

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-Q

(Mark One)

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended: May 3, 2025

OR

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number: 1-10299



**Foot Locker, Inc.**

(Exact name of registrant as specified in its charter)

**New York**  
(State or other jurisdiction of incorporation or organization)

**13-3513936**  
(I.R.S. Employer Identification No.)

**330 West 34th Street, New York, New York**  
(Address of principal executive offices)

**10001**  
(Zip Code)

**(212-720-3700)**  
(Registrant's telephone number, including area code)

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.01	FL	New York Stock Exchange

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

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

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

Large accelerated filer  Accelerated filer  Non-accelerated filer  Smaller reporting company   
Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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

Number of shares of Common Stock outstanding as of May 31, 2025: 95,277,635



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## CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q includes "forward-looking" statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements can be identified by the fact that they do not relate strictly to historical or current facts. They often include words such as "believes," "expects," "anticipates," "estimates," "intends," "plans," "seeks," "continues," "feels," "forecasts," or words of similar meaning, or future or conditional verbs, such as "will," "should," "could," "may," "aims," "intends," or "projects." Statements may be forward looking even in the absence of these particular words.

Examples of forward-looking statements include, but are not limited to, statements regarding our financial position, the expected timing of the completion of the proposed transaction with DICK'S Sporting Goods, Inc. ("DICK'S"), business strategy and other plans and objectives for our future operations, and generation of free cash flow. These forward-looking statements are based on our current expectations and beliefs concerning future developments and their potential effect on us. The forward-looking statements contained herein are largely based on our expectations for the future, which reflect certain estimates and assumptions made by our management. These estimates and assumptions reflect our best judgment based on currently known market conditions, operating trends, and other factors. Although we believe such estimates and assumptions to be reasonable, they are inherently uncertain and involve a number of risks and uncertainties that are beyond our control. As such, management's assumptions about future events may prove to be inaccurate.

We do not intend to publicly update or revise any forward-looking statements as a result of new information, future events, changes in circumstances, or otherwise. These cautionary statements qualify all forward-looking statements attributable to us, or persons acting on our behalf. Management cautions you that the forward-looking statements contained herein are not guarantees of future performance, and we cannot assure you that such statements will be realized or that the events and circumstances they describe will occur. Factors that could cause actual results to differ materially from those anticipated or implied in the forward-looking statements herein include, but are not limited to, the occurrence of any event, change or other circumstance that could give rise to the right of us or DICK'S to terminate the Agreement and Plan of Merger by and among us, DICK'S and a wholly owned subsidiary of DICK'S ("Merger Sub") pursuant to which, among other things, Merger Sub would be merged with and into us (the "Transaction"); the outcome of any legal proceedings that may be instituted against us, including with respect to the Transaction; the possibility that the Transaction does not close when expected or at all because required regulatory or shareholder approvals or other conditions to closing are not received or satisfied on a timely basis or at all; reputational risk and potential adverse reactions of our customers, employees or other business partners; the diversion of our management's attention and time from ongoing business operations and opportunities due to the Transaction; a change in the relationship with any of our key suppliers, including access to premium products, volume discounts, cooperative advertising, markdown allowances, or the ability to cancel orders or return excess or unneeded merchandise; inventory management; our ability to fund our planned capital investments; execution of the Company's long-term strategic plan; a recession, volatility in the financial markets, and other global economic factors, including inflation; capital and resource allocation among our strategic opportunities; our ability to integrate the operations acquisitions; business opportunities and expansion; investments; expenses; dividends; share repurchases; cash management; liquidity; cash flow from operations; access to credit markets at competitive terms; instability in the financial markets; borrowing capacity under our credit facility; cash repatriation; supply chain issues; labor shortages and wage pressures; consumer spending levels and expectations; licensed store arrangements; the effect of certain governmental assistance programs; the success of our marketing and sponsorship arrangements; expectations regarding increasing global taxes and tariffs; the effect of increased government regulation, compliance, and changes in law; the effect of the adverse outcome of any material litigation or government investigation that affects us or our industry generally; the effects of weather; ESG risks; increased competition; geopolitical events; the financial effects of accounting regulations and critical accounting policies; counterparty credit risks; and any other factors set forth in the section entitled "Risk Factors" of our most recent Annual Report on Form 10-K.

All written and oral forward-looking statements attributable to us are expressly qualified in their entirety by this cautionary statement. A forward-looking statement is neither a prediction nor a guarantee of future events or circumstances, and those future events or circumstances may not occur. You should not place undue reliance on forward-looking statements, which speak to our views only as of the date of this filing. Additional risks and uncertainties that we do not presently know about or that we currently consider to be insignificant may also affect our business operations and financial performance.

Please refer to "Item 1A. Risk Factors" of our most recent Annual Report on Form 10-K, as well as the updates provided in Item 1A. Risk Factors of this Form 10-Q, for a discussion of certain risks relating to our business and any investment in our securities. Given these risks and uncertainties, you should not rely on forward-looking statements as predictions of actual results. Any or all of the forward-looking statements contained in this report, or any other public statement made by us, including by our management, may turn out to be incorrect. We are including this cautionary note to make applicable and take advantage of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 for forward-looking statements. We expressly disclaim any obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

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**PART I - FINANCIAL INFORMATION**
**Item 1. Financial Statements**

**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(Unaudited)

(\$ in millions, except share amounts)	May 3, 2025	May 4, 2024	February 1, 2025*
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 343	\$ 282	\$ 401
Merchandise inventories	1,665	1,659	1,525
Assets held for sale	—	—	10
Other current assets	359	414	323
	<b>2,367</b>	<b>2,355</b>	<b>2,259</b>
Property and equipment, net	908	910	910
Operating lease right-of-use assets	2,099	2,175	2,061
Deferred taxes	41	114	143
Goodwill	661	760	759
Other intangible assets, net	230	392	365
Minority investments	115	150	115
Other assets	137	91	136
	<b>\$ 6,558</b>	<b>\$ 6,947</b>	<b>\$ 6,748</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
Current liabilities:			
Accounts payable	\$ 504	\$ 515	\$ 378
Accrued and other liabilities	433	389	434
Current portion of debt and obligations under finance leases	5	5	5
Current portion of lease obligations	499	496	507
Liabilities held for sale	—	—	6
	<b>1,441</b>	<b>1,405</b>	<b>1,330</b>
Long-term debt and obligations under finance leases	440	441	441
Long-term lease obligations	1,890	1,984	1,831
Other liabilities	179	231	237
Total liabilities	<b>3,950</b>	<b>4,061</b>	<b>3,839</b>
Commitments and contingencies			
Shareholders' equity:			
Common stock and paid-in capital: 95,560,582; 94,939,866; and 95,094,263 shares issued, respectively	808	787	802
Retained earnings	2,131	2,490	2,494
Accumulated other comprehensive loss	(325)	(385)	(383)
Less: Treasury stock at cost: 312,977; 231,467; and 148,137 shares, respectively	(6)	(6)	(4)
Total shareholders' equity	<b>2,608</b>	<b>2,886</b>	<b>2,909</b>
	<b>\$ 6,558</b>	<b>\$ 6,947</b>	<b>\$ 6,748</b>

\* The balance sheet at February 1, 2025 has been derived from the previously reported audited consolidated financial statements at that date, but does not include all of the information and footnotes required by U.S. generally accepted accounting principles for complete financial statements. For further information, refer to the consolidated financial statements and footnotes thereto included in Foot Locker, Inc.'s Annual Report on Form 10-K for the year ended February 1, 2025.

See Accompanying Notes to the Unaudited Condensed Consolidated Financial Statements.



**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
(Unaudited)

(\$ in millions, except per share amounts)	Thirteen weeks ended	
	May 3, 2025	May 4, 2024
Sales	\$ 1,788	\$ 1,874
Other revenue	6	5
<b>Total revenue</b>	<b>1,794</b>	<b>1,879</b>
Cost of sales	1,280	1,335
Selling, general and administrative expenses	458	461
Depreciation and amortization	51	51
Impairment and other	276	14
(Loss) income from operations	(271)	18
Interest expense, net	(2)	(1)
Other income (expense), net	3	(4)
(Loss) income before income taxes	(270)	13
Income tax expense	93	5
Net (loss) income	\$ (363)	\$ 8
Basic (loss) earnings per share	\$ (3.81)	\$ 0.09
Weighted-average shares outstanding	95.3	94.7
Diluted (loss) earnings per share	\$ (3.81)	\$ 0.09
Weighted-average shares outstanding, assuming dilution	95.3	95.3

See Accompanying Notes to the Unaudited Condensed Consolidated Financial Statements.



**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS) INCOME**  
(Unaudited)

(\$ in millions)	Thirteen weeks ended	
	May 3, 2025	May 4, 2024
<b>Net (loss) income</b>	\$ (363)	\$ 8
Other comprehensive (loss) income, net of income tax		
<i>Foreign currency translation adjustment:</i>		
Translation adjustment arising during the period, net of income tax benefit of \$- and \$-, respectively	61	(19)
<i>Hedges contracts:</i>		
Change in fair value of derivatives, net of income tax benefit of \$(1) and \$(1), respectively	(3)	(1)
<i>Pension and postretirement adjustments:</i>		
Amortization of net actuarial loss included in net periodic benefit costs, net of income tax expense of \$1 and \$1, respectively	—	1
<b>Comprehensive (loss) income</b>	<b>\$ (305)</b>	<b>\$ (11)</b>

See Accompanying Notes to the Unaudited Condensed Consolidated Financial Statements.



**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
(Unaudited)

Thirteen weeks ended (shares in thousands, \$ in millions)	Additional Paid-In Capital & Common Stock		Treasury Stock		Retained Earnings	Accumulated Other Comprehensive Loss	Total Shareholders' Equity
	Shares	Amount	Shares	Amount			
<b>Balance at February 1, 2025</b>	<b>95,094</b>	<b>\$ 802</b>	<b>(148)</b>	<b>\$ (4)</b>	<b>\$ 2,494</b>	<b>\$ (383)</b>	<b>\$ 2,909</b>
Restricted stock issued	467	—					—
Share-based compensation expense		6					6
Shares of common stock used to satisfy tax withholding obligations			(165)	(2)			(2)
Net loss					(363)		(363)
Translation adjustment, net of tax						61	61
Change in hedges, net of tax						(3)	(3)
<b>Balance at May 3, 2025</b>	<b>95,561</b>	<b>\$ 808</b>	<b>(313)</b>	<b>\$ (6)</b>	<b>\$ 2,131</b>	<b>\$ (325)</b>	<b>\$ 2,608</b>
<b>Balance at February 3, 2024</b>	<b>94,284</b>	<b>\$ 776</b>	<b>(60)</b>	<b>\$ (2)</b>	<b>\$ 2,482</b>	<b>\$ (366)</b>	<b>\$ 2,890</b>
Restricted stock issued	417	—					—
Issued under director and stock plans	239	5					5
Share-based compensation expense		6					6
Shares of common stock used to satisfy tax withholding obligations			(171)	(4)			(4)
Net income					8		8
Translation adjustment, net of tax						(19)	(19)
Change in hedges, net of tax						(1)	(1)
Pension and postretirement adjustments, net of tax						1	1
<b>Balance at May 4, 2024</b>	<b>94,940</b>	<b>\$ 787</b>	<b>(231)</b>	<b>\$ (6)</b>	<b>\$ 2,490</b>	<b>\$ (385)</b>	<b>\$ 2,886</b>

See Accompanying Notes to the Unaudited Condensed Consolidated Financial Statements.



**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Unaudited)

(\$ in millions)	Thirteen weeks ended	
	May 3, 2025	May 4, 2024
<b>From operating activities:</b>		
Net (loss) income	\$ (363)	\$ 8
Adjustments to reconcile net (loss) income to net cash from operating activities:		
Tradenname intangible asset impairment	140	—
Impairment of goodwill	110	—
Deferred income taxes	69	(5)
Depreciation and amortization	51	51
Impairment of long-lived assets and right-of-use assets	23	7
Share-based compensation expense	6	6
Gain on sales of businesses	(5)	—
Change in assets and liabilities:		
Merchandise inventories	(110)	(158)
Accounts payable	118	151
Accrued and other liabilities	—	(3)
Pension contribution	(20)	—
Other, net	(22)	1
<b>Net cash (used in) provided by operating activities</b>	<b>(3)</b>	<b>58</b>
<b>From investing activities:</b>		
Capital expenditures	(58)	(76)
Proceeds from sales of businesses	6	—
<b>Net cash used in investing activities</b>	<b>(52)</b>	<b>(76)</b>
<b>From financing activities:</b>		
Shares of common stock repurchased to satisfy tax withholding obligations	(2)	(4)
Payment of obligations under finance leases	(2)	(2)
Proceeds from exercise of stock options	—	5
<b>Net cash used in financing activities</b>	<b>(4)</b>	<b>(1)</b>
Effect of exchange rate fluctuations on cash, cash equivalents, and restricted cash	4	2
<b>Net change in cash, cash equivalents, and restricted cash</b>	<b>(55)</b>	<b>(17)</b>
Cash, cash equivalents, and restricted cash at beginning of year	430	334
<b>Cash, cash equivalents, and restricted cash at end of period</b>	<b>\$ 375</b>	<b>\$ 317</b>
<b>Supplemental information:</b>		
Interest paid	\$ 9	\$ 8
Income taxes paid	10	11
Cash paid for amounts included in measurement of operating lease liabilities	177	172
Cash paid for amounts included in measurement of finance lease liabilities	2	2
Right-of-use assets obtained in exchange for operating lease obligations	130	142
Assets obtained in exchange for finance lease obligations	—	1

See Accompanying Notes to the Unaudited Condensed Consolidated Financial Statements.



## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 1. Summary of Significant Accounting Policies

#### *Business*

Foot Locker, Inc., together with its consolidated subsidiaries ("Foot Locker," "Company," "we," "our," and "us"), is a leading footwear and apparel retailer. We have integrated all available shopping channels, including stores, websites, apps, and social channels. Store sales are primarily fulfilled from the store's inventory, but may also be shipped from any of our distribution centers or from a different store location if an item is not available at the original store. Direct-to-customer orders are generally shipped to our customers through our distribution centers but may also be shipped from any store or a combination of our distribution centers and stores depending on availability of particular items. We operate in North America, Europe, and Asia Pacific, representing our operating segments. We aggregate these operating segments into one reportable segment based upon their shared customer base and similar economic characteristics.

#### *Basis of Presentation*

The accompanying interim Unaudited Condensed Consolidated Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") and the rules and regulations of the Securities and Exchange Commission. Accordingly, they do not include all of the information and notes required by U.S. GAAP for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included.

The accompanying unaudited condensed consolidated financial statements should be read in conjunction with the Notes to Consolidated Financial Statements contained in our 2024 Annual Report on Form 10-K. There were no significant changes to the policies disclosed in Note 1, *Summary of Significant Accounting Policies* of our 2024 Annual Report on Form 10-K.

#### *Use of Estimates*

The preparation of financial statements in accordance with U.S. GAAP requires us to make estimates and assumptions that affect the amounts reported in the accompanying Unaudited Condensed Consolidated Financial Statements and these Notes and related disclosures. Actual results may differ from those estimates. The results of operations for any interim period are not necessarily indicative of the results expected for the year. Significant estimates in the accompanying financial statements include valuation of goodwill and other intangible assets, estimates of loss contingencies, estimates of the valuation of lease liabilities and the related right of use assets, and the valuation allowance on deferred tax assets.

#### *Recent Accounting Pronouncements*

Other than the pronouncements disclosed in our 2024 Annual Report on Form 10-K, no other recently issued accounting pronouncements did not, or are not believed by management to, have a material effect on our present or future consolidated financial statements.

### 2. Revenue

The table below presents sales disaggregated by sales channel. Sales are attributable to the channel in which the sales transaction is initiated. Other revenue includes licensing revenue earned from our various licensed and other arrangements.

(\$ in millions)	Thirteen weeks ended	
	May 3, 2025	May 4, 2024
<b>Sales by Channel</b>		
Stores	\$ 1,455	\$ 1,554
Direct-to-customers	333	320
Total sales	1,788	1,874
Other revenue	6	5
Total revenue	\$ 1,794	\$ 1,879



## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 2. Revenue (continued)

Revenue is attributed to the country in which the transaction is fulfilled, and revenue by geographic area is presented in the following table.

(\$ in millions)	Thirteen weeks ended	
	May 3, 2025	May 4, 2024
<b>Revenue by Geography</b>		
United States	\$ 1,250	\$ 1,272
International	544	607
Total revenue	\$ 1,794	\$ 1,879

Sales by banner and operating segment are presented in the following table.

(\$ in millions)	Thirteen weeks ended	
	May 3, 2025	May 4, 2024
Foot Locker	\$ 735	\$ 759
Champs Sports	261	267
Kids Foot Locker	183	183
WSS	160	160
North America	1,339	1,369
EMEA (1)	346	394
Foot Locker	66	72
atmos	37	39
Asia Pacific	103	111
Total sales	\$ 1,788	\$ 1,874

(1) Includes sales from 7 and 10 Kids Foot Locker stores operating in Europe for May 3, 2025 and May 4, 2024, respectively.

### Contract Liabilities

We sell gift cards which do not have expiration dates. Revenue from gift card sales is recorded when the gift cards are redeemed by customers. Breakage income is recognized as revenue in proportion to the pattern of rights exercised by the customer. The table below presents the activity of our gift card liability balance.

(\$ in millions)	May 3, 2025	May 4, 2024
Gift card liability at beginning of year	\$ 28	\$ 29
Redemptions	(49)	(39)
Breakage recognized in sales	(2)	(2)
Activations	48	35
Foreign currency fluctuations	1	—
Gift card liability	\$ 26	\$ 23

We elected not to disclose the information about remaining performance obligations since the amount of gift cards redeemed after 12 months is not significant.



## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 3. Segment Information

Foot Locker, Inc. operates one reportable segment. Our chief operating decision maker, the CEO, evaluates performance and allocates resources based on the operating segments' division profit, our key performance indicator. Division profit reflects (loss) income before income taxes, impairment and other, corporate expense, interest expense, net and other income (expense), net. The CEO is also provided with sales, cost of merchandise, division gross margin, and other division expenses. The significant expenses below may not align with similar GAAP measures as they may be calculated using internal presentation methods (such as expense classification). As such, these disclosures may not equal other references to the comparable figures within this filing and may not be comparable to how other retailers classify expenses.

The following table summarizes our results:

(\$ in millions)	Thirteen weeks ended	
	May 3, 2025	May 4, 2024
Sales	\$ 1,788	\$ 1,874
Other revenue	6	5
Total revenue	1,794	1,879
Less:		
Cost of merchandise (1)	1,037	1,086
Occupancy and buyers' compensation (2)	243	249
Store employee wages (3)	198	205
Marketing expenses (4)	41	47
Technology expenses (5)	67	70
Other division expenses, net (6)	181	179
Division profit	\$ 27	\$ 43
Less: Impairment and other (7)	276	14
Less: Corporate expense (8)	22	11
(Loss) income from operations	(271)	18
Interest expense, net	(2)	(1)
Other income (expense), net (9)	3	(4)
(Loss) income before income taxes	\$ (270)	\$ 13

- (1) Cost of merchandise consists of inventory costs, freight, distribution costs including related depreciation expense, shipping and handling costs and is recorded net of amounts received from suppliers for damaged product returns, markdown allowances, and volume rebates.
- (2) Occupancy and buyers' compensation consists of rent (including fixed common area maintenance charges and other fixed non-lease components), real estate taxes, general maintenance, and utilities, as well as buyers' compensation.
- (3) Store employee wages consist of employee salary, overtime, vacation, short-term disability, benefits, bonus/awards and employer payroll taxes.
- (4) Marketing expenses consist of certain advertising expenses, which includes digital and search engine marketing, related professional fees, and other costs to promote our brands, net of reimbursements for cooperative advertising.
- (5) Technology expenses primarily represent software as a service, engineering and operations, infrastructure, professional fees, and other costs to operate our store, e-commerce, supply chain, and corporate functions. Technology expenses exclude costs incurred by the WSS and atmos banners.
- (6) Other division expenses, net represents all other division expenses that are not significant expenses or regularly presented to our CEO. These expenses include depreciation and amortization and other selling, general and administrative expenses, which primarily consist of corporate personnel, certain advertising costs, sales transaction fees, and other store and e-commerce expenses.
- (7) See Note 4, *Impairment and Other* for additional information on these amounts.
- (8) Corporate expense consists of unallocated selling, general and administrative expenses, as well as depreciation and amortization related to our corporate headquarters, centrally managed departments, unallocated insurance and benefit programs, certain foreign exchange transaction gains and losses, and other items. The allocation of corporate expense to the operating divisions is adjusted annually based upon an internal study.
- (9) See Note 5, *Other Income (Expense), net* for further detail.



NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

3. Segment Information (continued)

(\$ in millions)	May 3, 2025	May 4, 2024
Division	\$ 6,110	\$ 6,411
Corporate	448	536
<b>Total assets</b>	<b>\$ 6,558</b>	<b>\$ 6,947</b>

(\$ in millions)	Thirteen weeks ended	
	May 3, 2025	May 4, 2024
Division	\$ 42	\$ 42
Corporate	9	9
<b>Total depreciation and amortization</b>	<b>\$ 51</b>	<b>\$ 51</b>

(\$ in millions)	Thirteen weeks ended	
	May 3, 2025	May 4, 2024
Division	\$ 37	\$ 52
Corporate	21	24
<b>Total capital expenditures (1)</b>	<b>\$ 58</b>	<b>\$ 76</b>

(1) Represents cash capital expenditures for all periods presented.

4. Impairment and Other

(\$ in millions)	Thirteen weeks ended	
	May 3, 2025	May 4, 2024
Tradename intangible asset impairment	\$ 140	\$ —
Goodwill impairment	110	—
Impairment of long-lived assets and right-of-use assets	23	7
Reorganization costs	3	—
Legal claims	—	7
<b>Total impairment and other</b>	<b>\$ 276</b>	<b>\$ 14</b>

For the thirteen weeks ended May 3, 2025, we recorded impairment charges of \$140 million to write down the WSS tradename and charges of \$110 million related to goodwill. The review of goodwill was the result of a triggering event due to a reduction in the Company's stock price and resulting market capitalization, coupled with general macroeconomic factors. Additionally, we recorded \$15 million in impairment charges of long-lived assets and right-of-use assets. In connection with the previously announced global headquarters relocation and the shutdown of our businesses in South Korea, Denmark, Norway, and Sweden, we recorded accelerated tenancy and lease termination charges of \$8 million. We have closed all stores operating in those regions as we focus on improving the overall results of international operations. Finally, we incurred \$3 million of reorganization costs primarily related to the announced closure and relocation of the Company's global headquarters and the shutdown costs.



**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**5. Other Income (Expense), net**

(\$ in millions)	Thirteen weeks ended	
	May 3, 2025	May 4, 2024
Foot Locker Greece and Romania divestiture	\$ 5	\$ —
Share of losses related to minority investments	(1)	(2)
Pension and postretirement net benefit expense, excluding service cost	(1)	(2)
<b>Total other income (expense), net</b>	<b>\$ 3</b>	<b>\$ (4)</b>

During the third quarter of 2024, we entered into agreements to sell our Greece and Romania businesses and entered into license arrangements with the purchaser for the rights to operate Foot Locker stores in Greece and Romania and six other countries in South East Europe. The sale transactions closed in April 2025. We sold the businesses for \$11 million (net of cash of \$1 million), which included a \$5 million receivable. The transactions resulted in a gain of \$5 million, subject to the finalization of net working capital.

**6. Cash, Cash Equivalents, and Restricted Cash**

The table below provides a reconciliation of cash and cash equivalents, as reported on our Condensed Consolidated Balance Sheets, to cash, cash equivalents, and restricted cash, as reported on our Condensed Consolidated Statements of Cash Flows.

(\$ in millions)	May 3, 2025	May 4, 2024
Cash and cash equivalents	\$ 343	\$ 282
Restricted cash included in other current assets	6	4
Restricted cash included in other non-current assets	26	31
<b>Cash, cash equivalents, and restricted cash</b>	<b>\$ 375</b>	<b>\$ 317</b>

Amounts included in restricted cash primarily relate to amounts held in escrow in connection with various leasing arrangements in Europe.

**7. Goodwill and Other Intangible Assets, net**

Goodwill and intangible assets with indefinite lives are reviewed for impairment annually during the fourth quarter of each fiscal year, or more frequently if impairment indicators arise.

During the first quarter of 2025, a triggering event occurred as a result of a reduction in our market capitalization due to a decline in stock price and changes in the macroeconomic environment, which affected consumer discretionary spending. We used a discounted cash flow approach to determine the fair value of our reporting units. The determination of discounted cash flows of the reporting units and assets and liabilities within the reporting units requires significant estimates and assumptions. These estimates and assumptions primarily include, but are not limited to, the discount rate, terminal growth rates, earnings before depreciation and amortization, and capital expenditures forecasts. Due to the inherent uncertainty involved in making these estimates, actual results could differ from those estimates. We evaluate the merits of each significant assumption, both individually and in the aggregate, used to determine the fair value of the reporting units, as well as the fair values of the corresponding assets and liabilities within the reporting units.



## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 7. Goodwill and Other Intangible Assets, net (continued)

We have three reporting units, representing our operating segments of North America, EMEA, and Asia Pacific. Our first quarter 2025 quantitative analysis determined that the fair value of the North America reporting unit exceeded its carrying value of \$521 million by 9%. However, the EMEA and Asia Pacific reporting units had fair values that were below their carrying values. We recorded a full impairment to the EMEA reporting unit of \$29 million and a partial impairment of \$81 million on the Asia Pacific reporting unit. The goodwill amount, after the impairment charge, that is attributable to the Asia Pacific reporting unit was \$140 million as of May 3, 2025. Goodwill is net of accumulated impairment charges of \$277 million as of May 3, 2025 and \$167 million for all prior periods.

Intangible assets with indefinite lives are tested for impairment if impairment indicators arise and, at a minimum, annually. In conjunction with the goodwill impairment triggering event, we assessed our other intangible assets for impairment. We calculated the fair value using a discounted cash flow method, based on the relief from royalty method, and compared the fair value to the carrying value to determine if the asset is impaired. In the first quarter of 2025, in light of recent operating results and a decline in future cash flow projections for the WSS banner, we recorded a \$140 million impairment on the WSS tradename. The charge was reflective of lower forecasted cash flows coupled with a reduction in the royalty rate. In addition, we performed a qualitative review of the atmos tradename and concluded that no impairment was necessary.

The following table details the changes in our goodwill:

(\$ in millions)	May 3, 2025
Goodwill at beginning of year	\$ 759
Impairment	(110)
Foreign currency fluctuations	12
Goodwill balance	\$ 661

### 8. Accumulated Other Comprehensive Loss

Accumulated other comprehensive loss ("AOCL"), net of tax, is comprised of the following:

(\$ in millions)	May 3, 2025	May 4, 2024	February 1, 2025
Foreign currency translation adjustments	\$ (147)	\$ (192)	\$ (208)
Hedge contracts	(3)	(3)	—
Unrecognized pension cost and postretirement benefit	(175)	(190)	(175)
	\$ (325)	\$ (385)	\$ (383)

The changes in AOCL for the thirteen weeks ended May 3, 2025 were as follows:

(\$ in millions)	Foreign Currency Translation Adjustments	Hedge Contracts	Items Related to Pension and Postretirement Benefits	Total
Balance as of February 1, 2025	\$ (208)	\$ —	\$ (175)	\$ (383)
OCI before reclassification	61	(8)	(1)	52
Reclassification of hedges, net of tax	—	5	—	5
Amortization of pension actuarial loss, net of tax	—	—	1	1
Other comprehensive (loss) income	61	(3)	—	58
<b>Balance as of May 3, 2025</b>	<b>\$ (147)</b>	<b>\$ (3)</b>	<b>\$ (175)</b>	<b>\$ (325)</b>



## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 8. Accumulated Other Comprehensive Loss (continued)

Reclassifications from AOCL for the thirteen weeks ended May 3, 2025 were as follows:

(\$ in millions)	
Reclassification of hedge loss:	
Cross-currency swap	\$ 6
Income tax	(1)
Reclassification of hedges, net of tax	\$ 5
Amortization of actuarial loss:	
Pension benefits	\$ 2
Income tax	(1)
Amortization of actuarial loss, net of tax	\$ 1

### 9. Income Taxes

Our current year interim provision for income taxes was measured using an estimated annual effective tax rate, which represented a blend of federal, state, and foreign taxes and included the effect of certain nondeductible items as well as changes in our mix of domestic and foreign earnings or losses, adjusted for discrete items that occurred within the periods presented.

For the first quarter of 2025, the effective rate was negative 34.4% or \$93 million as compared with 38.4% or \$5 million in the corresponding prior-year period. Our effective tax rate for the first quarter of 2025 differed from the U.S. statutory rate primarily due to the recognition of a valuation allowance and other discrete items. A valuation allowance on deferred tax assets is established when management considers it is more likely than not that some portion or all of the deferred tax assets will not be realized. As of May 3, 2025, we recorded a \$117 million valuation allowance on all the deferred tax assets related to net operating loss carryforwards and other net deferred tax assets of certain of our European business. Additionally, in connection with this assessment, we wrote off certain deferred tax costs of \$7 million. Also during the first quarter of 2025, we recognized an impairment charge of \$110 million on non-deductible goodwill, accordingly no benefit was recognized in connection with this charge.

### 10. Fair Value Measurements

Our financial assets and liabilities are recorded at fair value, using a three-level fair value hierarchy that prioritizes the inputs used to measure fair value.

#### Assets and Liabilities Measured at Fair Value on a Recurring Basis

(\$ in millions)	As of May 3, 2025			As of May 4, 2024		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Assets</b>						
Available-for-sale security	\$ —	\$ 6	\$ —	\$ —	\$ 6	\$ —
Foreign exchange forward contracts	—	1	—	—	2	—
Cross-currency swap contract	—	9	—	—	9	—
Total assets	\$ —	\$ 16	\$ —	\$ —	\$ 17	\$ —
<b>Liabilities</b>						
Foreign exchange forward contracts	\$ —	\$ 9	\$ —	\$ —	\$ —	\$ —
Total liabilities	\$ —	\$ 9	\$ —	\$ —	\$ —	\$ —

There were no transfers into or out of Level 1, Level 2, or Level 3 assets and liabilities for any of the periods presented.



## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 10. Fair Value Measurements (continued)

#### *Assets and Liabilities Measured at Fair Value on a Nonrecurring Basis*

Certain assets and liabilities are measured at fair value on a nonrecurring basis. Assets and liabilities recognized or disclosed at fair value on the consolidated financial statements on a nonrecurring basis include items such as property, plant and equipment, operating lease right-of-use assets, goodwill, other intangible assets, and minority investments that are not accounted for under the equity method of accounting. These assets are measured using Level 3 inputs, if determined to be impaired.

During the first quarter of 2025, we recorded \$140 million of impairment on the WSS tradename. We calculated the fair value using a discounted cash flow method, based on the relief from royalty method, which uses estimates of future growth and trends, royalty rates in the category of intellectual property, discount rates, and other variables, which represent Level 3 assumptions.

Additionally, during the first quarter of 2025, we recorded \$110 million of impairment on goodwill following a qualitative and quantitative analysis of the EMEA and Asia Pacific reporting units. We calculated the fair value using estimates of the discount rate, terminal growth rates, earnings before depreciation and amortization, capital expenditures forecasts, and other variables, which represent Level 3 assumptions.

As of May 3, 2025, cumulative impairments on our portfolio of minority investments were \$566 million.

#### *Long-Term Debt*

The fair value of long-term debt is determined by using model-derived valuations in which all significant inputs or significant value drivers are observable in active markets and, therefore, are classified as Level 2. The carrying value and estimated fair value of long-term debt were as follows:

(\$ in millions)	May 3, 2025	May 4, 2024
Carrying value (1)	\$ 396	\$ 395
Fair value	\$ 324	\$ 321

(1) The carrying value of debt as of May 3, 2025 and May 4, 2024, included \$4 and \$5 million, respectively, of issuer's discount and costs.

The carrying values of cash and cash equivalents, and other current receivables and payables approximate their fair value.

### 11. Earnings Per Share

We account for earnings per share ("EPS") using the treasury stock method. Basic EPS is computed by dividing net (loss) income for the period by the weighted-average number of common shares outstanding at the end of the period. Diluted earnings per share reflects the weighted-average number of common shares outstanding during the period used in the basic EPS computation plus dilutive common stock equivalents. The computation of diluted earnings per share does not assume conversion, exercise, or contingent issuance of securities that would have an anti-dilutive effect on EPS.


**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**
**11. Earnings Per Share (continued)**

The computation of basic and diluted EPS is as follows:

(in millions, except per share data)	Thirteen weeks ended	
	May 3, 2025	May 4, 2024
Net (loss) income	\$ (363)	\$ 8
Weighted-average common shares outstanding	95.3	94.7
Dilutive effect of potential common shares	—	0.6
Weighted-average common shares outstanding assuming dilution	95.3	95.3
(Loss) earnings per share - basic	\$ (3.81)	\$ 0.09
(Loss) earnings per share - diluted	\$ (3.81)	\$ 0.09
Anti-dilutive share-based awards excluded from diluted calculation	4.0	2.6

Performance stock units related to our long-term incentive programs of 2.6 million and 1.8 million have been excluded from diluted weighted-average shares for the periods ended May 3, 2025 and May 4, 2024, respectively. The issuance of these shares is contingent on our performance metrics as compared to the pre-established performance goals, which have not been achieved.

**12. Share-Based Compensation**
*Share-Based Compensation Expense*

Total compensation expense, included in SG&A, and the associated tax benefits recognized related to our share-based compensation plans, was as follows:

(\$ in millions)	Thirteen weeks ended	
	May 3, 2025	May 4, 2024
Restricted stock units and performance stock units	\$ 6	\$ 5
Options and employee stock purchase plan	—	1
Total share-based compensation expense	\$ 6	\$ 6
Tax benefit recognized	\$ 1	\$ 1

*Restricted Stock Units and Performance Stock Units*

As of May 3, 2025, there were 2,818,623 shares available for issuance under the 2007 Stock Incentive Plan. Restricted stock units ("RSU") are awarded to certain officers, key employees of the Company, and nonemployee directors. Additionally, performance stock units ("PSU") are awarded to certain officers and key employees in connection with our long-term incentive program. Each RSU and PSU represents the right to receive one share of our common stock, provided that the applicable performance and vesting conditions are satisfied. PSU awards also include a performance objective based on our relative total shareholder return over the performance period to a pre-determined peer group, assuming the reinvestment of dividends. The fair value of the market condition of our PSU awards is determined using a Monte Carlo simulation as of the date of the grant.

**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS****12. Share-Based Compensation (continued)**

Generally, RSU awards fully vest after the passage of time, typically over three years for employees and one year for nonemployee directors, provided there is continued service with the Company until the vesting date, subject to the terms of the award. PSU awards are earned only after the attainment of performance goals in connection with the relevant performance period. PSUs granted in 2024 and 2025 vest after the attainment of the performance period, which is three years. Prior PSU grants vested after the attainment of the performance period of two years and an additional one-year period. No dividends are paid or accumulated on any RSU or PSU awards. Compensation expense is recognized over the vesting period on a straight-line basis.

RSU and PSU activity for the thirteen weeks ended May 3, 2025 is summarized as follows:

	Number of Shares	Weighted- Average Remaining Contractual Life	Weighted- Average Grant Date Fair Value
	(in thousands)	(in years)	(per share)
Nonvested at beginning of year	1,603		\$ 30.65
Granted	2,370		16.40
Vested	(466)		29.50
Forfeited	(28)		26.07
Nonvested at May 3, 2025	3,479	1.8	\$ 21.13
Aggregate value (\$ in millions)	\$ 74		

The total value of RSU and PSU awards that vested during the thirteen weeks ended May 3, 2025 and May 4, 2024 was \$14 million and \$22 million, respectively. As of May 3, 2025, there was \$58 million of total unrecognized compensation cost related to nonvested awards.

**13. Legal Proceedings**

Legal proceedings pending against the Company or its consolidated subsidiaries consist of ordinary, routine litigation, or pre-litigation demands, including administrative proceedings, incidental to the business of the Company or businesses that have been sold or discontinued by the Company in past years. These legal proceedings include commercial, intellectual property, customer, environmental, and employment-related claims.

We do not believe that the outcome of any such legal proceedings pending against the Company or its consolidated subsidiaries, as described above, would have a material adverse effect on our consolidated financial position, liquidity, or results of operations, taken as a whole, based upon current knowledge and taking into consideration current accruals. Litigation is inherently unpredictable. Judgments could be rendered or settlements made that could adversely affect the Company's operating results or cash flows in a particular period.

**14. Subsequent Event**

As previously announced, on May 15, 2025, we entered into an Agreement and Plan of Merger (the "Merger Agreement"), by and among the Company, DICK'S Sporting Goods, Inc. ("DICK'S") and RJS Sub LLC, a New York limited liability company and a wholly owned subsidiary of DICK'S ("Merger Sub"), pursuant to which, among other things, at the effective time of the Merger (the "Effective Time"), Merger Sub would merge with and into the Company (the "Merger"), with the Company continuing as the surviving entity, upon the terms and subject to the satisfaction or waiver of the conditions set forth in the Merger Agreement.



**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**14. Subsequent Event (continued)**

Under the terms and subject to the conditions set forth in the Merger Agreement, each share of the Company's Common Stock issued and outstanding immediately prior to the Effective Time (other than any shares owned by DICK'S, the Company or any of their Subsidiaries), will be converted into the right to receive, at the election of each shareholder of Company Common Stock, (A) \$24.00 in cash per share ("Cash Consideration") or (B) 0.1168 validly issued, fully paid and nonassessable shares of DICK'S common stock. Holders of Company Common Stock who do not make a cash or stock election will receive Cash Consideration.

The transaction is subject to Foot Locker shareholder approval and other customary closing conditions, including regulatory approvals, and is expected to close in the second half of 2025. If the Merger is consummated, the shares of Company Common Stock currently listed on the New York Stock Exchange (the "NYSE") will be delisted from the NYSE and will subsequently be deregistered under the Securities Exchange Act of 1934, as amended.

## Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

### Business Overview

Foot Locker, Inc. is a leading footwear and apparel retailer that unlocks the "inner sneakerhead" in all of us. We have a strong history of sneaker authority that sparks discovery and ignites the power of sneaker culture through our portfolio of brands, including Foot Locker, Kids Foot Locker, Champs Sports, WSS, and atmos.

Ensuring that our customers can engage with us in the most convenient manner for them whether in our stores, on our websites, or on our mobile applications, is a high priority for us. We use our omni-channel capabilities to bridge the digital world and physical stores, including order-in-store, buy online and pickup-in-store, and buy online and ship-from-store, as well as e-commerce. We operate websites and mobile apps aligned with the brand names of our store banners. These sites offer our largest product selections and provide a seamless link between our e-commerce experience and physical stores.

As previously announced on May 15, 2025, we entered into an agreement and plan of merger with DICK'S Sporting Goods, Inc. The transaction is subject to Foot Locker shareholder approval and other customary closing conditions, including regulatory approvals, and is expected to close in the second half of 2025.

### Store Count

At May 3, 2025, we operated 2,363 stores as compared with 2,410 and 2,490 stores at February 1, 2025 and May 4, 2024, respectively.

### Licensed Operations

A total of 236 licensed stores were operating at May 3, 2025, as compared with 224 and 206 stores at February 1, 2025 and May 4, 2024, respectively, operating in the Middle East, Asia, and Europe. These stores are not included in the operating store count above. During the first quarter of 2025, we transitioned our operations in Greece and Romania to our licensing partner.

### Results of Operations

We evaluate performance based on several factors, primarily the banner's financial results, referred to as division profit. Division profit reflects income before income taxes, impairment and other charges, corporate expenses, non-operating income, and net interest expense.

The table below summarizes our results for the period.

(\$ in millions)	Thirteen weeks ended	
	May 3, 2025	May 4, 2024
Sales	\$ 1,788	\$ 1,874
Other revenue	6	5
<b>Total revenue</b>	<b>\$ 1,794</b>	<b>\$ 1,879</b>
<b>Operating Results</b>		
Division profit	\$ 27	\$ 43
Less: Impairment and other (1)	276	14
Less: Corporate expense (2)	22	11
Income from operations	(271)	18
Interest expense, net	(2)	(1)
Other income (expense), net (3)	3	(4)
(Loss) income before income taxes	\$ (270)	\$ 13

(1) See the *Impairment and Other* section for further information.

(2) Corporate expense consists of unallocated selling, general and administrative expenses as well as depreciation and amortization related to the Company's corporate headquarters, centrally managed departments, unallocated insurance and benefit programs, certain foreign exchange transaction gains and losses, and other items.

(3) Other income (expense), net includes non-operating items, gain from the sale of the Foot Locker Greece and Romania businesses, changes in fair value of minority interests measured at fair value or using the fair value measurement alternative, changes in the market value of our available-for-sale security, our share of earnings or losses related to our equity method investments, and net benefit expense related to our pension and postretirement programs excluding the service cost component. See the *Other Income (expense), net* section for further information.

## Reconciliation of Non-GAAP Measures

In addition to reporting our financial results in accordance with U.S. generally accepted accounting principles ("GAAP"), we report certain financial results that differ from what is reported under GAAP. We have presented certain financial measures identified as non-GAAP, such as sales changes excluding foreign currency fluctuations, adjusted income before income taxes, adjusted net income, and adjusted diluted earnings per share.

We present certain amounts as excluding the effects of foreign currency fluctuations, which are also considered non-GAAP measures. Where amounts are expressed as excluding the effects of foreign currency fluctuations, such changes are determined by translating all amounts in both years using the prior-year average foreign exchange rates. Presenting amounts on a constant currency basis is useful to investors because it enables them to better understand the changes in our business that are not related to currency movements.

These non-GAAP measures are presented because we believe they assist investors in allowing a more direct comparison of our performance across reporting periods on a consistent basis by excluding items that we do not believe are indicative of our core business or affect comparability. In addition, these non-GAAP measures are useful in assessing our progress in achieving our long-term financial objectives. We estimate the tax effect of all non-GAAP adjustments by applying a marginal tax rate to each item. The income tax items represent the discrete amount that affected the period.

The non-GAAP financial information is provided in addition, and not as an alternative, to our reported results prepared in accordance with GAAP. Presented below is a reconciliation of GAAP and non-GAAP pre-tax (loss) income.

(\$ in millions, except per share amounts)	Thirteen weeks ended	
	May 3, 2025	May 4, 2024
<b>Pre-tax (loss) income:</b>		
(Loss) income before income taxes	\$ (270)	\$ 13
Pre-tax amounts excluded from GAAP:		
Impairment and other	276	14
Other expense / income, net	(4)	2
Adjusted income before income taxes (non-GAAP)	\$ 2	\$ 29

Presented below is a reconciliation of GAAP and non-GAAP after-tax (loss) income and GAAP and non-GAAP earnings per share.

(\$ in millions, except per share amounts)	Thirteen weeks ended	
	May 3, 2025	May 4, 2024
<b>After-tax (loss) income:</b>		
Net (loss) income	\$ (363)	\$ 8
After-tax adjustments excluded from GAAP:		
Impairment and other, net of income tax benefit of \$39 and \$3 million, respectively	237	11
Other expense / income, net of income tax expense of \$- and \$- million, respectively	(4)	2
Tax valuation allowance and deferred tax cost write off	124	—
Adjusted net income (non-GAAP)	\$ (6)	\$ 21
<b>Earnings per share:</b>		
Diluted (loss) earnings per share	\$ (3.81)	\$ 0.09
Diluted per share amounts excluded from GAAP:		
Impairment and other	2.48	0.11
Other expense / income, net	(0.05)	0.02
Tax valuation allowance and deferred tax cost write off	1.31	—
Adjusted diluted earnings per share (non-GAAP)	\$ (0.07)	\$ 0.22

During the thirteen weeks ended May 3, 2025, we recorded pre-tax charges of \$276 million and \$14 million, respectively, classified as impairment and other. See the *Impairment and Other* section for further information.

The adjustments made to other income / expense, net reflected fair value changes and losses associated with our minority investments. The current-year period also included gains on sale of businesses. See the *Other Income (Expense), net* section for further information.

During the first quarter, we recorded a valuation allowance and a write off of deferred tax costs related to certain of our European businesses. See the *Income Tax* section for further information.

## Segment Reporting and Results of Operations

We have determined that we have three operating segments, North America, EMEA, and Asia Pacific. Our North America operating segment includes the results of the following banners operating in the U.S. and Canada: Foot Locker, Champs Sports, Kids Foot Locker, and WSS, including each of their related e-commerce businesses. Our EMEA operating segment includes the results of Foot Locker and Kids Foot Locker, including each of their related e-commerce businesses. Our Asia Pacific operating segment includes the results of the Foot Locker banner and its related e-commerce business operating in Australia and New Zealand, as well as atmos, which operates in Japan. We have further aggregated these operating segments into one reportable segment based upon their shared customer base and similar economic characteristics.

### Sales

All references to comparable-store sales for a given period relate to sales of stores that were open at the period-end and had been open for more than one year. The computation of consolidated comparable sales also includes our direct-to-customers channel. Stores opened or closed during the period are not included in the comparable-store base; however, stores closed temporarily for relocation or remodeling are included. Computations exclude the effect of foreign currency fluctuations. There may be variations in the way in which some of our competitors and other retailers calculate comparable or same store sales.

For the thirteen weeks ended May 3, 2025, total sales decreased by \$86 million, or 4.6%, to \$1,788 million, as compared with the corresponding prior year period. Excluding the effect of foreign currency fluctuations, total sales decreased by \$84 million, or 4.5% for the thirteen weeks ended May 3, 2025. Currencies decreased sales primarily due to the U.S. dollar strengthening against the Canadian dollar and Australian dollar, partially offset by the U.S. dollar weakening relative to the euro. Comparable sales for the combined channels decreased by 2.6% for the thirteen weeks ended May 3, 2025.

The information shown below represents certain sales metrics by sales channel.

(\$ in millions)	Thirteen weeks ended	
	May 3, 2025	May 4, 2024
<b>Store sales</b>	\$ 1,455	\$ 1,554
\$ Change	(99)	
% Change	(6.4)%	
% of total sales	81.4	82.9
% Comparable sales decrease	(4.3)	(3.0)
<b>Direct-to-customers sales</b>	\$ 333	\$ 320
\$ Change	13	
% Change	4.1%	
% of total sales	18.6	17.1
% Comparable sales increase	5.4	4.0
<b>Total sales</b>	\$ 1,788	\$ 1,874
\$ Change	(86)	
% Change	(4.6)%	
% Comparable sales decrease	(2.6)	(1.8)

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The information shown below represents certain combined stores and direct-to-customers sales metrics for the thirteen weeks ended May 3, 2025 as compared with the corresponding prior-year period.

	Thirteen weeks ended	
	Constant Currencies	Comparable Sales
Foot Locker	(2.6)%	(0.9)%
Champs Sports	(2.2)	0.5
Kids Foot Locker	—	3.4
WSS	—	(4.6)
North America	(1.9)	(0.5)
EMEA (1)	(13.2)	(10.2)
Foot Locker	(4.2)	(0.8)
atmos	(7.7)	(6.4)
Asia Pacific	(5.4)	(2.8)
<b>Total sales</b>	<b>(4.5)%</b>	<b>(2.6)%</b>

(1) Includes sales from 7 and 10 Kids Foot Locker stores operating in Europe for May 3, 2025 and May 4, 2024, respectively.

Comparable sales decreased for the total company and within the stores channel due to ongoing macroeconomic headwinds and consumer discretionary spending, which affected customer traffic. These decreases were partially offset by increases in comparable sales within the direct-to-customer channel due to higher traffic and improved digital product launches. From a product perspective for the combined channels, comparable sales were negatively affected from lower sales within the apparel category, while footwear sales were essentially unchanged partially offset by modestly higher sales in accessories.

Constant currency sales in North America sales were negatively affected by our strategic decision to close underperforming stores in our Foot Locker, Kids Foot Locker, and Champs Sports banners, as 46, 21, and 17 fewer stores, respectively, were operating at period end as compared with the prior year period, coupled with the macroeconomic headwinds. However, comparable sales of our Kids Foot Locker and Champs Sports banners increased by 3.4% and 0.5%, respectively. The increase in comparable sales at Kids Foot Locker was driven by compelling product assortments. The increase in comparable sales at Champs Sports was driven by the successful repositioning of the brand under the platform "Sport For Life" and representing sustained momentum coming out of 2024. Constant currency sales in EMEA were negatively affected by lower customer traffic due to macroeconomic uncertainty. Also contributing to the sales decline was our strategic decision to close 34 underperforming stores in the region as compared with the prior year period. Sales decreased by \$11 million related to our operations in Norway, Sweden, Denmark, Greece, and Romania. As we previously disclosed we closed our operations in the Nordics and sold our Greece and Romania businesses to a third party in the current quarter. Constant currency sales in Asia Pacific and atmos were also negatively affected by the macroeconomic headwinds and a highly competitive marketplace, partially offset by increases in e-commerce sales. Additionally, sales decreased by \$2 million due to the previously disclosed closure of our business in South Korea.

### Gross Margin

	Thirteen weeks ended	
	May 3, 2025	May 4, 2024
<b>Cost of merchandise</b>	<b>1,037</b>	<b>1,086</b>
\$ Change	(49)	
% of total sales	58.0%	57.9%
Effect on gross margin rate in basis points	(10)	
<b>Occupancy and buyers' compensation</b>	<b>243</b>	<b>249</b>
\$ Change	(6)	
% of total sales	13.6%	13.3%
Effect on gross margin rate in basis points	(30)	
<b>Total cost of sales</b>	<b>1,280</b>	<b>1,335</b>
\$ Change	(55)	
Gross margin rate	28.4%	28.8%
Basis point change	(40)	

Gross margin is calculated as sales minus cost of sales. Cost of sales includes: the cost of merchandise, freight, distribution costs including related depreciation expense, shipping and handling, occupancy and buyers' compensation. Occupancy costs include rent (including fixed common area maintenance charges and other fixed non-lease components), real estate taxes, general maintenance, and utilities.

The gross margin rate decreased to 28.4% for the thirteen weeks ended May 3, 2025, as compared with the corresponding prior-year period, reflecting a 10 basis point decrease in the merchandise margin rate and a 30 basis point deleverage in the occupancy and buyers' compensation rate. The merchandise margin rate decreased as we were more promotional to clear inventory in the countries we exited in the first quarter of 2025, partially offset by better merchandise margins in our other banners and higher vendor allowances in the period. The occupancy and buyers' salary rate deleverage reflected the fixed nature of these costs in relation to the decline in sales.

#### Selling, General and Administrative Expenses (SG&A)

(\$ in millions)	Thirteen weeks ended	
	May 3, 2025	May 4, 2024
SG&A	\$ 458	\$ 461
\$ Change	\$ (3)	
% Change	(0.7)%	
SG&A as a percentage of sales	25.6%	24.6%

Excluding the effect of foreign currency fluctuations, SG&A decreased by \$3 million for the thirteen weeks ended May 3, 2025, as compared with the corresponding prior-year period, with savings from the cost optimization program and ongoing expense discipline partially offset by investments in technology. As a percentage of sales, SG&A increased by 100 basis points for the thirteen weeks ended May 3, 2025, due to underlying deleverage on the sales decline.

#### Depreciation and Amortization

(\$ in millions)	Thirteen weeks ended	
	May 3, 2025	May 4, 2024
Depreciation and amortization	\$ 51	\$ 51
\$ Change	\$ —	
% Change	—%	

Depreciation and amortization expense was flat for the thirteen weeks ended May 3, 2025, as compared with the corresponding prior-year period. The increase in depreciation and amortization from our capital expenditures was offset by operating fewer stores and lower depreciation and amortization associated with prior impairment charges. In addition, the WSS and atmos customer list intangible assets were fully amortized by the third quarter of 2024, which reduced amortization expense by \$2 million.

#### Impairment and Other

For the thirteen weeks ended May 3, 2025, we recorded non-cash impairment charges of \$140 million to write down the WSS tradename and a non-cash charge of \$110 million related to goodwill. The review of goodwill was the result of a triggering event due to a reduction in the Company's stock price and resulting market capitalization, coupled with general macroeconomic factors. Additionally, we recorded \$15 million in non-cash impairment charges of long-lived assets and right-of-use assets. In connection with the previously announced global headquarters relocation and the shutdown of our businesses in South Korea, Denmark, Norway, and Sweden, we recorded accelerated tenancy and lease termination charges of \$8 million. We have closed all stores operating in those regions as we focus on improving the overall results of international operations. Finally, we incurred \$3 million of reorganization costs primarily related to the announced closure and relocation of the Company's global headquarters and the shutdown costs.

For the thirteen weeks ended May 4, 2024, we recorded a \$7 million loss accrual for legal claims and a \$7 million impairment of long-lived assets and right-of-use assets related to our decision to no longer operate, and to sublease, one of our larger unprofitable stores in Europe.

### Corporate Expense

(\$ in millions)	Thirteen weeks ended	
	May 3, 2025	May 4, 2024
Corporate expense	\$ 22	\$ 11
\$ Change	\$ 11	

Corporate expense consists of unallocated general and administrative expenses as well as depreciation and amortization related to our corporate headquarters, centrally managed departments, unallocated insurance and benefit programs, certain foreign exchange transaction gains and losses, and other items. Corporate expense increased by \$11 million for the thirteen weeks ended May 3, 2025, as compared with the corresponding prior-year period. Depreciation and amortization included in corporate expense was \$9 million for both the thirteen weeks ended May 3, 2025 and May 4, 2024. Corporate expense increased primarily due to our ongoing investments in information technology to modernize our customer-facing and support capabilities.

### Operating Results

(\$ in millions)	Thirteen weeks ended	
	May 3, 2025	May 4, 2024
Division profit	\$ 27	\$ 43
Division profit margin	1.5%	2.3%

Division profit, as a percentage of sales, decreased to 1.5% for the thirteen weeks ended May 3, 2025, as compared with the corresponding prior-year period, due to a lower gross margin rate and the deleverage in SG&A expenses.

### Interest Expense, Net

(\$ in millions)	Thirteen weeks ended	
	May 3, 2025	May 4, 2024
Interest expense	\$ (6)	\$ (6)
Interest income	4	5
Interest (expense) income, net	\$ (2)	\$ (1)

Interest expense, net increased by \$1 million for the thirteen weeks ended May 3, 2025, as compared with the corresponding prior-year period due to lower interest income on cash and cash equivalents.

### Other Income (Expense), Net

(\$ in millions)	Thirteen weeks ended	
	May 3, 2025	May 4, 2024
Other income (expense), net	\$ 3	\$ (4)

This caption includes non-operating items, including changes in fair value of minority investments measured at fair value or using the fair value measurement alternative, changes in the market value of our available-for-sale security, our share of earnings or losses related to our equity method investments, and net benefit / (expense) related to our pension and postretirement programs excluding the service cost component.

In 2024, we entered into agreements to sell our Greece and Romania businesses and entered into license arrangements with the purchaser for the rights to operate Foot Locker stores in Greece and Romania and six other countries in South East Europe. The sale transactions, which closed in April 2025, reflected total consideration of \$11 million (net of cash of \$1 million) of which \$6 million was paid at closing. The transactions resulted in a gain of \$5 million, subject to the finalization of net working capital. Additionally, the thirteen weeks ended May 3, 2025 other income (expense), net reflected expense of \$1 million related to our pension and postretirement programs and \$1 million loss on our equity method investments.

For the thirteen weeks ended May 4, 2024, other income (expense), net reflected expense of \$2 million related to our pension and postretirement programs and a \$2 million loss on our equity method investments.

Income Taxes

(\$ in millions)	Thirteen weeks ended	
	May 3, 2025	May 4, 2024
Provision for income taxes	\$ 93	\$ 5
Effective tax rate	(34.4)%	38.4%

Our current year interim provision for income taxes was measured using an estimated annual effective tax rate, which represented a blend of federal, state, and foreign taxes and included the effect of certain nondeductible items as well as changes in our mix of domestic and foreign earnings or losses, adjusted for discrete items that occurred within the periods presented.

In the first quarter of 2025, it was determined that due to recent weakness in market conditions, the ability to utilize the entirety of our European deferred tax asset was less likely than prior periods or "not more likely than not" as defined under the accounting standards. As of May 3, 2025, we recorded a \$117 million valuation allowance on all the deferred tax assets related to net operating loss carryforwards and other net deferred tax assets of certain European businesses. We will continue to monitor the recoverability of deferred tax assets on a quarterly basis. We will recognize the benefit of the deferred tax assets in the future if sufficient positive evidence emerges to support their realization. Additionally, in connection with this assessment, we wrote off certain deferred tax costs of \$7 million.

Also during the first quarter of 2025, we recognized a non-cash impairment charge of \$110 million on non-deductible goodwill, accordingly no benefit was recognized in connection with this charge.

We regularly assess the adequacy of our provisions for income tax contingencies in accordance with applicable authoritative guidance on accounting for income taxes. As a result, we may adjust the reserves for unrecognized tax benefits considering new facts and developments, such as changes to interpretations of relevant tax law, assessments from taxing authorities, settlements with taxing authorities, and lapses of statutes of limitation. The change in tax reserves during the thirteen weeks ended May 3, 2025 was not significant. During the thirteen weeks ended May 4, 2024, we recognized \$2 million in reserve releases from various statute of limitations expirations on our foreign income taxes.

Excluding these items, the effective tax rate for the current year period increased, as compared with the corresponding prior-year period, primarily due to the lower-level income before tax with non-deductible expenses remaining relatively unchanged, coupled with a change in geographic mix of earnings.

**Liquidity and Capital Resources**Liquidity

Our primary source of liquidity has been cash flow from operations, while the principal uses of cash have been to fund inventory and other working capital requirements; finance capital expenditures related to store openings, store remodelings, internet and mobile sites, information systems, including the implementation of a new enterprise resource planning system, and other support facilities; make retirement plan contributions, and interest payments; and fund other cash requirements to support the development of our short-term and long-term operating strategies. We generally finance real estate with operating leases. We believe our cash, cash equivalents, future cash flow from operations, and amounts available under our credit agreement will be adequate to fund these requirements.

Our expected full-year capital spending is \$270 million and an additional \$30 million is expected related to software-as-a-service implementation costs, totaling spend of \$300 million. The forecast includes \$185 million related to the updating ("refresh"), remodeling or relocation of stores, as well as new stores. This includes the planned opening of 80 "Reimagined" Foot Locker and Kids Foot Locker stores, primarily through conversions or relocations of existing stores. Spending for 2025 also includes refreshing approximately 300 existing stores to our current brand design standards and will incorporate key elements of our "Reimagined" design specifications. Updating our stores or "refreshes" represent spending directed towards elevating our brand experience, with modest capital expenditures per store. Additionally, we expect to spend \$85 million primarily for our technology and supply chain initiatives, including capital expenditures related to a new distribution center and our new global headquarters. We also expect to spend an additional \$30 million in software-as-a-service implementation costs, related to our technology initiatives as we modernize our customer facing and support capabilities as part of a multi-year project.

Any material adverse change in customer demand, fashion trends, competitive market forces, or customer acceptance of our merchandise mix, retail locations and websites, uncertainties related to the effect of competitive products and pricing, our reliance on a few key suppliers for a significant portion of our merchandise purchases and risks associated with global product sourcing, economic conditions worldwide, the effects of currency fluctuations, as well as other factors listed under the headings "Disclosure Regarding Forward-Looking Statements," and "Risk Factors" could affect our ability to continue to fund our needs from business operations.

### Operating Activities

(\$ in millions)	Thirteen weeks ended	
	May 3, 2025	May 4, 2024
Net cash (used in) provided by operating activities	\$ (3)	\$ 58
\$ Change	\$ (61)	

Operating activities reflects net (loss) income adjusted for non-cash items and working capital changes. Adjustments to net (loss) income for non-cash items include impairment charges, other charges, depreciation and amortization, deferred income taxes, and share-based compensation expense.

The decrease in cash from operating activities primarily reflected lower net (loss) income adjusted for non-cash items, a \$38 million increase in rent payments due the timing of our fiscal year, a \$24 million increase in incentive bonus payments made in the current year, and a \$20 million contribution to fund our qualified pension plan, partially offset by a reduction in merchandise purchases.

### Investing Activities

(\$ in millions)	Thirteen weeks ended	
	May 3, 2025	May 4, 2024
Net cash used in investing activities	\$ (52)	\$ (76)
\$ Change	\$ 24	

The decrease in cash used in investing activities primarily reflected an \$18 million reduction in capital expenditures and \$6 million in proceeds received from the sale of our Greece and Romania businesses.

### Financing Activities

(\$ in millions)	Thirteen weeks ended	
	May 3, 2025	May 4, 2024
Net cash used in financing activities	\$ (4)	\$ (1)
\$ Change	\$ (3)	

The increase in cash used in financing activities reflected a \$5 million reduction proceeds from the exercise of stock options, partially offset by a \$2 million reduction in repurchases of common stock related to share-based tax withholdings.

### Free Cash Flow (non-GAAP measure)

In addition to net cash provided by operating activities, we use free cash flow as a useful measure of performance and as an indication of our financial strength and our ability to generate cash. We define free cash flow as net cash provided by operating activities less capital expenditures (which is classified as an investing activity). We believe the presentation of free cash flow is relevant and useful for investors because it allows investors to evaluate the cash generated from underlying operations in a manner similar to the method used by management. Free cash flow is not defined under U.S. GAAP. Therefore, it should not be considered a substitute for income or cash flow data prepared in accordance with U.S. GAAP and may not be comparable to similarly titled measures used by other companies. It should not be inferred that the entire free cash flow amount is available for discretionary expenditures.

The following table presents a reconciliation of net cash flow provided by operating activities, the most directly comparable U.S. GAAP financial measure, to free cash flow.

(\$ in millions)	Thirteen weeks ended	
	May 3, 2025	May 4, 2024
Net cash (used in) provided by operating activities	\$ (3)	\$ 58
Capital expenditures	(58)	(76)
Free cash flow	\$ (61)	\$ (18)

## Critical Accounting Policies and Estimates

### *Recoverability of Goodwill and Indefinite-Lived Intangible Assets*

We review goodwill and indefinite-lived intangible assets for impairment annually during the fourth quarter of each fiscal year or more frequently if impairment indicators arise. A significant amount of judgment is involved in determining if an indicator of impairment has occurred. The review of impairment consists of either using a qualitative approach to determine whether it is more likely than not that the fair value of the assets is less than their respective carrying values or a one-step qualitative impairment test.

When we perform the qualitative assessment, we consider many factors in evaluating whether the carrying value of goodwill may not be recoverable, including declines in our stock price and market capitalization in relation to the book value of the Company and macroeconomic conditions affecting retail. If, based on the results of the qualitative assessment, it is concluded that it is not more likely than not that the fair value of a reporting unit exceeds its carrying value, additional quantitative impairment testing is performed. The quantitative test requires that the carrying value of each reporting unit be compared with its estimated fair value. If the carrying value of a reporting unit is greater than its fair value, a goodwill impairment charge will be recorded for the difference (up to the carrying value of goodwill).

During the first quarter of 2025, a triggering event occurred as a result of a reduction in our market capitalization due to a decline in stock price and changes in the macroeconomic environment, which affected consumer discretionary spending. We used a discounted cash flow approach to determine the fair value of our reporting units. The determination of discounted cash flows of the reporting units and assets and liabilities within the reporting units requires significant estimates and assumptions. These estimates and assumptions are consistent with our internal forecasts and operating plans and primarily include, but are not limited to, the discount rate, terminal growth rates, earnings before depreciation and amortization, and capital expenditures forecasts. Additionally, we compare the indicated equity value to our market capitalization and evaluate the resulting implied control premium to determine if the estimated enterprise value is reasonable compared to external market indicators. Due to the inherent uncertainty involved in making these estimates, actual results could differ from those estimates. We evaluate the merits of each significant assumption, both individually and in the aggregate, used to determine the fair value of the reporting units, as well as the fair values of the corresponding assets and liabilities within the reporting units.

We have three reporting units, representing our operating segments of North America, EMEA, and Asia Pacific. Our first quarter 2025 quantitative analysis determined that the fair value of the North America reporting unit exceeded its carrying value of \$521 million by 9%. However, the EMEA and Asia Pacific reporting units had fair values that were below their carrying values. We recorded a full impairment to EMEA goodwill of \$29 million and a partial impairment of \$81 million on the Asia Pacific reporting unit. The goodwill amount, after the impairment charge, that is attributable to the Asia Pacific reporting unit was \$140 million as of May 3, 2025. Goodwill is net of accumulated impairment charges of \$277 million as of May 3, 2025.

It is possible, depending upon a number of factors that are not determinable at this time or within our control, that the fair value of our reporting units could decrease in the future and result in additional impairments to goodwill. Specifically, actual results may vary from our forecasts and such variations may be material and unfavorable. Additionally, further deterioration or sustained declines in our market capitalization may trigger the need for future impairment tests where the conclusions may differ and could result in the recognition of an impairment charge.

Owned trademarks and trade names that have been determined to have indefinite lives are not subject to amortization but are reviewed at least annually for potential impairment. Our impairment evaluation for indefinite-lived intangible assets consists of either a qualitative or quantitative assessment, similar to the process for goodwill.

If the results of the qualitative assessment indicate that it is more likely than not that the fair value of the indefinite lived intangible is less than its carrying amount, or if we elect to proceed directly to a quantitative assessment, we calculate the fair value using a discounted cash flow method, based on the relief-from-royalty concept, and compare the fair value to the carrying value to determine if the asset is impaired. This methodology assumes that, in lieu of ownership, a third party would be willing to pay a royalty in order to exploit the related benefits of these types of assets. This approach is dependent on a number of factors, including estimates of future growth and trends, royalty rates in the category of intellectual property, discount rates, and other variables. We base our fair value estimates on assumptions we believe to be reasonable, but which are unpredictable and inherently uncertain. Actual future results may differ from those estimates. We recognize an impairment loss when the estimated fair value of the intangible asset is less than the carrying value. In the first quarter of 2025, in light of recent operating results and a decline in future cash flow projections for the WSS banner, we recorded a \$140 million impairment on the WSS tradename. We performed a qualitative review of the atmos tradename and concluded that an impairment was not necessary. If future results for WSS or atmos deteriorate at rates in excess of our current projections, we may be required to record additional non-cash impairment charges to these intangible assets.

#### Valuation Allowances for Deferred Tax Assets

We record income taxes using the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been recognized in our financial statements or tax returns. Deferred tax assets and liabilities are measured using the currently enacted tax rates that apply to taxable income in effect for the years in which those tax assets and liabilities are expected to be realized or settled. We must assess the likelihood that our deferred tax assets will be recoverable based on expected future taxable income. To the extent that we determine it is more-likely-than-not (greater than a 50% probability) that some portion or all of the deferred tax assets will not be realized, we must establish a valuation allowance.

To the extent valuation allowances are established or increased in a period, we include an expense within the tax provision in our Condensed Consolidated Statements of Operations. During the first quarter of 2025, we recognized a full valuation allowance of \$117 million related our European businesses' net operating loss carryforward and other net deferred tax assets. These valuation allowances may be released in future years when it is more likely than not that some portion or all of the deferred tax assets will be realized. In making such a determination, we will need to periodically evaluate whether or not all available evidence, such as future income and reversal of temporary differences, tax planning actions, and recent results of operations, provides sufficient positive evidence to offset any other negative evidence that may exist at such time. In the event the deferred tax valuation allowance is released, we would record an income tax benefit for a portion or all of the deferred tax valuation allowance released.

There have been no other significant changes to our critical accounting policies and estimates from the information provided in Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations," within the 2024 Annual Report on Form 10-K.

#### **Recent Accounting Pronouncements**

Descriptions of the recently issued and adopted accounting principles are included in Item 1. "Financial Statements" in Note 1, *Summary of Significant Accounting Policies*, to the Condensed Consolidated Financial Statements.

#### **Item 3. Quantitative and Qualitative Disclosures About Market Risk**

There have been no significant changes in our primary risk exposures or management of market risks from the information provided in Part II, Item 7A, Quantitative and Qualitative Disclosures About Market Risk within the 2024 Annual Report on Form 10-K.

#### **Item 4. Controls and Procedures**

During the quarter, the Company's management performed an evaluation, under the supervision and with the participation of the Company's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), of the effectiveness of the design and operation of the Company's disclosure controls and procedures (as that term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")). Based on that evaluation, the Company's CEO and CFO concluded that the Company's disclosure controls and procedures were effective to ensure that information relating to the Company that is required to be disclosed in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC rules and forms, and is accumulated and communicated to management, including the CEO and CFO, as appropriate to allow timely decisions regarding required disclosure.

During the quarter ended May 3, 2025, there were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act), that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## **PART II - OTHER INFORMATION**

### ***Item 1. Legal Proceedings***

Information regarding the Company's legal proceedings is contained in the *Legal Proceedings* note under Item 1. "Financial Statements" in Part I.

### ***Item 1A. Risk Factors***

In addition to the other information discussed in this report, the factors described in Part I, Item 1A. "Risk Factors" in our 2024 Annual Report on Form 10-K filed with the SEC on March 27, 2025 should be considered as they could materially affect our business, financial condition, or future results.

There have not been any significant changes with respect to the risks described in our 2024 Annual Report on Form 10-K, other than the items noted below.

### **Risks Related to the Pending Acquisition by DICK'S**

#### **The announcement and pendency of our agreement to be acquired by DICK'S may have an adverse effect on our business results.**

On May 15, 2025, we entered into an Agreement and Plan of Merger (the "Merger Agreement") with DICK'S Sporting Goods, Inc. ("DICK'S"), pursuant to which DICK'S agreed to acquire us subject to the terms and conditions set forth therein. We are subject to risks in connection with the announcement and pendency of the proposed transaction which may have an adverse effect on our business, financial condition and operating results in the near term, including:

- Customers, vendors, suppliers, landlords, and other business partners may delay or defer certain business decisions, seek alternative relationships with third parties or seek to alter their present business relationships with us;
- The restrictions imposed on our business and operations pursuant to certain covenants set forth in the Merger Agreement may prevent us from pursuing certain opportunities, entering into certain contracts with vendors, suppliers and landlords, or taking certain other actions without approval of DICK'S;
- We may be unable to attract, recruit, retain and motivate current and prospective employees who may be uncertain about their future roles following completion of the proposed transaction, and our employees could lose productivity as a result of uncertainty regarding their employment following the proposed transaction;
- The pursuit of the transaction and planning for the integration may place a significant burden on management and other internal resources, and the diversion of management's attention away from day-to-day business concerns and other opportunities that may have been beneficial to us could adversely affect our business, financial condition and operating results; and
- The Merger Agreement may discourage other companies from trying to acquire us for greater consideration than what DICK'S has agreed to pay pursuant to the Merger Agreement.

**The failure to complete the transaction could have a material and adverse effect on our business, results of operations, financial condition, cash flows, and stock price.**

The transaction, which is expected to close in the second half of 2025, is subject to the satisfaction or waiver of customary closing conditions, including, among others, adoption of the Merger Agreement by our shareholders, the expiration or termination of the waiting period under the HSR Act, and clearance under the antitrust laws of certain other jurisdictions. There is no assurance that all of the various conditions will be satisfied, or that the transaction will be completed on the proposed terms, within the expected timeframe or at all. The closing of the transaction may be delayed, and the transaction may ultimately not be completed, due to a number of factors, including:

- The failure to satisfy the closing conditions set forth above;
- Potential future shareholder litigation and other legal and regulatory proceedings, which could delay or prevent the transaction; and
- The failure to satisfy the other conditions to the completion of the transaction.

**If the transaction does not close, we may suffer other consequences that could adversely affect our business, financial condition, operating results, cash flows and stock price, and our shareholders would be exposed to additional risks, including:**

- To the extent that the current market price of our stock reflects an assumption that the transaction will be completed, the price of our common stock could decrease if the transaction is not completed;
- Investor confidence in us could decline, shareholder litigation could be brought against us, relationships with existing and prospective vendors, suppliers, landlords, and other business partners may be adversely impacted, we may be unable to hire or retain key personnel, and our operating results and cash flows may be adversely impacted due to costs incurred in connection with the transaction;
- Failure to complete the proposed transaction may result in negative publicity and a negative impression of us in the investment community;
- Any disruptions to our business resulting from the announcement and pendency of the transaction, including adverse changes in our relationships with employees, and business partners, may continue or intensify in the event the transaction is not consummated or is significantly delayed; and
- We would have incurred significant costs, including professional services fees and other transaction costs, in connection with the proposed transaction that we would be unable to recover.

**There can be no assurance that our business, relationships with other parties, liquidity or financial condition will not be adversely affected, as compared to the condition prior to the announcement of the transaction, if the transaction is not consummated.**

Regulatory approvals may not be received, may take longer than expected or may impose conditions that are not presently anticipated or that cannot be met. Regulatory and governmental entities may impose conditions on the granting of such approvals, and if such regulatory and governmental entities seek to impose such conditions, lengthy negotiations may ensue among such regulatory or governmental entities, DICK'S and us. Such conditions and the process of obtaining regulatory approvals could have the effect of delaying completion of the transaction and such conditions may not be satisfied for an extended period of time.

We cannot assure you that these regulatory clearances and approvals will be obtained in a timely manner or obtained at all, or that the granting of these regulatory clearances and approvals will not involve the imposition of regulatory remedies on the completion of the transaction, including requiring changes to the terms of the Merger Agreement. These conditions or changes could result in the conditions to the closing of the transaction not being satisfied. The special meeting of our shareholders at which the adoption of the Merger Agreement will be considered may take place before all of the required regulatory approvals have been obtained and before regulatory remedies, if any, are known. In this event, if the shareholder approval is obtained, we and DICK'S may subsequently agree to regulatory remedies without further seeking shareholder approval, except as required by applicable law, even if such regulatory remedies could have an adverse effect on us, DICK'S or the combined company.

**Item 2. Unregistered Sales of Equity Securities and Use of Proceeds**

The table below provides information with respect to shares of the Company's common stock for the thirteen weeks ended May 3, 2025.

<b>Date Purchased</b>	<b>Total Number of Shares Purchased (1)</b>	<b>Average Price Paid Per Share (1)</b>	<b>Total Number of Shares Purchased as Part of Publicly Announced Program (2)</b>	<b>Dollar Value of Shares that may yet be Purchased Under the Program (2)</b>
February 2 to March 1, 2025	1,525	\$ 17.96	—	\$ 1,103,814,042
March 2 to April 5, 2025	163,315	15.63	—	1,103,814,042
April 6 to May 3, 2025	—	—	—	1,103,814,042
	164,840	\$ 15.65	—	

(1) These columns include shares acquired in satisfaction of the tax withholding obligations of holders of restricted stock units, which vested during the quarter.

(2) On February 24, 2022, the Board of Directors approved a share repurchase program authorizing the Company to repurchase up to \$1.2 billion of its common stock, and this program does not have an expiration date.

**Item 3. Defaults Upon Senior Securities**

Not applicable.

**Item 4. Mine Safety Disclosures**

Not applicable.

**Item 5. Other Information**

During the quarter ended May 3, 2025, no director or officer (as defined in Rule 16a-1(f) promulgated under the Exchange Act) of the Company adopted or terminated a "Rule 10b5-1 trading arrangement" or a "non-Rule 10b5-1 trading arrangement" (as each term is defined in Item 408 of Regulation S-K).

**Item 6. Exhibits**

<b>Exhibit No.</b>	<b>Description</b>
2.1	<a href="#">Agreement and Plan of Merger, dated May 15, 2025, by and among Foot Locker, Inc., DICK'S Sporting Goods, Inc. and RJS Sub LLC (incorporated herein by reference to Exhibit 2.1 to the Current Report on Form 8-K filed May 15, 2025).</a>
10.1†*	<a href="#">Form of Amendment to Offer Letter.</a>
10.2†*	<a href="#">Restricted Stock Unit Award Agreement (Executive) Under The Foot Locker 2007 Stock Incentive Plan.</a>
10.3†*	<a href="#">Restricted Stock Unit Award Agreement (Non-Employee Director) Under The Foot Locker 2007 Stock Incentive Plan.</a>
10.4†*	<a href="#">Performance Stock Unit Award Agreement (Financial Metrics) Under The Foot Locker 2007 Stock Incentive Plan.</a>
10.5†*	<a href="#">Performance Stock Unit Award Agreement (TSR) Under The Foot Locker 2007 Stock Incentive Plan.</a>
10.6†	<a href="#">Foot Locker, Inc. 2007 Stock Incentive Plan (Amended and Restated as of March 22, 2023, and as further amended effective as of May 21, 2025) (incorporated herein by reference to Exhibit 10.1 to the form S-8 filed May 17, 2025).</a>
31.1*	<a href="#">Certification of Chief Executive Officer Pursuant to Rule 13a-14(a) or 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>
31.2*	<a href="#">Certification of Chief Financial Officer Pursuant to Rule 13a-14(a) or 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>
32**	<a href="#">Certification of Chief Executive Officer and Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>
101.INS*	Inline XBRL Instance Document.
101.SCH*	Inline XBRL Taxonomy Extension Schema.
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase.
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase.
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase.
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase.
104*	Cover Page Interactive Data File (embedded within the Inline XBRL datafile and contained in Exhibit 101).

† Management contract or compensatory plan or arrangement

\* Filed herewith

\*\* Furnished herewith

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: June 11, 2025

FOOT LOCKER, INC.

/s/ Michael Baughn

\_\_\_\_\_  
MICHAEL BAUGHN

Executive Vice President and Chief Financial Officer

## CERTIFICATION

I, Mary N. Dillon, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Foot Locker, Inc. (the "Registrant");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
  - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and
5. The Registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the Audit Committee of the Registrant's Board of Directors (or persons performing the equivalent functions):
  - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
  - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

June 11, 2025

/s/ Mary N. Dillon  
Chief Executive Officer

## CERTIFICATION

I, Michael Baughn, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Foot Locker, Inc. (the "Registrant");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
  - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and
5. The Registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the Audit Committee of the Registrant's Board of Directors (or persons performing the equivalent functions):
  - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
  - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

June 11, 2025

/s/ Michael Baughn

Executive Vice President and Chief Financial Officer

## FOOT LOCKER, INC.

**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of Foot Locker, Inc. (the "Registrant") for the quarterly period ended May 3, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Mary N. Dillon, as Chief Executive Officer of the Registrant, and Michael Baughn, as Chief Financial Officer of the Registrant, each hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

Dated: June 11, 2025

/s/ Mary N. Dillon  
\_\_\_\_\_  
Mary N. Dillon  
Chief Executive Officer

/s/ Michael Baughn  
\_\_\_\_\_  
Michael Baughn  
Executive Vice President and Chief Financial Officer

The foregoing certification is being furnished solely pursuant to 18 U.S.C. § 1350 and is not being filed as part of the Report or as a separate disclosure document. Such certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except to the extent that the Registrant specifically incorporates it by reference.

## AMENDMENT TO OFFER LETTER

This Amendment (this "Amendment"), dated May 14, 2025, amends that certain Offer Letter (the "Offer Letter") dated as of [●], by and between Foot Locker, Inc., a New York corporation (the "Company"), and [●] (the "Executive"). Capitalized terms used but not defined herein shall have the meanings set forth in the Offer Letter.

WHEREAS, the Company desires to amend the Offer Letter to reflect a change in the restrictive covenants applicable to the Executive, including their continued application from and after a Change in Control of the Company, in recognition and consideration of the substantial protections and potential compensation and benefits to which the Executive could become entitled in connection with a Change in Control, including under the Offer Letter, the Company's Executive Severance Policy and the equity award agreements to which the Executive is a party (the "Change in Control Protections"); and

WHEREAS, in consideration of the Change in Control Protections and recognition of the Executive's position at the Company, the Executive desires to continue to be employed by the Company on such amended terms and conditions.

NOW, THEREFORE, in consideration of the mutual promises, covenants, and agreements contained herein, the sufficiency of which is acknowledged by the parties hereto, the Company and the Executive hereby agree as follows:

1. As of the date of this Amendment, paragraph [4] of Exhibit A to the Offer Letter is hereby amended to add the following subparagraph I immediately after subparagraph H of paragraph [4]:

"I. Notwithstanding anything to the contrary set forth herein or in any other agreement to which the Executive and the Company are party, including any equity award agreement between the Company and the Executive, (a) the restrictive covenants applicable to the Executive under this Offer Letter and any such equity award agreement shall be the "Restrictive Covenants" set forth in Sections 10.1 through 10.6 of that certain Performance Stock Unit Award Agreement (the "Award Agreement") governing the Performance Stock Units (TSR and Internal Metrics) granted to the Executive on March 24, 2025, and (b) Section 10 of the Award Agreement is hereby amended to provide that "Non-Competition Period" shall mean (i) the period during which the Executive is employed by the Control Group and (ii) the one-year period commencing on the date the Executive's employment with the Control Group terminates for any reason, either prior to, on or following a Change in Control. For purposes of the application of such restrictive covenants under this Offer Letter and any equity award agreements, the restrictive covenants as set forth in this Amendment shall be deemed a part of any such agreement, with the defined terms used in the Award Agreement to be modified or interpreted as necessary to reflect the intent and purposes of this Amendment. For the avoidance of doubt, the restrictive covenants referred to in Section 2.6 of the Company's Executive Severance Policy shall include the restrictive covenants addressed in this Amendment."

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2. Except as otherwise expressly provided herein, all of the terms and provisions of the Offer Letter shall remain in full force and effect and this Amendment shall not amend or modify any other rights, powers, duties, or obligations of any party to the Offer Letter. On or after the date of this Amendment, each reference in the Offer Letter to “this offer letter” or words of like import referring to the Offer Letter shall mean and be a reference to the Offer Letter as amended by this Amendment, and this Amendment shall be deemed to be a part of the Offer Letter.

3. This Amendment contains the entire agreement between the parties hereto with respect to the restrictive covenants addressed herein. If the Executive is party to any other agreement with the Company that provides for the lapse of a restrictive covenant in connection with a Change in Control (or any similar term), such agreement shall be amended by this Amendment such that the applicable restricted period set forth therein shall be the Non-Competition Period.

4. The Company and the Executive may execute this Amendment in counterparts, each of which shall be deemed an original, and all of which taken together shall constitute one and the same instrument. Delivery of an executed counterpart's signature page of this Amendment by facsimile, email in portable document format (.pdf), through DocuSign, or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document has the same effect as delivery of an executed original of this Amendment.

5. This Amendment shall inure to the benefit of and be binding upon the Company and its successors and assigns. As used in this Amendment, “Company” and “Control Group” shall include any successors thereto, whether by operation of law or otherwise.

*[Signature Page Follows]*

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IN WITNESS WHEREOF, the Company and the Executive hereto have executed this Amendment on the date first above written.

FOOT LOCKER, INC.

\_\_\_\_\_  
By: [NAME]  
[TITLE]

[EXECUTIVE]

\_\_\_\_\_  
[NAME]

*[Signature Page to Amendment to Offer Letter]*

**RESTRICTED STOCK UNIT AWARD AGREEMENT  
UNDER THE FOOT LOCKER 2007 STOCK INCENTIVE PLAN**

This Restricted Stock Unit Award Agreement (this "Agreement") is made under the Foot Locker 2007 Stock Incentive Plan, as amended and restated (the "Plan"), as of [●] by and between Foot Locker, Inc., a New York corporation with its principal office located at 330 West 34th Street, New York, New York 10001 (the "Company"), and [●] (the "Executive").

1. Grant of RSUs. On [●] (the "Date of Grant"), the Human Capital and Compensation Committee (the "Human Capital Committee") of the Board of Directors of the Company (the "Board") granted the Executive an award of [●] restricted stock units ("RSUs") under the Plan, subject to the terms of the Plan and the restrictions set forth in this Agreement. The RSUs granted to the Executive are considered "Other Stock-Based Awards" under the Plan. Each RSU represents the right to receive one share of the Company's common stock, par value \$.01 per share ("Common Stock"), upon the satisfaction of the terms and conditions set forth in this Agreement and the Plan.

2. Vesting and Delivery

(a) The RSUs shall become vested in equal tranches over the course of three years as follows: one-third of the RSUs shall vest on the first anniversary of the Date of Grant, another one-third of the RSUs shall vest on the second anniversary of the Date of Grant, and the remaining one-third of the RSUs shall become vested on the third anniversary of the Date of Grant (each, a "Vesting Date") and, subject to the terms of this Agreement and the Plan, shares of Common Stock shall be delivered to the Executive as described herein if the Executive has been continuously employed by the Company or its Affiliates (as defined in Section 12) within the meaning of Section 424 of the Internal Revenue Code of 1986, as amended (the "Control Group") from the Date of Grant until each such Vesting Date.

(b) Other than as may be specifically provided for herein, there shall be no proportionate or partial vesting in the periods prior to the Vesting Date and all vesting shall occur only on the Vesting Date, subject to the Executive's continued employment with the Control Group as described in Section 2(a).

(c) In the event that the date of the Executive's termination of employment (the "Termination Date") by reason of death, Disability, or Retirement is prior to the final Vesting Date, the Executive (or in the event of the Executive's death, the Executive's estate) shall receive a pro rata portion of the Executive's RSU award to the extent not previously vested, calculated as follows:

- (i) With respect to those RSUs scheduled to vest on the first anniversary of the Date of Grant (to the extent such RSUs remain unvested as of the Termination Date), by multiplying one-third of the RSUs by a fraction, the numerator of which is the number of days from the Date of Grant to the Termination Date and the denominator of which is the date of grant to the tranche vest date;
- (ii) With respect to those RSUs scheduled to vest on the second anniversary of the Date of Grant (to the extent such RSUs remain unvested as of the Termination Date), by multiplying one-third of the RSUs by a fraction, the numerator of which is the number of days from the Date of Grant to the Termination Date and the denominator of which is the date of grant to the tranche vest date; and
- (iii) With respect to those RSUs scheduled to vest on the third anniversary of the Date of Grant (to the extent such RSUs remain unvested as of the Termination Date), by multiplying one-third of the RSUs by a fraction, the numerator of which is the number of days from the Date of Grant to the Termination Date and the denominator of which is the date of grant to the tranche vest date.

(d) If the Company terminates the Executive's employment without Cause or the Executive terminates such employment for Good Reason upon, or within twenty-four (24) months following, a Change in Control as defined in Appendix A ("Section 2(d) Termination"), the unvested RSUs shall become immediately vested.

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(e) In the event the Executive ceases to be employed by the Company or its Affiliates as a result of the closing, sale, spin-off, or other divestiture of any operation of the Company, the Human Capital Committee, in its sole discretion, may, but shall not be obligated to, fully vest and not forfeit all or any portion of the Executive's RSU award.

(f) Subject to Sections 7 and 11.12, when any RSUs become vested, the Company shall promptly issue and deliver to the Executive shares of the Company's Common Stock, less any shares withheld by the Company to cover applicable withholding taxes, within thirty (30) days following the earlier of (i) a termination of employment by reason of death, Disability, or a Section 2(d) Termination or (ii) the Vesting Date. For the avoidance of doubt, payment of RSUs that are vested in connection with the Executive's Retirement as provided under Section 2(c) shall be made within thirty (30) days following the Vesting Date.

3. Forfeiture. Other than as specifically provided for herein, in the event of the Executive's termination of employment for any reason, including without limitation, resignation, termination with or without Cause, or the Executive's breach of the non-competition provision in Section 9, the Executive shall forfeit, without compensation, all unvested RSUs. The Human Capital Committee, or a sub-committee thereof, may, in its sole discretion, at any time fully vest and not forfeit all or any portion of the Executive's RSUs. Notwithstanding anything contained in this Agreement to the contrary, all RSUs earned under this Agreement, and any shares of Common Stock issued upon settlement hereunder, shall be subject to forfeiture, or repayment pursuant to the terms of the Company's Incentive Compensation Recoupment Policy as may be amended from time to time, and any successor or supplemental recoupment policy.

4. Adjustments. RSUs shall be subject to the adjustment provisions included in Section 5(e) of the Plan. In the event of any such adjustment, the adjusted award shall be subject to the same vesting schedule as the RSUs, as set forth in Section 2.

5. Withholding. The Executive agrees that:

(a) The Company shall have the right to withhold the number of shares of stock from the award sufficient to satisfy any federal, state, international, or local taxes of any kind required by law to be withheld with respect to the vesting of any RSUs which shall have become so vested, as calculated by the Company.

(b) The Company shall, to the extent permitted by law, have the right to deduct from any payment of any kind otherwise due to the Executive any federal, state, international or local taxes of any kind required by law to be withheld with respect to any RSUs which shall have become so vested.

6. Special Incentive Compensation. The Executive agrees that the award of the RSUs is special incentive compensation and that the RSUs will not be taken into account as "salary" or "compensation" or "bonus" in determining the amount of any payment under any pension, retirement or profit-sharing plan of the Company or any life insurance, disability or other benefit plan of the Company, except as specifically provided in any such plan.

7. Delivery Delay. Notwithstanding anything herein, the delivery of any shares of Common Stock for vested RSUs may be postponed by the Company for such period as may be required for it to comply with any applicable federal or state securities law, or any national securities exchange listing requirements and the Company is not obligated to issue or deliver any securities if, in the opinion of counsel for the Company, the issuance of such shares shall constitute a violation by the Executive or the Company of any provisions of any law or of any regulations of any governmental authority or any national securities exchange.

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8. Restriction on Transfer of RSUs. The Executive shall not sell, negotiate, transfer, pledge, hypothecate, assign, or otherwise dispose of the RSUs. Any attempted sale, negotiation, transfer, pledge, hypothecation, assignment or other disposition of the RSUs in violation of the Plan or this Agreement shall be null and void.

9. Restrictive Covenants.

9.1 Confidentiality. The Executive acknowledges that Confidential Information is the property of the Control Group. The Executive further acknowledges that the Control Group intends, and makes reasonable good faith efforts, to protect the Confidential Information from public disclosure. Therefore, and without limiting the protected activities set forth in Section 9.5, the Executive agrees that, during the Executive's employment with the Control Group and at all times thereafter, the Executive shall not, (a) directly or indirectly, divulge, transmit, publish, copy, distribute, furnish or otherwise disclose or make accessible any Confidential Information, or (b) use any Confidential Information for the benefit of anyone other than the Control Group. "Confidential Information" means any and all non-public information and materials, in whatever form, tangible or intangible, whether disclosed to or learned or developed by the Executive during the Executive's employment with the Control Group, whether or not marked or identified as confidential or proprietary, pertaining in any manner to the business of or used by the Control Group, or pertaining in any manner to any person or entity to whom or which the Control Group owes a duty of confidentiality, including, without limitation, the following types of information and materials: (a) research, development, technical information, know-how, data processing or computer software, programs, tools, data, designs, diagrams, drawings, schematics, sketches or other visual representations, plans, projects, manuals, documents, files, photographs, results, specifications, trade secrets, discoveries, compositions, ideas, concepts, structures, improvements, products, instruments, processes, formulas, algorithms, methods, techniques, works in process, systems, technologies, disclosures, applications and other materials; (b) financial information and materials, including, without limitation, information and materials relating to costs, carriers, vendors, suppliers, licensors, profits, markets, sales, distributors, joint venture partners, clients and bids, whether existing or potential; (c) business and marketing information and materials, including, without limitation, information and materials relating to future development and new product concepts; (d) personnel files and information about compensation, benefits and other terms of employment of the Control Group's other employees and independent contractors; (e) any other information or materials relating to the past, present, planned or foreseeable business, products, developments, technology or activities of the Control Group; and (f) information regarding customers, suppliers, merchandisers or vendors and potential customers, suppliers, merchandisers or vendors of the Control Group or any of its affiliates, including customer, supplier, merchandiser or vendor lists, names, representatives, their needs or desires with respect to the types of products or services offered by or provided to the Control Group, proposals, bids, contracts and their contents and parties, the type and quantity of products and services provided or sought to be provided (i) to customers and potential customers of the Control Group or (ii) by suppliers, vendors or merchandisers to the Control Group and other non-public information relating to customers, suppliers, merchandisers or vendors and potential customers, suppliers, merchandisers or vendors; provided, however, that Confidential Information does not include information that (A) becomes generally known to and available for use by the general public other than as a result of the Executive's acts or omissions or (B) is readily ascertainable to the general public.

9.2 Non-Competition. The Executive agrees that during the Non-Competition Period, the Executive will not engage in Competition with the Control Group. As used herein:

(a) "Competition" means: (i) participating, directly or indirectly, as an individual proprietor, officer, employee in a management or executive-level role, or director of, or (ii) providing consulting, advisory, business, investment, strategic, sales, financial, operational, technical or design advice or services (in each case, to the extent that the Executive provided such advice or services to the Control Group at any time during the Executive's employment with the Control Group) to, in each case, any Competitor (as defined below) with respect to business activities in any state or province in which the Executive provided services or had oversight responsibilities on behalf of the Control Group in the then-immediately preceding 24 month period ending no later than the last day of the Executive's employment with the Control Group. Notwithstanding the foregoing, "Competition" shall not include: the performance of services for any enterprise to the extent such services are restricted solely to one or more distinct portions of the operations and businesses of such entity and such distinct portions are not engaged in the Athletic Business (as defined below) or do not supply product to the Control Group for the Athletic Business, and the Executive does not have any discussions with, or participate in, the governance, strategy, development, management or operations of such business segments that engage in the Athletic Business or supply product to the Control Group for the Athletic Business.

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(b) "Athletic Business" means: the retail (including brick-and-mortar stores), catalog, or online sale of athletic footwear, athletic apparel and sporting goods (e.g., athletic footwear specialty stores, sporting goods stores, department stores, traditional shoe stores, mass merchandisers and online retailers).

(c) "Competitor" means: (i) a Person engaged in, or preparing to engage in, the Athletic Business; or (ii) a business that in the prior fiscal year supplied product to the Control Group for the Athletic Business having a value of \$20 million or more at cost to the Control Group.

(d) "Non-Competition Period" means: the period commencing on the Date of Grant and ending on the date that is one year following the termination of the Executive's employment with the Control Group. Notwithstanding the foregoing, the Non-Competition Period shall not extend beyond the date the Executive's employment with the Control Group terminates if such termination of employment occurs following a "Change in Control" as defined in Appendix A hereto.

9.3 Non-Solicitation; Non-Interference. The Executive agrees that during the Non-Competition Period, he will not, directly or indirectly, (i) recruit, solicit or induce, any employee or employees of the Control Group who learned, developed or had access to Confidential Information and with whom the Executive had contact to terminate their employment with, or otherwise cease their relationship with the former employing members of the Control Group for the purpose of accepting employment with or rendering services to a Competitor; provided, however, that the Executive shall not be prohibited from placing general advertisements or conducting any other form of general solicitation that is not specifically targeted at the Control Group's employees or (ii) interfere, or aid or induce any other Person in interfering, with the relationship between any member of the Control Group and any of their respective vendors, suppliers, merchandisers, licensors, landlords or manufacturers.

9.4 Breach of Restrictive Covenants; Modification; Severability; Governing Law. The Executive agrees that the breach by the Executive of the provisions included herein under Sections 9.1, 9.2 and 9.3 (the "Restrictive Covenants") would result in irreparable injury and damage to the Company for which the Company would have no adequate remedy at law. The Executive therefore agrees that in the event of a breach or a threatened breach of the Restrictive Covenants, the Company shall be entitled to (i) an immediate injunction and restraining order to prevent such breach, threatened breach or continued breach, including by any and all persons acting for or with him, without having to prove damages and (ii) any other remedies to which the Company may be entitled at law or in equity. The terms of this paragraph shall not prevent the Company from pursuing any other available remedies for any breach or threatened breach of the Restrictive Covenants, including, but not limited to, recovery of damages. The Executive and the Company further agree that the Restrictive Covenants are reasonable and that the Company would not have granted the award of RSUs provided for in this Agreement but for the inclusion of the Restrictive Covenants herein. If any provision of the Restrictive Covenants are found by any court of competent jurisdiction to be unenforceable because it extends for too long a period of time or over too great a range of activities or in too broad a geographic area, it shall be interpreted to extend over the maximum period of time, range of activities, or geographic area as to which it may be enforceable. In the event that a court of competent jurisdiction determines that any provision or term in the Restrictive Covenants or the application thereof is unenforceable in whole or in part because of the scope thereof, the parties agree that such court in making such determination shall have the power to reduce the scope of such provision to the extent necessary to make it enforceable, and that the provision in its reduced form shall be valid and enforceable to the full extent permitted by law. The provisions in the Restrictive Covenants are severable and the invalidity of any one or more provisions shall not affect the validity of any other provision. The validity, construction and performance of the Restrictive Covenants shall be governed by the laws of the State of New York without regard to its conflicts of laws principles. For purposes of the Restrictive Covenants, the Executive and the Company consent to the jurisdiction of state and federal courts in New York County.

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## 9.5 Permitted Disclosures.

(a) Notwithstanding the foregoing, pursuant to 18 U.S.C. § 1833(b), the Executive understands that the Executive will not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret of the Control Group that (i) is made (A) in confidence to a Federal, State or local government official, either directly or indirectly, or to the Executive's attorney and (B) solely for the purpose of reporting or investigating a suspected violation of law; or (ii) is made in a complaint or other document that is filed under seal in a lawsuit or other proceeding. The Executive understands that if the Executive files a lawsuit for retaliation by the Control Group for reporting a suspected violation of law, the Executive may disclose the trade secret to the Executive's attorney and use the trade secret information in the court proceeding if the Executive (A) files any document containing the trade secret under seal, and (B) does not disclose the trade secret, except pursuant to court order. Nothing in this Agreement, or any other agreement that the Executive has with any member of the Control Group, is intended to conflict with 18 U.S.C. § 1833(b) or create liability for disclosures of trade secrets that are expressly allowed by such section.

(b) Further, nothing in this Agreement or any other agreement between the Executive and any member of the Control Group will prohibit or restrict the Executive from (i) voluntarily communicating with an attorney retained by the Executive, (ii) voluntarily communicating with any law enforcement, government agency, including the Securities and Exchange Commission ("SEC"), the Equal Employment Opportunity Commission, the Attorney General, the New York State Division of Human Rights, or any other state or local commission on human rights, or any self-regulatory organization regarding possible violations of law (including alleged criminal conduct or unlawful employment practices), in each case without advance notice to the Control Group, or otherwise initiating, testifying, assisting, complying with a subpoena from, or participating in any manner with an investigation conducted by such government agency, (iii) recovering a SEC whistleblower award as provided under Section 21F of the Securities Exchange Act of 1934, (iv) disclosing any Confidential Information to a court or other administrative or legislative body in response to a subpoena, court order or written request (with advance notice to the Control Group prior to any such disclosure to the extent legally permitted), (v) filing or disclosing any facts necessary to receive unemployment insurance, Medicaid or other public benefits to which you are entitled or (vi) disclosing the underlying facts or circumstances relating to claims of discrimination, in violation of laws prohibiting discrimination, against the Control Group, including disclosing information with respect to sexual misconduct, sexual harassment, sexual assault or other unlawful employment practices.

9.6 Consideration and Review Period. The Executive hereby acknowledges that the Executive has been advised to consult with an attorney of the Executive's choosing prior to signing this Agreement, including the non-competition and non-solicitation covenants set forth in Sections 9.2 and 9.3. The Executive further acknowledges that the Executive has been given at least fourteen (14) calendar days to consider the non-competition and non-solicitation covenants in Sections 9.2 and 9.3; provided, however, that the Executive may sign this Agreement sooner if the Executive wishes. The Executive agrees and acknowledges that the RSUs provided under this Agreement constitute adequate consideration for the Restrictive Covenants under applicable law.

## 10. Not an Employment Agreement.

The award of RSUs hereunder does not constitute an agreement by the Company to continue to employ the Executive during the entire, or any portion of the, term of this Agreement, including but not limited to any period during which the RSUs are outstanding.

## 11. Miscellaneous.

11.1 In no event shall any dividend equivalents accrue or be paid on any RSUs.

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11.2 This Agreement shall inure to the benefit of and be binding upon all parties hereto and their respective heirs, legal representatives, successors, and assigns.

11.3 This Agreement shall be subject to any compensation recoupment policy that the Company may adopt.

11.4 This Agreement constitutes the entire agreement between the parties and cannot be changed or terminated orally. No modification or waiver of any of the provisions hereof shall be effective unless in writing and signed by the party against whom it is sought to be enforced.

11.5 This Agreement may be executed in one or more counterparts, all of which taken together shall constitute one contract.

11.6 The failure of any party hereto at any time to require performance by another party of any provision of this Agreement shall not affect the right of such party to require performance of that provision, and any waiver by any party of any breach of any provision of this Agreement shall not be construed as a waiver of any continuing or succeeding breach of such provision, a waiver of the provision itself, or a waiver of any right under this Agreement.

11.7 This Agreement is subject, in all respects, to the provisions of the Plan, and to the extent any provision of this Agreement contravenes or is inconsistent with any provision of the Plan, the provisions of the Plan shall govern.

11.8 The headings of the sections of this Agreement have been inserted for convenience of reference only and shall in no way restrict or modify any of the terms or provisions hereof.

11.9 Capitalized terms used herein that are not defined in this Agreement shall have the meanings provided for such terms under the Plan.

11.10 All notices, consents, requests, approvals, instructions, and other communications provided for herein shall be in writing and validly given or made when delivered, or on the second succeeding business day after being mailed by registered or certified mail, whichever is earlier, to the persons entitled or required to receive the same. In the case of the Company, notices shall be addressed to the General Counsel at the address set forth at the heading of this Agreement. In the case of the Executive, notices shall be addressed to the Executive's principal residence address as shown in the records of the Company, or to such other address as either party may designate by like notice.

11.11 This Agreement shall be governed and construed and the legal relationships of the parties determined in accordance with the laws of the State of New York without regard to its conflicts of laws principles.

11.12 Although the Company does not guarantee the tax treatment of the RSUs, this Agreement is intended to comply with, or be exempt from, the applicable requirements of Code Section 409A and shall be limited, construed, and interpreted in accordance with such intent. Accordingly, in the event that the Executive is a "specified employee" within the meaning of Code Section 409A as of the date of the Executive's separation from service (as determined pursuant to Code Section 409A and any procedure set by the Company), to the extent required in order to avoid taxes and penalties under Code Section 409A, the portion of the award of RSUs payable as a result of such separation from service, if any, shall be settled no earlier than the day following the six-month anniversary of the Executive's separation from service, or, if earlier, the Executive's death.

11.13 To accept this RSU grant, please click "Accept Grant" no later than [●]. Please ensure your home address is accurate by reviewing your profile information.

12. Definitions.

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“Affiliate” means, with respect to any specified Person, any other Person that directly, or indirectly through one or more intermediaries, Controls, is Controlled by, or is under common Control with, such specified Person.

“Control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, as trustee or executor, by contract or otherwise, including the ownership, directly or indirectly, of securities having the power to elect a majority of the board of directors or similar body governing the affairs of such Person.

“Person” means any individual, partnership, firm, corporation, association, trust, unincorporated organization, or other entity, as well as any syndicate or group that would be deemed to be a person under Section 13(d)(3) of the Securities Exchange Act of 1934, as amended.

[SIGNATURE PAGE FOLLOWS]

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and year first above written.

FOOT LOCKER, INC.

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Cynthia Carlisle  
Executive Vice President and  
Chief Human Resources Officer

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## **APPENDIX A**

### **Change in Control**

A Change in Control shall mean any of the following:

(A) the merger or consolidation of the Company with, or the sale or disposition of all or substantially all of the assets of the Company to, any Person other than (a) 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 or parent entity) fifty percent (50%) or more of the combined voting power of the voting securities of the Company or such surviving or parent entity outstanding immediately after such merger or consolidation; or (b) a merger or capitalization effected to implement a recapitalization of the Company (or similar transaction) in which no Person is or becomes the beneficial owner, directly or indirectly (as determined under Rule 13d-3 promulgated under the Exchange Act), of securities representing more than the amounts set forth in (B) below;

(B) the acquisition of direct or indirect beneficial ownership (as determined under Rule 13d-3 promulgated under the Exchange Act), in the aggregate, of securities of the Company representing thirty-five percent (35%) or more of the total combined voting power of the Company's then issued and outstanding voting securities by any Person (other than the Company or any of its Affiliates, any trustee or other fiduciary holding securities under any employee benefit plan of the Company, or any company owned, directly or indirectly, by the shareholders of the Company in substantially the same proportions as their ownership of Stock) acting in concert; or

(C) during any period of not more than twelve (12) months, individuals who at the beginning of such period constitute the Board, and any new director whose election by the Board or nomination for election by the Company's shareholders was approved by a vote of at least two-thirds ( $\frac{2}{3}$ ) of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute at least a majority thereof.

This definition of Change in Control is intended to be construed as defined in the Plan and shall be interpreted in a manner consistent with Treasury Regulation § 1.409A-3(i)(5).

**RESTRICTED STOCK UNIT AWARD AGREEMENT  
UNDER THE FOOT LOCKER 2007 STOCK INCENTIVE PLAN**

This Restricted Stock Unit Award Agreement (this "Agreement") is made under the Foot Locker 2007 Stock Incentive Plan, as amended and restated (the "Plan"), as of [Enter Grant Date], by and between Foot Locker, Inc., a New York corporation, with its principal office located at 330 West 34th Street, New York, New York 10001 (the "Company"), and [●] (the "Non-Employee Director").

1. Grant of RSUs. Effective [●] (the "Date of Grant"), the Board of Directors of the Company granted the Non-Employee Director an award of [●] restricted stock units ("RSUs") under the Plan, subject to the terms of the Plan and the restrictions set forth in this Agreement. The RSUs granted to the Non-Employee Director are considered "Other Stock-Based Awards" under the Plan. Each RSU represents the right to receive one share of the Company's Common Stock, par value \$.01 per share ("Common Stock"), upon the satisfaction of the terms and conditions set forth in this Agreement and the Plan.

2. Vesting and Delivery

(a) The RSUs shall become vested and payable in shares of Company Common Stock on May 21, 2026 (the "Vesting Date") provided you are a non-employee director of the Company on such date. Subject to the terms of this Agreement and the Plan, [●] shares of Common Stock shall be delivered to the Non-Employee Director on such date as described in Section 2(c) below. Notwithstanding the foregoing, if the RSUs have been deferred in accordance with an individual election made in compliance with Code Section 409A, the RSUs, to the extent vested, shall be paid in accordance with such election.

(b) Other than as may be provided for herein, there shall be no proportionate or partial vesting in the periods prior to the Vesting Date.

(c) Subject to Section 4, when the RSUs become payable, the Company shall issue and deliver to the Non-Employee Director shares of the Company's Common Stock within thirty (30) days of the Vesting Date or, if deferred in accordance with an individual election made in compliance with Code Section 409A, in accordance with such election.

(d) In addition, all RSUs shall become immediately vested upon any Change in Control as defined in Appendix A hereto.

3. Adjustments. In the event of any stock dividend, split up, split-off, spin-off, distribution, recapitalization, combination, or exchange of shares, merger, consolidation, reorganization or liquidation or the like, the Board of Directors shall adjust this RSU award in accordance with the terms of the Plan consistent with any distribution or adjustment being made with respect to shares of Common Stock. In any such event, the determination made by the Board of Directors shall be conclusive. In the event of any such adjustment, the adjusted award shall be subject to the same vesting schedule as the RSUs, as set forth in Section 2(a).

4. Delivery Delay. Notwithstanding anything herein, the delivery of any shares of Common Stock for vested RSUs may be postponed by the Company for such period as may be required for it to comply with any applicable federal or state securities law, or any national securities exchange listing requirements and the Company is not obligated to issue or deliver any securities if, in the opinion of counsel for the Company, the issuance of such shares shall constitute a violation by the Non-Employee Director or the Company of any provisions of any law or of any regulations of any governmental authority or any national securities exchange.

5. Restriction on Transfer of RSUs. The Non-Employee Director shall not sell, negotiate, transfer, pledge, hypothecate, assign, or otherwise dispose of the RSUs. Any attempted sale, negotiation, transfer, pledge, hypothecation, assignment, or other disposition of the RSUs in violation of the Plan or this Agreement shall be null and void.

6. Miscellaneous.

6.1 This Agreement shall inure to the benefit of and be binding upon all parties hereto and their respective heirs, legal representatives, successors, and assigns.

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6.2 This Agreement constitutes the entire agreement between the parties and cannot be changed or terminated orally. No modification or waiver of any of the provisions hereof shall be effective unless in writing and signed by the party against whom it is sought to be enforced.

6.3 This Agreement may be executed in one or more counterparts, all of which taken together shall constitute one contract.

6.4 The failure of any party hereto at any time to require performance by another party of any provision of this Agreement shall not affect the right of such party to require performance of that provision, and any waiver by any party of any breach of any provision of this Agreement shall not be construed as a waiver of any continuing or succeeding breach of such provision, a waiver of the provision itself, or a waiver of any right under this Agreement.

6.5 This Agreement is subject, in all respects, to the provisions of the Plan, and to the extent any provision of this Agreement contravenes or is inconsistent with any provision of the Plan, the provisions of the Plan shall govern.

6.6 The headings of the sections of this Agreement have been inserted for convenience of reference only and shall in no way restrict or modify any of the terms or provisions hereof.

6.7 All notices, consents, requests, approvals, instructions and other communications provided for herein shall be in writing and validly given or made when delivered, or on the second succeeding business day after being mailed by registered or certified mail, whichever is earlier, to the persons entitled or required to receive the same, at, in the case of the Company, the address set forth at the heading of this Agreement and, in the case of the Non-Employee Director, his or her principal residence address as shown in the records of the Company, or to such other address as either party may designate by like notice. Notices to the Company shall be addressed to the General Counsel.

6.8 This Agreement shall be governed and construed and the legal relationships of the parties determined in accordance with the laws of the State of New York without regard to its conflicts of laws principles.

6.9 Although the Company does not guarantee the tax treatment of the RSUs, this Agreement is intended to comply with, or be exempt from, the applicable requirements of Code Section 409A and shall be limited, construed and interpreted in accordance with such intent.

[SIGNATURE PAGE FOLLOWS]

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and year first above written.

FOOT LOCKER, INC.

By: \_\_\_\_\_  
Jennifer L. Kraft  
Executive Vice President and  
General Counsel

\_\_\_\_\_  
[●]

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## **APPENDIX A**

### **Change in Control**

A Change in Control shall mean any of the following:

(A) the merger or consolidation of the Company with, or the sale or disposition of all or substantially all of the assets of the Company to, any Person other than (a) 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 or parent entity) fifty percent (50%) or more of the combined voting power of the voting securities of the Company or such surviving or parent entity outstanding immediately after such merger or consolidation; or (b) a merger or capitalization effected to implement a recapitalization of the Company (or similar transaction) in which no Person is or becomes the beneficial owner, directly or indirectly (as determined under Rule 13d-3 promulgated under the Exchange Act), of securities representing more than the amounts set forth in (B) below;

(B) the acquisition of direct or indirect beneficial ownership (as determined under Rule 13d-3 promulgated under the Exchange Act), in the aggregate, of securities of the Company representing thirty-five percent (35%) or more of the total combined voting power of the Company's then issued and outstanding voting securities by any Person (other than the Company or any of its subsidiaries, any trustee or other fiduciary holding securities under any employee benefit plan of the Company, or any company owned, directly or indirectly, by the shareholders of the Company in substantially the same proportions as their ownership of Stock) acting in concert; or

(C) during any period of not more than twelve (12) months, individuals who at the beginning of such period constitute the Board, and any new director whose election by the Board or nomination for election by the Company's shareholders was approved by a vote of at least two-thirds ( $\frac{2}{3}$ ) of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute at least a majority thereof.

This definition is intended to constitute a change in ownership or effective control of a corporation or change in the ownership of a substantial portion of the assets of a corporation, in each case, as defined under Code Section 409A, and shall be construed in a manner consistent with such intent.

For purposes of this definition, "Person" means any individual, partnership, firm, corporation, association, trust, unincorporated organization, or other entity, as well as any syndicate or group that would be deemed to be a person under Section 13(d)(3) of the Securities Exchange Act of 1934, as amended.

**PERFORMANCE STOCK UNIT AWARD AGREEMENT  
UNDER THE FOOT LOCKER 2007 STOCK INCENTIVE PLAN**

**2025-27 Performance Period – Internal Metrics**

This Performance Stock Unit Award Agreement (this “Agreement”) is made under the Foot Locker 2007 Stock Incentive Plan, as amended and restated (the “Plan”), as of [●] (the “Grant Date”), by and between Foot Locker, Inc., a New York corporation with its principal office located at 330 West 34th Street, New York, New York 10001 (the “Company”), and [●] (as referenced herein, “you” or the “Executive”).

1. General. As a participant in the Company’s long-term incentive (“LTI”) program for the 2025-27 Performance Period, which covers the fiscal years beginning on each of February 2, 2025, February 1, 2026, and January 31, 2027 (the “Performance Period”), you have been granted an award of [●] performance stock units (“PSUs”), allocated as set forth on Appendix A. The PSUs are intended to constitute “Other Stock-Based Awards” under the Plan. Each PSU represents the right to receive between zero (0) and two (2) shares of the Company’s common stock, par value \$0.01 per share (“Common Stock”), payable at the end of the Performance Period upon the satisfaction of the terms and conditions set forth in this Agreement (including Appendix A) and the Plan.

This Agreement sets forth the terms and conditions with regard to your PSU award. Unless otherwise indicated, any capitalized term used but not defined herein shall have the meaning ascribed to such term in the Plan.

2. Earning of PSUs. The actual number of PSUs that become vested shall be determined and payable in accordance with the terms of this Agreement, based upon the level of achievement of the applicable Performance Goals (as set in Appendix A). The Human Capital and Compensation Committee (the “Human Capital Committee”) of the Board of Directors of the Company (the “Board”) shall certify the level of achievement of the Performance Goals for the Performance Period during the Company’s first fiscal quarter in 2028 (the “Certification”) and shall determine the number of shares of the Company’s Common Stock you shall receive with respect to your vested PSUs.

3. Delivery.

(a) Subject to the terms of this Agreement and the Plan, shares of Common Stock you earn in respect of your PSUs shall be delivered to you as described below if you have been continuously employed by the Company or its subsidiaries within the meaning of Section 424 of the Code (the “Control Group”) from the Grant Date until [●] (the “Vesting Date”).

(b) Other than as may be specifically provided herein, there shall be no proportionate or partial vesting in the periods prior to the Vesting Date, and all vesting shall occur only on the Vesting Date, subject to your continued employment with the Control Group as described in Section 3(a).

(c) If the Company terminates your employment without Cause or you terminate your employment for Good Reason upon or following a Change in Control (as defined in Appendix B) and such Change in Control occurs following the end of the Performance Period and the Certification, all unvested PSUs shall become vested at actual performance levels, and shall be paid in accordance with Section 3(f).

(d) If the Company terminates your employment without Cause or you terminate your employment for Good Reason upon, or within twenty-four (24) months following, a Change in Control as defined in Appendix B hereto and your Termination occurs prior to the end of the Performance Period, all unvested PSUs shall become vested at the greater of target and actual performance levels, and shall be paid in accordance with Section 3(f).

(e) In the event of your Termination by reason of death, Disability (within the meaning of Code Section 409A(a)(2)(C)(i) or (ii)) or Retirement prior to the Vesting Date, following the Certification, you (or in the event of your death, your estate) shall receive a pro rata portion of the PSUs that you would have received if you had been employed by the Company on the Vesting Date, based on the actual level of achievement of the Performance Goals set forth in Appendix A. The prorated portion shall be determined by multiplying the number of PSUs you would have been entitled to receive if you had not incurred such Termination by a fraction, the numerator of which is the number of days from the Grant Date to the Termination Date and the denominator of which is the total number of days in the Performance Period.

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(f) Subject to Sections 8 and 12(k), the Company shall issue and deliver to you shares of the Company's Common Stock earned with respect to vested PSUs within 30 days following the Certification.

4. Forfeiture.

(a) Any PSUs that remain outstanding as of the Vesting Date and do not vest in accordance with Section 2 or Section 3 of this Agreement shall be forfeited without compensation immediately following the Certification.

(b) Except as expressly set forth in Section 3(e), in the event of your Termination prior to the Vesting Date or your breach of the Non-Competition Provision in Section 10, all unvested PSUs shall be forfeited to the Company, without compensation.

(c) Notwithstanding anything contained in this Agreement to the contrary, all PSUs earned under this Agreement, and any shares of Common Stock issued upon settlement hereunder, shall be subject to forfeiture, or repayment pursuant to the terms of the Company's Incentive Compensation Recoupment Policy as may be amended from time to time, and any successor or supplemental recoupment policy.

5. Adjustments. PSUs shall be subject to the adjustment provisions included in Section 5(e) of the Plan. In the event of any such adjustment, the adjusted award shall be subject to the same vesting schedule as the PSUs, as set forth in Section 3.

6. Withholding. You agree that:

(a) The Company shall have the right to withhold the number of shares of stock from the award sufficient to satisfy any federal, state, international, or local taxes of any kind required by law to be withheld with respect to the vesting of any PSUs or the delivery of shares of Company Common Stock in respect of PSUs which have become so vested, as calculated by the Company; and

(b) The Company shall, to the extent permitted by law, have the right to deduct from any payment of any kind otherwise due to you any federal, state, foreign, or local taxes of any kind required by law to be withheld with respect to any PSUs which shall have become so vested.

7. Special Incentive Compensation. You agree that the award of the PSUs is special incentive compensation and that the PSUs will not be taken into account as "salary" or "compensation" or "bonus" in determining the amount of any payment under any pension, retirement, or profit-sharing plan of the Company or any life insurance, disability, or other benefit plan of the Company, except as specifically provided in any such plan.

8. Delivery Delay. Notwithstanding anything herein, the delivery of any shares of Common Stock for vested PSUs may be postponed by the Company for such period as may be required for it to comply with any applicable federal or state securities law, or any national securities exchange listing requirements and the Company is not obligated to issue or deliver any securities if, in the opinion of counsel for the Company, the issuance of such shares shall constitute a violation by you or the Company of any provisions of any law or of any regulations of any governmental authority or any national securities exchange.

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9. Restriction on Transfer of PSUs. You shall not sell, negotiate, transfer, pledge, hypothecate, assign, or otherwise dispose of the PSUs. Any attempted sale, negotiation, transfer, pledge, hypothecation, assignment or other disposition of the PSUs in violation of the Plan or this Agreement shall be null and void.

10. Restrictive Covenants.

10.1 Confidentiality. The Executive acknowledges that Confidential Information is the property of the Control Group. The Executive further acknowledges that the Control Group intends, and makes reasonable good faith efforts, to protect the Confidential Information from public disclosure. Therefore, and without limiting the protected activities set forth in Section 10.5, the Executive agrees that, during the Executive's employment with the Control Group and at all times thereafter, the Executive shall not, (a) directly or indirectly, divulge, transmit, publish, copy, distribute, furnish or otherwise disclose or make accessible any Confidential Information, or (b) use any Confidential Information for the benefit of anyone other than the Control Group. "Confidential Information" means any and all non-public information and materials, in whatever form, tangible or intangible, whether disclosed to or learned or developed by the Executive during the Executive's employment with the Control Group, whether or not marked or identified as confidential or proprietary, pertaining in any manner to the business of or used by the Control Group, or pertaining in any manner to any person or entity to whom or which the Control Group owes a duty of confidentiality, including, without limitation, the following types of information and materials: (a) research, development, technical information, know-how, data processing or computer software, programs, tools, data, designs, diagrams, drawings, schematics, sketches or other visual representations, plans, projects, manuals, documents, files, photographs, results, specifications, trade secrets, discoveries, compositions, ideas, concepts, structures, improvements, products, instruments, processes, formulas, algorithms, methods, techniques, works in process, systems, technologies, disclosures, applications and other materials; (b) financial information and materials, including, without limitation, information and materials relating to costs, carriers, vendors, suppliers, licensors, profits, markets, sales, distributors, joint venture partners, clients and bids, whether existing or potential; (c) business and marketing information and materials, including, without limitation, information and materials relating to future development and new product concepts; (d) personnel files and information about compensation, benefits and other terms of employment of the Control Group's other employees and independent contractors; (e) any other information or materials relating to the past, present, planned or foreseeable business, products, developments, technology or activities of the Control Group; and (f) information regarding customers, suppliers, merchandisers or vendors and potential customers, suppliers, merchandisers or vendors of the Control Group or any of its affiliates, including customer, supplier, merchandiser or vendor lists, names, representatives, their needs or desires with respect to the types of products or services offered by or provided to the Control Group, proposals, bids, contracts and their contents and parties, the type and quantity of products and services provided or sought to be provided (i) to customers and potential customers of the Control Group or (ii) by suppliers, vendors or merchandisers to the Control Group and other non-public information relating to customers, suppliers, merchandisers or vendors and potential customers, suppliers, merchandisers or vendors; provided, however, that Confidential Information does not include information that (A) becomes generally known to and available for use by the general public other than as a result of the Executive's acts or omissions or (B) is readily ascertainable to the general public.

10.2 Non-Competition. The Executive agrees that during the Non-Competition Period, the Executive will not engage in Competition with the Control Group. As used herein:

(a) "Competition" means: (i) participating, directly or indirectly, as an individual proprietor, officer, employee in a management or executive-level role, or director of, or (ii) providing consulting, advisory, business, investment, strategic, sales, financial, operational, technical or design advice or services (in each case, to the extent that the Executive provided such advice or services to the Control Group at any time during the Executive's employment with the Control Group) to, in each case, any Competitor (as defined below) with respect to business activities in any state or province in which the Executive provided services or had oversight responsibilities on behalf of the Control Group in the then-immediately preceding 24 month period ending no later than the last day of the Executive's employment with the Control Group. Notwithstanding the foregoing, "Competition" shall not include: the performance of services for any enterprise to the extent such services are restricted solely to one or more distinct portions of the operations and businesses of such entity and such distinct portions are not engaged in the Athletic Business (as defined below) or do not supply product to the Control Group for the Athletic Business, and the Executive does not have any discussions with, or participate in, the governance, strategy, development, management or operations of such business segments that engage in the Athletic Business or supply product to the Control Group for the Athletic Business.

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(b) "Athletic Business" means: the retail (including brick-and-mortar stores), catalog, or online sale of athletic footwear, athletic apparel and sporting goods (e.g., athletic footwear specialty stores, sporting goods stores, department stores, traditional shoe stores, mass merchandisers and online retailers).

(c) "Competitor" means: (i) a Person engaged in, or preparing to engage in, the Athletic Business; or (ii) a business that in the prior fiscal year supplied product to the Control Group for the Athletic Business having a value of \$20 million or more at cost to the Control Group.

(d) "Non-Competition Period" means: the period commencing on the Date of Grant and ending on the date that is one year following the termination of the Executive's employment with the Control Group. Notwithstanding the foregoing, the Non-Competition Period shall not extend beyond the date the Executive's employment with the Control Group terminates if such termination of employment occurs following a "Change in Control" as defined in Appendix A hereto.

10.3 Non-Solicitation; Non-Interference. The Executive agrees that during the Non-Competition Period, he will not, directly or indirectly, (i) recruit, solicit or induce, any employee or employees of the Control Group who learned, developed or had access to Confidential Information and with whom the Executive had contact to terminate their employment with, or otherwise cease their relationship with the former employing members of the Control Group for the purpose of accepting employment with or rendering services to a Competitor; provided, however, that the Executive shall not be prohibited from placing general advertisements or conducting any other form of general solicitation that is not specifically targeted at the Control Group's employees or (ii) interfere, or aid or induce any other Person in interfering, with the relationship between any member of the Control Group and any of their respective vendors, suppliers, merchandisers, licensors, landlords or manufacturers.

10.4 Breach of Restrictive Covenants; Modification; Severability; Governing Law. The Executive agrees that the breach by the Executive of the provisions included herein under Sections 10.1, 10.2 and 10.3 (the "Restrictive Covenants") would result in irreparable injury and damage to the Company for which the Company would have no adequate remedy at law. The Executive therefore agrees that in the event of a breach or a threatened breach of the Restrictive Covenants, the Company shall be entitled to (i) an immediate injunction and restraining order to prevent such breach, threatened breach or continued breach, including by any and all persons acting for or with him, without having to prove damages and (ii) any other remedies to which the Company may be entitled at law or in equity. The terms of this paragraph shall not prevent the Company from pursuing any other available remedies for any breach or threatened breach of the Restrictive Covenants, including, but not limited to, recovery of damages. The Executive and the Company further agree that the Restrictive Covenants are reasonable and that the Company would not have granted the award of RSUs provided for in this Agreement but for the inclusion of the Restrictive Covenants herein. If any provision of the Restrictive Covenants are found by any court of competent jurisdiction to be unenforceable because it extends for too long a period of time or over too great a range of activities or in too broad a geographic area, it shall be interpreted to extend over the maximum period of time, range of activities, or geographic area as to which it may be enforceable. In the event that a court of competent jurisdiction determines that any provision or term in the Restrictive Covenants or the application thereof is unenforceable in whole or in part because of the scope thereof, the parties agree that such court in making such determination shall have the power to reduce the scope of such provision to the extent necessary to make it enforceable, and that the provision in its reduced form shall be valid and enforceable to the full extent permitted by law. The provisions in the Restrictive Covenants are severable and the invalidity of any one or more provisions shall not affect the validity of any other provision. The validity, construction and performance of the Restrictive Covenants shall be governed by the laws of the State of New York without regard to its conflicts of laws principles. For purposes of the Restrictive Covenants, the Executive and the Company consent to the jurisdiction of state and federal courts in New York County.

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## 10.5 Permitted Disclosures.

(a) Notwithstanding the foregoing, pursuant to 18 U.S.C. § 1833(b), the Executive understands that the Executive will not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret of the Control Group that (i) is made (A) in confidence to a Federal, State or local government official, either directly or indirectly, or to the Executive's attorney and (B) solely for the purpose of reporting or investigating a suspected violation of law; or (ii) is made in a complaint or other document that is filed under seal in a lawsuit or other proceeding. The Executive understands that if the Executive files a lawsuit for retaliation by the Control Group for reporting a suspected violation of law, the Executive may disclose the trade secret to the Executive's attorney and use the trade secret information in the court proceeding if the Executive (A) files any document containing the trade secret under seal, and (B) does not disclose the trade secret, except pursuant to court order. Nothing in this Agreement, or any other agreement that the Executive has with any member of the Control Group, is intended to conflict with 18 U.S.C. § 1833(b) or create liability for disclosures of trade secrets that are expressly allowed by such section.

(b) Further, nothing in this Agreement or any other agreement between the Executive and any member of the Control Group will prohibit or restrict the Executive from (i) voluntarily communicating with an attorney retained by the Executive, (ii) voluntarily communicating with any law enforcement, government agency, including the Securities and Exchange Commission ("SEC"), the Equal Employment Opportunity Commission, the Attorney General, the New York State Division of Human Rights, or any other state or local commission on human rights, or any self-regulatory organization regarding possible violations of law (including alleged criminal conduct or unlawful employment practices), in each case without advance notice to the Control Group, or otherwise initiating, testifying, assisting, complying with a subpoena from, or participating in any manner with an investigation conducted by such government agency, (iii) recovering a SEC whistleblower award as provided under Section 21F of the Securities Exchange Act of 1934, (iv) disclosing any Confidential Information to a court or other administrative or legislative body in response to a subpoena, court order or written request (with advance notice to the Control Group prior to any such disclosure to the extent legally permitted), (v) filing or disclosing any facts necessary to receive unemployment insurance, Medicaid or other public benefits to which you are entitled or (vi) disclosing the underlying facts or circumstances relating to claims of discrimination, in violation of laws prohibiting discrimination, against the Control Group, including disclosing information with respect to sexual misconduct, sexual harassment, sexual assault or other unlawful employment practices.

10.6 Consideration and Review Period. The Executive hereby acknowledges that the Executive has been advised to consult with an attorney of the Executive's choosing prior to signing this Agreement, including the non-competition and non-solicitation covenants set forth in Sections 10.2 and 10.3. The Executive further acknowledges that the Executive has been given at least fourteen (14) calendar days to consider the non-competition and non-solicitation covenants in Sections 10.2 and 10.3; provided, however, that the Executive may sign this Agreement sooner if the Executive wishes. The Executive agrees and acknowledges that the RSUs provided under this Agreement constitute adequate consideration for the Restrictive Covenants under applicable law.

## 11. Not an Employment Agreement.

The award of PSUs hereunder does not constitute an agreement by the Company to continue to employ you during the entire, or any portion of the term of this Agreement, including but not limited to any period during which the PSUs are outstanding.

## 12. Miscellaneous.

(a) In no event shall any dividend equivalents accrue or be paid on any PSUs.

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(b) This Agreement shall inure to the benefit of and be binding upon all parties hereto and their respective heirs, legal representatives, successors, and assigns.

(c) This Agreement shall be subject to any compensation recoupment policy that the Company may adopt.

(d) This Agreement constitutes the entire agreement between the parties and cannot be changed or terminated orally. No modification or waiver of any of the provisions hereof shall be effective unless in writing and signed by the party against whom it is sought to be enforced.

(e) This Agreement may be executed in one or more counterparts, all of which taken together shall constitute one agreement.

(f) The failure of any party hereto at any time to require performance by another party of any provision of this Agreement shall not affect the right of such party to require performance of that provision, and any waiver by any party of any breach of any provision of this Agreement shall not be construed as a waiver of any continuing or succeeding breach of such provision, a waiver of the provision itself, or a waiver of any right under this Agreement.

(g) This Agreement is subject, in all respects, to the provisions of the Plan, and to the extent any provision of this Agreement contravenes or is inconsistent with any provision of the Plan, the provisions of the Plan shall govern.

(h) The headings of the sections of this Agreement have been inserted for convenience of reference only and shall in no way restrict or modify any of the terms or provisions hereof.

(i) All notices, consents, requests, approvals, instructions and other communications provided for herein shall be in writing and validly given or made when delivered, or on the second succeeding business day after being mailed by registered or certified mail, whichever is earlier, to the persons entitled or required to receive the same, at, in the case of the Company, the address set forth at the heading of this Agreement and, in the case of you, your principal residence address as shown in the records of the Company, or to such other address as either party may designate by like notice. Notices to the Company shall be addressed to the General Counsel.

(j) This Agreement shall be governed and construed and the legal relationships of the parties determined in accordance with the laws of the State of New York without regard to its conflicts of laws principles.

(k) Although the Company does not guarantee the tax treatment of the PSUs, this Agreement is intended to comply with, or be exempt from, the applicable requirements of Code Section 409A and shall be limited, construed and interpreted in accordance with such intent. Accordingly, in the event that you are a "specified employee" within the meaning of Code Section 409A as of the date of your separation from service (as determined pursuant to Code Section 409A and any procedure set by the Company), to the extent required in order to avoid taxes and penalties under Code Section 409A, any award of PSUs payable as a result of such separation from service shall be settled no earlier than the day following the six- month anniversary of your separation from service, or, if earlier, your death.

(l) To accept this grant, please click "Accept Grant" no later than [●]

### 13. Definitions.

"Affiliate" means, with respect to any specified Person, any other Person that directly, or indirectly through one or more intermediaries, Controls, is Controlled by, or is under common Control with, such specified Person.

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“Control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, as trustee or executor, by contract or otherwise, including the ownership, directly or indirectly, of securities having the power to elect a majority of the board of directors or similar body governing the affairs of such Person.

“Person” means any individual, partnership, firm, corporation, association, trust, unincorporated organization, or other entity, as well as any syndicate or group that would be deemed to be a person under Section 13(d)(3) of the Securities Exchange Act of 1934, as amended.

[SIGNATURE PAGE FOLLOWS]

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and year first above written.

FOOT LOCKER, INC.

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Cynthia Carlisle  
Executive Vice President and  
Chief Human Resources Officer

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**APPENDIX A**

**PERFORMANCE GOALS AND VESTING TERMS  
FOR PERFORMANCE UNIT AWARD**

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## **APPENDIX B**

### **Change in Control**

A Change in Control shall mean any of the following:

(A) the merger or consolidation of the Company with, or the sale or disposition of all or substantially all of the assets of the Company to, Person other than (a) 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 or parent entity) fifty percent (50%) or more of the combined voting power of the voting securities of the Company or such surviving or parent entity outstanding immediately after such merger or consolidation; or (b) a merger or capitalization effected to implement a recapitalization of the Company (or similar transaction) in which no Person is or becomes the beneficial owner, directly or indirectly (as determined under Rule 13d-3 promulgated under the Exchange Act), of securities representing more than the amounts set forth in (B) below;

(B) the acquisition of direct or indirect beneficial ownership (as determined under Rule 13d-3 promulgated under the Exchange Act), in the aggregate, of securities of the Company representing thirty-five percent (35%) or more of the total combined voting power of the Company's then issued and outstanding voting securities by any Person (other than the Company or any of its subsidiaries, any trustee or other fiduciary holding securities under any employee benefit plan of the Company, or any company owned, directly or indirectly, by the shareholders of the Company in substantially the same proportions as their ownership of Stock) acting in concert; or

(C) during any period of not more than twelve (12) months, individuals who at the beginning of such period constitute the Board, and any new director whose election by the Board or nomination for election by the Company's shareholders was approved by a vote of at least two-thirds ( $\frac{2}{3}$ ) of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute at least a majority thereof.

This definition of Change in Control is intended to be construed as defined in the Plan and shall be interpreted in a manner consistent with Treasury Regulation § 1.409A-3(i)(5).

**PERFORMANCE STOCK UNIT AWARD AGREEMENT  
UNDER THE FOOT LOCKER 2007 STOCK INCENTIVE PLAN**

**2025-27 Performance Period - TSR**

This Performance Stock Unit Award Agreement (this "Agreement") is made under the Foot Locker 2007 Stock Incentive Plan, as amended and restated (the "Plan"), as of [●] (the "Grant Date"), by and between Foot Locker, Inc., a New York corporation with its principal office located at 330 West 34th Street, New York, New York 10001 (the "Company"), and [●] (as referenced herein, "you" or the "Executive").

1. General. As a participant in the Company's long-term incentive ("LTI") program for the 2025-27 Performance Period, which covers the fiscal years beginning on each of February 2, 2025, February 1, 2026, and January 31, 2027 (the "Performance Period"), you have been granted an award of [●] performance stock units ("PSUs"), allocated as set forth on Appendix A. The PSUs are intended to constitute "Other Stock-Based Awards" under the Plan. Each PSU represents the right to receive between zero (0) and two (2) shares of the Company's common stock, par value \$0.01 per share ("Common Stock"), payable at the end of the Performance Period upon the satisfaction of the terms and conditions set forth in this Agreement (including Appendix A) and the Plan.

This Agreement sets forth the terms and conditions with regard to your PSU award. Unless otherwise indicated, any capitalized term used but not defined herein shall have the meaning ascribed to such term in the Plan.

2. Earning of PSUs. The actual number of PSUs that become vested shall be determined and payable in accordance with the terms of this Agreement, based upon the level of achievement of the applicable Performance Goals (as set in Appendix A). The Human Capital and Compensation Committee (the "Human Capital Committee") of the Board of Directors of the Company (the "Board") shall certify the level of achievement of the Performance Goals for the Performance Period during the Company's first fiscal quarter in 2028 (the "Certification") and shall determine the number of shares of the Company's Common Stock you shall receive with respect to your vested PSUs.

3. Delivery.

(a) Subject to the terms of this Agreement and the Plan, shares of Common Stock you earn in respect of your PSUs shall be delivered to you as described below if you have been continuously employed by the Company or its subsidiaries within the meaning of Section 424 of the Code (the "Control Group") from the Grant Date until [●] (the "Vesting Date").

(b) Other than as may be specifically provided herein, there shall be no proportionate or partial vesting in the periods prior to the Vesting Date, and all vesting shall occur only on the Vesting Date, subject to your continued employment with the Control Group as described in Section 3(a).

(c) If the Company terminates your employment without Cause or you terminate your employment for Good Reason upon or following a Change in Control (as defined in Appendix B) and such Change in Control occurs following the end of the Performance Period and the Certification, all unvested PSUs shall become vested at actual performance levels, and shall be paid in accordance with Section 3(f).

(d) If the Company terminates your employment without Cause or you terminate your employment for Good Reason upon, or within twenty-four (24) months following, a Change in Control as defined in Appendix B hereto and your Termination occurs prior to the end of the Performance Period, all unvested PSUs shall become vested at the greater of target and actual performance levels, and shall be paid in accordance with Section 3(f).

(e) In the event of your Termination by reason of death, Disability (within the meaning of Code Section 409A(a)(2)(C)(i) or (ii)) or Retirement prior to the Vesting Date, following the Certification, you (or in the event of your death, your estate) shall receive a pro rata portion of the PSUs that you would have received if you had been employed by the Company on the Vesting Date, based on the actual level of achievement of the Performance Goals set forth in Appendix A. The prorated portion shall be determined by multiplying the number of PSUs you would have been entitled to receive if you had not incurred such Termination by a fraction, the numerator of which is the number of days from the Grant Date to the Termination Date and the denominator of which is the total number of days in the Performance Period.

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(f) Subject to Sections 8 and 12(k), the Company shall issue and deliver to you shares of the Company's Common Stock earned with respect to vested PSUs within 30 days following the Certification.

4. Forfeiture.

(a) Any PSUs that remain outstanding as of the Vesting Date and do not vest in accordance with Section 2 or Section 3 of this Agreement shall be forfeited without compensation immediately following the Certification.

(b) Except as expressly set forth in Section 3(e), in the event of your Termination prior to the Vesting Date or your breach of the Non-Competition Provision in Section 10, all unvested PSUs shall be forfeited to the Company, without compensation.

(c) Notwithstanding anything contained in this Agreement to the contrary, all PSUs earned under this Agreement, and any shares of Common Stock issued upon settlement hereunder, shall be subject to forfeiture, or repayment pursuant to the terms of the Company's Incentive Compensation Recoupment Policy as may be amended from time to time, and any successor or supplemental recoupment policy.

5. Adjustments. PSUs shall be subject to the adjustment provisions included in Section 5(e) of the Plan. In the event of any such adjustment, the adjusted award shall be subject to the same vesting schedule as the PSUs, as set forth in Section 3.

6. Withholding. You agree that:

(a) The Company shall have the right to withhold the number of shares of stock from the award sufficient to satisfy any federal, state, international, or local taxes of any kind required by law to be withheld with respect to the vesting of any PSUs or the delivery of shares of Company Common Stock in respect of PSUs which have become so vested, as calculated by the Company; and

(b) The Company shall, to the extent permitted by law, have the right to deduct from any payment of any kind otherwise due to you any federal, state, foreign, or local taxes of any kind required by law to be withheld with respect to any PSUs which shall have become so vested.

7. Special Incentive Compensation. You agree that the award of the PSUs is special incentive compensation and that the PSUs will not be taken into account as "salary" or "compensation" or "bonus" in determining the amount of any payment under any pension, retirement, or profit-sharing plan of the Company or any life insurance, disability, or other benefit plan of the Company, except as specifically provided in any such plan.

8. Delivery Delay. Notwithstanding anything herein, the delivery of any shares of Common Stock for vested PSUs may be postponed by the Company for such period as may be required for it to comply with any applicable federal or state securities law, or any national securities exchange listing requirements and the Company is not obligated to issue or deliver any securities if, in the opinion of counsel for the Company, the issuance of such shares shall constitute a violation by you or the Company of any provisions of any law or of any regulations of any governmental authority or any national securities exchange.

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9. Restriction on Transfer of PSUs. You shall not sell, negotiate, transfer, pledge, hypothecate, assign, or otherwise dispose of the PSUs. Any attempted sale, negotiation, transfer, pledge, hypothecation, assignment or other disposition of the PSUs in violation of the Plan or this Agreement shall be null and void.

10. Restrictive Covenants.

10.1 Confidentiality. The Executive acknowledges that Confidential Information is the property of the Control Group. The Executive further acknowledges that the Control Group intends, and makes reasonable good faith efforts, to protect the Confidential Information from public disclosure. Therefore, and without limiting the protected activities set forth in Section 10.5, the Executive agrees that, during the Executive's employment with the Control Group and at all times thereafter, the Executive shall not, (a) directly or indirectly, divulge, transmit, publish, copy, distribute, furnish or otherwise disclose or make accessible any Confidential Information, or (b) use any Confidential Information for the benefit of anyone other than the Control Group. "Confidential Information" means any and all non-public information and materials, in whatever form, tangible or intangible, whether disclosed to or learned or developed by the Executive during the Executive's employment with the Control Group, whether or not marked or identified as confidential or proprietary, pertaining in any manner to the business of or used by the Control Group, or pertaining in any manner to any person or entity to whom or which the Control Group owes a duty of confidentiality, including, without limitation, the following types of information and materials: (a) research, development, technical information, know-how, data processing or computer software, programs, tools, data, designs, diagrams, drawings, schematics, sketches or other visual representations, plans, projects, manuals, documents, files, photographs, results, specifications, trade secrets, discoveries, compositions, ideas, concepts, structures, improvements, products, instruments, processes, formulas, algorithms, methods, techniques, works in process, systems, technologies, disclosures, applications and other materials; (b) financial information and materials, including, without limitation, information and materials relating to costs, carriers, vendors, suppliers, licensors, profits, markets, sales, distributors, joint venture partners, clients and bids, whether existing or potential; (c) business and marketing information and materials, including, without limitation, information and materials relating to future development and new product concepts; (d) personnel files and information about compensation, benefits and other terms of employment of the Control Group's other employees and independent contractors; (e) any other information or materials relating to the past, present, planned or foreseeable business, products, developments, technology or activities of the Control Group; and (f) information regarding customers, suppliers, merchandisers or vendors and potential customers, suppliers, merchandisers or vendors of the Control Group or any of its affiliates, including customer, supplier, merchandiser or vendor lists, names, representatives, their needs or desires with respect to the types of products or services offered by or provided to the Control Group, proposals, bids, contracts and their contents and parties, the type and quantity of products and services provided or sought to be provided (i) to customers and potential customers of the Control Group or (ii) by suppliers, vendors or merchandisers to the Control Group and other non-public information relating to customers, suppliers, merchandisers or vendors and potential customers, suppliers, merchandisers or vendors; provided, however, that Confidential Information does not include information that (A) becomes generally known to and available for use by the general public other than as a result of the Executive's acts or omissions or (B) is readily ascertainable to the general public.

10.2 Non-Competition. The Executive agrees that during the Non-Competition Period, the Executive will not engage in Competition with the Control Group. As used herein:

(a) "Competition" means: (i) participating, directly or indirectly, as an individual proprietor, officer, employee in a management or executive-level role, or director of, or (ii) providing consulting, advisory, business, investment, strategic, sales, financial, operational, technical or design advice or services (in each case, to the extent that the Executive provided such advice or services to the Control Group at any time during the Executive's employment with the Control Group) to, in each case, any Competitor (as defined below) with respect to business activities in any state or province in which the Executive provided services or had oversight responsibilities on behalf of the Control Group in the then-immediately preceding 24 month period ending no later than the last day of the Executive's employment with the Control Group. Notwithstanding the foregoing, "Competition" shall not include: the performance of services for any enterprise to the extent such services are restricted solely to one or more distinct portions of the operations and businesses of such entity and such distinct portions are not engaged in the Athletic Business (as defined below) or do not supply product to the Control Group for the Athletic Business, and the Executive does not have any discussions with, or participate in, the governance, strategy, development, management or operations of such business segments that engage in the Athletic Business or supply product to the Control Group for the Athletic Business.

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(b) “Athletic Business” means: the retail (including brick-and-mortar stores), catalog, or online sale of athletic footwear, athletic apparel and sporting goods (e.g., athletic footwear specialty stores, sporting goods stores, department stores, traditional shoe stores, mass merchandisers and online retailers).

(c) “Competitor” means: (i) a Person engaged in, or preparing to engage in, the Athletic Business; or (ii) a business that in the prior fiscal year supplied product to the Control Group for the Athletic Business having a value of \$20 million or more at cost to the Control Group.

(d) “Non-Competition Period” means: the period commencing on the Date of Grant and ending on the date that is one year following the termination of the Executive’s employment with the Control Group. Notwithstanding the foregoing, the Non-Competition Period shall not extend beyond the date the Executive’s employment with the Control Group terminates if such termination of employment occurs following a “Change in Control” as defined in Appendix A hereto.

10.3 Non-Solicitation; Non-Interference. The Executive agrees that during the Non-Competition Period, he will not, directly or indirectly, (i) recruit, solicit or induce, any employee or employees of the Control Group who learned, developed or had access to Confidential Information and with whom the Executive had contact to terminate their employment with, or otherwise cease their relationship with the former employing members of the Control Group for the purpose of accepting employment with or rendering services to a Competitor; provided, however, that the Executive shall not be prohibited from placing general advertisements or conducting any other form of general solicitation that is not specifically targeted at the Control Group’s employees or (ii) interfere, or aid or induce any other Person in interfering, with the relationship between any member of the Control Group and any of their respective vendors, suppliers, merchandisers, licensors, landlords or manufacturers.

10.4 Breach of Restrictive Covenants; Modification; Severability; Governing Law. The Executive agrees that the breach by the Executive of the provisions included herein under Sections 10.1, 10.2 and 10.3 (the “Restrictive Covenants”) would result in irreparable injury and damage to the Company for which the Company would have no adequate remedy at law. The Executive therefore agrees that in the event of a breach or a threatened breach of the Restrictive Covenants, the Company shall be entitled to (i) an immediate injunction and restraining order to prevent such breach, threatened breach or continued breach, including by any and all persons acting for or with him, without having to prove damages and (ii) any other remedies to which the Company may be entitled at law or in equity. The terms of this paragraph shall not prevent the Company from pursuing any other available remedies for any breach or threatened breach of the Restrictive Covenants, including, but not limited to, recovery of damages. The Executive and the Company further agree that the Restrictive Covenants are reasonable and that the Company would not have granted the award of RSUs provided for in this Agreement but for the inclusion of the Restrictive Covenants herein. If any provision of the Restrictive Covenants are found by any court of competent jurisdiction to be unenforceable because it extends for too long a period of time or over too great a range of activities or in too broad a geographic area, it shall be interpreted to extend over the maximum period of time, range of activities, or geographic area as to which it may be enforceable. In the event that a court of competent jurisdiction determines that any provision or term in the Restrictive Covenants or the application thereof is unenforceable in whole or in part because of the scope thereof, the parties agree that such court in making such determination shall have the power to reduce the scope of such provision to the extent necessary to make it enforceable, and that the provision in its reduced form shall be valid and enforceable to the full extent permitted by law. The provisions in the Restrictive Covenants are severable and the invalidity of any one or more provisions shall not affect the validity of any other provision. The validity, construction and performance of the Restrictive Covenants shall be governed by the laws of the State of New York without regard to its conflicts of laws principles. For purposes of the Restrictive Covenants, the Executive and the Company consent to the jurisdiction of state and federal courts in New York County.

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#### 10.5 Permitted Disclosures.

(a) Notwithstanding the foregoing, pursuant to 18 U.S.C. § 1833(b), the Executive understands that the Executive will not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret of the Control Group that (i) is made (A) in confidence to a Federal, State or local government official, either directly or indirectly, or to the Executive's attorney and (B) solely for the purpose of reporting or investigating a suspected violation of law; or (ii) is made in a complaint or other document that is filed under seal in a lawsuit or other proceeding. The Executive understands that if the Executive files a lawsuit for retaliation by the Control Group for reporting a suspected violation of law, the Executive may disclose the trade secret to the Executive's attorney and use the trade secret information in the court proceeding if the Executive (A) files any document containing the trade secret under seal, and (B) does not disclose the trade secret, except pursuant to court order. Nothing in this Agreement, or any other agreement that the Executive has with any member of the Control Group, is intended to conflict with 18 U.S.C. § 1833(b) or create liability for disclosures of trade secrets that are expressly allowed by such section.

(b) Further, nothing in this Agreement or any other agreement between the Executive and any member of the Control Group will prohibit or restrict the Executive from (i) voluntarily communicating with an attorney retained by the Executive, (ii) voluntarily communicating with any law enforcement, government agency, including the Securities and Exchange Commission ("SEC"), the Equal Employment Opportunity Commission, the Attorney General, the New York State Division of Human Rights, or any other state or local commission on human rights, or any self-regulatory organization regarding possible violations of law (including alleged criminal conduct or unlawful employment practices), in each case without advance notice to the Control Group, or otherwise initiating, testifying, assisting, complying with a subpoena from, or participating in any manner with an investigation conducted by such government agency, (iii) recovering a SEC whistleblower award as provided under Section 21F of the Securities Exchange Act of 1934, (iv) disclosing any Confidential Information to a court or other administrative or legislative body in response to a subpoena, court order or written request (with advance notice to the Control Group prior to any such disclosure to the extent legally permitted), (v) filing or disclosing any facts necessary to receive unemployment insurance, Medicaid or other public benefits to which you are entitled or (vi) disclosing the underlying facts or circumstances relating to claims of discrimination, in violation of laws prohibiting discrimination, against the Control Group, including disclosing information with respect to sexual misconduct, sexual harassment, sexual assault or other unlawful employment practices.

10.6 Consideration and Review Period. The Executive hereby acknowledges that the Executive has been advised to consult with an attorney of the Executive's choosing prior to signing this Agreement, including the non-competition and non-solicitation covenants set forth in Sections 10.2 and 10.3. The Executive further acknowledges that the Executive has been given at least fourteen (14) calendar days to consider the non-competition and non-solicitation covenants in Sections 10.2 and 10.3; provided, however, that the Executive may sign this Agreement sooner if the Executive wishes. The Executive agrees and acknowledges that the RSUs provided under this Agreement constitute adequate consideration for the Restrictive Covenants under applicable law.

#### 11. Not an Employment Agreement.

The award of PSUs hereunder does not constitute an agreement by the Company to continue to employ you during the entire, or any portion of the term of this Agreement, including but not limited to any period during which the PSUs are outstanding.

#### 12. Miscellaneous.

(a) In no event shall any dividend equivalents accrue or be paid on any PSUs.

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(b) This Agreement shall inure to the benefit of and be binding upon all parties hereto and their respective heirs, legal representatives, successors, and assigns.

(c) This Agreement shall be subject to any compensation recoupment policy that the Company may adopt.

(d) This Agreement constitutes the entire agreement between the parties and cannot be changed or terminated orally. No modification or waiver of any of the provisions hereof shall be effective unless in writing and signed by the party against whom it is sought to be enforced.

(e) This Agreement may be executed in one or more counterparts, all of which taken together shall constitute one agreement.

(f) The failure of any party hereto at any time to require performance by another party of any provision of this Agreement shall not affect the right of such party to require performance of that provision, and any waiver by any party of any breach of any provision of this Agreement shall not be construed as a waiver of any continuing or succeeding breach of such provision, a waiver of the provision itself, or a waiver of any right under this Agreement.

(g) This Agreement is subject, in all respects, to the provisions of the Plan, and to the extent any provision of this Agreement contravenes or is inconsistent with any provision of the Plan, the provisions of the Plan shall govern.

(h) The headings of the sections of this Agreement have been inserted for convenience of reference only and shall in no way restrict or modify any of the terms or provisions hereof.

(i) All notices, consents, requests, approvals, instructions and other communications provided for herein shall be in writing and validly given or made when delivered, or on the second succeeding business day after being mailed by registered or certified mail, whichever is earlier, to the persons entitled or required to receive the same, at, in the case of the Company, the address set forth at the heading of this Agreement and, in the case of you, your principal residence address as shown in the records of the Company, or to such other address as either party may designate by like notice. Notices to the Company shall be addressed to the General Counsel.

(j) This Agreement shall be governed and construed and the legal relationships of the parties determined in accordance with the laws of the State of New York without regard to its conflicts of laws principles.

(k) Although the Company does not guarantee the tax treatment of the PSUs, this Agreement is intended to comply with, or be exempt from, the applicable requirements of Code Section 409A and shall be limited, construed and interpreted in accordance with such intent. Accordingly, in the event that you are a "specified employee" within the meaning of Code Section 409A as of the date of your separation from service (as determined pursuant to Code Section 409A and any procedure set by the Company), to the extent required in order to avoid taxes and penalties under Code Section 409A, any award of PSUs payable as a result of such separation from service shall be settled no earlier than the day following the six- month anniversary of your separation from service, or, if earlier, your death.

(l) To accept this grant, please click "Accept Grant" no later than [●]

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“Person” means any individual, partnership, firm, corporation, association, trust, unincorporated organization, or other entity, as well as any syndicate or group that would be deemed to be a person under Section 13(d)(3) of the Securities Exchange Act of 1934, as amended.

[SIGNATURE PAGE FOLLOWS]

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and year first above written.

FOOT LOCKER, INC.

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Cynthia Carlisle  
Executive Vice President and  
Chief Human Resources Officer

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**APPENDIX A**

**PERFORMANCE GOALS AND VESTING TERMS  
FOR PERFORMANCE UNIT AWARD**

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## **APPENDIX B**

### **Change in Control**

A Change in Control shall mean any of the following:

(A) the merger or consolidation of the Company with, or the sale or disposition of all or substantially all of the assets of the Company to, any Person other than (a) 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 or parent entity) fifty percent (50%) or more of the combined voting power of the voting securities of the Company or such surviving or parent entity outstanding immediately after such merger or consolidation; or (b) a merger or capitalization effected to implement a recapitalization of the Company (or similar transaction) in which no Person is or becomes the beneficial owner, directly or indirectly (as determined under Rule 13d-3 promulgated under the Exchange Act), of securities representing more than the amounts set forth in (B) below;

(B) the acquisition of direct or indirect beneficial ownership (as determined under Rule 13d-3 promulgated under the Exchange Act), in the aggregate, of securities of the Company representing thirty-five percent (35%) or more of the total combined voting power of the Company's then issued and outstanding voting securities by any Person (other than the Company or any of its subsidiaries, any trustee or other fiduciary holding securities under any employee benefit plan of the Company, or any company owned, directly or indirectly, by the shareholders of the Company in substantially the same proportions as their ownership of Stock) acting in concert; or

(C) during any period of not more than twelve (12) months, individuals who at the beginning of such period constitute the Board, and any new director whose election by the Board or nomination for election by the Company's shareholders was approved by a vote of at least two-thirds ( $\frac{2}{3}$ ) of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute at least a majority thereof.

This definition of Change in Control is intended to be construed as defined in the Plan and shall be interpreted in a manner consistent with Treasury Regulation § 1.409A-3(i)(5).