Staples, Inc.
Five Hundred Staples Drive
Framingham, Massachusetts 01702

Staples, Inc. 2012 Employee Stock Purchase Plan

Prospectus for the employees of the European Economic Area ("EEA") (direct or indirect) subsidiaries of Staples, Inc.

Pursuant to Article 23 of the Law of June 16, 2006 on the public offerings of securities and the admission to trading of securities on a regulated market, the Belgian Financial Services and Markets Authority has approved this prospectus on June 11, 2013. This prospectus was established by the issuer and the issuer is responsible for this prospectus. The prospectus has been approved in connection with the operations proposed to the investors. The visa represents neither an assessment of the transaction's opportunity or quality nor the authentication of the financial and accounting information presented or more generally the issuer's position, by the Belgian Financial Services and Markets Authority.

This prospectus will be made available to the employees of the EEA subsidiaries of Staples, Inc. if the offerings under the plan listed above are considered public offerings in their respective jurisdiction. At the time of the approval of this prospectus, these jurisdictions are Belgium, France, Germany, Italy, Norway, the Netherlands, Portugal, Sweden and the United Kingdom. This prospectus will be made available on the intranet of Staples, Inc. and free paper copies will be available to the employees upon request by contacting the Human Resources Departments of their employers.

When participating in the ESPP, certain risk factors must be taken into account. With respect to these risk factors, reference is made to page 12 and following of this prospectus.

Note to the prospectus

This prospectus was established in accordance with the principles laid down in the Law of June 16, 2006 on the public offerings of securities and the admission to trading of securities on a regulated market, in Directive 2003/71/EC of November 4, 2003 and in Commission Regulation 809/2004 of April 29, 2004.

This prospectus contains, among other things, a summary conveying the essential characteristics of, and risks associated with, the issuer and the offered securities. More detailed information concerning the issuer and the securities to be offered is reflected in the exhibits attached to this prospectus. The documents referred to in the relevant chapters are attached as annexes to this prospectus.

Company responsible for the prospectus

The responsibility for this prospectus is assumed by Staples, Inc., a company incorporated and existing under the laws of the State of Delaware, U.S.A., with its registered office at Five Hundred Staples Drive, Framingham, Massachusetts 01702, U.S.A., represented by its Board of Directors. Staples, Inc. ensures, having taken all reasonable care, that the information contained in this prospectus is, to the best of its knowledge, in accordance with the facts and that the prospectus does not contain omissions likely to affect the import of the prospectus.

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LIST OF EXHIBITS

I. Summary

Preliminary remark

Summaries are made up of disclosure requirements known as "Elements." These Elements are numbered in Sections A – E (A.1 – E.7).

This summary contains all the Elements required to be included in a summary for this type of securities and Issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in the summary because of the type of securities and Issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of "not applicable."

SECTION A — INTRODUCTION AND WARNINGS		
A.1	**Warning to the reader**	This summary should be read as an introduction to the prospectus. Any decision to invest in the securities should be based on consideration of the prospectus as a whole by the investor. Where a claim relating to the information contained in the prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States of the European Union or States party to the European Economic Area Agreement, have to bear the costs of translating the prospectus before the legal proceedings are initiated. Civil liability attaches to those persons who have presented the summary including any translation thereof, and applied for its notification, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the prospectus or it does not provide, when read together with the other parts of the prospectus, key information in order to aid investors when considering whether to invest in such securities.

SECTION B — ISSUER		
B.1	**Legal and commercial name of the issuer**	Staples, Inc. ("Staples" or the "Company").
B.2	**Domicile and legal form of Staples, the legislation under which the issuer**	Staples, Inc. is a corporation incorporated under the laws of the State of Delaware, U.S.A., with headquarters at Five Hundred Staples Drive, Framingham, Massachusetts 01702, U.S.A.

	operates and its country of incorporation	
B.3	**Description of the nature of Staples's current operations and its principal activities**	

Staples is the world's leading office products company. Staples pioneered the office products superstore concept by opening the first office products superstore in Brighton, Massachusetts in 1986 to serve the needs of small businesses. Currently, Staples serves customers throughout North America, South America, Europe, Australia and Asia.

Staples and its subsidiaries operate three business segments: North American Stores Online, North American Commercial and International Operations.

The following table shows the Company's sales by each major category as a percentage of total sales for the periods indicated.

	Fiscal Year Ended		
	February 2, 2013	**January 28, 2012**	**January 29, 2011**
Office supplies	43.9%	44.6%	44.0%
Services	6.7%	5.7%	5.3%
Office machines and related products	29.7%	29.4%	29.9%
Computers and related products	14.1%	15.2%	15.6%
Office furniture	5.6%	5.1%	5.2%
	100.0%	100.0%	100.0%

B.4a	**Recent trends**	The Form 10-Q for the quarter ended on May 4, 2013 summarizes the major contributions to the results of the first quarter of 2013, as compared to the first quarter of 2012, as follows: • Staples generated $5.81 billion in sales, a decrease of 3.5%; • North American Stores & Online's sales decreased 3.5%, comparable store sales decreased 2% and business unit income rate decreased to 6.2% from 7.3%; • North American Commercial's sales increased 1.7% and business unit income rate decreased to 7.3% from 7.9%; • International Operations' sales decreased 12.5% and business unit loss rate increased to (1.1)% from (0.9)%; and • Income from continuing operations attributable to Staples for the first quarter of 2013 was $170.4 million or $0.26 per diluted share compared to $192.9 million or $0.28 per diluted share for the first quarter of 2012.

B.5	**Organizational structure**	Staples is the parent company of the Staples group. Staples holds, directly or indirectly, the capital and voting rights of each of its subsidiaries.
B.6	**Interests in Staples's capital**	Not applicable. Pursuant to its Q&A, ESMA considers that Item 18 of Annex I of the Commission Regulation 809/2004 of April 29, 2004 (the "Prospectus Regulation") is generally not pertinent for offers of shares to employees and can thus be omitted from the prospectus in accordance with Article 23.4 of the Prospectus Regulation.
B.7	**Financial information concerning Staples for the fiscal years ended February 2, 2013, January 28, 2012, January 29, 2011, January 30, 2010 and January 31, 2009**	

	Fiscal Year Ended				
	February 2, 2013 (53 Weeks)	**January 28, 2012 (52 Weeks)**	**January 29, 2011 (52 weeks)**	**January 30, 2010 (52 weeks)**	**January 31, 2009 (52 weeks)**
Statement of Income Data:					
Sales	$ 24,380,510	$ 24,664,752	$ 24,135,253	$ 23,806,934	$ 22,722,725
Gross profit	6,491,261	6,689,868	6,535,247	6,394,869	6,180,412
(Loss) income from continuing operations, including the portion attributable to the noncontrolling interests	$ (160,847)	$ 987,397	$ 898,960	$ 768,876	$ 811,511
Amounts attributable to Staples, Inc.					
(Loss) income from continuing operations	$ (160,728)	$ 988,220	$ 892,339	$ 750,436	$ 802,554
(Loss) income from discontinued operations, net of income taxes	(49,978)	(3,564)	(10,391)	(11,765)	2,710
(Loss) income attributed to Staples, Inc.	$ (210,706)	$ 984,656	$ 881,948	$ 738,671	$ 805,264
Basic earnings per common share:					
Continuing operations attributed to Staples, Inc.	$ (0.24)	$ 1.42	$ 1.24	$ 1.06	$ 1.15
Discontinued operations attributed to Staples, Inc.	(0.07)	—	(0.01)	(0.02)	—

Net (loss) income attributed to Staples, Inc.	$ (0.31)	$ 1.42	$ 1.23	$ 1.04	$ 1.15
Diluted earnings per common share:					
Continuing operations attributed to Staples, Inc.	$ (0.24)	$ 1.40	$ 1.22	$ 1.04	$ 1.13
Discontinued operations attributed to Staples, Inc.	(0.07)	—	(0.01)	(0.02)	—
Net income (loss) attributed to Staples, Inc.	$ (0.31)	$ 1.40	$ 1.21	$ 1.02	$ 1.13
Dividends	$ 0.44	$ 0.40	$ 0.36	$ 0.33	$ 0.33
Statistical Data:					
Stores open at end of period	2,215	2,295	2,281	2,243	2,218
Balance Sheet Data:					
Working capital	$ 1,740,665	$ 2,216,542	$ 2,174,574	$ 2,392,448	$ 951,704
Total assets	12,280,005	13,430,622	13,911,667	13,717,334	13,073,055
Total long-term debt, less current portion	1,001,943	1,599,037	2,014,407	2,500,329	1,968,928
Noncontrolling interest	7,941	7,062	7,471	83,054	58,224
Stockholders' equity	$ 6,136,094	$ 7,022,213	$ 6,951,181	$ 6,854,940	$ 5,622,431

B.8	**Pro forma financial information**	Not applicable. There are no significant gross changes as defined in Item 20.2 of Annex I of the Prospectus Regulation.
B.9	**Profit forecast**	Not applicable. This prospectus does not contain any profit forecast.
B.10	**Qualifications in the audit report on the historical financial information**	Not applicable. There are no qualifications in the auditors' report.
B.11	**Working capital statement**	Not applicable. Staples's working capital is sufficient for its present requirements.

SECTION C — SECURITIES		
C.1	**Type and class of the securities being offered, including the security identification code**	The shares of Staples, Inc. having a par value of US$ 0.0006 per share (the "Shares") offered pursuant to this prospectus can be either authorized but unissued Shares or treasury Shares, and are or will be, after their issuance, listed on the Nasdaq Global Select Market (the "Nasdaq"). The ticker symbol for the Company's Shares is "SPLS." The ISIN Code of the Company's Shares is US8550301027.
C.2	**Currency of the securities issue**	The United States Dollar is the currency of the securities issue.
C.3	**Number of shares issued**	Staples had 668,351,385 shares of common stock, par value $0.0006, outstanding as of March 4, 2013.
C.4	**Rights attached to the securities**	Until the Shares are issued (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of or broker selected by the Company), an employee participating in the offer will only have the rights of an unsecured creditor with respect to such Shares, and no right to vote or receive dividends or any other rights as a stockholder will exist with respect to such shares. Once the Shares are issued an employee participating in the offer will have the rights of a normal shareholder, including dividend and voting rights, it being understood that each employee who enrolls in the Staples, Inc. 2012 Employee Stock Purchase Plan (the "ESPP" or "Plan") agrees, for so long as Shares purchased by the employee at any time under the Plan (the "Purchased Shares") are held by the employee in an account with a bank, transfer agent, or other financial institution designated by the Company to hold the Purchased Shares (the "Financial Institution"), to (1) participate in the Staples dividend reinvestment program maintained by the Financial Institution (the "DRIP") such that unless the employee affirmatively opts out of the DRIP, the employee shall receive, in lieu of any cash dividend paid or payable by the Company with respect to the employee's Purchased Shares that are held in an account with the Financial Institution (the "Captive Shares"), Shares (including any fractional Shares) pursuant to the terms of the DRIP, and (2) allow the Company to take all reasonably necessary and appropriate actions to ensure that the amount of any cash dividend paid or payable by the Company with respect to the employee's Captive Shares is paid in the form of Shares instead of cash.
C.5	**Transferability restrictions**	The Shares in this offering are generally freely transferable, except that associates grade level 40 and above and certain other employees cannot

		sell their Shares during the so-called "black out dates", *i.e.*, dates when it is against Staples' policy to sell Staples' stock.
C.6	**Admission to trading on a regulated market**	As noted in Element C.1 above, the Shares are listed on the NASDAQ.
C.7	**Dividend policy**	The Company paid quarterly dividends of $0.11 per Share on April 12, 2012, July 12, 2012, October 18, 2012 and December 12, 2012, resulting in a total dividend payment of $294.1 million or $0.44 per Share. The Company paid quarterly dividends of $0.10 per Share on April 14, 2011, July 14, 2011, October 13, 2011 and January 12, 2012, resulting in a total dividend payment for 2011 of $277.9 million or $0.40 per Share. The Company paid quarterly dividends of $0.09 per Share on April 15, 2010, July 15, 2010, October 24, 2010 and January 13, 2011, resulting in a total dividend payment for 2010 of $258.7 million or $0.36 per Share.

SECTION D — RISKS		
D.1	**Key risks related to the Company or its industry**	The risks related to the Company's business can be summarized as follows: • Global economic conditions could adversely affect the Company's business and financial performance. • The Company faces uncertainties in connection with the implementation of its strategies to transform its business, and the Company's inability to successfully implement its strategies could adversely affect its business and financial performance. • The Company has recognized substantial goodwill impairment charges in the current fiscal year and may be required to recognize additional goodwill impairment charges in the future. • The Company's market is highly competitive and it may not be able to continue to compete successfully. • If the products and services that the Company offers fail to meet the Company's customer needs, the Company's performance could be adversely affected. • The Company may be unable to continue to enter new markets successfully. • The Company's international operations expose it to risks inherent in foreign operations. • The Company's effective tax rate may fluctuate. • Fluctuations in foreign exchange rates could lead to lower earnings. • The Company may be unable to attract, train, engage and retain qualified associates. • The Company's quarterly operating results are subject to significant fluctuation. • The Company's indebtedness could adversely affect it by reducing its flexibility to respond to changing business and

		economic conditions. • The Company's expanded offering of proprietary branded products may not improve its financial performance and may expose it to intellectual property liability, product liability, import/export liability, government investigations and claims, and other risks associated with global sourcing. • Problems in the Company's information systems and technologies may disrupt its operations. • Compromises of the Company's information systems or unauthorized access to confidential information or its customers' or associates' personal information may materially harm its business or damage its reputation. • The Company's business may be adversely affected by the actions of and risks associated with third-party vendors and service providers. • Various legal proceedings may adversely affect the Company's business and financial performance. • Failure to comply with laws, rules and regulations could negatively affect the Company's business operations and financial performance.
D.3	**Key risks related to the Shares**	The risks related to the participation itself in the Plan, and the acquisition of Shares thereunder, can be summarized as follows: • Participation in the Plan is subject to the same risks as inherent to any investment in shares (such as a change of the stock exchange price of the shares). • Participation in the Plan is subject to a currency risk (*e.g.*, USD/EUR or USD/Sterling pound) that could adversely affect the foreseen profit resulting from the participation in the Plan. • The possible tax and / or social security consequences of the participation in the Plan could adversely affect the foreseen profit resulting from the participation in the Plan.

SECTION E — OFFER		
E.1	**Net proceeds and expenses**	Assuming that all 15,000,000 Shares offered under the Plan pursuant to this prospectus would be purchased by the employees participating in the Plan (the "Participants"), then the proceeds would, taking into account a Share price per May 8, 2013 of US$13.92 and the applicable rules regarding the price paid for Shares under the Plan, amount to US$177,480,000. The Company has incurred legal costs of approximately EUR 25,000 to implement this prospectus in order to offer securities under the Plan to eligible employees of its subsidiaries in the European Economic Area.
E.2a	**Reasons for the offer**	The purpose of the Plan is to provide employees of the Company and its designated subsidiaries with an opportunity to purchase Shares through accumulated contributions.
E.3	**Description of the terms and conditions of the offer**	**The below description of the terms and conditions of the offer is only intended to be a very high level summary of those terms and conditions. The reader is strongly encouraged to read the Plan as attached under Exhibit I to this prospectus.** Pursuant to the Compensation Committee charter, the Board of Directors of the Company (the "Board") has delegated authority for all equity and incentive plans, including the ESPP, to the Compensation Committee. Each of the Compensation Committee and the Board has the authority to make rules and regulations for the administration of the ESPP and its interpretations and decisions are final and conclusive. An offering period generally extends for six months; however, the Compensation Committee may, in its discretion, choose an offering period of twenty-seven (27) months or less for each offering, choose a different offering period for each offering and begin additional offering periods. The Compensation Committee or the Board may, in its discretion, adopt or implement rules under the ESPP to comply with local jurisdictional laws or rules. Additionally, pursuant to the terms of the ESPP, the Compensation Committee of the Board, or to the extent permitted by applicable laws, the Company's Committee on Employee Benefits (hereinafter referred to as the "Committee," which, depending on the situation, refers to one of both of the aforementioned bodies) has been given administrative authority under the Plan. The ESPP also provides administrative authority to two officers of the Company, acting jointly, to engage in certain administrative tasks in connection with the implementation of the ESPP. However, such officers do not have the authority to increase the number of shares available under the ESPP. Hereafter, the term "Administrator" may refer to either the Board

		or the Committee. All employees of the Company or a subsidiary or affiliate designated by the Board or the Committee (respectively "Designated Subsidiary" and "Designated Affiliate"), are eligible to participate in one or more of the offerings of options to purchase Shares provided that they are employed by the Company or a Designated Subsidiary or Designated Affiliate on a given enrollment date ("Enrollment Date"). The Administrator, in its discretion, from time to time may, prior to an Enrollment Date for all options to be granted on such Enrollment Date in an offering, determine an eligible employee will or will not include an individual if he or she: (i) has not completed at least two (2) years of service since his or her last hire date (or such lesser period of time as may be determined by the Administrator in its discretion), (ii) customarily works not more than twenty (20) hours per week (or such lesser period of time as may be determined by the Administrator in its discretion), (iii) customarily works not more than five (5) months per calendar year (or such lesser period of time as may be determined by the Administrator in its discretion), (iv) is a highly compensated employee within the meaning of Section 414(q) of the U.S. Internal Revenue Code of 1986, or (v) is a highly compensated employee within the meaning of Section 414(q) of the U.S. Internal Revenue Code of 1986 with compensation above a certain level or is an officer or subject to the disclosure requirements of Section 16(a) of the U.S. Securities Exchange Act of 1934. The Company will make one or more offerings ("Offering") to employees to purchase stock under the ESPP. Each first day on which the national stock exchange upon which the common stock is listed is open for trading ("Trading Day") on or after January 1 and July 1 of each year will begin a new offering period ("Offering Period") which terminates, respectively, on the last Trading Day on or before June 30 and December 31 of each year, or on such other dates as the Administrator will determine. Unless and until the Administrator determines otherwise in its discretion, each Offering Period shall consist of one six (6) month purchase period ("Purchase Period"), which shall run simultaneously with the Offering Period. In order to participate in the ESPP, eligible employees must enroll in the Plan by (i) submitting to the Company's stock administration office (or its designee), on or before a date determined by the Administrator prior to an applicable Enrollment Date, a properly completed subscription agreement authorizing contributions in the form provided by the Administrator for such purpose, or (ii) following an electronic or other enrollment procedure determined by the Administrator, and in either case completing any other forms and following any procedures for enrollment in the Plan as may be established by the Administrator from time to time.

		The enrollment in the ESPP will authorize a regular payroll deduction from the compensation received by the employee during the Offering Period. The Company will maintain payroll deduction accounts for all participating employees. With respect to any offerings made under the ESPP, an employee may elect to have payroll deductions made on each pay day or other contributions (to the extent permitted by the Administrator) made during the Offering Period in an amount not exceeding ten percent (10%) of the compensation which he or she receives on each pay day during the Offering Period, or such different maximum percentage as may be determined by the Administrator prior to any Offering Period. On the Enrollment Date of each Offering Period, the Company will grant to each eligible employee who is then a participant in the Plan an option to purchase on the last trading day of the simultaneous purchase period ("Purchase Period") (the "Exercise Date"). The purchase price for each share purchased will be 85% of the Fair Market Value (as defined below) of Staples common stock on (i) the Enrollment Date or (ii) the Exercise Date, whichever shall be less. Fair Market Value shall mean, as of any date and unless the Administrator determines otherwise, the value of common stock determined as follows: (i) if the common stock is listed on any established stock exchange or a national market system, including without limitation the NASDAQ Global Select Market, the NASDAQ Global Market, the NASDAQ Capital Market of the NASDAQ Stock Market or the New York Stock Exchange, its Fair Market Value will be the closing sales price for such stock as quoted on such exchange or system on the date of determination (or if no sales were reported on that date, on the last Trading Day such sales were reported), as reported in The Wall Street Journal or such other source as the Administrator deems reliable; (ii) if the common stock is regularly quoted by a recognized securities dealer but selling prices are not reported, its Fair Market Value will be the mean between the high bid and low asked prices for the Common Stock on the date of determination (or if no bids and asks were reported on that date, as applicable, on the last Trading Day such bids and asks were reported), as reported in The Wall Street Journal or such other source as the Administrator deems reliable; or (iii) in the absence of an established market for the common stock, the Fair Market Value thereof will be determined in good faith by the Administrator. Each employee who continues to be a participant in the Plan on the Exercise Date shall be deemed to have exercised his option at the option price on such date and shall be deemed to have purchased from the Company the number of shares of Staples common stock (including fractional shares calculated up to 5 decimal places) reserved for the

<table>
<tr><td></td><td></td><td>purpose of the Plan that his accumulated payroll deductions on such date will pay for.

A Participant may withdraw all but not less than all the contributions credited to his or her account and not yet used to exercise his or her option under the Plan at any time.

Rights under this Plan are not transferable by a participating employee other than by will or the laws of descent and distribution, and are exercisable during the employee’s lifetime only by the employee.</td></tr>
<tr><td>E.4</td><td>Description of material interest to the offer including conflict of interests</td><td>Not applicable. There are no such interests.</td></tr>
<tr><td>E.5</td><td>Name of the entity offering to sell the security</td><td>Staples, Inc.</td></tr>
<tr><td>E.6</td><td>Maximum dilution</td><td>Assuming that the Shares offered would all be newly issued, the holdings of a shareholder of Staples currently holding 1% of the total outstanding share capital of Staples as of March 4, 2013, i.e., 6,683,514 Shares, and who is not an eligible employee participating in the offer, would be diluted as indicated in the following table:
<table>
<tr><td></td><td>Percentage of the total outstanding Shares</td><td>Total number of outstanding Shares</td></tr>
<tr><td>Before the issuance of Shares under the ESPP (as of March 4, 2013)</td><td>1.000%</td><td>668,351,385</td></tr>
<tr><td>After issuance of 15,000,000 Shares under the ESPP</td><td>0.9781%</td><td>683,351,385</td></tr>
</table></td></tr>
<tr><td>E.7</td><td>Estimated expenses charged to the investor by the issuer or offeror</td><td>Not applicable. There are no such expenses.</td></tr>
</table>

II. Risk factors

The risk factors to be taken into consideration when participating in the ESPP consist, on the one hand, of risks related to the participation of the ESPP itself, and, on the other hand, risks related to the Company's business.

The risks related to the participation itself in the ESPP can be summarized as follows:

- Participation in the plan is subject to the same risks as inherent to any investment in shares (such as a change of the stock exchange price of the shares).

- Participation in the plan is subject to a currency risk (*e.g.* USD/EUR or USD/Sterling pound) that could adversely affect the foreseen profit resulting from the participation in the ESPP.

- The possible tax and / or social security consequences of the participation in the ESPP could adversely affect the foreseen profit resulting from the participation in the ESPP.

Information concerning the risk factors related to the Company's business, that may affect future results of the Company, is reported in the Company's Annual Report on Form 10-K for the fiscal year ended February 2, 2013 (Exhibit II) and in the Company's Quarterly Report on Form 10-Q for the first quarter ended on May 4, 2013 (Exhibit V).

III. Information on the offer and dilution resulting therefrom

A. Information concerning the offer

A.1. Description of the offer

General information

Staples, Inc., a Delaware corporation, with its headquarters at Five Hundred Staples Drive, Framingham, Massachusetts 01702, United States of America (the "Company" or "Staples"), has decided to offer eligible employees of its designated subsidiaries the possibility to acquire at a discounted price common shares of Staples, Inc. having a par value of US$ 0.0006 per share (the "Shares") under the Staples, Inc. 2012 Employee Stock Purchase Plan (the "ESPP" or the "Plan"). The Company's Shares are listed on the Nasdaq Global Select Market (the "Nasdaq"). The ticker symbol for the Company's Shares is "SPLS."

The total number of Shares made available for purchase under the ESPP is 15,000,000..

Purpose

The purpose of the Plan is to provide employees of the Company and its designated subsidiaries with an opportunity to purchase common stock through accumulated contributions.

Administration

Pursuant to the Compensation Committee charter, the Board of Directors of the Company (the "Board") has delegated authority for all equity and incentive plans, including the ESPP, to the Compensation Committee. Each of the Compensation Committee and the Board has the authority to make rules and regulations for the administration of the ESPP and its interpretations and decisions are final and conclusive.

An offering period generally extends for six months; however, the Compensation Committee may, in its discretion, choose an offering period of twenty-seven (27) months or less for each offering, choose a different offering period for each offering and begin additional offering periods. The Compensation Committee or the Board may, in its discretion, adopt or implement rules under the ESPP to comply with local jurisdictional laws or rules. Additionally, pursuant to the terms of the ESPP, the Compensation Committee of the Board, or to the extent permitted by applicable laws, the Company's Committee on Employee Benefits (hereinafter referred to as the "Committee," which, depending on the situation, refers to one of both of the aforementioned bodies) has been given administrative authority under the Plan. The ESPP also provides administrative authority to two officers of the Company, acting jointly, to engage in certain administrative tasks in connection with the implementation of the ESPP. However, such officers do not have the authority to increase the number of shares available under the ESPP. Hereafter, the term "Administrator" may refer to either the Board or the Committee.

Eligibility

All employees of the Company or a subsidiary or affiliate designated by the Board or the Committee (respectively "Designated Subsidiary" and "Designated Affiliate"), are eligible to participate in one or more of the offerings of options to purchase Shares provided that they are employed by the Company or a Designated Subsidiary or Designated Affiliate on a given enrollment date ("Enrollment Date"). The Administrator, in its discretion, from time to time may, prior to an Enrollment Date for all options to be granted on such Enrollment Date in an offering, determine an eligible employee will or will not include an individual if he or she: (i) has not completed at least two (2) years of service since his or her last hire date (or such lesser period of time as may be determined by the Administrator in its discretion), (ii) customarily works not more than twenty (20) hours per week (or such lesser period of time as may be determined by the Administrator in its discretion), (iii) customarily works not more than five (5) months per calendar year (or such lesser period of time as may be determined by the Administrator in its discretion), (iv) is a highly compensated employee within the meaning of Section 414(q) of the U.S. Internal Revenue Code of 1986, or (v) is a highly compensated employee within the meaning of Section 414(q) of the U.S. Internal Revenue Code of 1986 with compensation above a certain level or is an officer or subject to the disclosure requirements of Section 16(a) of the U.S. Securities Exchange Act of 1934.

An employee shall, however, not be eligible to receive purchase rights under the ESPP if such employee, immediately after the option is granted, owns five percent (5%) or more of the total combined voting power or value of the stock of the Company or any subsidiary or parent company of the Company.

No employee may be granted an option which permits his/her rights to purchase Staples common stock under this Plan and any other employee stock purchase plan of the Company and its subsidiaries (as defined by the Board or the Committee), to accrue at a rate which exceeds US$25,000 of the fair market value of Staples common stock (determined at the time such option is granted) for each calendar year in which such option is outstanding at any time.

Offerings

The Company will make one or more offerings ("Offering") to employees to purchase stock under the ESPP. Each first day on which the national stock exchange upon which the common stock is listed is open for trading ("Trading Day") on or after January 1 and July 1 of each year will begin a new offering period ("Offering Period") which terminates, respectively, on the last Trading Day on or before June 30 and December 31 of each year, or on such other dates as the Administrator will determine. Unless and until the Administrator determines otherwise in its discretion, each Offering Period shall consist of one six (6) month purchase period ("Purchase Period"), which shall run simultaneously with the Offering Period.

Participation

In order to participate in the ESPP, eligible employees must enroll in the Plan by (i) submitting to the Company's stock administration office (or its designee), on or before a date determined by the Administrator prior to an applicable Enrollment Date, a properly completed subscription agreement authorizing contributions in the form provided by the Administrator for such purpose, or (ii) following an electronic or other enrollment procedure determined by the Administrator, and in either case completing any other forms and following any procedures for enrollment in the Plan as may be established by the Administrator from time to time.

Hereinafter, "Participant" means an employee participating in the Plan.

Contributions

The enrollment in the ESPP will authorize a regular payroll deduction from the compensation received by the employee during the Offering Period. Unless an employee changes his enrollment in a manner prescribed by the Committee from time to time or withdraws from the Plan, his or her deductions and purchases will continue at the same rate for future offerings under the Plan as long as the Plan remains in effect.

The Company will maintain payroll deduction accounts for all participating employees. With respect to any offerings made under the ESPP, an employee may elect to have payroll deductions made on each pay day or other contributions (to the extent permitted by the Administrator) made during the Offering Period in an amount not exceeding ten percent (10%) of the compensation which he or she receives on each pay day during the Offering Period, or such different maximum percentage as may be determined by the Administrator prior to any Offering Period. For these purposes, eligible compensation means an eligible employee's regular base straight time gross earnings (including payments for piece work in the case of employees of the American Identity division), commissions, sales rewards and other sales-related payments, exclusive of any other form of compensation including payments for incentive compensation, bonuses, overtime, shift premium, 13th/14th month payments or similar concepts under local law or any other similar compensation. This definition of eligible compensation is subject to change.

Each participating employee shall designate what percentage of his or her payroll deductions during the Offering shall be used to purchase Staples common stock upon the completion of such Offering, subject to any limits as may be imposed for such Offering by the Board or the Committee. Any change in compensation during the Plan Period will result in an automatic corresponding change in the amount withheld. The payroll deductions shall be made in the applicable local currency and will be converted into United Stated currency at the prevailing rate of exchange in effect on the date determined by the Board or the Committee from time to time.

The Board or the Committee may permit direct contributions by eligible employees instead of payroll deductions if it determines such action to be advisable, and on such terms as it deems advisable.

In Belgium, all payroll deductions from an employee's compensation will be credited to a special bank account that is held at KBC Bank, Havenlaan 12, 1080 Brussels, Belgium, by the Belgian employer in the name of all Belgian employees who own the account in the proportion of their respective contributions or in the name of each individual employee. The Belgian local employer manages the account(s) and transfers the amounts to the Company on the respective dates for the purchase of shares under the ESPP. In other jurisdictions, individual bookkeeping accounts will be maintained for each employee and all payroll deductions from the employee's compensation shall be credited to such participant's ESPP account and shall be deposited with the general funds of the Company. Interest shall not be paid on sums deducted from an employee's compensation pursuant to the ESPP.

Unless and until otherwise provided by the Administrator, an employee may not increase or decrease his or her payroll deduction or other contributions during an Offering Period, with the exception that a Participant may withdraw from the Plan by following the procedures set forth in Section 10 of the Plan.

Purchase of shares

On the Enrollment Date of each Offering Period, the Company will grant to each eligible employee who is then a participant in the Plan an option to purchase on the last trading day of the simultaneous purchase period ("<u>Purchase Period</u>") (the "<u>Exercise Date</u>"), at the option price hereinafter provided for, the largest number of shares (including fractional shares determined in the manner set forth below) of Staples common stock (subject to any limits as may be imposed for such Offering by the Administrator) as does not exceed the number of shares determined by dividing US$12,500 by the Fair Market Value (as defined below) of Staples common stock on the Enrollment Date of such Offering Period; provided that, if the Purchase Period is any period other than six months, then US$12,500 shall be adjusted proportionately to reflect the length of the Purchase Period.

The purchase price for each share purchased will be 85% of the Fair Market Value (as defined below) of Staples common stock on (i) the Enrollment Date or (ii) the Exercise Date, whichever shall be less.

Fair Market Value shall mean, as of any date and unless the Administrator determines otherwise, the value of common stock determined as follows: (i) if the common stock is listed on any established stock exchange or a national market system, including without limitation the NASDAQ Global Select Market, the NASDAQ Global Market, the NASDAQ Capital Market of the NASDAQ Stock Market or the New York Stock Exchange, its Fair Market Value will be the closing sales price for such stock as quoted on such exchange or system on the date of determination (or if no sales were reported on that date, on the last Trading Day such sales were reported), as reported in The Wall Street Journal or such other source as the

Administrator deems reliable; (ii) if the common stock is regularly quoted by a recognized securities dealer but selling prices are not reported, its Fair Market Value will be the mean between the high bid and low asked prices for the Common Stock on the date of determination (or if no bids and asks were reported on that date, as applicable, on the last Trading Day such bids and asks were reported), as reported in The Wall Street Journal or such other source as the Administrator deems reliable; or (iii) in the absence of an established market for the common stock, the Fair Market Value thereof will be determined in good faith by the Administrator.

Each employee who continues to be a participant in the Plan on the Exercise Date shall be deemed to have exercised his option at the option price on such date and shall be deemed to have purchased from the Company the number of shares of Staples common stock (including fractional shares calculated up to 5 decimal places) reserved for the purpose of the Plan that his accumulated payroll deductions on such date will pay for, in United States currency as of that date, but not in excess of the maximum number determined in the manner set forth above, subject to any limits on allocation as may be imposed by the Board or the Committee for such Offering.

Any balance remaining in an employee's payroll deduction account at the end of a Plan Period will be automatically refunded to the employee in the local currency or there may be payment in Euros.

Withdrawal

A Participant may withdraw all but not less than all the contributions credited to his or her account and not yet used to exercise his or her option under the Plan at any time by (i) submitting to the Company's stock administration office (or its designee) a written notice of withdrawal in the form determined by the Administrator for such purpose, or (ii) following an electronic or other withdrawal procedure determined by the Administrator. Further, unless otherwise determined by the Administrator, any Participant who elects to decrease the rate of his or her Contributions to zero percent (0%) during an Offering Period shall be deemed to withdraw from participation in the Plan.

The Administrator may impose, from time to time, a requirement that the applicable notice of withdrawal from the Plan be on file with the Company for a reasonable period prior to the effectiveness of the Participant's withdrawal. All of the Participant's Contributions credited to his or her account will be paid to such Participant promptly after receipt of notice of withdrawal and such Participant's option for the Offering Period will be automatically terminated, and no further Contributions for the purchase of shares will be made for such Offering Period. If a Participant withdraws from an Offering Period, Contributions will not resume at the beginning of the succeeding Offering Period, unless the Participant re-enrolls in the Plan in accordance with the provisions of Section 5 of the Plan.

A Participant's withdrawal from an Offering Period will not have any effect upon his or her eligibility to participate in any similar plan that may hereafter be adopted by the Company or in succeeding Offering Periods that commence after the termination of the Offering Period from which the Participant withdraws.

Stockholder's rights

Neither the granting of an option to an employee nor the deductions from his or her pay shall constitute such employee a stockholder of the shares of Staples common stock covered by an option under this Plan until such shares have been purchased by and issued to him or to an account for his benefit.

Transferability

Rights under this Plan are not transferable by a participating employee other than by will or the laws of descent and distribution, and are exercisable during the employee's lifetime only by the employee.

Notification upon sale of Shares – Black out dates

Each employee agrees, by entering the Plan, to promptly give the Company notice of any disposition of shares purchased under the Plan within such period as the Committee or Board may require from time to time. Moreover, associates grade level 40 and above and certain other employees cannot sell their shares during the so-called "black out dates", *i.e.*, dates when it is against Staples' policy to sell Staples' stock. Generally, such restrictions apply during the period starting four weeks (or any other applicable period under the then applicable black-out policy of Staples) before the end of each fiscal quarter up to and including the end of the day when Staples publicly releases earnings. The employee can obtain a calendar showing the "black out dates" from his local HR department.

Dividends on Shares purchased under the ESPP

Each employee who enrolls in the Plan agrees, for so long as shares of Staples common stock purchased by the employee at any time under the Plan (the "Purchased Shares") are held by the employee in an account with a bank, transfer agent, or other financial institution designated by the Company to hold the Purchased Shares (the "Financial Institution"), to (1) participate in the Staples dividend reinvestment program maintained by the Financial Institution (the "DRIP") such that unless the employee affirmatively opts out of the DRIP, the employee shall receive, in lieu of any cash dividend paid or payable by the Company with respect to the employee's Purchased Shares that are held in an account with the Financial Institution (the "Captive Shares"), shares of Staples common stock (including any fractional shares) pursuant to the terms of the DRIP, and (2) allow the Company to take all reasonably necessary and appropriate actions to ensure that the amount of any cash dividend paid or payable by the Company with respect to the employee's Captive Shares is paid in the form of Staples common stock instead of cash.

Term of the ESPP

The ESPP shall continue in effect until its termination by the Board or its Compensation Committee.

A.2 Application of Funds

To the extent consistent with applicable law, all funds received or held by the Company or any Subsidiary under the ESPP may be combined with other corporate funds and may be used for any corporate purpose and moved outside the country in which they are deducted from payroll.

A.3 Costs related to the sale of Shares

If an employee acquires Shares under the ESPP, he or she will incur certain costs upon a subsequent sale of the Shares. These costs are inherent to any sale of shares on the Nasdaq and will be charged by the broker (E*TRADE) who sells the respective Shares on behalf of the employee. These costs are currently as follows:

TRANSACTION PRICING

	Transaction via Web or Interactive Voice Response	*Transaction Via Broker*
Sale transaction minimum	US$ 14.95 minimum on all trades	US$ 14.95 minimum on all trades
1-50	US$ 0.00 per share	US$ 0.00 per share
51	US$ 24.96	US$ 24.96
Shares 52 and up	US$ 0.01 per share	US$ 0.01 per share

SPECIAL REQUEST FEES

Broker Assist Fee	US$ 25
Check Request Fee	US$ 10
Outgoing Wire Transfer	US$ 25
Express Mail (overnight in the U.S., longer outside the U.S.)	US$ 20

Further information concerning the offer, including offer statistics, the method and expected timetable and admission to trading details, is set forth in the Staples, Inc. 2012 Employee Stock Purchase Plan (Exhibit I), in the Company's Annual Report on Form 10-K for the fiscal year ended February 2, 2013 (Exhibit II) and in the Company's Quarterly Report on Form 10-Q for the first quarter ended on May 4, 2013 (Exhibit V).

B. Information on Maximum Dilution

The Shares under the ESPP are offered to approximately 79,783 eligible employees of the Company as of January 1, 2012. Further, employees who elect to participate in the ESPP may contribute up to 10% of their eligible compensation towards the purchase of Shares, with the maximum number of Shares that can be acquired during any Offering Period equal to the number of Shares determined by dividing US$ 12,500 by the fair market value of a Share on the Enrollment Date of such Offering Period. Every year consists of two such Offering Periods.

The fair market value of the Shares on May 8, 2013 was US$ 13.92. Assuming eligible employees would purchase during each Offering Period the total number of Shares they are entitled to purchase at the purchase price applicable on May 8, 2013 (i.e., 85% of US$ 13.92 or US$ 11.83), each eligible employee would be entitled to purchase a maximum of 1,796 Shares (i.e., 25,000 divided by 13.92) under the ESPP in one year, assuming no other ESPP limitations are exceeded. Assuming that all of the eligible employees would each purchase 1,796 Shares, the maximum number of Shares offered under the ESPP pursuant to this prospectus amounts to approximately 143,290,268 Shares. However, the maximum number of Shares offered under the ESPP was 15,000,000 as of January 1, 2012. Therefore, the maximum number of Shares offered under the ESPP pursuant to this prospectus could not exceed 15,000,000.

Based on the above assumptions, the holdings of a stockholder of the Company currently holding 1% of the total outstanding share capital of the Company as of March 4, 2013 (i.e., 6,683,514 Shares), and who is not an employee participating in the offer, would be diluted as indicated in the following table:

	Percentage of the total outstanding shares	Total number of outstanding shares
Before the offering	1.00%	668,351,385
After issuance of 15,000,000 Shares under the ESPP	0.9781%	683,351,385

IV. Key information on the Company's financial condition, capitalization and indebtedness, working capital and risk factors

A. Statutory auditors

The statutory auditors of Staples over the fiscal years ended on February 2, 2013, January 28, 2012 and January 29, 2011 were Ernst & Young LLP, 200 Clarendon Street, Boston, MA 02116, United States of America. The accounts for those years, prepared in accordance with the U.S. GAAP, were audited, and the audit reports contained no qualification.

B. Share capital

As of March 4, 2013, Staples had 668,351,358 common shares outstanding, with a par value of US$0.0006 per Share.

The aggregate market value of voting stock held by non-affiliates, based on the last sale price of Staples' common stock on July 28, 2012, as reported by Nasdaq, was approximately US$ 8.5 billion. The current stock exchange price of the Shares can be found on the Company's website (www.staples.com, under the "Corporate Information – Investor Information – Stock Price Information" captions).

There are no shareholders in the Company that, directly or indirectly, singly or jointly, exercise or are capable of exercising control over the Company.

As of April 8, 2013, to the Company's knowledge, the following shareholders of Staples beneficially owned 5% or more of its Shares:

(i) BlackRock, Inc. (5) 40 East 52nd Street New York, NY100222 holding 56,637,268 Shares, representing 8.47% of the Company's common stock;

(ii) FMR, LLC, 82 Devonshire Street Boston, MA 02109 holding 43,906,028 Shares, representing 6.57% of the Company's common stock; and

(iii) Pzena Investment Management, LLC, 120 West 45th Street, 20th floor, New York, NY 10036 holding 39,176,664 Shares, representing 5.86% of the Company's common stock.

For the fiscal years ended on February 2, 2013, January 28, 2012 and January 29, 2011 no third parties have attempted a public takeover bid on the Company, by purchase or exchange of Shares of the Company.

C. Key financial data

The key financial data (in U.S. GAAP) as per the fiscal years ended on February 2, 2013, January 28, 2012 and January 29, 2011 are set forth hereafter:

STAPLES, INC. AND SUBSIDIARIES
Consolidated Balance Sheets
(Dollar Amounts in Thousands, Except Share Data)

	February 2, 2013	January 28, 2012
ASSETS		
Current assets:		
Cash and cash equivalents	$ 1,334,302	$ 1,264,149
Receivables, net	1,815,586	2,033,680
Merchandise inventories, net	2,314,058	2,431,845
Deferred income tax assets	218,899	305,611
Prepaid expenses and other current assets	346,773	255,535
Current assets of discontinued operations	170,819	—
Total current assets	6,200,437	6,290,820
Property and equipment:		
Land and buildings	1,015,225	1,034,983
Leasehold improvements	1,300,258	1,330,373
Equipment	2,625,949	2,462,351
Furniture and fixtures	1,088,669	1,084,358
Total property and equipment	6,030,101	5,912,065
Less: Accumulated depreciation	4,066,926	3,831,704
Net property and equipment	1,963,175	2,080,361
Intangible assets, net of accumulated amortization	384,609	449,781
Goodwill	3,221,162	3,982,130

Other assets		510,622		627,530
Total assets	$	12,280,005	$	13,430,622
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current liabilities:				
Accounts payable	$	1,896,040	$	2,220,414
Accrued expenses and other current liabilities		1,405,752		1,414,721
Debt maturing within one year		987,161		439,143
Current liabilities of discontinued operations		129,672		—
Total current liabilities		4,418,625		4,074,278
Long-term debt, net of current maturities		1,001,943		1,599,037
Other long-term obligations		723,343		735,094
Stockholders' equity:				
Preferred stock, $.01 par value, 5,000,000 shares authorized; no shares issued		—		—
Common stock, $.0006 par value, 2,100,000,000 shares authorized; issued and outstanding 932,246,614 and 669,182,785 shares at February 2, 2013 and 922,126,579 shares and 695,743,547 shares at January 28, 2012, respectively		559		553
Additional paid-in capital		4,711,113		4,551,299
Accumulated other comprehensive loss		(388,773)		(319,743)
Retained earnings		6,694,207		7,199,060
Less: Treasury stock at cost, 263,063,829 shares at February 2, 2013 and 226,383,032 shares at January 28, 2012		(4,888,953)		(4,416,018)
Total Staples, Inc. stockholders' equity		6,128,153		7,015,151
Noncontrolling interests		7,941		7,062
Total stockholders' equity		6,136,094		7,022,213
Total liabilities and stockholders' equity	$	12,280,005	$	13,430,622

See notes to consolidated financial statements.

STAPLES, INC. AND SUBSIDIARIES
Consolidated Statements of Income
(Dollar Amounts in Thousands, Except Share Data)

	Fiscal Year Ended		
	February 2, 2013	**January 28, 2012**	**January 29, 2011**
Sales	$ 24,380,510	$ 24,664,752	$ 24,135,253
Cost of goods sold and occupancy costs	17,889,249	17,974,884	17,600,006
Gross profit	6,491,261	6,689,868	6,535,247
Operating expenses:			
Selling, general and administrative	4,884,284	4,991,195	4,832,444
Impairment of goodwill and long-lived assets	810,996	—	—
Amortization of intangibles	78,900	64,902	61,689
Integration and restructuring costs	207,016	—	57,765
Total operating expenses	5,981,196	5,056,097	4,951,898
Operating income	510,065	1,633,771	1,583,349
Other (expense) income:			
Interest income	5,340	7,370	7,397
Interest expense	(162,477)	(173,394)	(214,410)
Loss on early extinguishment of debt	(56,958)	—	—
Other income (expense), net	(30,547)	(3,103)	(9,799)
Income from continuing operations before income taxes	265,423	1,464,644	1,366,537
Income tax expense	426,270	477,247	467,577
(Loss) income from continuing operations, including the portion attributable to the noncontrolling interests	(160,847)	987,397	898,960
Discontinued Operations:			
Loss from discontinued operations, net of income taxes	(49,978)	(3,564)	(10,391)
Consolidated net (loss) income	(210,825)	983,833	888,569
(Loss) income attributed to the noncontrolling interests	(119)	(823)	6,621

(Loss) income attributed to Staples, Inc.	$ (210,706)	$ 984,656	$ 881,948
Amounts attributable to Staples, Inc.			
(Loss) income from continuing operations	$ (160,728)	$ 988,220	$ 892,339
Loss from discontinued operations	(49,978)	(3,564)	(10,391)
(Loss) income attributed to Staples, Inc.	$ (210,706)	$ 984,656	$ 881,948
Basic Earnings Per Common Share:			
Continuing operations attributed to Staples, Inc.	$ (0.24)	$ 1.42	$ 1.24
Discontinued operations attributed to Staples, Inc.	(0.07)	—	(0.01)
Net (loss) income attributed to Staples, Inc.	$ (0.31)	$ 1.42	$ 1.23
Diluted Earnings per Common Share:			
Continuing operations attributed to Staples, Inc.	$ (0.24)	$ 1.40	$ 1.22
Discontinued operations attributed to Staples, Inc.	(0.07)	—	(0.01)
Net (loss) income attributed to Staples, Inc.	$ (0.31)	$ 1.40	$ 1.21
Dividends declared per common share	$ 0.44	$ 0.40	$ 0.36

See notes to consolidated financial statements.

Quarterly results will be published on the Company's Quarterly Reports on Form 10-Q, which are available on the Company's website (www.staples.com, under the "Corporate Information – Investor Information – SEC filings" captions).

The Company's dividend history can be found in the Company's Annual Report on Form 10-K for the fiscal year ended February 2, 2013 (Exhibit II) and on the Company's website (www.staples.com, under the "Corporate Information – Investor Information – Investor Package" captions).

The cost of the stock-based compensation for U.S. GAAP accounting purposes is elaborated upon in the Company's Annual Report on Form 10-K for fiscal year ended February 2, 2013 (Exhibit II). In addition, the Company has incurred legal costs of approximately EUR 25,000 to implement this prospectus in order to offer securities under the ESPP to eligible employees of its subsidiaries in the EEA.

Information concerning the Company's financial condition, including selected financial data, information on capitalization and indebtedness and a description of the risk factors is set forth in the Company's Annual Report on Form 10-K for the fiscal year ended February 2, 2013 (Exhibit II), the Definitive Proxy Statement on Form DEF 14A (Exhibit III) and in the Company's Quarterly Report on Form 10-Q for the first quarter ended on May 4, 2013 (Exhibit V).

The reasons for the offer and the use of proceeds are described in III.A above.

Further information on the Company's working capital is set forth under the section "Liquidity and Capital Resources" on pages B-12 and following of the Management's Discussion and Analysis of Financial Condition and Results of Operations of the Annual Report on Form 10-K for the fiscal year ended February 2, 2013 (Exhibit II). Information on the Company's indebtedness is set forth under "NOTE H – Debt and Credit Agreements" on pages C-19 and following of the Notes to Consolidated Financial Statements of the Annual Report on Form 10-K for the fiscal year ended February 2, 2013 (Exhibit II). Information on the stockholder's equity is set forth under "NOTE P – Stockholders' Equity" on pages C-39 of the Notes to Consolidated Financial Statements of the Annual Report on Form 10-K for the fiscal year ended February 2, 2013 (Exhibit II).

V. Information on the Company

A. Company history and activities

Staples was incorporated in 1985 as a Delaware corporation for an unlimited period of time. Staples has its registered office at Five Hundred Staples Drive, Framingham, Massachusetts 01702, United States of America (telephone number +1 (508) 253-5000). As per February 2, 2013, Staples had approximately 50,020 full-time and 35,067 part-time employees in the U.S. and abroad.

Shares of the Company having a par value of US$ 0.0006 per Share are publicly traded on the Nasdaq Global Select Market (the "Nasdaq"). The ticker symbol for the Company's Shares is "SPLS." The ISIN Code of the Company's Shares is US8550301027.

Staples is the world's leading office products company. Staples pioneered the office products superstore concept by opening the first office products superstore in Brighton, Massachusetts in 1986 to serve the needs of small businesses. Currently, Staples serves customers throughout North America, Europe, Australia, South America and Asia. In July 2008, Staples completed the acquisition of Corporate Express N.V. ("Corporate Express"), one of the world's leading suppliers of office products to businesses and institutions.

Staples and its subsidiaries operate three business segments: North American Delivery, North American Retail and International Operations.

The North American Delivery segment consists of the U.S. and Canadian business units that sell and deliver office products and services directly to customers and businesses, and includes "Staples Advantage," "Staples.com" and "Quill.com."

Staples Advantage: The contract operations focus on serving the needs of mid-sized businesses and organizations up through and including Fortune 1000 companies through Staples Advantage. Contract customers often require more service than is provided by a traditional retail or mail order business. Through the contract sales force, the Company offers customized pricing and payment terms, usage reporting, the stocking of certain proprietary items, a wide assortment of products with various environmental attributes and services, and full service account management..

Staples.com: Staples.com operations combine the activities of the Company's U.S. and Canadian Internet sites as well as its direct mail catalog business. Staples.com is primarily designed to reach small businesses and home offices, offering next business day delivery for most office supply orders in a majority of the Company's markets. The Company markets Staples.com through Internet and other broad-based media advertising, direct mail advertising, catalog mailings, and a telesales group generating new business and growing existing accounts.

Quill.com: Acquired by Staples in 1998, Quill.com is an Internet and catalog business with a targeted approach to servicing the needs of small and medium-sized businesses in the United States. To attract and retain its customers, Quill.com offers outstanding customer service, Quill brand products, and special services. Quill.com also operates Medical Arts Press, Inc., a specialty Internet and catalog business offering products for medical professionals.

The Company's strategies for North American Delivery focus on customer service, customer acquisition and retention, and selling a broader assortment of products and services to its customers to grow sales and increase profitability. The majority of the integration efforts following the 2008 acquisition of Corporate Express have been completed. The Company is currently in the process of transitioning all of its legacy Corporate Express customers to the new and improved contract ordering web site, StaplesAdvantage.com.

The North American Retail segment consists of 1,583 stores in the United States and 334 stores in Canada at the end of fiscal year 2011. The Company operates a portfolio of retail store formats, tailored to the unique characteristics of each location. The "Dover" superstore represents the majority of its U.S. store base. The customer friendly "Dover" design appeals to the customer with an open store interior that provides a better view of the Company's wide selection and makes it easier to find products. In an effort to improve store productivity and effectively manage its cost structure the Company has reduced the size of its "Dover" new store format over time from 24,000 square feet to 15,000 square feet.

The Company also operates smaller format stores designed for rural markets and dense urban markets.

Additionally, the Company operates 26 stand alone copy and print shops to address the attractive quick print market opportunity. This 3,000 to 4,000 square foot store is designed for locations with high customer density and offers a full service copy and print shop and a broad assortment of core office supplies.

The Company's strategy for North American Retail focuses on offering an easy-to-shop store with quality products that are in-stock and easy to find, with fast checkout and courteous, helpful and knowledgeable sales associates. The Company's goals are to continue to be a destination for core supplies categories like ink and toner, to become an authority for business technology through redesigned stores, an expanded technology assortment, and its fast growing EasyTech service, offering expert technology assortment such as installations and repairs, and to establish leadership in copy and print services.

The Company's International Operations segment consists of businesses in 24 countries in Europe, Australia, South America and Asia.

The Company's European Office Products business represents a balanced multi-channel portfolio serving contract, retail, Internet and catalog customers in 16 countries. The Company operates 331 retail stores, with the largest concentration of stores in the United Kingdom, Germany, the Netherlands and Portugal. It operates Internet and direct mail catalog business with a significant concentration of sales in France, Italy and the United Kingdom. The contract business includes sizable operations in Scandinavia, the United Kingdom, the Netherlands and Germany.

The Company's strategies for its European Office Products business focus on strengthening its value proposition with customers, increasing the productivity of its marketing programs, leveraging best practices from its North American businesses, including its mid-market contract selling model, and expanding its mix of business services with a focus on copy and print. The Company is also focused on improving profitability by reducing overhead expense, increasing sales of Staples brand products and improving the performance of its supply chain.

In 2010, the Company acquired the remaining shares in Corporate Express Australia Limited, increasing its ownership to 100% from the 59% it acquired with the acquisition of Corporate Express. This business serves primarily contract customers in Australia and New Zealand. In addition to its contract business, the Company operates a public website which targets small business and home office customers. Its strategies focus on improving sales force productivity by providing customers with a broad assortment of products and services, including office products, IT solutions, business furniture and print management.

The Company continues to establish a foundation for growth in Asia and South America, where its businesses are in various stages of development. The Company operates retail and delivery businesses in China, a delivery business in Taiwan through a joint venture with UB Express, and a multi-channel business in India through a joint venture with Pantaloon Retail Limited. The Company also operates delivery businesses in Argentina and Brazil and operates two stores in Argentina.

B. Research and development; patents and trademarks

The Company owns or has applied to register numerous trademarks and service marks in the United States and throughout the world in connection with its businesses. Some of the Company's principal global and regional marks include Staples, the Staples red brick logo, Staples the Office Superstore, the Easy Button logo, “that was easy,” Staples EasyTech, Quill.com, Corporate Express, and many other marks incorporating “Staples” or another primary mark, which in the aggregate the Company considers to be of material importance to its business. While the duration of trademark registrations varies from country to country, trademarks are generally valid and may be renewed indefinitely so long as they are in use and their registrations are properly maintained.

The Company owns and maintains a number of patents internationally on certain products, systems and designs. The Company also owns copyrights for items such as packaging, training materials, promotional materials, in-store graphics and multi-media. In addition, the Company has registered and maintains numerous Internet domain names, including many that incorporate “Staples.”

C. Particular provisions of the bylaws

The Company’s annual meeting of shareholders is held for the purpose of electing directors and conducting other business as may properly come before the meeting and shall be held each year.

D. Board of Directors (as per June 3, 2013)

Name	*Age*
Basil L. Anderson	68
Arthur M. Blank	70
Drew Faust	65
Justin King	51
Carol Meyrowitz	59
Rowland T. Moriarty	66
Robert C. Nakasone	65
Ronald L. Sargent	57
Elisabeth A. Smith	49
Robert E. Sulentic	56
Raul Vasquez	41
Vijay Vishwanath	53
Paul F. Walsh	63

E. Executive Officers (as per April 12, 2013)

Name	*Function*
Ronald L. Sargent	Chairman and Chief Executive Officer
Stephen Bacica	Senior Vice President, Corporate Controller
Joseph G. Doody	President, North American Commercial

Christine T. Komola	Senior Vice President and Chief Financial Officer
Michael Williams	Senior Vice President, General Counsel and Secretary
John Wilson	President, Staples Europe
Demos Parneros	President, North American Stores and Online

To the extent that such fact is required to be disclosed in Exhibits II or III, for at least the previous five years, none of the directors or executive officers of the Company has:

(a) been convicted in relation to fraudulent offences;

(b) been associated with any bankruptcies, receiverships or liquidations when acting in their capacity of directors or executive officers of the Company; or

(c) been subject to any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies) or ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer.

There are no family relationships between any of the directors and the executive officers listed above. As indicated in the Company's Annual Report on Form 10-K (Exhibit II), the Company has adopted guidelines regarding corporate governance, amongst which a "Code of Ethics," the full text of which is available on the Company's website, at www.staples.com, under the "Corporate Information – Investor Information – Corporate Governance – Code of Ethics" captions. This item is available in print (free of charge) to any shareholder who requests it from Emma Sellers, Manager, Global Business Conduct and Ethics, 500 Staples Drive, Framingham, MA 01702, United States of America, telephone (508) 253-4218.

Further information on the Company, including its history and development, a business overview, its organizational structure and information concerning its property, plants and equipment is set forth in the Company's Annual Report on Form 10-K for the fiscal year ended February 2, 2013 (Exhibit II) and in the Company's Quarterly Report on Form 10-Q for the first quarter ended on May 4, 2013 (Exhibit V).

VI. Operating and financial review and prospects

Information concerning the Company's operating results, its liquidity and capital resources, research and development, patents and licenses, trends, etc. is set forth in the Company's Annual Report on Form 10-K for the fiscal year ended February 2, 2013 (Exhibit II) and in the Company's Quarterly Report on Form 10-Q for the first quarter ended on May 4, 2013 (Exhibit V).

VII. Directors, senior management and employees

Information concerning the Company's directors and senior management, their remuneration, Board practices, the Company's employees and concerning share ownership is set forth in the Company's Annual Report on Form 10-K for the fiscal year ended February 2, 2013 (Exhibit II), in the Company's

Definitive Proxy Statement (Exhibit III) and the Company's Additional Proxy Statement on Form DEFA14A (Exhibit IV).

VIII. Major shareholders and related party transactions

Information concerning major shareholders of the Company, related party transactions and information concerning interests of experts and advisers is set forth in the Company's Annual Report on Form 10-K for the fiscal year ended February 2, 2013 (Exhibit II), in the Company's Definitive Proxy Statement (Exhibit III) and the Company's Additional Proxy Statement on Form DEFA14A (Exhibit IV).

IX. Additional information

More detailed information about the Company's businesses, as well as the contact information for the different subsidiaries is available on the Company's website (www.staples.com).

The Annual Report on Form 10-K for fiscal years ending February 2, 2013, January 28, 2012 and January 29, 2011, as well as 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, are also made available on the Company's website (www.staples.com, under the "Corporate Information – Investor Information - SEC filings" captions) after the Company electronically files such materials with, or furnishes them to, the SEC.

Required filings by the Company's officers and directors and certain third parties with respect to transactions or holdings in Company shares are also made available on the Company's website, as are proxy statements for the Company's shareholder meetings. These filings may also be read and copied at the SEC's Public Reference Room at 100 F Street, NE, Room 1580 Washington, D.C. 20549. The SEC also maintains an internet site (www.sec.gov) that contains reports, proxy and information statements and other information regarding issuers that file electronically with the SEC.

Information about the Company's Board and Board Committees, including Committee charters, is available on the Company's website (www.staples.com, under the "Corporate Information – Investor Information – Corporate Governance" captions). This information is also available in print (free of charge) to any shareholder who requests it from the Company's Investor Relations department.

EXHIBITS

EXHIBIT I – STAPLES, INC. 2012 EMPLOYEE STOCK PURCHASE PLAN

EXHIBIT II - ANNUAL REPORT ON FORM 10-K
FOR FISCAL YEAR ENDED FEBRUARY 2, 2013

FILED BY STAPLES, INC. ON MARCH 6, 2013

EXHIBIT III – DEFINITIVE PROXY STATEMENT ON FORM DEF 14A

FILED BY STAPLES, INC. ON APRIL 12, 2013

EXHIBIT IV – ADDITIONAL PROXY STATEMENT ON FORM DEFA14A

FILED BY STAPLES, INC. ON APRIL 19, 2013

EXHIBIT V – QUARTERLY REPORT ON FORM 10-Q FOR THE QUARTER ENDED ON MAY 4, 2013
FILED BY STAPLES, INC. ON MAY 22, 2013

EXHIBIT VI – TAX AND SOCIAL SECURITY CONSEQUENCES OF PARTICIPATION IN THE ESPP

Information concerning the tax and social security consequences of participation in the ESPP is hereinafter summarized.

1. BELGIAN TAX AND SOCIAL SECURITY CONSEQUENCES

The following is intended to briefly summarize certain tax consequences associated with the purchase of shares of Staples common stock under the ESPP, as well as the sale of shares obtained under the ESPP.

This discussion reflects the current tax and other law as in effect on June 1, 2013. Such laws are often complex and change frequently. As a result, the information contained in this description may be out of date at the time the employee is granted an award, acquires shares or sells shares acquired under the ESPP.

In addition, this description does not discuss all of the various laws, rules and regulations that may apply. It may not apply to your particular tax or financial situation and the Company is not in a position to assure the employee of any particular tax result. **Accordingly, the employee is strongly advised to seek appropriate professional advice as to how the tax or other laws in his/her country apply to his/her specific situation.**

If the employee is a citizen or resident of another country than Belgium, the information contained in this description may not be applicable to the employee.

Enrollment in the ESPP

The employee is not subject to tax when a stock purchase right is granted to him/her under the ESPP (*i.e.*, when the employee subscribes to the ESPP).

Purchase of Shares

When shares are purchased under the ESPP, the employee will be subject to personal income tax (at the normal progressive income tax rates) on the difference (or spread) between the fair market value of the shares on the date of purchase and the purchase price.

Example:
- Accumulated contributions at the end of a certain purchase period: US$ 650
- Purchase price: US$ 12.75
- Number of shares purchased: 50
- Stock exchange price on the purchase date: US$ 15

The employee will be taxed on the difference between US$ 15 and US$ 12.75 (*i.e.*, US$ 2.25) times the number of shares purchased (*i.e.*, 50) or 50 x US$ 2.25 = US$ 112.50 or EUR 86.32 (at an exchange rate of US$ 1: EUR 0.7673). This taxable amount, *i.e.*, US$ 112.50 or EUR 86.32 in the example, will be taxed at the normal progressive income tax rates. If the employee were, for instance, to be taxed at a 50% rate, the tax due will amount to US$ 56.25 or EUR 43.16 (at an exchange rate of US$ 1: EUR 0.7673).

If, however, the employee undertakes to hold the shares for a minimum period of two years as of their purchase in a written agreement with the Company, and actually hold the shares during that period of time, the fringe benefit may be reduced, from a tax perspective, to the difference between 100/120th of the fair market value of the shares on the purchase date and the amount paid for the shares.

Sale of Shares

When the employee subsequently sells the shares purchased under the ESPP, he/she will, under the currently applicable legislation, normally not be subject to tax.

Dividends

Where shares are acquired under the ESPP, dividends may be paid with respect to these shares if the Company, in its discretion, declares a dividend. The dividends received will be subject to income tax in Belgium (at a rate of 25%) and to U.S. federal income withholding tax (at a rate of 30%). The employee may be entitled to reduce the U.S. federal income withholding tax rate (to 15%) provided that the appropriate certifications concerning domicile in Belgium are provided, required by the United States Internal Revenue Service (*i.e.*, Substitute Form W-8/BEN Certificate of Foreign Status and Instructions, available from the brokerage firm(s) retained by the Company).

Withholding and Reporting

Because the Company does not charge the costs related to the ESPP to the employee's local employer and because the local employer does not intervene in the ESPP, the local employer should not be required to withhold income tax at the time of the taxable event. Under the given facts, the employer should also not be required to report the taxable amount in the employee's salary forms. It is, however, the employee's responsibility to report the benefit in kind on his/her annual income tax return and to pay any taxes resulting from the purchase of the shares. In addition, the employee is obliged to report any security or bank account held outside Belgium on his/her annual income tax return.

Social Security

Because the Company does not charge the costs related to the ESPP to the employee's local employer and because the local employer is not directly or indirectly involved in the ESPP, no social security contributions are in principle due on the fringe benefit derived from the participation in the ESPP.

2. FRENCH TAX AND SOCIAL SECURITY CONSEQUENCES

The following is intended to briefly summarize certain tax and social security contributions consequences associated with the purchase of shares of Staples common stock under the ESPP, as well as the sale of shares obtained under the ESPP.

This discussion reflects the tax and other law as in effect on June 1, 2013. Such laws are often complex and change frequently. As a result, the information contained in this description may be out of date at the time the employee is granted an award, acquires shares or sells shares acquired under the ESPP.

In addition, this description does not discuss all of the various laws, rules and regulations that may apply. It may not apply to your particular tax or financial situation and the Company is not in a position to assure the employee of any particular tax result. **Accordingly, the employee is strongly advised to seek appropriate professional advice as to how the tax or other laws in his/her country apply to his/her specific situation.**

If the employee is a citizen or resident of another country than France and/or is not subject to the French social security contributions regime, the information contained in this description may not be applicable to the employee. In addition, if the employee transfers his or her tax residence out of France after the grant of awards, the employee may be subject to tax withholding on gain realized and possibly to exit tax if such tax is created in the future.

Enrollment in the ESPP

The employee is not subject to tax or social security contributions when he/she enrolls in the ESPP or in new purchase period begins.

Purchase of Shares

The difference (or discount) between the fair market value of the Company's shares on the date of purchase and the purchase price paid by the employee is treated as additional salary and subject to personal income tax, after deduction of the tax deductible part of social contributions. The additional salary is subject to social security contributions (paid partly by the employer and partly by the employee), to the general social insurance contribution ("CSG") and to the contribution for the reimbursement of social insurance debt ("CRDS").

Dividends

Whether received in France or abroad, revenues on foreign securities received by French tax residents is subject to personal income tax at the employee's marginal rate (up to 45%, plus a surtax - see below), after application of certain allowances, the year which follows payment of the dividends. At the time of the payment, the employee is subject to an income tax prepayment at a rate of 21% on the gross amount of dividends, unless the employee can claim for an exemption of the prepayment.

The gross amount of the dividends is also subject to the 15.5% additional social taxes.

In addition, the employee may be subject to an additional 3% taxation of all types of top income from 250 K€ to 500K€ per single[1], and a 4% taxation for income as from 500 K€ per single.

Any tax withheld in the United States pursuant to the August 31, 1994 convention, to eliminate double taxation, in force between France and the United States gives rise to a tax credit in France up to the

[1] For a couple, the taxation thresholds are respectively 500 K€ and 1M€.

amount of French taxes corresponding to these revenues, if the required formalities are fulfilled pursuant to the August 31, 1994 convention, to eliminate double taxation, in force between France and the United States.

Sale of Shares

When the shares are later sold as from January 1, 2013, the net sale gain calculated as the difference between the net sale price and the fair market value of the shares on the date of purchase, will be subject to the progressive income tax (up to 45%), after reduction of the taxable capital gain if applicable, plus additional social taxes of 15.5% on the gross amount of the capital gain in any cases. The employee will be eligible to a reduction of the taxable basis of the capital gain depending on the number of years of holding of the shares: for holding more than 2 years and less than 4 years, a 20% reduction, for holding between 4 and 6 years, a 30% reduction and for holding during more than 6 years, a 40% reduction. This reduction only applies to the tax basis for determination of the personal income tax.

The French government recently announced a year-end finance bill which should modify this reduction, in a more incentive way. If adopted, such change would impact capital gains realised as from January 1st 2013 (i.e. the above detailed treatment may not apply).

The employee may realize a capital loss if the net sale price for the shares is lower than the fair market value on the date of purchase. The capital loss can be offset against the capital gain of the same nature realized by the employee (and his or her household) during the same year or during the 10 following years. A capital loss cannot be offset against other kind of income (such as salary). The employee should review those rules with his/her personal tax advisor prior to selling his/her shares and filing the relevant personal income tax return.

The employee may also be subject to the additional 3% or 4% taxation **-** see below.

Wealth Tax

Any shares acquired under the ESPP is included in the personal estate of the employee and must be declared to the French tax authorities if the net amount of the employee's taxable personal estate (including his/her household) exceeds the exempt amount for the calendar year (€1.3 million for 2013), as valued on January 1 of each year. The employee may be able to claim a partial exemption for the value of the shares depending on holding period of the shares. The employee should review his/her situation to determine whether the employee can claim this exemption.

Withholding and Reporting

The employer is not required to withhold personal income tax when the shares are purchased, provided that the employee is a French tax resident. However, because the income realized upon the purchase of the shares is treated as additional salary under French law, the employer is required to report this income on its annual declaration of salaries which is filed with the social security authorities and on the employee’s pay slip for the month of the purchase. As of April 1st, 2011, withholding tax of French personal income tax will be required on the French source gain if you are not a French tax resident when you acquire the shares. Also, the employee’s employer will pay the employer’s portion of social security contributions and withhold the employee’s portion of social security contributions due on the amount corresponding to the difference between the fair market value of the Company's shares on the date of purchase and the purchase price paid by the employees. If the total amount of social security contributions to be withheld exceeds the legal amount of authorized withholding from the salary of the employee, the employee undertakes to make satisfactory arrangements to pay the social security contributions for which he or she is liable. Alternatively, as authorized by the employee, the Company may withhold the applicable social security contributions from the shares which the employee acquires on the purchase date.

The additional salary will also be included in the taxable income that the employee must report on his or her personal income tax return to be filed with the French tax administration in the year following the year of purchase. If the employee realizes a capital gain or receives dividends, the employee must report these incomes on his or her personal income tax returns to be filed with the French tax administration, respectively, in the year following the year of sale of the shares or the year following the year of the receipt of the dividends. The employee is also responsible for reporting and paying the income tax prepayment, plus 15.5% of social taxes, before the 15th of the month which follows the payment of dividends.

Reporting of foreign account and exchange controls

The employee must declare any bank and investment accounts opened, used or closed abroad during the fiscal year concerned to the French tax authorities. Also, if the employee transfer abroad or from a foreign source amounts, titles, securities without using the intermediary of financial organizations (banks, Treasury, Banque of France, Caisse des Dépôts et Consignations), the employee should declare to the custom authorities each transaction for an amount equal or exceed to EUR 10,000 (for 2013).

3. GERMAN TAX AND SOCIAL SECURITY CONSEQUENCES

The following is intended to briefly summarize certain tax consequences associated with the purchase of shares of Staples common stock under the ESPP, as well as the sale of shares obtained under the ESPP.

This discussion reflects the tax and other law as in effect on June 1, 2013. Such laws are often complex and change frequently. As a result, the information contained in this description may be out of date at the time the employee is granted an award, acquires shares or sells shares acquired under the ESPP.

In addition, this description does not discuss all of the various laws, rules and regulations that may apply. It may not apply to your particular tax or financial situation and the Company is not in a position to assure the employee of any particular tax result. **Accordingly, the employee is strongly advised to seek appropriate professional advice as to how the tax or other laws in his/her country apply to his/her specific situation.**

If the employee is a citizen or resident of another country than Germany, the information contained in this description may not be applicable to the employee.

Enrollment in the ESPP

The employee will not be subject to tax when an option is granted to him/her under the ESPP (*i.e.*, when the employee enrolls in the ESPP or are offered participation in the ESPP).

Purchase of Shares

When shares are purchased, the employee will be subject to income tax (at a rate of up to 45%) on the difference (or spread) between the fair market value of the shares on the date of purchase and the purchase price. In addition, solidarity surcharge (5.5%) and church tax (up to 9%), if applicable, arise on the income tax owed. The employee also will be subject to social insurance contributions on the spread to the extent the employee has not already exceeded his/her applicable contribution ceiling.

The employee may be able to deduct from the spread an amount of EUR 360 per calendar year if the ESPP is offered to all employees of the employing local entity with a tenure of at least one year. The old rule, according to which the participating employee may be able to deduct from the discount the lesser of (i) EUR 135, and (ii) 50% of the value of the shares on the relevant date, remains applicable under certain circumstances. In principle, the old rule should apply according to the most favorable principle whenever an employee has a right to receive shares at a discount or without remuneration on the basis of an agreement which entered into force prior to April 1, 2009, the shares are transferred to the employee prior to January 1, 2016 <u>and</u> the employer is not obliged to apply the new rule outlined above in the same calendar year. The participating employee should confirm with his or her tax advisor whether any of these deductions apply in his or her particular situation.

Sale of Shares

As a matter of principle, any capital gain realized from the sale of shares will be subject to a flat rate capital gains withholding tax at a rate of 25% (plus solidarity surcharge and church tax, if applicable) irrespective of the holding period of the shares. The taxable amount is equal to the difference between the sale proceeds and the fair market value of the shares at the time of their purchase, less sales related costs. As a matter of principle, the flat tax is to be withheld at source by the financial institution in Germany where the shares are held in a custodial account. The Company does not assume any responsibility to withhold German income tax, etc. on the capital gain. If the flat rate withholding tax does not apply, e.g. because the shares are not held in a custodial account in Germany, the capital gain must be declared by the employee in his or her personal tax return as taxable income and the tax must be paid by the participating employee. The capital gain is, however, subject to the same tax rates as if the flat rate withholding taxation had applied. If the total investment income from all sources of the employee (including capital gains, dividend payments, interest income, etc.) in the particular tax year does not exceed EUR 801 (or EUR 1,602 for married tax payers filing jointly) the capital gain would be tax free in Germany. Furthermore, the employee may elect a personal assessment to apply his or her personal income tax rate in case the flat rate exceeds his or her personal income tax rate.

The flat rate withholding tax does, however, not apply to capital gains generated from the sale of shares if the employee owns or has owned at least 1% of the stated capital at any time during the last five years of the Company, or holds the shares as a business asset, which is rather unlikely in case of employees. In such circumstances, 60% of the capital gain realized will be taxed at the participating employee's ordinary income tax rate (plus solidarity surcharge and church tax, if applicable).

Dividends

When shares are acquired under the ESPP, dividends may be paid with respect to these shares if the Company, in its discretion, declares a dividend. In such case, the employee will be subject to income tax on dividend payments that he/she receives (plus solidarity surcharge and church tax, if applicable). The dividends received will be subject to income tax in Germany and to U.S. federal income withholding tax (at a rate of 30%). In Germany, dividend payments are subject to a flat rate tax of 25 % on the full amount of the dividend payment (plus solidarity surcharge and church tax, if applicable). As a matter of principle, the flat tax is to be withheld at source by the financial institution in Germany where the shares are held in a custodial account. The Company does not assume any responsibility to withhold German income tax, etc. on dividends. If the flat rate withholding tax does not apply, e.g. because the shares are not held in a custodial account in Germany, the dividend income must be declared by the employee in his or her personal tax return as taxable income and the tax must be paid by the participating employee. The dividend income is, however, subject to the same tax rates as if the flat rate withholding taxation had applied. However, if the total investment income from all sources of the employee (including capital gains, dividend payments, interest income, etc.) in the particular tax year does not exceed EUR 801 (or EUR 1,602 for married tax payers filing jointly) the dividend payments would be tax free in Germany. Furthermore, if the flat tax rate exceeds the personal income tax rate, the employee may elect a personal assessment to apply his or her personal income tax rate. The employee may be entitled to a tax credit against his/her German income tax for the U.S. federal income tax withheld.

Withholding and Reporting

The employer (local entity) will withhold, report and pay income tax, solidarity surcharge and church tax to the competent authority when shares are purchased for the employee under the ESPP. It is the employee's responsibility to pay and report any taxes due when he/she sells shares acquired under the ESPP and if he/she receives dividends unless the flat rate withholding tax on dividend income and capital gains applies.

Social Security

The employer (local entity) will withhold employee social security contributions when the shares are purchased by the employee (subject to applicable contribution ceilings). Furthermore, the employer will report and pay employer and employee social security contributions to the competent authority when the income is obtained at the purchase of the shares.

4. ITALIAN TAX AND SOCIAL SECURITY CONSEQUENCES

The following is intended to briefly summarize certain tax consequences associated with the purchase of shares of Staples common stock under the ESPP, as well as the sale of shares obtained under the ESPP.

This discussion reflects the tax and other law as in effect on June 1, 2013 . Such laws are often complex and change frequently. As a result, the information contained in this description may be out of date at the time the employee is granted an award, acquires shares or sells shares acquired under the ESPP.

In addition, this description does not discuss all of the various laws, rules and regulations that may apply. It may not apply to your particular tax or financial situation and the Company is not in a position to assure the employee of any particular tax result. **Accordingly, the employee is strongly advised to seek**

appropriate professional advice as to how the tax or other laws in his/her country apply to his/her specific situation.

If the employee is a citizen or resident of another country than Italy, the information contained in this description may not be applicable to the employee.

Enrollment in the ESPP

The employee is not subject to tax when he/she enrolls in the ESPP or a new purchase period begins.

Purchase of Shares

Provided that the employee does not sell the common stock received upon exercise to his/her employer or to Staples or, in the three years following the date of purchase, the employee does not otherwise dispose of the shares, the spread *(i.e*., the difference between the average of the official prices of the shares in the month preceding the purchase and the price the employee pays for the shares) will not constitute taxable income up to a threshold of EUR 2,065 per year. Any benefit exceeding the EUR 2,065 threshold will be qualified as employment income and taxed as such in the year of purchase.

If the employee sells the shares acquired under the Plan before the three-year holding period expires, or, irrespective of the time of resale, sells the shares to its employer or to Staples, the discount previously exempted will be taxed in the year during which the sale occurs.

Accordingly, if the discount is taxed, the employer is required to withhold income tax and report the discount at purchase. In this case, the discount will also be subject to social insurance contributions.

Dividends

If shares are acquired under the ESPP, dividends may be paid with respect to those shares if the Company, in its discretion, declares a dividend. Dividends received will be subject to income tax in Italy and to U.S. federal income withholding tax (at a rate of 30%). The employee may be entitled to reduce U.S. federal income withholding tax rate (to 15%) provided that the appropriate certifications concerning domicile in Italy are provided, required by the United States Internal Revenue Service (*i.e.*, Substitute Form W-8/BEN Certificate of Foreign Status and Instructions, available from the brokerage firm(s) retained by the Company). Any dividends, including non-cash dividends, are also subject to a 20% Italian withholding tax, since it is highly likely that the employee holds a “non-qualified” shareholding (*i.e.*, 2% or less than 2% of the voting rights in the Company shareholders’ meeting or 5% or less than 5% of the capital of the Company). No tax credit for the withholding tax paid in U.S. is granted to offset the 20% Italian withholding tax. In the unlikely event that the employee holds a “qualified shareholding” (*i.e.*, more than 2% of the voting rights in the Company shareholders’ meeting or more than 5% of the capital of the Company) different rules on dividends taxation would apply.

Sale of Shares

On the assumption that the employee holds a non-qualified shareholding (*i.e.*, the Shares represent 2% or less of the voting rights and 5% or less of the outstanding Shares), when he/she subsequently sells the

Shares purchased under the ESPP, he or she will be subject to capital gains tax at 20% rate on any gain realized.

If the shares were totally exempt from tax at purchase (*i.e.*, when the spread did not exceed EUR 2,065), the capital gain will be the difference between the sale price and the purchase price (*i.e.*, the net profit). In the case of shares that were previously totally taxed (*i.e.*, when the shares were sold to the employer or to Staples or during the three years holding period) or partially taxed at purchase (*i.e.*, where the spread exceeded EUR 2,065), the taxable capital gain is the difference between the sale price and the sum of the purchase price and the amount subject to taxation as employment income.

In calculating the taxable amount at sale, the employee may subtract any expenses incurred to produce the gain, except interest, and losses from the sale of any other non-qualified shareholdings or capital investments. If losses exceed gains, the difference can be carried forward for the next four years. Capital gains (or losses) must be reported in the employee's annual tax return and the applicable capital gains tax shall be paid, together with the personal income tax (*i.e.*, Irpef).

The employee may also elect to be taxed at sale under one of two alternative tax regimes (described below), which are designed to preserve the anonymity of the securities owner. To be eligible for either of these methods, the employee must keep the Shares in the custody of a broker authorized by the Italian Ministry of Finance.

Common feature of the two alternative regimes is that the broker takes care of the calculation and payment of the capital gain tax which is in any case levied at 20% rate.

Administered Savings Method

Under the administered savings method, the employee deposits the Shares with an authorized broker, but retains the right to make investment decisions. The capital gain is calculated using the same method and rate described above. Losses from the sale of the Shares may be subtracted from the related gain and, where losses exceed gains, the difference can be carried forward for the next four years. Under this method, the broker pays the tax at 20% rate at the time of the transaction, so that capital gain is not included on the employee's annual tax return.

Managed Savings Method

Under the managed savings method, the employee deposits the Shares with an authorized broker and leaves the administration and investment decisions to the broker. In this case, capital gains tax at 20% rate is levied not on the gain actually realized through the sale of the Shares but on the difference between the value of the investment portfolio at the end of the year and the value of the portfolio at the beginning of the year, subject to some adjustment. As under the administered savings method described above, the broker pays the tax at the end of the year and the capital gain is not included on the employee's annual tax return.

Withholding and Reporting

The local employer has no withholding or reporting obligations at the time the employees join the ESPP and are granted a stock purchase right.

Withholding and reporting of income taxes and social insurance taxes will be required in the event the discount is taxed as income in-kind, *i.e.*, when the discount exceeds the EUR 2,065 threshold and when the employee sells the shares to his/her employer or to Staples or during the mandatory three-year holding period.

The employee is responsible for reporting the employment income, including the discount in the event it is taxable, on his/her annual tax return. Further, if the employee subsequently sells his/her shares to Staples or during the mandatory three-year holding period, it is also his/her responsibility to notify his/her employer of the sale. The employee is also responsible for reporting capital gains (or losses) and any dividends he/she receives in his/her annual tax return and paying the applicable taxes, if no substitute tax or definitive withholding tax have been previously applied on the same items of income.

In addition, the employee must report in his/her annual tax returns (or a special form if no tax return is due) any foreign investments, including shares, he/she holds abroad at the end of the year in excess of EUR 10,000.

Pursuant to legislation enacted at the end of 2011, the fair market value of any company stocks held outside of Italy will be subject to a foreign assets tax. The tax will apply at an annual rate of 0.1% for fiscal year 2012, and at an annual rate of 0.15% beginning in fiscal year 2013. The employee is advised to seek appropriate professional advice as to how the foreign assets tax applies to his/her specific situation.

Social Security

Although a different view may be maintained, it is prudent interpretation of the Italian legislation that social insurance taxes will be required in the event the discount is taxed as income in-kind, *i.e.*, when and to the extent the discount exceeds the EUR 2,065 threshold and when the employee sells the shares to his/her employer or to Staples or during the mandatory three-year holding period.

5. NETHERLANDS TAX AND SOCIAL SECURITY CONSEQUENCES

The following is intended to briefly summarize certain tax consequences associated with the purchase of shares of Staples common stock under the ESPP, as well as the sale of shares obtained under the ESPP.

This discussion reflects the tax and other law as in effect on June 1, 2013. Such laws are often complex and change frequently. As a result, the information contained in this description may be out of date at the time the employee is granted an award, acquires shares or sells shares acquired under the ESPP.

In addition, this description does not discuss all of the various laws, rules and regulations that may apply. It may not apply to the employee's particular tax or financial situation and the Company is not in a position to assure the employee of any particular tax result. **Accordingly, the employee is strongly advised to seek appropriate professional advice as to how the tax or other laws in his/her country apply to his/her specific situation.**

If the employee is a citizen or resident of another country than the Netherlands, the information contained in this description may not be applicable to the employee.

Enrollment in the ESPP

The employee is not subject to tax when he/she enrolls in the ESPP or when a new purchase period begins.

Purchase of Shares

The employee will be subject to tax when the right to purchase shares under the ESPP becomes unconditional. This will likely occur at the time of purchase. The employee will be subject to income tax/wage withholding tax and social insurance contributions (in respect of the latter to the extent the employee has not already exceeded the applicable wage ceiling of approximately € 50,000 for 2013) on the difference between the fair market value of the shares on the date of purchase and the purchase price.

Dividends

If shares are acquired under the ESPP, dividends may be paid with respect to those shares if the Company, in its discretion, declares a dividend. Any dividends paid will be subject to U.S. federal income withholding tax (based on the Netherlands – United States tax treaty at a rate of 15%). Dividends are exempt from taxation in the Netherlands, provided the employee holds less than 5% of the Company's issued share capital as a private investment. The employee may be entitled to a tax credit against his/her Dutch income tax for the U.S. federal income tax withheld.

Investment Tax

In case the employee holds less than 5% of the Company's issued share capital as a private investment, the employee is subject to an investment yield tax of effectively 1.2% (*i.e.*, Box III income) on the value of all assets (including shares of the Company) held by the employee on 1 January of the calendar year at issue. An exemption is available on the first EUR 21,139 (for 2013) of the value of the assets held on 1 January of the calendar year involved.

Sale of Shares

When the employee subsequently sells the shares purchased under the ESPP, he/she will not be subject to any capital gains tax, provided he/she holds less than 5% of the Company's issued share capital as a private investment.

Withholding and Reporting

The employer is required to withhold and report any wage tax and social insurance contributions (if any) on the taxable amount when the right to purchase shares under the ESPP becomes unconditional (this will likely occur at the time of purchase). The employee will be responsible for paying the difference, if any, between the wage taxes withheld and the actual income tax liability. The employee will have to report any taxable benefit derived from the ESPP on his/her personal income tax return.

6. NORWEGIAN TAX AND SOCIAL SECURITY CONSEQUENCES

The following is intended to briefly summarize certain tax consequences associated with the purchase of shares of Staples common stock under the ESPP, as well as the sale of shares acquired under the ESPP.

This discussion reflects the tax and other laws in effect on June 1, 2013. Such laws are often complex and change frequently. As a result, the information contained in this description may be out of date at the time the employee is granted an award, acquires shares or sells shares acquired under the ESPP.

In addition, this description does not discuss all of the various laws, rules and regulations that may apply. It may not apply to the employee's particular tax or financial situation and the Company is not in a position to assure the employee of any particular tax result. **Accordingly, the employee is strongly advised to seek appropriate professional advice as to how the tax or other laws in his/her country apply to his/her specific situation.**

If the employee is a citizen or resident of another country than Norway, the information contained in this description may not be applicable to the employee.

Enrollment in the ESPP

The employee is not subject to tax when he/she enrolls in the ESPP or a new purchase period begins.

Purchase of Shares

On the exercise date, when the employee purchases shares of Staples common stock, the employee will be subject to taxation on the difference between the fair market value of such shares at the time the shares are made available to the employee and the exercise price paid for the shares (the "spread"). The spread will be taxable as employment income, subject to income tax and social insurance contribution at a marginal tax rate of 47.8% (2012 rates, including the employee's part of the social security contribution). The employee may be able to exclude from the taxable amount up to 20% of the fair market value of the shares on the date of exercise (when the shares were made available to the employee), but not more than NOK 1,500 per year, if the ESPP is offered to "all employees".

Dividends

Where shares are acquired under the ESPP, dividends may be paid with respect to those shares if the Company, in its discretion, declares a dividend. Any dividends paid will be subject to tax in Norway and also to U.S. federal income withholding tax (at a rate of 30%). The employee may be entitled to reduce the U.S. federal income withholding tax rate (to 15%) provided that the appropriate certifications concerning residence in Norway are provided, as required by the United States Internal Revenue Service (*i.e.* Substitute Form W-8/BEN Certificate of Foreign Status and Instructions, available from Brokerage firm(s) retained by the Company).

The employee will be subject to Norwegian income tax on any dividends distributed on the shares acquired under the ESPP at a tax rate of 28%. Norwegian personal shareholders may be entitled to deduct a calculated allowance when calculating their taxable dividend income.

The allowance is calculated on a share-by-share basis, and the allowance for each share is equal to the fair market value of the shares at the time the shares were made available to the employee (base value), multiplied by a risk-free interest rate. Any part of the calculated allowance in one year exceeding the dividend distributed on this share is added to the base value and included in the basis for calculating the allowance the following year.

Any withholding tax which is levied, might be set off against Norwegian tax on the dividend.

Sale of Shares

When the employee subsequently sells or otherwise disposes of the shares acquired under the ESPP, the employee will be subject to taxation at a tax rate of 28%. The taxable amount will equal the difference between the sale proceeds and the market value of the shares at the time the shares were made available to the employee (base value), less any costs such as brokerage fees.

The employee may be entitled to deduct an allowance when calculating the taxable amount. The allowance for each share is equal to the total of allowance amounts calculated for dividends for this share for previous years less dividends distributed on this share. The allowance may be deducted only to reduce a taxable gain, and may not be deducted to produce or increase a capital loss for tax purposes.

Tax Withholding and Reporting

In general, the local Norwegian subsidiary will be required to report the grant of options under the ESPP to the tax authorities. The local Norwegian subsidiary will also be required to report the spread on the date of exercise as taxable income to the local tax authorities, and will also be required to withhold income taxes and social insurance charges on such amount.

The employee is required to report the taxable dividend income, and any income realized on the subsequent realization of shares acquired under the ESPP. The employee will also be responsible for paying the tax on such amounts to the tax authorities.

Wealth Tax

Wealth tax is assessed at the end of each tax year, and the tax is based on the fair market value of the assets held on 1 January in the year following the relevant tax year. Both options and shares held are subject to wealth tax.

The employee will be subject to wealth tax on the value of the accumulated payroll deduction held on behalf of the employee on 1 January in the year following the relevant tax year.

The value of the option for wealth tax purposes is the fair market value of the option on 1 January in the year following the relevant tax year. However, if the options are unvested, non-transferable and conditioned upon the requirement that the employee remains employed at the time of exercise, the options may be exempt from wealth tax. Since there is uncertainty regarding the applicability of this exemption, the employee should provide the tax authorities with information regarding the options in his/her annual tax return if he/she maintains that no wealth tax is payable. The employee should include an explanation as to why the option should not be subject to wealth tax (*e.g.*, the option has not vested yet, the option is non-transferable, the option is conditioned upon the achievement of certain requirements).

Finally, the shares held at the end of the year will be subject to wealth tax based on the fair market value of the shares on 1 January in the year following the relevant tax year.

The marginal wealth tax rate is 1.1% (2012 rates).

7. PORTUGUESE TAX AND SOCIAL SECURITY CONSEQUENCES

The following is intended to briefly summarize certain tax consequences associated with the purchase of shares of Staples common stock under the ESPP, as well as the sale of shares obtained under the ESPP.

This discussion reflects the tax and other law as in effect on June 1,2013. Such laws are often complex and change frequently. As a result, the information contained in this description may be out of date at the time the employee is granted an award, acquires shares or sells shares acquired under the ESPP.

In addition, this description does not discuss all of the various laws, rules and regulations that may apply. It may not apply to your particular tax or financial situation and the Company is not in a position to assure the employee of any particular tax result. **Accordingly, the employee is strongly advised to seek appropriate professional advice as to how the tax or other laws in his/her country apply to his/her specific situation.**

If the employee is a citizen or resident of another country than Portugal, the information contained in this description may not be applicable to the employee.

Enrollment in the ESPP

The employee is not subject to tax when he/she enrolls in the ESPP or a new purchase period begins.

Purchase of Shares

When shares are purchased under the ESPP, the employee will be subject to income tax on the difference between the fair market value of the shares on the date of purchase and the purchase price (the "spread").

This income will qualify as employment income and consequently, will be subject to the progressive tax rates of up to 48%. There is also an additional surcharge of 3,5% over the income subject to Individual Income Tax, in the part that exceeds the annual minimum salary (€ 6.790) and also an additional solidarity surcharge ranging between 2.5% (on taxable income exceeding EUR80,000 up to EUR250,000, per individual) and of 5% (on taxable income exceeding EUR250,000 per individual).

Dividends

Where shares are acquired under the ESPP, dividends may be paid with respect to these shares if the Company, in its discretion, declares a dividend.

The employee will be subject to tax in Portugal on any dividends received at a 28% special flat rate (alternatively, the employee may opt to tax the dividend with its total annual income at the aforementioned tax rates). This will also apply to the dividends paid out in the form of shares according to the terms and conditions of the DRIP. The employee will also be subject to U.S. federal income withholding tax at source at a rate of 30%. The employee may be entitled to reduce the U.S. federal income withholding tax rate to 15% provided that the appropriate certifications concerning residence in Portugal are provided, as required by the United States Internal Revenue Service (*i.e.* Substitute Form W-8/BEN Certificate of Foreign Status and Instructions, available from Brokerage firm(s) retained by the Company). The employee may be entitled to a deduction against his/her Portuguese income tax for the U.S. federal income tax withheld.

Sale of Shares

When the shares acquired under the ESPP are subsequently sold, any capital gain is taxed at a special flat rate of 28%. The gain is calculated as the difference between the sales price and the aggregate of the acquisition value of the shares (*i.e.,* the fair market value of the shares at purchase, considered for purposes of determining the employment income) and the sales related expenses.

Withholding and Reporting

The employer is not required to withhold income tax when the employee purchases shares under the ESPP. The employer will, however, report the income the employee realizes from the purchase of shares. The employer also will maintain a registry regarding the employees participating in the ESPP and provide each employee with a copy of the portion of the registry that pertains to him or her. It is the employee's responsibility to report and pay any taxes resulting from the purchase and sale of shares under the ESPP or the receipt of dividends.

Social Security

The employee will likely not be subject to social insurance contributions on the spread, since the law excludes from taxation any discount granted to the employers for the acquisition of the employer's stock.

8. SWEDISH TAX AND SOCIAL SECURITY CONSEQUENCES

The following is intended to briefly summarize certain tax consequences associated with the purchase of shares of Staples common stock under the ESPP, as well as the sale of shares obtained under the ESPP.

This discussion reflects the tax and other laws as in effect on June 1 , 2013. Such laws are often complex and change frequently. In particular, rates of income tax and social security contributions are expected to change in the coming years. As a result, the information contained in this description may be out of date at the time the employee is granted an award, acquires shares or sells shares acquired under the ESPP.

In addition, this description does not discuss all of the various laws, rules and regulations that may apply. It may not apply to your particular tax or financial situation and the Company is not in a position to assure the employee of any particular tax result. **Accordingly, the employee is strongly advised to seek appropriate professional advice as to how the tax or other laws in his/her country apply to his/her specific situation.**

If the employee is a citizen or resident of another country than Sweden, the information contained in this description may not be applicable to the employee.

Enrollment in the ESPP

The employee is not subject to tax when he/she enrolls in the ESPP or a new purchase period begins.

Purchase of Shares

When shares are purchased under the ESPP, the employee will be subject to income tax on the difference between the fair market value of the shares on the date of purchase and the purchase price (the "spread"). Swedish income tax consists of both municipal tax and state tax. The rate of municipal tax depends on the municipality and ranges from approximately 29 percent to 34 percent. The average municipal tax rate is approximately 32 percent. In addition to municipal tax, taxpayers who have a net taxable income of more than SEK 413,200 per year must pay a state tax of 20 percent on any excess amount. For taxpayers who have a net taxable income of more than SEK 591,600 per year, an additional 5 percentage points of tax is levied on any excess amount which brings the top state tax rate to 25 percent. Accordingly, an average combined municipal and state tax rate of approximately 57 percent applies to individuals who have a net taxable income of more than SEK 591,600 per year.

Dividends

Where shares are acquired under the ESPP, dividends may be paid with respect to these shares if the Company, in its discretion, declares a dividend. The employee will be subject to capital gains tax in Sweden at a flat rate of 30 percent if the underlying shares are listed on an exchange (e.g., the Nasdaq) and otherwise at a flat rate of 25 percent. This also applies to dividends reinvested in accordance with the terms and conditions of the DRIP. The employee will also be subject to U.S. federal income withholding tax at source (at a rate of 30 percent). The employee may be entitled to reduce the U.S. federal income withholding tax rate (to 15 percent) provided that the appropriate certifications concerning residence in Sweden are provided, as required by the United States Internal Revenue Service (*i.e.* Substitute Form W-8/BEN Certificate of Foreign Status and Instructions, available from Brokerage firm(s) retained by the Company). The employee may be entitled to a foreign tax credit against his/her Swedish income tax for the U.S. federal income tax withheld.

Sale of Shares

When the shares acquired under the ESPP are subsequently sold, any capital gain is taxed at a flat rate of 30 percent if the shares are listed (and otherwise at a flat rate of 25 percent). The gain is calculated as the difference between the sales price and the fair market value of the shares at purchase (i.e. the taxed value of the benefit plus the purchase price equals the cost of acquisition). As an alternative, the employee may opt to be taxed on 80 percent of the sale proceeds, i.e., at a standardized purchase price at 20 percent, provided the shares are listed.

If the sale results in a capital loss, the loss is deductible against certain types of capital gains realized during the same year. A tax reduction against other types of income, e.g., income from employment, is allowed to the extent the loss cannot be offset against capital gains realized in the same year. The amount that may be used to reduce the tax on income from other categories than capital income corresponds to 30 percent of the part of the deficit not exceeding SEK 100,000 and 21 percent of the deficit exceeding that amount.

Withholding and Reporting

The employer is required to withhold and report preliminary income tax on the spread at purchase to the Swedish Tax Agency. The employer may not retain shares of the Company stock to satisfy this withholding obligation without the employee's consent, but may withhold from the proceeds of shares sold on the date of purchase, if any. The employer must withhold from the employee's salary in the same calendar month shares are purchased. If the sum of the employee's monthly cash salary and other cash payments constituting remuneration for work does not cover the preliminary taxes that are to be withheld and reported by the employer, it is the employee's responsibility to make an extra payment to the Swedish Tax Agency. In addition, the employee is required by law to report the purchase of shares to the employer by the end of the month following the month in which a purchase is made, and in no event later than January 15 of the year following the year in which shares are purchased. Please note that the employer's withholding and reporting obligations arise at the time of purchase, even though the employee has additional time to fulfil his/her reporting obligation.

The employer must file a statement of income (form SKV 2300). The income statement must be submitted to the Swedish Tax Agency no later than January 31 of the year following the year in which shares are purchased.

It is ultimately the employee's responsibility to report and pay any taxes resulting from the sale of shares or receipt of dividends.

Social Security

Social insurance contributions will be calculated on the spread at a rate of 31.42 percent (rate for income year 2012, uncapped). However, it is the employer's responsibility, and not the employee's, to pay and report the social insurance contributions.

9. UNITED KINGDOM TAX AND SOCIAL SECURITY CONSEQUENCES

The following is intended to briefly summarize certain tax consequences associated with the purchase of shares of Staples common stock under the ESPP, as well as the sale of shares obtained under the ESPP, by employees who are resident in the United Kingdom.

This discussion reflects the tax and other law as in effect on June 1, 2013. Such laws are often complex and change frequently. As a result, the information contained in this description may be out of date at the time the employee is granted an award, acquires shares, receives dividends or sells shares acquired under the ESPP.

In addition, this description does not discuss all of the various laws, rules and regulations that may apply. It may not apply to the employee's particular tax or financial situation and the Company is not in a position to assure the employee of any particular tax result. **Accordingly, the employee is strongly advised to seek appropriate professional advice as to how the tax or other laws in his/her country apply to his/her specific situation.**

If the employee was not resident in the United Kingdom at the time the purchase rights under the ESPP were granted or subsequently, or the employee is a citizen or resident of a country other than the United Kingdom, or the employee is subject to the remittance basis of taxation, the information contained in this description may not be applicable to the employee.

Enrollment in the ESPP

The employee is not subject to tax when he/she enrolls in the ESPP or when a new purchase period begins.

Purchase of Shares

When shares are purchased, the employee will be subject to income tax and employee National Insurance contributions ("NICs") on the amount by which the market value of the shares on the date of purchase exceeds the purchase price (the "spread"). The spread will be classified as employment income and will be included in the employee's overall income in the tax year of purchase. The spread will be subject to income tax at the employee's marginal income tax rate (of up to 45%, depending on the employee's total annual earnings). In addition, employee NICs will be due on the spread at a rate of 12% to the extent the employee has not exceeded the upper earnings limit, which for the tax year 6 April 2013 to 5 April 2014 is £41,444 per annum (or £797 per week). To the extent the employee has exceeded the upper earnings limit, the employee will be subject to employee NICs at a rate of 2% on the spread.

Generally, the employer will withhold and account to HM Revenue and Customs ("HMRC") income tax and employee NICs when shares are purchased for the employee under the ESPP by deductions from his/her salary or other payments due to the employee, via the Pay-As-You-Earn ("PAYE") tax withholding system. Alternatively, the Company may sell or arrange for the sale of the shares that the employee acquires under the ESPP to cover these amounts. However, the employee is ultimately responsible for the payment of any income tax and employee NICs due.

Please note that, in the event that there is no such withholding or the amount withheld is insufficient to cover the employee's actual liability, the employee must reimburse his/her employer for the income tax due (in excess of the amount withheld from the employee's salary or covered by the sale of shares, if any) within 90 days of the date of purchase of the employee's shares to avoid further tax consequences. If the employee fails to pay this amount to his/her employer within that time limit, the employee may be treated as having received a deemed benefit in kind equal to the amount of tax not paid to his/her employer and he/she will have to pay further income tax and employee NICs on this benefit. In such case, the employer is not required to withhold income tax or the employee NICs on the benefit in kind, and the employee must include this in his/her self-assessment tax return for the tax year in which the purchase occurs.

Sale of Shares

If the employee subsequently sells the shares that he/she purchased under the ESPP, any capital gain, (*i.e.*, the amount by which the sale proceeds exceed the market value of the shares at the time of purchase) may be subject to capital gains tax.

Capital gains tax is payable on gains from all sources in excess of the annual personal exemption in any tax year. For the tax year 6 April 2013 to 5 April 2014, this personal exemption is £10,900.

A capital gains tax rate of 28% is payable on the amount of any gain (or any parts of gains) that exceeds the upper limit of the income tax basic rate band when aggregated with the employee's cumulative taxable income and other chargeable gains in any tax year. For the 2013/2014 tax year, the upper limit of the income tax basic rate band is £32,010. Below this limit, capital gains tax is payable at a rate of 18%.

If the employee acquires other shares in the Company, the employee will need to take into account the share identification rules in calculating the capital gains tax liability. Since 6 April 2008, the share identification rules have been revised. All shares of the same class in the Company will be treated as forming a single asset (a share pool), regardless of when they were originally acquired. The base cost of the shares in the share pool is calculated on the average base cost of all the shares in the share pool (rather than being calculated on the basis of selected shares within the share pool). However, any shares in the Company that the employee acquires on the same day as he/she sells any of their existing shares in the Company, and then those shares which he/she acquires within the following 30 days, will be treated as being disposed of first in time, before the other shares in the share pool. Disposals are therefore taken to be made in the following order:

- against acquisitions on the same day;
- against acquisitions within the 30 days following the disposal; and
- against shares in the share pool.

The employee is personally responsible for reporting any taxable income arising upon the sale or disposal of shares that he/she purchased under the ESPP on the employee's personal HMRC Self-Assessment Tax Return and for paying the applicable taxes directly to HMRC. The Company and/or the employee's employer have no responsibility in respect of the employee's capital gains tax liability.

Please note that the capital gains tax rules are complex and their impact will vary according to the employee's own circumstances. **It is therefore recommended that the employee obtain his/her own independent tax advice prior to any acquisition, sale or disposal of shares by the employee.**

Dividends

Where shares are acquired under the ESPP, dividends may be paid with respect to these shares if the Company, in its discretion, declares a dividend. The dividends received will be subject to income tax in the United Kingdom (at the employee's marginal income tax rate) and to U.S. federal income tax withholding at source (at a rate of 30%). No NICs are due on dividends. The employee may be entitled to reduce U.S. federal income withholding tax rate (to 15%) provided that the appropriate certifications concerning domicile in the United Kingdom are provided, required by the United States Internal Revenue Service (*i.e.*, Substitute Form W-8/BEN Certificate of Foreign Status and Instructions, available from the brokerage firm(s) retained by the Company). The employee may be entitled to a U.K. tax credit for the U.S. taxes paid provided certain conditions are met.

Withholding and Reporting

The employer will be required to withhold and account to HMRC the income tax and employee NICs due when shares are purchased by the employee under the ESPP by deductions (via the PAYE tax withholding system) from his/her salary or other payments due to the employee. However, the employee is ultimately responsible for the payment of any income tax and employee NICs due. As mentioned above, if the amount withheld is not sufficient to cover the employee's actual liability, he/she is

STAPLES, INC.
2012 EMPLOYEE STOCK PURCHASE PLAN

1. Purpose.

(a) The purpose of the Plan is to provide employees of the Company and its Designated Subsidiaries and Designated Affiliates with an opportunity to purchase Common Stock through accumulated Contributions.

(b) This Plan includes two components: a Code Section 423 Component (the "423 Component") and a non-Code Section 423 Component (the "Non-423 Component"). It is the intention of the Company to have the 423 Component qualify as an "employee stock purchase plan" under Section 423 of the Code. The provisions of the 423 Component, accordingly, shall be construed so as to extend and limit participation in a uniform and nondiscriminatory basis consistent with the requirements of Section 423 of the Code. In addition, this Plan authorizes the grant of options under the Non-423 Component, which does not qualify as an "employee stock purchase plan" under Section 423 of the Code; such options granted under the Non-423 Component shall be granted pursuant to rules, procedures or sub-plans adopted by the Administrator designed to achieve tax, securities laws or other objectives for Eligible Employees and the Company. Except as otherwise provided herein, the Non-423 Component will operate and be administered in the same manner as the 423 Component. Offerings intended to be made under the Non-423 Component will be designated as such by the Administrator at or prior to the time of such Offering.

(c) If a Participant transfers employment from the Company or any Designated Subsidiary participating in the 423 Component to a Designated Affiliate participating in the Non-423 Component, he or she shall immediately cease to participate in the 423 Component; however, any Contributions made for the Purchase Period in which such transfer occurs shall be transferred to the Non-423 Component, and such Participant shall immediately join the then current Offering under the Non-423 Component upon the same terms and conditions in effect for his or her participation in the Plan, except for such modifications as may be required by applicable law or otherwise applicable for Participants in such Designated Affiliates. A Participant who transfers employment from a Designated Affiliate participating in the Non-423 Component to the Company or any Designated Subsidiary participating in the 423 Component shall remain a Participant in the Non-423 Component until the earlier of (i) the end of the current Offering Period under the Non-423 Component, or (ii) the Enrollment Date of the first Offering Period in which he or she participates following such transfer. Notwithstanding the foregoing, the Administrator may establish different rules to govern transfers of employment between companies participating in the 423 Component and the Non-423 Component, consistent with the applicable requirements of Section 423 of the Code.

2. Definitions.

(a) "Administrator" means the Board or the Committee designated by the Board to administer the Plan pursuant to Section 14.

(b) "Affiliate" means (i) any entity that, directly or indirectly, is controlled by, controls or is under common control with, the Company or (ii) any entity in which the Company has a significant equity interest, in either case as determined by the Administrator, whether now or hereafter existing (which, for avoidance of doubt, shall include any Subsidiary).

(c) "Applicable Laws" means the requirements relating to the administration of equity-based awards under U.S. state corporate laws, U.S. federal and state securities laws, the Code, any stock exchange or quotation system on which the Common Stock is listed or quoted and the applicable laws of any foreign country or jurisdiction where options are, or will be, granted under the Plan.

(d) "Board" means the Board of Directors of the Company.

(e) "Change in Control" means the occurrence of any of the following events:

(i) any "person", as such term is used in Sections 13(d) and 14(d) of the Exchange Act (other than the Company, any trustee or other fiduciary holding securities under an employee benefit plan of the Company, or any corporation owned directly or indirectly by the stockholders of the Company in substantially the same proportion as their ownership of the Company's stock), is or becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing thirty percent (30%) or more of the combined voting power of the Company's then outstanding securities (other than pursuant to a merger or consolidation described in clause (1) or (2) of subsection (iii) below);

(ii) individuals who, as of the date hereof, constitute the Board (as of the date hereof, the "Incumbent Board") cease for any reason to constitute at least a majority of the Board, provided that any person becoming a director subsequent to the date hereof whose election, or nomination for election by the Company's stockholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board (other than an election or nomination of an individual whose initial assumption of office is in connection with an actual or threatened election contest relating to the election of the directors of the Company, as such terms are used in Rule 14a-11 of Regulation 14A under the Exchange Act) shall be, for purposes of this Agreement, considered as though such person were a member of the Incumbent Board;

(iii) the Company's stockholders approve a merger or consolidation of the Company with any other corporation, and such merger or consolidation is consummated, other than (1) a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than seventy-five percent (75%) of the combined voting power of the voting securities of the Company or such surviving entity outstanding immediately after such merger or consolidation, or (2) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no "person" (as defined above) acquires more than thirty percent (30%) of the combined voting power of the Company's then outstanding securities; or

(iv) the Company's stockholders approve an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets, and such sale or disposition is consummated.

For the avoidance of doubt, a transaction will not constitute a Change in Control if its sole purpose is either to change the state of the Company's incorporation or to create a holding company that will be owned in substantially the same proportions by the persons who held the Company's securities immediately before such transaction.

(f) "Code" means the U.S. Internal Revenue Code of 1986, as amended. Reference to a specific section of the Code or U.S. Treasury Regulation thereunder will include such section or regulation and any comparable provision of any future legislation or regulation amending, supplementing or superseding such section or regulation.

(g) "Committee" means the Compensation Committee of the Board, or to the extent permitted by Applicable Laws, the Committee on Employee Benefit Plans as constituted pursuant to the terms of the Company's 401(k) Plan, in each case unless otherwise determined by the Board.

(h) "Common Stock" means the common stock of the Company.

(i) "Company" means Staples, Inc, a Delaware corporation, or any successor thereto.

(j) "Compensation" means an Eligible Employee's regular base straight time gross earnings (including payments for piece work in the case of employees of the American Identity division), commissions, sales rewards and other sales-related payments, exclusive of any other form of compensation including payments for incentive compensation, bonuses, overtime, shift premium, 13th/14th month payments or similar concepts under local law or any other similar compensation. The Administrator, in its discretion, may, on a uniform and nondiscriminatory basis for each Offering, establish a different definition of Compensation for a subsequent Offering Period. Further, the Administrator shall have discretion to determine the application of this definition to Participants outside the United States.

(k) "Contributions" means the payroll deductions, any other additional payments that the Administrator may permit to be made by a Participant and any alternative forms of contributions permitted under Section 6(f) to fund the exercise of options granted pursuant to the Plan.

(l) "Designated Affiliate" means any Affiliate that has been designated by the Administrator from time to time in its sole discretion as eligible to participate in the Non-423 Component.

(m) "Designated Subsidiary" means any Subsidiary that has been designated by the Administrator from time to time in its sole discretion as eligible to participate in the 423 Component.

(n) "Director" means a member of the Board.

(o) "Eligible Employee" means a person treated as an employee of the Company or a Designated Subsidiary or Designated Affiliate for purposes of Section 423 of the Code. For purposes of the Plan, the employment relationship will be treated as continuing intact where a Participant transfers employment between the Company, Designated Subsidiaries and/or Designated Affiliates and while an individual is on sick leave or other leave of absence that the Employer approves or is legally protected under Applicable Laws. Where a period of leave of absence exceeds three (3) months and the individual's right to reemployment is not guaranteed either by statute or by contract, the employment relationship will be deemed to have terminated three (3) months and one (1) day following the commencement of such leave. The Administrator, in its discretion, from time to time may, prior to an Enrollment Date for all options to be granted on such Enrollment Date in an Offering, determine (on a uniform and nondiscriminatory basis or as otherwise permitted by Treasury Regulation Section 1.423-2 for options granted under the 423 Component) that the definition of Eligible Employee will or will not include an individual if he or she: (i) has not completed at least two (2) years of service since his or her last hire date (or such lesser period of time as may be determined by the Administrator in its discretion), (ii) customarily works not more than twenty (20) hours per week (or such lesser period of time as may be determined by the Administrator in its discretion), (iii) customarily works not more than five (5) months per calendar year (or such lesser period of time as may be determined by the Administrator in its discretion), (iv) is a highly compensated employee within the meaning of Section 414(q) of the Code, or (v) is a highly compensated employee within the meaning of Section 414(q) of the Code with compensation above a certain level or is an officer or subject to the disclosure requirements of

Section 16(a) of the Exchange Act. Under the 423 Component, each exclusion shall be applied with respect to an Offering in a manner complying with U.S. Treasury Regulation Section 1.423-2(e)(2)(ii). A Participant shall be deemed to have ceased to be an Eligible Employee either upon an actual termination of employment or upon the corporation employing the Participant during an Offering Period ceasing to be an Affiliate of the Company, or if the Participant transfers to an Affiliate that is not a Designated Subsidiary or Designated Affiliate.

(p) "Employer" means the Designated Subsidiary or Designated Affiliate that is the employer of the applicable Eligible Employee in accordance with the definition in subsection 2(o) above.

(q) "Enrollment Date" means the first Trading Day of each Offering Period.

(r) "Exchange Act" means the Securities Exchange Act of 1934, as amended, including the rules and regulations promulgated thereunder.

(s) "Exercise Date" means the last Trading Day of each Purchase Period.

(t) "Fair Market Value" means, as of any date and unless the Administrator determines otherwise, the value of Common Stock determined as follows:

(i) If the Common Stock is listed on any established stock exchange or a national market system, including without limitation the NASDAQ Global Select Market, the NASDAQ Global Market, the NASDAQ Capital Market of the NASDAQ Stock Market or the New York Stock Exchange, its Fair Market Value will be the closing sales price for such stock as quoted on such exchange or system on the date of determination (or if no sales were reported on that date, on the last Trading Day such sales were reported), as reported in *The Wall Street Journal* or such other source as the Administrator deems reliable;

(ii) If the Common Stock is regularly quoted by a recognized securities dealer but selling prices are not reported, its Fair Market Value will be the mean between the high bid and low asked prices for the Common Stock on the date of determination (or if no bids and asks were reported on that date, as applicable, on the last Trading Day such bids and asks were reported), as reported in *The Wall Street Journal* or such other source as the Administrator deems reliable; or

(iii) In the absence of an established market for the Common Stock, the Fair Market Value thereof will be determined in good faith by the Administrator.

(u) "New Exercise Date" means a new Exercise Date if the Administrator shortens any Offering Period then in progress.

(v) "Offering" means an offer under the Plan of an option that may be exercised during an Offering Period as further described in Section 4. Unless otherwise specified by the Administrator, each Offering to the Eligible Employees of the Company, a Designated Subsidiary or a Designated Affiliate shall be deemed a separate Offering (the terms of which Offering under the Non-423 Component need not be identical), even if the dates and other terms of the applicable Offering Periods of each such Offering are identical and the provisions of the Plan will separately apply to each Offering. To the extent permitted by U.S. Treasury Regulation Section 1.423-2(a)(1), the terms of each separate Offering under the Section 423 Component need not be identical, provided that the terms of the Plan and an Offering together satisfy U.S. Treasury Regulation Section 1.423-2(a)(2) and (a)(3).

(w) "Offering Periods" means the periods established in accordance with Section 4 during which an option granted pursuant to the Plan may be exercised on one or more Exercise Dates. The duration and timing of Offering Periods may be changed pursuant to Sections 4 and 21.

(x) "Parent" means a "parent corporation," whether now or hereafter existing, as defined in Section 424(e) of the Code.

(y) "Participant" means an Eligible Employee that participates in the Plan.

(z) "Plan" means this Staples, Inc. 2012 Employee Stock Purchase Plan, including both the 423 and Non-423 Components, as amended from time to time.

(aa) "Purchase Period" means a period of time within an Offering Period, as may be specified by the Administrator in accordance with Section 4, generally beginning on the Enrollment Date and ending on an Exercise Date. An Offering Period may consist of one or more Purchase Periods.

(bb) "Purchase Price" means an amount equal to eighty-five percent (85%) of the Fair Market Value of a share of Common Stock on the Enrollment Date or on the Exercise Date, whichever is lower; provided however, that the Purchase Price may be determined for subsequent Offering Periods by the Administrator subject to compliance with Section 423 of the Code or any successor rule or provision or any other applicable law, regulation or stock exchange rule) or pursuant to Section 21.

(cc) "Subsidiary" means a "subsidiary corporation," whether now or hereafter existing, as defined in Section 424(f) of the Code.

(dd) "Trading Day" means a day on which the national stock exchange upon which the Common Stock is listed is open for trading.

(ee) "U.S. Treasury Regulations" means Treasury regulations issued by the Department of Treasury under the Code. Reference to a specific Treasury Regulation or Section of the Code shall include such Treasury Regulation or Section and any comparable provision of any future legislation or regulation amending, supplementing or superseding such Section or regulation.

3. Eligibility.

(a) General. Unless otherwise provided in this Section 3 and subject to the requirements of Section 5, any Eligible Employee on a given Enrollment Date shall be eligible to participate in the Plan.

(b) Non-U.S. Employees. Employees who are citizens or residents of a non-U.S. jurisdiction (without regard to whether they also are citizens or residents of the United States or resident aliens within the meaning of Section 7701(b)(1)(A) of the Code) may be excluded from participation in the Plan or an Offering if the participation of such Employees is prohibited under the laws of the applicable jurisdiction or if complying with the laws of the applicable jurisdiction would cause the Plan or an Offering to violate Section 423 of the Code. Further, in the case of the Non-423 Component, Eligible Employees may be excluded from participation in the Plan or an Offering if the Administrator has determined that participation of such Eligible Employees is not advisable or practicable

(c) Limitations. Notwithstanding any provisions of the Plan to the contrary, no Eligible Employee will be granted an option under the Plan (i) to the extent that, immediately after the grant, such Eligible Employee (or any other person whose stock would be attributed to such Eligible Employee pursuant to Section 424(d) of the Code) would own capital stock of the Company or any Parent or Subsidiary of the Company and/or hold outstanding options to purchase such stock possessing five percent (5%) or more of the total combined voting power or value of all classes of the capital stock of the Company or of any Parent or Subsidiary of the Company, or (ii) to the extent that his or her rights to purchase stock under all employee stock purchase plans (as defined in Section 423 of the Code) of the Company or any Parent or Subsidiary of the Company accrues at a rate, which exceeds twenty-five thousand dollars ($25,000) worth of stock (determined at the Fair Market Value of the stock at the time such option is granted) for each calendar year in which such option is outstanding at any time, as determined in accordance with Section 423 of the Code and the regulations thereunder.

4. Offering Periods. The Plan will be implemented by consecutive Offering Periods with a new Offering Period commencing on the first Trading Day on or after January 1 and July 1 of each year, and terminating, respectively, on the last Trading Day on or before June 30 and December 31 of each year, or on such other dates as the Administrator will determine. Unless and until the Administrator determines otherwise in its discretion, each Offering Period shall consist of one six (6) month Purchase Period, which shall run simultaneously with the Offering Period. The Administrator will have the authority to establish additional or alternative sequential or overlapping Offering Periods, a different duration for one or more Offerings or Offering Periods or different commencement or ending dates for such Offering Periods with respect to future offerings without stockholder approval if such change is announced prior to the scheduled beginning of the first Offering Period to be affected thereafter, provided, however, that no Offering Period may have a duration exceeding twenty-seven (27) months. In addition, to the extent that the Administrator establishes overlapping Offering Periods with more than one Purchase Period in each Offering Period, the Administrator will have the discretion to structure an Offering Period so that if the Fair Market Value of the shares of Common Stock on the first Trading Day of a new Purchase Period within that Offering Period is less than or equal to the Fair Market Value of the shares of Common Stock on the Enrollment Date, then (i) that Offering Period will terminate immediately as of that first Trading Day, and (ii) the Participants in such terminated Offering Period will be automatically enrolled in a new Offering Period beginning on the first Trading Day of such new Purchase Period.

5. Participation. An Eligible Employee may participate in the Plan by (i) submitting to the Company's designated Human Resources representative, on or before a date determined by the Administrator prior to an applicable Enrollment Date, a properly completed subscription agreement authorizing Contributions in the form provided by the Administrator for such purpose, or (ii) following an electronic or other enrollment procedure determined by the Administrator, and in either case completing any other forms and following any procedures for enrollment in the Plan as may be established by the Administrator from time to time.

6. Contributions.

(a) At the time a Participant enrolls in the Plan pursuant to Section 5, he or she will elect to have payroll deductions made on each pay day or other Contributions (to the extent permitted by the Administrator) made during the Offering Period in an amount not exceeding ten percent (10%) of the Compensation which he or she receives on each pay day during the Offering Period, or such different maximum percentage as may be determined by the Administrator prior to any Offering Period; should a pay day occur on an Exercise Date, a Participant shall have the payroll deductions made on such day applied to his or her account under the current Purchase Period, unless otherwise provided by the Administrator. The Administrator, in its sole discretion, may permit all Participants in a specified Offering to contribute amounts to the Plan through payment by cash, check or other means set forth in the subscription agreement prior to each Exercise Date of each Offering Period. A Participant's subscription agreement will remain in effect for successive Offering Periods unless terminated as provided in Section 10 hereof.

(b) Payroll deductions for a Participant will commence on the first pay day following the Enrollment Date and will end on the last pay day of the Offering Period to which such authorization is applicable, unless sooner terminated by the Participant as provided in Section 10 hereof.

(c) All Contributions made for a Participant will be credited to his or her account under the Plan and payroll deductions will be made in whole percentages only. A Participant may not make any additional payments into such account.

(d) A Participant may discontinue his or her participation in the Plan as provided in Section 10. If permitted by the Administrator, as determined in its sole discretion, for an Offering Period, a Participant may increase or decrease the rate of his or her Contributions during the Offering Period or Purchase Period by (i) properly completing and submitting to the Company's designated Human Resources representative, on or before a date determined by the Administrator prior to an applicable Exercise Date, a new subscription agreement authorizing the change in Contribution rate in the form provided by the Administrator for such purpose, or (ii) following an electronic or other procedure prescribed by the Administrator. If a Participant has not followed such procedures to change the rate of Contributions, the rate of his or her Contributions will continue at the originally elected rate throughout the Offering Period and future Offering Periods (unless terminated as provided in Section 10). The Administrator may, in its sole discretion, limit the nature and/or number of Contribution rate changes that may be made by Participants during any Offering Period or Purchase Period, and may establish such other conditions or limitations as it deems appropriate for Plan administration. Any change in payroll deduction rate made pursuant to this Section 6(d) will be effective as soon as administratively practicable after the date on which the change is made by the Participant. Notwithstanding the foregoing, unless and until otherwise determined by the Administrator, a Participant shall not be permitted to increase or decrease his or her rate of Contributions during an Offering Period, with the exception that a Participant may withdraw from the Plan and receive a refund of Contributions in accordance with Section 10.

(e) Notwithstanding the foregoing provisions of this Section 6, to the extent necessary to comply with Section 423(b)(8) of the Code and Section 3(c)(ii), a Participant's Contributions may be decreased to zero percent (0%) at any time during an Offering Period. Subject to Section 423(b)(8) of the Code and Section 3(c)(ii) hereof, Contributions will recommence at the rate originally elected by the Participant effective as of the beginning of the first Offering Period scheduled to end in the following calendar year, unless terminated by the Participant as provided in Section 10.

(f) Notwithstanding any provisions to the contrary in the Plan, the Administrator may allow Eligible Employees to participate in the Plan via cash, check or other means instead of payroll deductions if payroll deductions are not permitted under applicable local law and, for any Offering under the 423 Component, the Administrator determines that cash contributions are permissible under Section 423 of the Code.

7. Grant of Option. On the Enrollment Date of each Offering Period, each Participant in such Offering Period will be granted an option to purchase on each Exercise Date during such Offering Period (at the applicable Purchase Price) up to a number of shares of Common Stock determined by dividing such Participant's Contributions accumulated prior to such Exercise Date and retained in the Participant's account as of the Exercise Date by the applicable Purchase Price; provided that in no event will a Participant be permitted to purchase during each Purchase Period more than that number of whole shares of Stock determined by dividing Twelve Thousand Five Hundred Dollars ($12,500) by the Fair Market Value of a share of Common Stock on the Enrollment Date of such Offering Period and further provided that, if the Purchase Period is any period other than six (6) months, then the foregoing limit shall be adjusted proportionately to reflect the length of the Purchase Period. The Administrator may, in its discretion and prior to the Enrollment Date of any Offering Period, (i) change the maximum number of shares of Common Stock that may be purchased by a Participant in such Offering Period or on any

Exercise Date within an Offering Period, including the method for determining such maximum, or (ii) specify a maximum aggregate number of shares of Common Stock that may be purchased by all Participants in an Offering Period or on any Exercise Date within an Offering Period. Further, the Board may limit the number or value of the shares of Common Stock made available for purchase in a qualified period (*e.g.*, twelve (12) month period) by Participants in specified countries or working for specified Employers, if necessary to avoid securities law filings, achieve tax objectives or to meet other Company compliance objectives in particular locations outside the United States, provided that any such limitation is imposed under the Non-423 Component or, with respect to any Offering under the 423 Component, is imposed on an equal basis to all Participants under such Offering or as otherwise permitted in accordance with Section 423 of the Code and the U.S. Treasury Regulations thereunder. Exercise of the option will occur as provided in Section 8, unless the Participant has withdrawn pursuant to Section 10. The option will expire on the last day of the Offering Period.

8. Exercise of Option.

(a) Unless a Participant withdraws from the Plan as provided in Section 10, his or her option for the purchase of shares of Common Stock will be exercised automatically on the Exercise Date, and the maximum number of full shares subject to the option will be purchased for such Participant at the applicable Purchase Price with the accumulated Contributions from his or her account. Unless otherwise determined by the Administrator prior to the Enrollment Date of any Offering Period, fractional shares calculated up to five (5) decimal places will be purchased. In the event that the Administrator determines not to allow the purchase of fractional shares, any Contributions accumulated in a Participant's account which are not sufficient to purchase a full share may be retained in the Participant's account for the subsequent Offering Period or Purchase Period, subject to earlier withdrawal by the Participant as provided in Section 10. Any other funds left over in a Participant's account after the Exercise Date will be returned to the Participant. During a Participant's lifetime, a Participant's option to purchase shares hereunder is exercisable only by him or her.

(b) If the Administrator determines that, on a given Exercise Date, the number of shares of Common Stock with respect to which options are to be exercised may exceed (i) the number of shares of Common Stock that were available for sale under the Plan on the Enrollment Date of the applicable Offering Period, or (ii) the number of shares of Common Stock available for sale under the Plan on such Exercise Date, the Administrator may in its sole discretion (x) provide that the Company will make a pro rata allocation of the shares of Common Stock available for purchase on such Enrollment Date or Exercise Date, as applicable, in as uniform a manner as will be practicable and as it will determine in its sole discretion to be equitable among all Participants exercising options to purchase Common Stock on such Exercise Date, and continue all Offering Periods then in effect or (y) provide that the Company will make a pro rata allocation of the shares available for purchase on such Enrollment Date or Exercise Date, as applicable, in as uniform a manner as will be practicable and as it will determine in its sole discretion to be equitable among all Participants exercising options to purchase Common Stock on such Exercise Date, and terminate any or all Offering Periods then in effect pursuant to Section 21. The Company may make a pro rata allocation of the shares available on the Enrollment Date of any applicable Offering Period pursuant to the preceding sentence, notwithstanding any authorization of additional shares for issuance under the Plan by the Company's stockholders subsequent to such Enrollment Date.

(c) Tax Withholding. At the time the option is exercised, in whole or in part, or at the time some or all of the Common Stock issued under the Plan is disposed of (or any other time that a taxable event related to the Plan occurs), the Participant must make adequate provision for the Company's or Employer's federal, state, local or any other tax liability payable to any authority including taxes imposed by jurisdictions outside of the U.S., national insurance, social security or other tax withholding obligations, if any, which arise upon the exercise of the option or the disposition of the Common Stock (or any other time that a taxable event related to the Plan occurs), including, for the avoidance of doubt, any liability to pay an employer tax or social insurance contribution which has been shifted from the Company or any Employer to the Participant as a matter of law or contract. At any time, the Company or the Employer may, but will not be obligated to, withhold from the Participant's compensation the amount necessary for the Company or the Employer to meet applicable withholding obligations, including any withholding required to make available to the Company or the Employer any tax deductions or benefits attributable to sale or early disposition of Common Stock by the Eligible Employee. In addition, the Company or the Employer may, but will not be obligated to, withhold from the proceeds of the sale of Common Stock or any other method of withholding the Company or the Employer deems appropriate.

9. Delivery. As soon as reasonably practicable after each Exercise Date on which a purchase of shares of Common Stock occurs, the Company will arrange the delivery to each Participant of the shares purchased upon exercise of his or her option in a form determined by the Administrator (in its sole discretion) and pursuant to rules established by the Administrator. The Company may permit or require that shares be deposited directly with a broker designated by the Company or to a designated agent of the Company, and the Company may utilize electronic or automated methods of share transfer. The Company may require that shares be retained with such broker or agent for a designated period of time, and/or may establish procedures to permit tracking of dispositions of shares.

10. Withdrawal.

(a) A Participant may withdraw all but not less than all the Contributions credited to his or her account and not yet used to exercise his or her option under the Plan at any time by (i) submitting to the Company's designated Human Resources representative a written notice of withdrawal in the form determined by the Administrator for such purpose, or (ii) following an electronic or other withdrawal procedure determined by the Administrator. Further, unless otherwise determined by the Administrator, any Participant who elects to decrease the rate of his or her Contributions to zero percent (0%) during an Offering Period shall be deemed to withdraw from participation in the Plan. The Administrator may impose, from time to time, a requirement that the applicable notice of withdrawal from the Plan be on file with the Company for a reasonable period prior to the effectiveness of the Participant's withdrawal. All of the Participant's Contributions credited to his or her account will be paid to such Participant promptly after receipt of notice of withdrawal and such Participant's option for the Offering Period will be automatically terminated, and no further Contributions for the purchase of shares will be made for such Offering Period. If a Participant withdraws from an Offering Period, Contributions will not resume at the beginning of the succeeding Offering Period, unless the Participant re-enrolls in the Plan in accordance with the provisions of Section 5.

(b) A Participant's withdrawal from an Offering Period will not have any effect upon his or her eligibility to participate in any similar plan that may hereafter be adopted by the Company or in succeeding Offering Periods that commence after the termination of the Offering Period from which the Participant withdraws.

11. Termination of Eligible Employee Status. Upon a Participant's ceasing to be an Eligible Employee, for any reason, he or she will be deemed to have elected to withdraw from the Plan and the Contributions credited to such Participant's account during the Offering Period but not yet used to purchase shares of Common Stock under the Plan will be returned to such Participant or, in the case of his or her death, to the person or persons entitled thereto under Section 15, and such Participant's option will be automatically terminated.

12. Interest. No interest will accrue on the Contributions of a Participant in the Plan, except as may be required by applicable law, as determined by the Company, and if so required by the laws of a particular jurisdiction, shall apply to all Participants in the relevant Offering except to the extent

otherwise permitted by U.S. Treasury Regulation Section 1.423-2(f), or with respect to any Offering under the Non-423 Component, the payment of interest shall apply as determined by the Administrator.

13. Stock.

(a) Basic Limitation. Subject to adjustment upon changes in capitalization of the Company as provided in Section 20 hereof, a maximum of Fifteen Million (15,000,000) shares of Common Stock will be made available for sale under the Plan. All or any portion of such maximum number of shares may be issued under the Section 423 Component.

(b) Rights as an Unsecured Creditor. Until the shares are issued (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of or broker selected by the Company), a Participant will only have the rights of an unsecured creditor with respect to such shares, and no right to vote or receive dividends or any other rights as a stockholder will exist with respect to such shares.

(c) Source of Shares. Any shares of Common Stock issued upon exercise may consist, in whole or in part, of authorized and unissued shares or of treasury shares.

14. Administration. The Plan will be administered by the Board or the Committee. Unless otherwise determined by the Board, in connection with the administration of the Plan, any two of the Chief Executive Officer, President, Chief Financial Officer, Treasurer, Secretary or Executive Vice President—Human Resources of the Company, acting jointly, by and behalf of the Company, shall have the authority (a) to negotiate, fix and vary the terms of, and to execute and deliver, contracts, agreements, assignments, concessions, licenses, options and all other similar instruments, (b) to engage any agents or contractors, including banks, stock brokers and attorneys, (c) to amend the Plan, and (d) to otherwise do all acts and things necessary or suitable in connection with the exercise of any of the aforementioned powers; provided, that no such authorization shall extend to any amendment of the Plan that increases the number of shares of Common Stock available for purchase under the Plan or otherwise requires stockholder approval under applicable tax or stock exchange rules. Notwithstanding the foregoing, the Board or the Compensation Committee of the Board shall administer the Plan to the extent necessary to comply with Applicable Laws.

Unless otherwise determined by the Board (within the constraints of Applicable Laws), the Administrator will have full and exclusive discretionary authority to construe, interpret and apply the terms of the Plan, to designate separate Offerings under the Plan, to determine which entities shall be Designated Subsidiaries or Designated Affiliates, to determine eligibility, to adjudicate all disputed claims filed under the Plan (including making factual determinations), to change the Offering Periods and Purchase Periods, limit the frequency and/or number of changes in the amount withheld during an Offering Period or Purchase Period, permit payroll withholding in excess of the amount designated by a Participant in order to adjust for delays or mistakes in the Company's processing of properly completed subscription agreements, establish reasonable waiting and adjustment periods and/or accounting and crediting procedures to ensure that amounts applied toward the purchase of Common Stock for each Participant properly correspond with Contribution amounts, and establish such other limitations or procedures as the Administrator determines in its sole discretion advisable that are consistent with the Plan, including adopting amendments to the Plan and/or outstanding options as permitted by Section 21 below.

Further, the Administrator, or its delegee to the extent permitted by Applicable Laws, may adopt such rules, procedures and sub-plans as are necessary or appropriate to permit the participation in the Plan by employees who are foreign nationals or employed outside the United States, the terms of which sub-plans may take precedence over other provisions of this Plan, with the exception of Section 13(a) hereof, but unless otherwise superseded by the terms of such sub-plan, the provisions of this Plan shall govern the operation of such sub-plan. To the extent inconsistent with the requirements of Section 423, any such sub-plan shall be considered part of the Non-423 Component, and rights granted thereunder shall not be required by the terms of the Plan to comply with Section 423 of the Code. Without limiting the generality of the foregoing, the Administrator is specifically authorized to adopt rules and procedures regarding eligibility to participate, the definition of Compensation, handling of Contributions, making of Contributions to the Plan (including, without limitation, in forms other than payroll deductions), establishment of bank or trust accounts to hold Contributions, payment of interest, establishment of the exchange ratio applicable to Contributions withheld in a currency other than U.S. dollars, obligations to pay payroll tax, determination of beneficiary designation requirements, withholding procedures and handling of stock certificates that vary with applicable local requirements. The Administrator also is authorized to determine that, to the extent permitted by U.S. Treasury Regulation Section 1.423-2(f), the terms of an option granted under the Plan or an Offering to citizens or residents of a non-U.S. jurisdiction will be less favorable than the terms of options granted under the Plan or the same Offering to employees resident solely in the U.S. Every finding, decision and determination made by the Administrator will be final and binding upon all parties.

15. Death of Participant. In the event of the death of a Participant, any shares of Common Stock and cash, if any, from the Participant's account under the Plan will be delivered to the executor, administrator or personal representative of the estate of the Participant, or such other individual as may be prescribed by applicable law.

16. Transferability. Neither Contributions credited to a Participant's account nor any rights with regard to the exercise of an option or to receive shares of Common Stock under the Plan may be assigned, transferred, pledged or otherwise disposed of in any way (other than by will, the laws of descent and distribution or as provided in Section 15 hereof) by the Participant. Any such attempt at assignment, transfer, pledge or other disposition will be without effect, except that the Company may treat such act as an election to withdraw funds from an Offering Period in accordance with Section 10 hereof.

17. Use of Funds. The Company may use all Contributions received or held by it under the Plan for any corporate purpose, and the Company will not be obligated to segregate such Contributions except under Offerings in which applicable local law requires that Contributions to the Plan by Participants be segregated from the Company's general corporate funds and/or deposited with an independent third party for Participants in non-U.S. jurisdictions. Until shares of Common Stock are issued, Participants will only have the rights of an unsecured creditor with respect to such shares.

18. Reports. Individual accounts will be maintained for each Participant in the Plan. Statements of account will be given to participating Eligible Employees at least annually, which statements will set forth the amounts of Contributions, the Purchase Price, the number of shares of Common Stock purchased and the remaining cash balance, if any.

19. No Right to Employment. Participation in the Plan by a Participant shall not be construed as giving a Participant the right to be retained as an employee of the Company or a Subsidiary or Affiliate, as applicable. Furthermore, the Company or a Subsidiary or Affiliate may dismiss a Participant from employment at any time, free from any liability or any claim under the Plan.

20. Adjustments, Dissolution, Liquidation or Change in Control.

(a) Adjustments. In the event that any dividend or other distribution (whether in the form of cash, Common Stock, other securities, or other property), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase, or exchange of Common Stock or other securities of the Company, or other change in the corporate structure of the

Company affecting the Common Stock occurs, the Administrator, in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan, will, in such manner as it may deem equitable, adjust the number and class of Common Stock that may be delivered under the Plan, the Purchase Price per share and the number of shares of Common Stock covered by each option under the Plan that has not yet been exercised, and the numerical limits of Section 7.

(b) Dissolution or Liquidation. In the event of the proposed dissolution or liquidation of the Company, any Offering Period then in progress will be shortened by setting a New Exercise Date, and will terminate immediately prior to the consummation of such proposed dissolution or liquidation, unless provided otherwise by the Administrator. The New Exercise Date will be before the date of the Company's proposed dissolution or liquidation. The Administrator will notify each Participant in writing or electronically, prior to the New Exercise Date, that the Exercise Date for the Participant's option has been changed to the New Exercise Date and that the Participant's option will be exercised automatically on the New Exercise Date, unless prior to such date the Participant has withdrawn from the Offering Period as provided in Section 10 hereof.

(c) Change in Control. In the event of a Change in Control, each outstanding option will be assumed or an equivalent option substituted by the successor corporation or a Parent or Subsidiary of the successor corporation. In the event that the successor corporation refuses to assume or substitute for the option, then, in the sole discretion of the Administrator, either (i) all outstanding options will be cancelled by the Administrator as of a date prior to the effective date of the Change in Control and all Contributions shall be refunded to the Participants; or (ii) the Offering Period with respect to which such option relates will be shortened by setting a New Exercise Date on which such Offering Period shall end. The New Exercise Date will occur before the date of the Company's proposed Change in Control. The Administrator will notify each Participant in writing or electronically prior to the New Exercise Date, that the Exercise Date for the Participant's option has been changed to the New Exercise Date and that the Participant's option will be exercised automatically on the New Exercise Date, unless prior to such date the Participant has withdrawn from the Offering Period as provided in Section 10 hereof. Notwithstanding the foregoing, if the Company shall at any time merge or consolidate with another corporation and the holders of the capital stock of the Company immediately prior to such merger or consolidation continue to hold at least seventy-five percent (75%) by voting power of the capital stock of the surviving corporation, the holder of each option then outstanding will thereafter be entitled to receive at the next Exercise Date upon the exercise of such option for each share of Common Stock as to which such option shall be exercised the securities or property which a holder of such shares of Common Stock was entitled to upon and at the time of such merger or consolidation, and the Administrator shall take such steps in connection with such merger or consolidation as the Administrator shall deem necessary to assure that the provisions of Section 20(a) shall thereafter be applicable, as nearly as reasonably may be, in relation to the said securities or property as to which such holder of such option might thereafter be entitled to receive thereunder.

21. Amendment or Termination.

(a) The Administrator, in its sole discretion (except as provided in Section 14), may amend, suspend, or terminate the Plan, or any part thereof, at any time and for any reason. If the Plan is terminated, the Administrator, in its discretion, may elect to terminate all outstanding Offering Periods either immediately or upon completion of the purchase of shares of Common Stock on the next Exercise Date (which may be sooner than originally scheduled, if determined by the Administrator in its discretion), or may elect to permit Offering Periods to expire in accordance with their terms (and subject to any adjustment pursuant to Section 20). If the Offering Periods are terminated prior to expiration, all amounts then credited to Participants' accounts that have not been used to purchase shares of Common Stock will be returned to the Participants (without interest thereon, except as otherwise required under local laws, as further set forth in Section 12 hereof) as soon as administratively practicable. In addition, an amendment to the Plan must be approved by the stockholders of the Company within twelve (12) months of the adoption of such amendment if such amendment would authorize the sale of more shares than are then authorized for issuance under the Plan or would change the definition of the corporations that may be designated by the Administrator as participating companies under the Plan.

(b) In the event the Administrator determines that the ongoing operation of the Plan may result in unfavorable financial accounting consequences, the Administrator may, in its discretion and, to the extent necessary or desirable, modify, amend or terminate the Plan to reduce or eliminate such accounting consequence including, but not limited to:

(i) amending the Plan to conform with the safe harbor definition under the Financial Accounting Standards Board Accounting Standards Codification Topic 718 (or any successor thereto), including with respect to an Offering Period underway at the time;

(ii) altering the Purchase Price for any Purchase Period or Offering Period including a Purchase Period or Offering Period underway at the time of the change in Purchase Price;

(iii) shortening any Offering Period by setting a New Exercise Date, including an Offering Period underway at the time of the Administrator action;

(iv) reducing the maximum percentage of Compensation a Participant may elect to set aside as Contributions; and

(v) reducing the maximum number of shares of Common Stock a Participant may purchase during any Offering Period.

Such modifications or amendments will not require stockholder approval or the consent of any Plan Participants.

(c) The Administrator may amend an outstanding option or grant a replacement option for a option previously granted under the Plan if, in the Administrator’s discretion, it determines that (i) the tax consequences of such option to the Company or the Participant differ from those consequences that were expected to occur on the date the option was granted, (ii) clarifications or interpretations of, or changes to, tax law or regulations permit options to be granted that have more favorable tax consequences than initially anticipated, or (iii) such amendment is necessary or advisable to comply with applicable local laws.

22. Notices. All notices or other communications by a Participant to the Company under or in connection with the Plan will be deemed to have been duly given when received in the form and manner specified by the Company at the location, or by the person, designated by the Company for the receipt thereof.

23. Notification Of Disposition Of Shares. As a condition of participation in the Plan, the Company requires Participants in an Offering under the 423 Component to give the Company prompt notice of any disposition of shares of Common Stock acquired by exercise of an option. The Company may further require that until such time as a Participant in an Offering under the 423 Component disposes of shares acquired upon exercise of an option, the Participant shall hold all such shares in the Participant’s name (or, if elected by the Participant, in the name of the Participant and his or her spouse but not in the name of any nominee) until the later of two years after the date of grant of such option or one year after the date of exercise of such option. The Company may direct that the certificates evidencing shares acquired by exercise of an option refer to such requirement to give prompt notice of disposition.

24. Conditions Upon Issuance of Shares. Shares of Common Stock will not be issued with respect to an option unless the exercise of such option and the issuance and delivery of such shares pursuant thereto will comply with all applicable provisions of law, domestic or foreign, including, without limitation, the Securities Act of 1933, as amended, the Exchange Act, the rules and regulations promulgated thereunder, and the requirements of any stock exchange upon which the shares may then be listed, and will be further subject to the approval of counsel for the Company with respect to such compliance. The inability or impracticability of the Company to obtain from any regulatory body having jurisdiction the authority, if any, deemed by the Company's legal counsel to be necessary to the lawful issuance and sale of any shares under the Plan, or the approval of any securities exchange or market system upon which the Common Stock may then be listed, if any, deemed by the Company's legal counsel to be necessary to the issuance and sale of any shares under the Plan in compliance with the requirements of such securities exchange or market system, shall relieve the Company of any liability in respect of the failure to issue or sell such shares as to which such requisite authority or approval shall not have been obtained. As a condition to the exercise of an option, the Company may require the Participant to satisfy any qualifications that may be necessary or appropriate, to evidence compliance with any applicable law or regulation, and to make any representation or warranty with respect thereto as may be requested by the Company.

25. Code Section 409A. The Plan is exempt from the application of Code Section 409A and any ambiguities herein will be interpreted to so be exempt from Code Section 409A. The Non-423 Component is intended to be exempt from the application of Section 409A of the Code under the short-term deferral exception and any ambiguities shall be construed and interpreted in accordance with such intent. In furtherance of the foregoing and notwithstanding any provision in the Plan to the contrary, if the Administrator determines that an option granted under the Plan may be subject to Code Section 409A or that any provision in the Plan would cause an option under the Plan to be subject to Code Section 409A, the Administrator may amend the terms of the Plan and/or of an outstanding option granted under the Plan, or take such other action the Administrator determines is necessary or appropriate, in each case, without the Participant's consent, to exempt any outstanding option or future option that may be granted under the Plan from or to allow any such options to comply with Code Section 409A, but only to the extent any such amendments or action by the Administrator would not violate Code Section 409A. Notwithstanding the foregoing, the Company shall have no liability to a Participant or any other party if the option to purchase Common Stock under the Plan that is intended to be exempt from or compliant with Code Section 409A is not so exempt or compliant or for any action taken by the Administrator with respect thereto.

26. Tax-Qualification. Although the Company may endeavor to (i) qualify an option for favorable tax treatment under the laws of the United States or jurisdictions outside of the United States or (ii) avoid adverse tax treatment (*e.g.*, under Section 409A of the Code), the Company makes no representation to that effect and expressly disavows any covenant to maintain favorable or avoid unfavorable tax treatment, notwithstanding anything to the contrary in this Plan, including Section 25. The Company shall be unconstrained in its corporate activities without regard to the potential negative tax impact on Participants under the Plan.

27. Term of Plan. Subject to Section 28 of the Plan, the Plan will become effective upon its adoption by the Board. It will continue in effect until terminated under Section 21.

28. Stockholder Approval. The Plan will be subject to approval by the stockholders of the Company within twelve (12) months after the date the Plan is adopted by the Board. Such stockholder approval will be obtained in the manner and to the degree required under Applicable Laws.

29. Governing Law. The Plan shall be governed by, and construed in accordance with, the laws of the State of Massachusetts (except its choice-of-law provisions). Unless otherwise determined by the Administrator in its discretion, Participants are deemed to submit to the exclusive jurisdiction and venue of the competent federal or state courts of the State of Massachusetts to resolve any and all issues that may arise out of or relate to the Plan or the subscription agreement.

30. Severability. If any provision of the Plan is or becomes or is deemed to be invalid, illegal, or unenforceable for any reason in any jurisdiction or as to any Participant, such invalidity, illegality or unenforceability shall not affect the remaining parts of the Plan, and the Plan shall be construed and enforced as to such jurisdiction or Participant as if the invalid, illegal or unenforceable provision had not been included.

31. Dividends on Shares Purchased under the Plan. Unless otherwise determined by the Administrator, each Participant agrees, for so long as shares of Common Stock purchased by the Participant at any time under the Plan (the "Purchased Shares") are held by the individual in an account with a bank, transfer agent, or other financial institution designated by the Company to hold the Purchased Shares (the "Financial Institution"), to (a) participate in the Staples, Inc. dividend reinvestment program maintained by the Financial Institution (the "DRIP") such that the individual shall receive, in lieu of any cash dividend paid or payable by the Company with respect to the individual's Purchased Shares that are held in an account with the Financial Institution (the "Captive Shares"), shares of Common Stock (including any fractional shares) pursuant to the terms of the DRIP, and (b) allow the Company to take all reasonably necessary and appropriate actions to ensure that the amount of any cash dividend paid or payable by the Company with respect to the employee's Captive Shares is paid in the form of Common Stock instead of cash.

32. Headings. Headings are given to the sections and subsections of the Plan solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of the Plan.

responsible for paying the difference to the employer and the employee must do so within 90 days of the date of purchase of the shares to avoid further tax consequences (as discussed above).

The employee should report details of any liabilities arising from the shares he/she acquires under the ESPP and shares sold or disposed of, together with details of any dividend income, to HMRC on the employee's personal HMRC Self-Assessment Tax Return. The employee will also be responsible for paying, directly to HMRC, any capital gains tax due as a result of the sale of shares acquired under the ESPP and any income tax due on dividends received. The Company has no responsibilities in respect of the employee's income tax liability in relation to dividends or capital gains.

The employer is required to report the details of the grant of purchase rights and the purchase of shares, as well as details of the spread and any tax and employee NICs withheld, to HMRC on its Annual UK Revenue Tax Return and its Annual Share Schemes Return.

Social Security

As set out above, when the shares are purchased the employee will be subject to employee NICs on the spread at a rate of 12% to the extent the employee has not exceeded the upper earnings limit, which for the tax year 6 April 2013 to 5 April 2014 is £41,444 per annum (or £797 per week). To the extent the employee has exceeded the upper earnings limit, the employee will be subject to employee NICs at a rate of 2% on the spread.