

**OFFICE DEPOT, INC.**

**SCHEDULE OF FULL TIME EQUIVALENT JOBS  
AND AVERAGE ANNUAL SALARIES**

**YEAR ENDED AUGUST 31, 2014**

**OFFICE DEPOT, INC.  
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**INDEPENDENT ACCOUNTANTS' REPORT**

Board of Directors  
Office Depot, Inc.  
Boca Raton, Florida

We have examined the accompanying schedule containing the number of retained and new Full Time Equivalent ("FTE") jobs and average annual salaries (the "Schedule") for the year ended August 31, 2014 of Office Depot, Inc. (the "Company"). The Company's management is responsible for the Schedule. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the Schedule and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the Schedule referred to above presents, in all material respects, the number of retained and new FTE jobs and the average annualized salaries, based on the definitions and requirements described in the Special Economic Development Agreement for Major Investments between the Company and Palm Beach County.

This report is intended solely for the information and use of the Company's Board of Directors, management, and Palm Beach County and is not intended to be and should not be used by anyone other than these specified parties.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Tampa, Florida  
April 6, 2015

**OFFICE DEPOT, INC.**  
**SCHEDULE OF FULL TIME EQUIVALENT JOBS AND AVERAGE ANNUAL SALARIES**  
**YEAR ENDED AUGUST 31, 2014**

Retained full time equivalent jobs	1,750
New full time equivalent jobs	200
Average annual salary for all retained jobs	\$ 129,389
Average annual salary for all new jobs	\$ 101,234
Average annual salary for low and mid echelon new jobs	\$ 87,627

*See accompanying Notes to Schedule of Full Time Equivalent Jobs and Average Annual Salary*

**OFFICE DEPOT, INC.**  
**NOTES TO SCHEDULE OF FULL TIME EQUIVALENT JOBS AND AVERAGE ANNUAL SALARIES**  
**AUGUST 31, 2014**

**NOTE 1 OVERVIEW**

On August 18, 2009, Office Depot, Inc. (the "Company") and Palm Beach County, Florida (the "County") entered into the Special Economic Development Agreement for Major Investments (the "Agreement") for a ten year period beginning September 1, 2009. According to the terms of the Agreement, the Company must retain 1,750 Full Time Equivalent (FTE) jobs and create 200 FTE jobs in Palm Beach County. New jobs must be created within a five year period beginning September 1, 2009 and ending August 31, 2014. The retained, new or relocated jobs must also meet average salary requirements as defined by the Agreement. Provided the requirements of the Agreement are met, the County shall reimburse the Company for costs previously incurred related to the construction of the Company's corporate headquarters in Palm Beach County. The reimbursement shall be up to but not to exceed \$650,000 per year for ten years, which is the duration of the Agreement.

**NOTE 2 DEFINITIONS**

**Full Time Equivalent Job**

FTE jobs are calculated at 40 hours per week or 2,080 hours annually for retained positions. For new jobs, the FTE requirement is calculated using 35 hours per week or 1,820 hours annually. In tabulating hours, any paid leave an employee takes during the pay period, such as vacation or sick leave, may be included.

**Retained Job**

An FTE job that is retained in Palm Beach County, which sustains Palm Beach County's total job base, is a position listed in the Company's payroll which involves working on-site or as a base of operations at the Company's facility that is located in Palm Beach County. A full time or equivalent job may include permanent salaried, part-time, leased employees, and contractors and subcontractors.

**New Job**

An FTE job that is created in or relocated to Palm Beach County and adds to Palm Beach County's total job base, adds incrementally to the Company's payroll, results in a net increase in the number of Company employees, and involves only a new employee working on-site at the Company's facility that is located in Palm Beach County. A full time or equivalent job may include permanent salaried, part-time, leased employees, and contractors and subcontractors. However, employees on the Company's payroll of a Company facility located in a county adjacent to the borders of Palm Beach County who transferred to the Company's facility in Palm Beach County are excluded.



**OFFICE DEPOT, INC.**  
**NOTES TO SCHEDULE OF FULL TIME EQUIVALENT JOBS AND AVERAGE ANNUAL SALARIES**  
**AUGUST 31, 2014**

**NOTE 3 CRITERIA FOR WAGES**

The Company is required to pay an average salary per annum equal to or greater than \$76,792, excluding benefits, for all those Company FTE's that must be retained, created in or relocated to Palm Beach County. Average salary per annum is calculated as total wages paid to all FTEs divided by the total number of FTEs reported.

**NOTE 4 CONTRACTORS**

A full time or equivalent job may include permanent salaried, part-time, leased employees, and contractors and subcontractors. The Company currently engages contractors and subcontractors through a variety of different avenues. Contractors and subcontractors included in the Schedule can be classified into one of the following categories:

**Directly Retained Contractors:** Directly Retained Contractors are independent contractors retained directly by the Company for a defined period. The Company establishes the services to be performed, work hours and compensation rate. The terms of the engagement are memorialized in an agreement between the Company and the independent contractor. Services rendered are invoiced to the Company and paid by the Company according to the terms of the agreement.

**Staffing Agency Contractors:** As necessary, the Company engages staffing agencies to fill a position that performs permanent functions for a period of time.

**Third Party Functional Area Contractors:** On occasion, the Company engages a third party vendor to staff individuals to perform permanent functions, frequently for an entire function or work-area.

The compensation included in the Schedule that is attributable to staffing agency contractors and third party functional area contractors represents amounts paid to the staffing agencies and third party vendors. Differences may exist between amounts paid by the Company to staffing agencies and vendors and the wages paid by staffing agencies and vendors to those contractors.