ballot in person at the Annual Meeting.

Solicitation of Proxies. In addition to soliciting proxies by mail, we also may solicit proxies in person, by telephone or over the Internet. Our employees do not receive additional compensation for their solicitation services. Certain banking institutions, brokerage firms, custodians, trustees, nominees and fiduciaries who hold shares for the benefit of another party (the beneficial owner) may solicit proxies for us. If so, they will mail proxy information to, or otherwise communicate with, the beneficial owners of shares of our common stock held by them. We also have hired Morrow & Co., LLC to assist us in communicating with these institutions and forwarding solicitation materials to them, and we have agreed to pay Morrow & Co., LLC a fee of \$12,000 plus reimbursement of its reasonable out-of-pocket expenses in connection with this service. We will also reimburse brokerage firms and other custodians, nominees and fiduciaries for their expenses incurred in sending proxies and proxy materials to beneficial owners of our common stock.

Shareholders Eligible to Vote at Our Annual Meeting; List of Shareholders Available. Owners of our voting securities as of the close of business on March 3, 2011 (the Record Date) will be entitled to vote at our Annual Meeting. Our official stock ownership records will conclusively determine whether you are a holder of record as of the Record Date. A list of shareholders entitled to vote at the meeting will be available at our Annual Meeting and for ten days prior to the meeting between the hours of 9:00 a.m. and 4:00 p.m. Eastern Daylight Time at our corporate headquarters in Boca Raton, Florida. As of March 3, 2011, there were 277,436,190 shares of common stock outstanding and owned by shareholders (i.e., excluding shares held in treasury by Office Depot). Each share of common stock is entitled to one vote on each matter considered at our Annual Meeting. In addition, as of March 3, 2011, there were 274,596 shares of 10% Series A Redeemable Convertible Participating Perpetual Preferred Stock, par value \$0.01 per share and 75,404 shares of 10% Series B Redeemable Conditional Convertible Participating Perpetual Preferred Stock, par value \$0.01 per share, outstanding which in the aggregate are entitled to 73,703,194 votes.

Establishing a Quorum. In order for us to transact business at our Annual Meeting, the holders of the majority of the outstanding voting securities must be present, either in person or by proxy. Shareholders choosing to abstain from voting and broker non-votes will be treated as present and entitled to vote for purposes of determining whether a quorum is present.

Effect of Abstentions and Broker Non-Votes. Brokers who hold shares for the accounts of their clients may vote such shares either as directed by their clients or in their own discretion as permitted under the listing rules of the New York Stock Exchange. For purposes of the 2011 Annual Meeting, brokers are permitted to vote their clients proxies in their own discretion as to the ratification of the appointment of the independent registered public accounting firm if the clients have not furnished voting instructions 10 days prior to the meeting. All

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proposals other than the ratification of the appointment of the independent registered public accounting firm, are non-discretionary and brokers who have received no instructions from their clients do not have discretion to vote on those items. When a broker votes a client's shares on some but not all of the proposals at a meeting, the missing votes are referred to as broker non-votes. Abstentions and broker non-votes will not be counted as a vote for or against any matter. Broker non-votes will not be counted as shares entitled to vote and accordingly will not affect the outcome with respect to any matter to be voted on at the Annual Meeting.

Householding of Annual Disclosure Documents. Two or more shareholders sharing an address can request delivery of a single copy of our annual disclosure documents if they are receiving multiple copies by calling Broadridge at (800) 542-1061 or writing to them at Householding Department, 51 Mercedes Way, Edgewood, NY 11717. In the same way, two or more shareholders sharing an address and receiving only a single copy of the annual disclosure documents can request to each receive a separate copy of the disclosure documents. If a broker or other nominee holds your shares, please contact Broadridge and inform them of your request by calling them at (800) 542-1061 or writing to them at Householding Department, 51 Mercedes Way, Edgewood, NY 11717. Please be sure to include your name, the name of your brokerage firm, and your account number.

Required Vote.

Election of Directors. In an uncontested election, each nominee must be elected by a majority of the votes cast. This means that the number of votes cast FOR a nominee must exceed the number of votes cast AGAINST the nominee. A properly executed proxy marked ABSTAIN with respect to the election of one or more Directors or shares held by a broker for which voting instructions have not been given will not be voted with respect to the Director or Directors indicated, although it will be counted for purposes of determining whether a quorum is present. In a contested election (an election in which the number of candidates exceeds the number of director positions to be filled), the number of Director nominees that equals the number of director positions to be filled receiving the greatest number of votes cast will be elected as Directors.

Ratification of Independent Registered Public Accounting Firm. Pursuant to the Company's Amended and Restated Bylaws (Bylaws), ratification of the Company's independent registered public accounting firm requires that a majority of the votes cast at the Annual Meeting be voted FOR the proposal. A properly executed proxy marked ABSTAIN with respect to this proposal will not be counted as a vote cast FOR or AGAINST that proposal. Thus, abstentions will not affect the outcome with respect to this matter.

Other Matters. Other than proposals that are subject to advisory votes, pursuant to the Company's Bylaws, approval of any other proposal to be voted upon at the Annual Meeting requires a majority of the votes present in person or represented by proxy (as counted for purposes of determining the existence of a quorum) and entitled to vote at the Annual Meeting to be voted FOR the proposal. Accordingly, abstentions and broker non-votes will be counted as votes AGAINST the proposal.

Table of Contents**MATTERS TO BE CONSIDERED BY OUR SHAREHOLDERS****ITEM 1: ELECTION OF DIRECTORS*****Nominees for Directors of Office Depot***

At the 2011 Annual Meeting, the eleven (11) directors nominated below are to be elected to hold office until the 2012 Annual Meeting and until their successors have been elected and qualified. The eleven (11) nominees for election at the 2011 Annual Meeting are all currently Directors of the Company. The Company's Board of Directors has determined that ten (10) nominees satisfy the New York Stock Exchange's (the "NYSE") definition of independent director. We do not know of any reason why any nominee would be unable to serve as a Director. If any nominee is unable to serve, the shares represented by all valid proxies will be voted for the election of such other person as the Board may nominate.

Neil R. Austrian*
Justin Bateman
Thomas J. Colligan
Marsha J. Evans

David I. Fuente
Brenda J. Gaines
Myra M. Hart
W. Scott Hedrick

Kathleen Mason
James S. Rubin
Raymond Svider

* Mr. Austrian is serving as our Interim Chair and Chief Executive Officer while the Company searches for a new chief executive officer. While serving in his current position, Mr. Austrian is not independent, however, pursuant to the NYSE listing rules, service as an interim chief executive officer will not disqualify Mr. Austrian from being considered independent following the completion of his interim employment.

Subject to our Corporate Governance Guidelines discussed below in the section captioned "Corporate Governance," the eleven (11) nominees for the office of Director will be elected by majority vote. In an uncontested election, each Director nominee must be elected by a majority of the votes cast. This means that the number of votes cast FOR a Director nominee must exceed the number of votes cast AGAINST the nominee. Pursuant to the Company's Bylaws, abstentions are not considered to be votes cast therefore an abstention will have no effect on the election of Directors. In a contested election (an election in which the number of candidates exceeds the number of director positions to be filled), the number of Director nominees that equals the number of director positions to be filled receiving the greatest number of votes cast will be elected as Directors. All of our Directors form a single class of Directors and stand for election each year. Information about the nominees, their business experience and other relevant biographical information is set forth in the following section.

Should any of these nominees become unable to serve, our Corporate Governance and Nominating Committee may propose a substitute nominee. If a substitute nominee is named, all proxies voting FOR the nominee who is unable to serve will be voted for the substitute nominee so named. If a substitute nominee is not named, all proxies will be voted for the election of the remaining nominees (or as directed on your proxy card). In no event will more than eleven (11) Directors be elected at our 2011 Annual Meeting. Each person nominated for election has agreed to serve if elected and management has no reason to believe that any nominee will be unable to serve.

Pursuant to Article II, Section 9 of our Bylaws, in any uncontested election of directors, any Director who is an incumbent Director who does not receive a greater number of votes cast FOR his or her election than votes cast AGAINST his or her election must immediately tender his or her resignation to the Board of Directors. After the Director tenders his or her resignation, the Board of Directors must then decide within 90 days of the date the Director submitted his or her resignation, through a process managed by the Corporate Governance and Nominating Committee (and excluding the Director in question from all Board of Directors and Committee deliberations), whether to accept the Director's resignation. Absent a compelling reason, as determined by the Board of Directors, for the Director to remain on the Board, the Board of Directors shall accept the Director's resignation. If the Board of Directors determines that there is a compelling reason for the Director to remain on the Board and does not accept the Director's resignation, the Board must publicly disclose its decision either in a Current Report on Form 8-K filed with the SEC or in a press release.

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If the Board of Directors accepts an incumbent Director's resignation, that Director will immediately cease to be a member of the Board of Directors. If the Board of Directors does not accept an incumbent Director's resignation, that Director will continue to serve until the next annual meeting of shareholders, or until the earlier of his or her subsequent resignation or removal. If a Director nominee who was not already serving as an incumbent Director is not elected at the annual meeting, under Delaware law and our Bylaws, that Director nominee would not become a director and would not serve on the Board of Directors as a holdover director.

YOUR BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE ELECTION OF EACH OF THE NOMINEES LISTED IN ITEM 1 ON YOUR PROXY CARD.

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BIOGRAPHICAL INFORMATION ON THE NOMINEES

NEIL R. AUSTRIAN

AGE: 71

Mr. Austrian has served as a Director on our Board since 1998. As Interim Chair and Chief Executive Officer (Interim Chair and CEO) of the Company, Mr. Austrian has in-depth insights into the Company's operations and its management which uniquely qualifies him for serving on our Company's Board. Mr. Austrian has served in this interim role since November 2010 and previously served in this role from October 2004 through March 2005. In addition, Mr. Austrian's experience as President and Chief Operating Officer of the National Football League from April 1991 until December 1999, makes him well suited to understand and oversee the complex managerial, strategic and financial considerations necessary to serve on the board of a corporation such as Office Depot. His experience at Dillon Reed & Co. Inc. as Managing Director from October 1987 until March 1991 provided him with a sound footing in finance, investment banking and deal negotiation. In addition, Mr. Austrian served as the Chief Financial Officer of Doyle Berbach Advertising, a public advertising agency, from 1974 until 1978, which enhanced his finance and strategic experience. Mr. Austrian's knowledge of all aspects of the business gained while serving as a director of Viking Office Products from 1988 until August 1998 when it merged with Office Depot, further strengthens his knowledge of our industry. Mr. Austrian also serves as a director of the Direct TV Group (formerly Hughes Electronics Company).

JUSTIN BATEMAN

AGE: 37

Mr. Bateman has served as a Director on our Board since June 2009. He is a Partner with BC Partners, the U.S. investment arm of which he co-established in early 2008, and is based in the firm's New York office. Mr. Bateman initially joined BC Partners' London office in 2000 from PricewaterhouseCoopers, where he spent three years in Transaction Services working on due diligence projects for both financial investors and corporate clients. In 2002 he left BC Partners to complete his MBA at INSEAD before rejoining the BC Partners London office. Over the years Mr. Bateman has participated in or been a board member of General Healthcare Group, Baxi Holdings, Ltd. and Regency Entertainment. He is currently a director of Intelsat S.A., the leading international provider of fixed satellite services. Mr. Bateman was appointed as a Director of the Company pursuant to the terms of the Investor Rights Agreement in connection with the Company's private equity investment transaction with BC Partners. Mr. Bateman serves as a non-voting observer on the Audit Committee and his experience as a chartered accountant and understanding of accounting issues is helpful in fulfilling the committee's oversight responsibilities. Mr. Bateman's analysis of and participation in the oversight of BC Partners portfolio companies provides him with the skills he needs to assist the Company with its strategic planning process. Mr. Bateman's education and experience in business and finance allows him to provide the Board significant managerial, strategic, financial and compliance-based expertise.

THOMAS J. COLLIGAN

AGE: 66

Mr. Colligan has served as a Director on our Board since January 2010. He served as Vice Dean of The Wharton School's Aresty Institute of Executive Education from 2007 to June 2010 where he was responsible for the non-degree executive education programs. From 2004 to 2007, Mr. Colligan served as a managing director at Duke Corporate Education, a corporation that provides custom executive education and is affiliated with Duke University's Fuqua School of Business. Prior to joining Duke Corporate Education, he was Vice Chairman of PricewaterhouseCoopers LLP from 2001 to 2004 and served there in other capacities from 1969 to 2004, including as a partner. Mr. Colligan also has advised Fortune 500 companies in various industries, including technology, telecommunications, pharmaceuticals and consumer products. Mr. Colligan is currently a director of CNH Global, N.V., and Targus Group International, Inc., a non-public company and leading global supplier of notebook carrying cases and accessories. He previously served as a director of Schering-Plough Corporation, Anesiva, Inc. and Educational Management Corporation. Mr. Colligan's experience as a former audit partner and Vice Chairman of PricewaterhouseCoopers qualifies him to serve on the Board of Directors and to provide guidance to the Company's internal audit function. In addition, Mr. Colligan's former position as Vice Dean of

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The Wharton School's Aresty Institute of Executive Education and his previous position as Managing Director at Duke Corporate Education have provided him a broad based understanding of new and developing business strategies that are helpful to our Board.

MARSHA J. EVANS**AGE: 63**

Ms. Evans has served as a Director on our Board since 2006. Ms. Evans was acting Commissioner of the Ladies Professional Golf Association from July 2009 to January 2010, President and Chief Executive Officer of the American Red Cross from 2002 to 2005, and National Executive Director of The Girl Scouts of the USA from 1998 to 2002. Ms. Evans retired from the U.S. Navy in 1998 with the rank of Rear Admiral. From 1995 to 1998 Ms. Evans served as superintendent of the Naval Postgraduate School in Monterey, California and from 1993 to 1995 she led the Navy's worldwide recruitment organization, during which time she developed extensive human resources experience. Currently, she is also a Director of Huntsman Corporation, Weight Watchers International, North Highland and The Estate of Lehman Brothers Holdings. Ms. Evans brings significant leadership experience to our Board of Directors and the Board relies on her perspectives on human resources and governance issues.

DAVID I. FUENTE**AGE: 65**

Mr. Fuente has been a Director on our Board since he joined Office Depot in 1987. Until December 2001, he served as Chair of our Board of Directors. From December 1987 until July 2000, Mr. Fuente also served as Chief Executive Officer of our Company. As Office Depot's former Chief Executive Officer, Mr. Fuente contributed significantly to the development of the Company from its inception. He is familiar with all aspects of the Company including its management, operations and financial requirements and demonstrates a practical understanding of organizations, processes, strategy, risk management and the methods to drive change and growth. Mr. Fuente's role and experience in the early development of the Company has provided the Company certain continuity in its operational and financial management. Mr. Fuente is the Chairman of the G 100, a think tank of chief executive officers and business leaders. He is also a Director of Ryder System, Inc. and Dick's Sporting Goods. His experience as a board member and as a former Chief Executive Officer of our Company, as well as his financial expertise bring unique skills to our Board of Directors.

BRENDA J. GAINES**AGE: 61**

Ms. Gaines has been a Director on our Board since 2002. Ms. Gaines retired in 2004 from her position as President and Chief Executive Officer of Diners Club North America, a Division of Citigroup, a position she held since 2002. She served as President of Diners Club North America from 1999 until 2002 and from 1994 until 1999, she served as Executive Vice President, Corporate Card Sales. Prior to that she served in various positions of increasing responsibility within Citigroup or its predecessor corporations since 1988. From 1985 until 1987, Ms. Gaines was Deputy Chief of Staff for the Mayor of the City of Chicago. She is currently a director of NICOR, Inc., the Federal National Mortgage Association (Fannie Mae) and Tenet Healthcare Corporation, and is on the National Board of the Smithsonian Institution. Ms. Gaines also served as a director of CNA Financial Corp. from 2004 to 2007 and has served as a board member of the non-profit organization March of Dimes. Ms. Gaines has significant experience in financial services, including the credit card and payment industry. As Chief Executive Officer of Diners Club North America, she managed a company with three distinct customer groups, that included retail consumers, small businesses and large multinational corporations. While working as the Deputy Chief of Staff for the Mayor of the City of Chicago, Ms. Gaines developed valuable experience working with public agencies, which represent one of the Company's larger customer segments. This experience enables her to provide insights into the Company's core customers as well as the Company's products and services. Ms. Gaines has held a number of executive and board leadership positions in a number of public companies. Ms. Gaines' service on other public company boards allows her to provide the Board of Directors with a variety of perspectives on corporate governance issues.

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MYRA M. HART

AGE: 70

Dr. Hart has served as a Director on our Board since 2004. She is currently a member of Harvard Business School's senior faculty. From 1995 to 2007, she served as Professor, Entrepreneurial Management, at the Harvard Business School. In 2007 and 2008, she was a visiting scholar at Babson College and Stanford University, respectively. From 1985 until 1990, Dr. Hart was a member of the Staples, Inc. founding management team, leading operations, strategic planning and growth implementation in new and existing markets. She is a Director of Nina McLemore, Inc. and Kraft Foods, Inc. and a former director of Summer Infant, Inc. and Royal Aloha. Dr. Hart is also a member of the National Board of the Smithsonian Institution, and a Trustee Emeritus of Cornell University. Dr. Hart's experience as a member of the founding management team of Staples, Inc. enables her to share with our Board suggestions about how similarly-situated companies effectively assess and undertake business considerations and opportunities. In addition, as a member of Harvard Business School's senior faculty, Dr. Hart has been able to offer Office Depot a variety of business and management solutions that are grounded in proven policies and practices taught at the business school. Dr. Hart's service on other public, private and non-profit boards also provides our Board with a diverse knowledge of best practices.

W. SCOTT HEDRICK

AGE: 65

Mr. Hedrick has been a Director on our Board since 1991. From November 1986 until April 1991, he was a Director of The Office Club, Inc., which was acquired by Office Depot in 1991. Mr. Hedrick was appointed Lead Director in February 2011. He was a founder and has been a general partner of InterWest Partners, a venture capital fund, since 1979. Mr. Hedrick is also a director of Hot Topic, Inc. and a cluster of mutual funds managed by Capital Research and Management Company. As one of our longest-serving non-executive Directors, Mr. Hedrick brings an important institutional knowledge to our Board. His work with InterWest provides him with a solid basis for his analysis of our financial strategies. Mr. Hedrick's service on the board of Hot Topic, Inc. gives him another view of the issues affecting retailers, which is useful to our Board of Directors.

KATHLEEN MASON

AGE: 61

Ms. Mason has served as a Director on our Board since 2006. She currently serves as President and Chief Executive Officer of Tuesday Morning Corporation and has served in that position since July 2000. From July 1999 to November 1999, Ms. Mason served as President of Filene's Basement, a department store chain. From January 1997 to June 1999, Ms. Mason was President of HomeGoods, an off-price home fashion store and a subsidiary of TJX Companies. Ms. Mason was Chair and Chief Executive Officer of Cherry & Webb, a women's specialty store, from February 1987 to December 1996. Prior to those dates, she held management positions at Kaufmann's Division of the May Company, Mervyn's Division of Target, Inc. and the Limited. She is currently a director of Genesco, Inc. and previously served as a director of The Men's Warehouse, Inc., and of Hot Topic, Inc. Ms. Mason's senior executive positions at various large national retail companies gives her the experience to critically review the various business considerations necessary to run a successful consumer-driven business such as our North American Retail Division. Ms. Mason's broad exposure to numerous retailers provides our Board with relevant comparisons and her extensive retail knowledge gives her an insight into a number of issues facing Office Depot. As a sitting chief executive officer of a public retail company, Ms. Mason is able to offer our Board of Directors sound business and financial strategies to address evolving complex audit issues.

JAMES S. RUBIN

AGE: 43

Mr. Rubin has served as a Director on our Board since June 2009. He is a Senior Partner of BC Partners, which he joined in May 2008 from One Equity Partners, where he was a founding partner since its inception in 2001. Mr. Rubin originated and executed transactions in a variety of industries with a particular focus on healthcare and business services and was also responsible for building One Equity's practice in India. Prior to forming One Equity, Mr. Rubin was a Vice President with Allen & Company Incorporated, a New York

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merchant bank specializing in media and entertainment transactions and advisory work. From 1996 to 1998, he held a number of senior policy positions with the Federal Communications Commission. Mr. Rubin is currently a board member of ATI Enterprises, a private post-secondary education company, and MultiPlan, one of the largest independent preferred provider organizations in the U.S. He is a member of the board of trustees of the Brookings Institute and the New York City non-profit Common Ground Communities, and serves on the board of The Dalton School. Mr. Rubin was appointed as a Director pursuant to the terms of the Investor Rights Agreement in connection with the Company's private equity investment transaction with BC Partners. Mr. Rubin's extensive background in the financial services industry allows him to provide proven financial advice to our Board. Mr. Rubin brings significant business and finance experience to our Board of Directors and provides new strategies and solutions to address an increasingly complex business environment.

RAYMOND SVIDER

AGE: 48

Mr. Svider has served as a Director on our Board since June 2009. He has been co-Chairman of BC Partners since December 2008 and has been a Managing Partner of the firm since 2003. Mr. Svider joined BC Partners in 1992 in Paris before moving to London in 2000 to lead its investments in the technology and telecoms industries. Over the years, Mr. Svider has participated in or led a variety of investments including Tubesca, Nutreco, UTL, Neopost, Polyconcept, Neuf Telecom, Unity Media/Tele Columbus, and Intelsat S.A. He is currently Chairman of the board, the audit and compensation committees of Intelsat S.A., and a member of the board of ATI Enterprises, a private post-secondary education company, and MultiPlan, one of the largest independent preferred provider organizations in the U.S. Prior to joining BC Partners, Mr. Svider worked in investment banking at Wasserstein Perella in New York and Paris, and at the Boston Consulting Group in Chicago. Mr. Svider was appointed as a Director on our Board pursuant to the terms of the Investor Rights Agreement in connection with the Company's private equity investment transaction with BC Partners. As a Managing Partner of BC Partners since 2003, Mr. Svider has demonstrated significant leadership abilities and extensive knowledge of complex financial and operational issues facing large organizations. He brings an expertise in international operations and financial strategy to our Board of Directors. In addition, through his oversight of BC Partners portfolio companies, Mr. Svider has significant experience in developing various strategies to motivate and compensate executives.

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CORPORATE GOVERNANCE

Corporate Governance Guidelines

We have a strong commitment to good corporate governance practices and the independence of our Board of Directors from our management. These practices provide a framework within which the Board of Directors and management can pursue our strategic objectives and ensure long-term growth for the benefit of our shareholders. Our Corporate Governance Guidelines may be viewed at our corporate web site, www.officedepot.com under the headings Company Information/Investor Relations/Corporate Governance. In addition, a printed copy of our Corporate Governance Guidelines will be provided to any shareholder upon written request to our Corporate Secretary. The Corporate Governance and Nominating Committee reviews the guidelines annually and any changes are recommended to the Board of Directors for approval.

Board Leadership Structure

Effective November 1, 2010, Mr. Stephen A. Odland resigned as Chair and Chief Executive Officer of the Company (former Chair and CEO) and Mr. Neil R. Austrian was appointed as the Company s Interim Chair and CEO until the Company finds a permanent replacement.

Prior to his resignation, Mr. Odland was required to serve as both Chair and Chief Executive Officer pursuant to the duties outlined in his employment agreement. Mr. Odland s combined role as Chair and Chief Executive Officer promoted unified leadership and direction for the Board of Directors and executive management and it allowed for a single, clear focus for the chain of command to execute the Company s strategic initiatives and business plans. Prior to Mr. Odland s resignation, Mr. Austrian served as our Lead Director. As Lead Director, Mr. Austrian had the following duties:

preside at all meetings of the Board of Directors where the Chair of the Board is not present;

preside at all executive sessions of the independent Directors;

call meetings of the independent Directors, as needed;

meet regularly with the Chief Executive Officer (CEO);

serve as a liaison between the CEO and the independent Directors;

develop the agendas for meetings of the independent Directors;

approve Board of Directors meeting agendas and schedules;

review information sent to the Board of Directors; and

meet with shareholders as appropriate.

In order to ensure continuity during the search for a permanent CEO, the Company chose not to separate the positions of Chair and CEO. As a result of Mr. Austrian s current position as Interim Chair and CEO, Mr. Austrian no longer serves as Lead Director. On February 16, 2010, the Board appointed Mr. Scott Hedrick to serve as Lead Director, to perform the duties described above.

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In the future, consistent with the Company's Corporate Governance Guidelines it is the Board of Director's intention to separate the positions of Chair and CEO and that the position of Chair shall be held by an independent director on the Board of Directors.

Director Independence

The Board of Directors believes in strong and independent Directors. The Board of Directors evaluates the independence of each nominee for election as a Director of our Company in accordance with the Corporate Governance Guidelines, which incorporate the applicable listing standards of the NYSE. The Corporate

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Governance Guidelines require that a majority of our Board of Directors must be Independent within the meaning of the NYSE's listing standards (Independent Directors), and all Directors who sit on our Audit Committee, Compensation Committee and Corporate Governance and Nominating Committee, must also be Independent Directors.

All members of our Audit Committee, Compensation Committee and Corporate Governance and Nominating Committee have been determined by our Board of Directors to be Independent Directors. Our Board of Directors has reviewed the various relationships between members of our Board of Directors and the Company and has affirmatively determined that none of our Directors has a material relationship with the Company, other than Mr. Austrian, who is currently serving as our Interim Chair and CEO until a permanent replacement is appointed. Mr. Austrian is also a member of the Finance Committee of our Board of Directors. Our Board of Directors has also determined that Messrs. Bateman, Rubin and Svider are affiliates of the Company due to BC Partners' stock ownership of the Company. The Board of Directors concluded th