

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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **March 23, 2016**

Foot Locker, Inc.

(Exact name of registrant as specified in its charter)

New York

(State or other jurisdiction
of incorporation)

1-10299

(Commission
File Number)

13-3513936

(IRS Employer
Identification No.)

112 West 34th Street, New York, New York

(Address of principal executive offices)

10120

(Zip Code)

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

(Former name or former address, if changed from last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

(e) (1) Establishment of Performance Goals.

(i) On March 23, 2016, the Compensation and Management Resources Committee (the “Compensation Committee”) of the Board of Directors of Foot Locker, Inc. (the “Company”) established the performance goals for the 2016 fiscal year under the Annual Incentive Compensation Plan (the “Annual Bonus Plan”). The goals for the executives are based on the Company’s pre-tax income. Under the Annual Bonus Plan, the amount that would be paid to the executives if the performance goals are met is based on a percentage of their annual base salaries earned for the plan year. The Compensation Committee established individual target awards under this plan for certain of the executives who will be included as named executive officers (“NEOs”)¹ in the Company’s 2016 proxy statement. The percentage of annual base salary payable at threshold, target, and maximum for such NEOs shown in the table below.

Name	Percent of Annual Base Salary		
	Threshold Payout	Target Payout	Maximum Payout
Richard A. Johnson	37.5%	150%	262.5%
Lauren B. Peters	18.75%	75%	131.25%
Pawan Verma	12.5%	50%	87.5%

(ii) On March 23, 2016, the Compensation Committee established long-term incentive compensation performance goals for the 2016-17 performance period based on a combination of the Company’s two-year average after-tax income and return-on-invested capital. Provided the performance goals are achieved, the payout structure of the executives’ long-term awards is as follows: (a) 75% of the award would be payable in restricted stock units (“RSUs”) under the 2007 Stock Incentive Plan (the “2007 Stock Incentive Plan”), (b) 25% of the award would be payable in cash under the Long-Term Incentive Compensation Plan, and (c) both the RSU portion and the cash portion of the payout would be subject to a time-based, one-year vesting period following the end of the performance period before payout to the executives. Individual long-term target awards are expressed as a percentage of the executive’s annual base salary as approved by the Compensation Committee on March 23, 2016. The Compensation Committee established individual long-term target awards for certain of the NEOs. The percentages shown in the table below represent the percent of the 2016 annual base salary that would be paid to such NEOs, in RSUs and cash as described above, if the established goals are achieved.

Name	Percent of Annual Base Salary		
	Threshold Payout	Target Payout	Maximum Payout
Richard A. Johnson	62.5%	250%	500%
Lauren B. Peters	18.75%	75%	150%
Pawan Verma	18.75%	75%	150%

The threshold, target, and maximum number of RSUs for each executive was calculated on March 23, 2016 on the basis of that day’s closing stock price. The actual number of RSUs awarded will be based on the Company’s performance compared to targets. The value of the RSUs received by an executive will depend upon the Company’s stock price on the payment date.

¹ In light of Robert W. McHugh’s and Jeffrey L. Berk’s forthcoming retirements from the Company, no awards or salary increases were approved for these executives, who will be included as NEOs in the Company’s 2016 proxy statement.

A copy of the form of the Restricted Stock Unit Award Agreement is attached hereto as Exhibit 10.1, which is incorporated herein in its entirety.

(2) Stock Option Awards. On March 23, 2016, the Compensation Committee granted stock options under the 2007 Stock Incentive Plan to certain of the NEOs. The options will vest in three equal installments on March 23, 2017, March 23, 2018, and March 23, 2019. The options were granted at an exercise price of \$63.79 per share, which was 100% of the fair market value (closing price) of a share of the Company's common stock, par value \$0.01 per share, on the date of grant.

Name	Number of Shares
Richard A. Johnson	139,380
Lauren B. Peters	28,510
Pawan Verma	14,255

(3) Annual Base Salaries. On March 23, 2016, the Compensation Committee approved increases in the annual base salaries of certain of the NEOs, effective as of May 1, 2016. As the Company's salary increases generally become effective on May 1 of each year, the annual base salary shown in the table below may be higher than the actual salary earned by the executive for the year. The actual salary earned for the year is the amount that will be reflected in the Summary Compensation Table in the Company's proxy statement for the relevant year.

Name	Position	Base Salary
Richard A. Johnson	President and Chief Executive Officer	\$ 1,100,000
Lauren B. Peters	Executive Vice President and Chief Financial Officer	675,000
Pawan Verma	Senior Vice President and Chief Information Officer	465,000

(4) Special RSU Awards. On March 23, 2016, the Compensation Committee granted Lauren B. Peters a special retention award of 18,812 RSUs under the 2007 Stock Incentive Plan. The award will vest 50% on March 23, 2019 and 50% on March 23, 2020, provided Ms. Peters remains employed by the Company until the vesting dates. No dividends will be paid or accrued on this award. A copy of the form of the Restricted Stock Unit Award Agreement is attached hereto as Exhibit 10.2, which is incorporated herein in its entirety.

(5) Amendment of Long-Term Incentive Compensation Plan. On March 23, 2016, the Board of Directors of the Company approved the Foot Locker Long-Term Incentive Compensation Plan, as Amended and Restated. The NEOs, as well as other officers and key employees of the Company, participate in this plan. The principal amendments made to this plan were to provide for expanded performance goal criteria to allow for a broader range of metrics in determining performance goals under the plan. The amended and restated plan will be considered for approval by shareholders at the Company's 2016 Annual Shareholders' Meeting. A copy of the Long-Term Incentive Compensation Plan, as Amended and Restated, is attached hereto as Exhibit 10.3 and is incorporated herein in its entirety.

Item 9.01. Financial Statements and Exhibits.

(d) *Exhibits.*

Exhibit No.	Description
10.1	Form of Restricted Stock Unit Award Agreement for RSU portion of long-term incentive compensation awards.
10.2	Form of Restricted Stock Unit Award Agreement for long-term incentive RSU awards.
10.3	Long-Term Incentive Compensation Plan, as Amended and Restated.

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 hereunto duly authorized.

FOOT LOCKER, INC.

Date: March 29, 2016

By: /s/ Paulette Alviti

Name: Paulette Alviti

Title: Senior Vice President and
Chief Human Resources Officer

RESTRICTED STOCK UNIT AWARD AGREEMENT**Long-Term Incentive Compensation Award
Performance Period**

This Restricted Stock Unit Award Agreement (the "Agreement") made under the Foot Locker 2007 Stock Incentive Plan (the "Plan") as of the _____ day of _____ by and between Foot Locker, Inc., a New York corporation with its principal office located at 112 West 34th Street, New York, New York 10120 (the "Company") and _____ ("Executive").

1. General. As a participant in the Company's long-term incentive compensation program for the _____ Performance Period which covers the fiscal years beginning _____ and _____ (the "Performance Period"), you were granted a long-term incentive award that will be payable following the end of the Performance Period, provided the performance goals set by the Compensation and Management Resources Committee (the "Compensation Committee") of the Board of Directors of the Company on _____ for the Performance Period are achieved. The award is payable as follows: 25 percent of the award is payable in cash under the Long-Term Incentive Compensation Plan (the "LTIP"), and 75 percent of the award is payable in restricted stock units ("RSUs") under the Plan as provided herein. The RSUs are intended to constitute "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.

This Agreement sets forth the terms and conditions with regard to the portion of your long-term award that is payable in RSUs. You have been granted _____ RSUs, subject to the conditions set forth herein. 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 RSUs. Subject to the terms and conditions of the Plan and this Agreement, you shall be entitled to receive, for each RSU earned in accordance with this Section 2 and Appendix A hereto, one share of Common Stock. You shall earn the number of RSUs set forth above for achievement at the maximum performance goal as specified in Appendix A attached hereto, subject to adjustment for achievement below the maximum performance goal in accordance with the provisions of Appendix A attached hereto. If the threshold performance level set forth in Appendix A is not achieved, none of the RSUs granted to you shall be earned. The Compensation Committee shall certify the level of achievement of the performance goals during the Company's first fiscal quarter in _____ and at such time shall determine the number of RSUs you are eligible to receive, subject to the provisions of Section 3 below.

3. Vesting and Delivery.

(a) The RSUs you are eligible to receive as described in Section 2 shall be subject to a one-year vesting period following the end of the Performance Period and shall become vested on _____ (the "Vesting Date"). Subject to the terms of this Agreement and

the Plan, shares of Common Stock equal to the number of RSUs you earn 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 Date of Grant until the Vesting Date.

(b) Other than as 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 hereto and such Change in Control occurs following the end of the Performance Period and the certification by the Compensation Committee of the achievement of the performance goal, all unvested RSUs shall become immediately vested 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, or coincident with or following the end of the Performance Period and prior to the certification by the Compensation Committee of the achievement of the performance goal, you shall be entitled to receive a pro rata portion of the RSUs that you would have been entitled to receive based on the actual performance level achieved for any completed year in the Performance Period and the achievement of a target performance level for the remainder of the Performance Period, as set forth in Appendix A, such RSUs shall become immediately vested upon your Termination and shall be paid in accordance with Section 3(f). The pro rated portion shall be determined by multiplying the number of RSUs 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 _____ to the earlier of your date of Termination or the last day of the Performance Period and the denominator of which is the total number of days in the Performance Period.

(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, on the Vesting Date you (or in the event of your death, your estate) shall receive a pro rata portion of the RSUs 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 pro rated portion shall be determined by multiplying the number of RSUs 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 _____ to the date of your Termination and the denominator of which is the total number of days in the Performance Period, and shall vest on the Vesting Date and shall be paid in accordance with Section 3(f).

(f) Subject to Sections 8 and 12(k), the Company shall issue and deliver to you shares of the Company's Common Stock equal to the number of vested RSUs you earn

within 30 days following the earlier of a Termination described in Section 3(d) or the Vesting Date.

4. Forfeiture.

(a) Any RSUs that are not earned in accordance with Section 2 or vested in accordance with Section 3 of this Agreement shall be forfeited without compensation following the Compensation Committee's certification of the goals for the Performance Period.

(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 RSUs shall be forfeited to the Company, without compensation.

5. 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 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 RSUs which shall 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, international or local taxes of any kind required by law to be withheld with respect to any RSUs which shall have become so vested.

7. Special Incentive Compensation. You agree 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.

8. 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 you or the Company of any provisions of any law or of any regulations of any governmental authority or any national securities exchange.

9. Restriction on Transfer of RSUs. You 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 or unvested shares in violation of the Plan or this Agreement shall be null and void.

10. Non-Competition.

(a) Competition. By accepting this award of RSUs, as provided below, you agree that during the “Non-Competition Period” you will not engage in “Competition” with the Control Group. As used herein, “Competition” means:

(i) participating, directly or indirectly, as an individual proprietor, stockholder, officer, employee, director, joint venturer, investor, lender, or in any capacity whatsoever within the United States of America or in any other country where any of your former employing members of the Control Group does business, in (A) a business in competition with the retail, catalog, or on-line sale of athletic footwear, athletic apparel and sporting goods conducted by the Control Group (the “Athletic Business”), or (B) 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; provided, however, that such participation shall not include (X) the mere ownership of not more than 1 percent of the total outstanding stock of a publicly held company; (Y) the performance of services for any enterprise to the extent such services are not performed, directly or indirectly, for a business in competition with the Athletic Business or for a business which supplies product to the Control Group for the Athletic Business; or (Z) any activity engaged in with the prior written approval of the Chief Executive Officer of the Company; or

(ii) intentionally recruiting, soliciting or inducing, any employee or employees of the Control Group to terminate their employment with, or otherwise cease their relationship with the former employing members of the Control Group where such employee or employees do in fact so terminate their employment.

(b) “Non-Competition Period.” As used herein, “Non-Competition Period” means: the period commencing _____ and ending on the Vesting Date, or any part thereof, during which you are employed by the Control Group and (ii) if your employment with the Control Group terminates for any reason during such period, the two-year period commencing on the date your employment with the Control Group terminates. Notwithstanding the foregoing, the Non-Competition Period shall not extend beyond the date your employment with the Control Group terminates if such termination of employment occurs following a “Change in Control” as defined in Attachment B hereto.

(c) Breach of Non-Competition Provision. You agree that your breach of the provisions included herein under Section 10 under the heading “Non-Competition” (the “Non-Competition Provision”) would result in irreparable injury and damage to the Company for which the Company would have no adequate remedy at law. You agree, therefore, that in the event of a breach or a threatened breach of the Non-Competition Provision, 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 you, 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 Non-Competition Provision, including, but not limited to, recovery of damages. In addition, in the event of your breach of the Non-Competition Provision, the RSUs covered by this Agreement that are then unvested shall be

immediately forfeited. You and the Company further agree that the Non-Competition Provision is reasonable and that the Company would not have granted the award of RSUs provided for in this Agreement but for the inclusion of the Non-Competition Provision herein. If any provision of the Non-Competition Provision is 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. The validity, construction, and performance of the Non-Competition Provision shall be governed by the laws of the State of New York without regard to its conflicts of laws principles. For purposes of the Non-Competition Provision, you and the Company consent to the jurisdiction of state and federal courts in New York County, New York.

11. Not an Employment Agreement.

The award of RSUs 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 RSUs are outstanding.

12. Miscellaneous.

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

(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 contract.

(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 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 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), any award of RSUs 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 indicate your acceptance of the terms of this Agreement, you must sign and deliver or mail not later than 30 days following the date hereof a copy of this Agreement to the Company at the address provided in the heading of this Agreement.

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: _____

Executive

**Number of
RSUs at
Threshold
Payout**

**Number of
RSUs at
Target Payout**

**Number of
RSUs at
Maximum
Payout**

[Performance Goals for _____ Performance Period]

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 or entity or group of associated persons or entities (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934 (the “Exchange Act”)) (a “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 Common Stock of the Company) 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**

Long-Term Incentive (“LTI”) Award

This Restricted Stock Unit Award Agreement (the “Agreement”) made under the Foot Locker 2007 Stock Incentive Plan, as amended and restated (the “Plan”), as of the _____ day of _____ 20____ by and between Foot Locker, Inc., a New York corporation with its principal office located at 112 West 34th Street, New York, New York 10120 (the “Company” or “Foot Locker”) and _____ (the “Executive”).

1. Grant of RSUs. On _____ (the “Date of Grant”), the Compensation and Management Resources Committee (the “Compensation Committee”) of the Board of Directors of the Company granted the Executive an LTI 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 50% (_____ shares) on _____ and 50% (_____ shares) on _____ (individually, the “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 subsidiaries within the meaning of Section 424 of the Internal Revenue Code of 1986, as amended (the “Control Group”) from the Date of Grant until the applicable Vesting Date.¹

(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 of Executive’s termination of employment prior to the Vesting Date by reason of death or Disability, Executive (or in the event of his death, his estate) shall receive a pro rata portion of his RSU award. The pro rata portion shall be determined by multiplying the number of RSUs awarded by a fraction, the numerator of which is the number of days from the

¹ Alternate Section 2(a) provision if award cliff vests: The RSUs shall become vested on _____ (the “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 below if the Executive has been continuously employed by the Company or its subsidiaries within the meaning of Section 424 of the Internal Revenue Code of 1986, as amended (the “Control Group”) from the Date of Grant until the Vesting Date.

Date of Grant to the date of Executive's termination of employment and the denominator of which is the number of days from the Date of Grant to the Vesting Date.²

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

(e) In the event the Executive ceases to be employed by the Company or any subsidiary or affiliate of the Company as a result of the closing, sale, spin-off or other divestiture of any operation of the Company, the Compensation 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, net of shares withheld by the Company to cover applicable withholding taxes, within 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.³

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 to the Company, without compensation, all unvested RSUs. The Compensation 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.

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:

² Alternate Section 2(c) provision for standard LTI awards: In the event of Executive's termination of employment prior to the Vesting Date by reason of death, Disability, or Retirement, Executive (or in the event of his death, his estate) shall receive a pro rata portion of his RSU award. The pro rata portion shall be determined by multiplying the number of RSUs awarded by a fraction, the numerator of which is the number of days from the Date of Grant to the date of Executive's termination of employment and the denominator of which is the number of days from the Date of Grant to the Vesting Date.

³ Alternate Section 2(f) provision for standard LTI awards: 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, net of shares withheld by the Company to cover applicable withholding taxes, within 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 30 days following the Vesting Date.

(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 certificate representing 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.

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. Non-Competition.

9.1 Competition. By accepting this award of RSUs, as provided below, the Executive agrees that during the “Non-Competition Period” he will not engage in “Competition” with the Company or any of its subsidiaries, divisions, or affiliates (the “Control Group”). As used herein, “Competition” means:

(a) participating, directly or indirectly, as an individual proprietor, stockholder, officer, employee, director, joint venturer, investor, lender, or in any capacity whatsoever within the United States of America, or in any other country where any of the Executive’s former employing members of the Control Group does business in (A) a business in competition with the retail, catalog, or on-line sale of athletic footwear, athletic apparel and sporting goods conducted by the Control Group (the “Athletic Business”), or (B) 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; provided, however, that such participation shall not include (X) the mere ownership of not more than 1 percent of the total outstanding stock of a publicly held company; (Y) the performance of services for any enterprise

to the extent such services are not performed, directly or indirectly, for a business in competition with the Athletic Business or for a business which supplies product to the Control Group for the Athletic Business; or (Z) any activity engaged in with the prior written approval of the Chief Executive Officer of the Company; or

(b) intentionally recruiting, soliciting or inducing, any employee or employees of the Control Group to terminate their employment with, or otherwise cease their relationship with the former employing members of the Control Group where such employee or employees do in fact so terminate their employment.

9.2 “Non-Competition Period.” As used herein, “Non-Competition” Period means: the period commencing on the Date of Grant and ending on the Vesting Date, or any part thereof, during which the Executive is employed by the Control Group and (ii) if the Executive’s employment with the Control Group terminates for any reason during such period, the [two-year/one-year] period commencing on the date his employment with the Control Group terminates. 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 Attachment A hereto.

9.3 Breach of Non-Competition Provision. The Executive agrees that the breach by him of the provisions included herein under Section 9 under the heading “Non-Competition” (the “Non-Competition Provision”) 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 Non-Competition Provision, 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 Non-Competition Provision, including, but not limited to, recovery of damages. In addition, in the event of the Executive’s breach of the Non-Competition Provision, the RSUs covered by this Agreement that are then unvested shall be immediately forfeited. The Executive and the Company further agree that the Non-Competition Provision is reasonable and that the Company would not have granted the award of RSUs provided for in this Agreement but for the inclusion of the Non-Competition Provision herein. If any provision of the Non-Competition Provision is 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. The validity, construction, and performance of the Non-Competition Provision shall be governed by the laws of the State of New York without regard to its conflicts of laws principles. For purposes of the Non-Competition Provision, the Executive and the Company consent to the jurisdiction of state and federal courts in New York County.

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.

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 his 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 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), any 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 your separation from service, or, if earlier, your death.

11.13 To indicate his acceptance of the terms of this Agreement, Executive must sign and deliver or mail not later than 60 days from the date hereof, a copy of this Agreement to the General Counsel of the Company at the address set forth at the heading of this Agreement.

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: _____

Executive

APPENDIX A

Change in Control

A Change in Control shall mean any of the following:

(A) the merger or consolidation of Foot Locker with, or the sale or disposition of all or substantially all of the assets of Foot Locker to, any Person other than (a) a merger or consolidation which would result in the voting securities of Foot Locker 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 Foot Locker 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 Foot Locker (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 Foot Locker representing thirty-five percent (35%) or more of the total combined voting power of Foot Locker's then issued and outstanding voting securities by any Person (other than Foot Locker or any of its subsidiaries, any trustee or other fiduciary holding securities under any employee benefit plan of Foot Locker, or any company owned, directly or indirectly, by the shareholders of Foot Locker 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 Foot Locker'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).

FOOT LOCKER LONG-TERM INCENTIVE COMPENSATION PLAN**Amended and Restated as of March 23, 2016**

Effective as of February 1, 1981, the Board of Directors of Foot Locker Specialty, Inc. adopted a Long-Term Incentive Compensation Plan (the "Plan") for certain executives of Foot Locker Specialty, Inc. and its subsidiaries. Effective as of August 7, 1989, Foot Locker, Inc. ("Foot Locker" or the "Company") adopted the Plan, as amended. The Plan has been amended and restated from time to time, and in accordance with the requirements of "Section 162(m) of the Code" (as defined below), the performance goals under the Plan were initially approved at the 1996 annual meeting of shareholders and were reapproved in 2001, 2006 and 2011. The Plan is again amended and restated as of March 23, 2016 in the form set forth below, subject to shareholder approval of the performance goals set forth herein at the 2016 annual meeting of shareholders.

The objectives of the Plan are:

(a) to reinforce corporate organizational and business-development goals.

(b) to promote the achievement of year-to-year and long-range financial and other business objectives such as high quality of service and product, improved productivity and efficiencies for the benefit of our customers' satisfaction and to assure a reasonable return to Foot Locker's shareholders.

(c) to reward the performance of individual executives in fulfilling their personal responsibilities for long-range achievements.

(d) to serve as a qualified performance-based compensation program under Section 162(m) of the Internal Revenue Code of 1986, as amended (the "Code") or any successor section and the Treasury regulations promulgated thereunder ("Section 162(m) of the Code").

(e) to award shares of Common Stock (as defined below) after attainment of pre-established performance goals and completion of the Performance Period (as defined below), which shall be considered "Other Stock-Based Awards" under the Foot Locker 2007 Stock Incentive Plan, amended and restated as of May 21, 2014, and as further amended from time to time, or other applicable stock incentive plan of the Company (the "Stock Incentive Plan").

1. **Definitions.** The following terms, as used herein, shall have the following meanings:

(a) "**Annual Base Salary**" shall mean the annual base salary approved by the Committee with respect to the executive at the time the performance goals are established by the Committee, as described in Section 5(b) hereof without reduction for any amounts withheld pursuant to participation in a "cafeteria plan" under Section 125 of the Code, a cash or deferred arrangement under Section 401(k) of the Code or a qualified transportation arrangement under Section 132(f) of the Code. Notwithstanding the

foregoing in the event of an executive's promotion during a Performance Period, such participant's Annual Base Salary shall reflect any salary increase paid as a result of the participant's promotion.

(b) "**Board**" shall mean the Board of Directors of Foot Locker.

(c) "**Change in Control**" shall mean any of the following: (i) 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 Securities Exchange Act of 1934), of securities representing more than the amounts set forth in (ii) below; (ii) the acquisition of direct or indirect beneficial ownership (as determined under Rule 13d-3 promulgated under the Securities Exchange Act of 1934), 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 acting in concert; or (iii) during any period of not more than twelve (12) months, individuals who at the beginning of such period constitute the Board of Directors of the Company (referred to herein as 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.

(d) "**Committee**" shall mean two or more members of the Compensation Committee of the Board, each of whom is an "outside director" within the meaning of Section 162(m) of the Code.

(e) "**Common Stock**" shall mean common stock of Foot Locker, par value \$0.01 per share.

(f) "**Consolidated Net Income**" shall mean the net income of Foot Locker and its subsidiaries for each fiscal year determined in accordance with generally accepted accounting principles and reported upon by Foot Locker's independent accountants but before provision for accrued expenses net of the related income tax reduction for payments to be made pursuant to this Plan.

(g) "**Fair Market Value**" of a share of Common Stock shall mean the average of the closing prices of a share of such Common Stock as reported on the Composite Tape for the New York Stock Exchange during the sixty (60) day period immediately preceding the payment date relating to the applicable Performance Period.

(h) “**Individual Target Award**” shall mean the targeted performance award for a Plan Year specified by the Committee as provided in Section 5 herein.

(i) “**Performance Period**” shall mean the period of three consecutive Plan Years or such other period as determined by the Committee, beginning with the Plan Year in which the award is made.

(j) “**Plan Year**” shall mean Foot Locker’s fiscal year during which the Plan is in effect.

2. **Administration of the Plan.** The Plan shall be administered by the Committee. No member of the Committee while serving as such shall be eligible for participation in the Plan. The Committee shall have exclusive and final authority in all determinations and decisions affecting the Plan and its participants. The Committee shall also have the sole authority to interpret the Plan, to establish and revise rules and regulations relating to the Plan, to delegate such responsibilities or duties as it deems desirable, and to make any other determination that it believes necessary or advisable for the administration of the Plan including, but not limited to: (i) approving the designation of eligible participants; (ii) setting the performance criteria within the Plan guidelines; and (iii) certifying attainment of performance goals and other material terms. To the extent any provision of the Plan, other than Section 7 herein, creates impermissible discretion under Section 162(m) of the Code or would otherwise violate Section 162(m) of the Code, such provision shall have no force or effect.

3. **Participation.** Participation in the Plan is limited to officers or other key employees of Foot Locker or any subsidiary thereof, as selected by the Committee in its sole discretion. The Committee may from time to time designate additional participants who satisfy the criteria for participation as set forth herein, and shall determine when an officer or key employee of Foot Locker ceases to be a participant in the Plan.

4. **Right to Payment.** Unless otherwise determined by the Committee in its sole discretion, a participant shall have no right to receive payment under this Plan unless the participant remains in the employ of Foot Locker at all times during the applicable Performance Period; provided, however, that notwithstanding any other provision of the Plan, the Committee may make a pro-rata payment following the end of the Performance Period to any participant in circumstances the Committee deems appropriate including, but not limited to a participant’s death, disability, retirement, or other termination of employment during the Performance Period, provided the performance goals for the Performance Period are met. Furthermore, upon a Change in Control the Committee may, in its sole discretion, but only to the extent permitted under Section 162(m) of the Code (if applicable), make a payment to any participant who is a participant at the time of such Change in Control, on the date of the Change in Control, or as soon as practicable thereafter, and prior to the end of the Performance Period (to the extent determinable), which is equal to or less than the pro-rata portion (through the date of the Change in Control) of the Individual Target Award based on (a) the actual performance results achieved relative to the Performance Period’s performance goals with respect to the period from the commencement of the Performance Period to the date of the Change in Control, and (b) the performance results that would have been achieved had the Performance Period’s Target been met for the balance of such Performance Period. Any

pro-ration required hereunder shall be based on a fraction, the numerator of which is the number of months completed before the termination of employment or Change in Control, as the case may be, and the denominator of which is the number of months in the Performance Period.

5. Payment.

(a) Payment to a participant under this Plan for each Performance Period shall be made in cash, shares of the Company's Common Stock, or any combination thereof, as determined by the Committee for each Performance Period. If payment is to be made in shares of the Company's Common Stock, the number of shares of Common Stock shall be determined by the Committee by dividing the achieved percentage of such participant's Annual Base Salary payable in Common Stock (as determined by the Committee for each Performance Period) by the Fair Market Value of the Common Stock on the date of payment as determined in accordance with Section 4 or 6 herein. Such achieved percentage shall be based on the participant's achievement of his or her Individual Target Award. Except to the extent provided for in Section 4 hereof, payment shall be made only if and to the extent the relevant performance goals with respect to the Performance Period are attained. Awards of Common Stock made pursuant to this Plan are Other Stock-Based Awards (as defined in the Stock Incentive Plan) and are issued under and subject to, the applicable provisions of the Stock Incentive Plan including, without limitation, Section 9 (Other Stock-Based Awards) and Section 5 (Stock Subject to the Plan; Limitation on Grants). In the event that any payment results in other than a whole number of shares of Common Stock, the value of the fractional share of Common Stock shall be paid in cash.

(b) At the beginning of each Performance Period (or within the time period prescribed by Section 162(m) of the Code), the Committee shall establish all performance goals and the Individual Target Awards for such Performance Period and Foot Locker shall inform each participant of the Committee's determination with respect to such participant for such Performance Period. Individual Target Awards shall be expressed as a percentage of such participant's Annual Base Salary. At the time the performance goals are established, the Committee shall prescribe a formula to determine the percentage of the Individual Target Award which may be payable based upon the degree of attainment of the performance goals during the Performance Period.

(c) Notwithstanding anything to the contrary contained in this Plan,

(1) the performance goals in respect of awards granted to participants hereunder, shall be based on one or more of the following criteria:

(i) the attainment of certain target levels of, or percentage increase in, pre-tax profit;

(ii) the attainment of certain target levels of, or percentage increase in, division profit;

(iii) the attainment of certain target levels of, or a percentage increase in, after-tax profits of Foot Locker (or a subsidiary, division, or other operational unit of Foot Locker);

(iv) the attainment of certain target levels of, or a specified increase in, operational cash flow or economic value added of Foot Locker (or a subsidiary, division, or other operational unit of Foot Locker);

(v) the achievement of a certain level of, reduction of, or other specified objectives with regard to limiting the level of increase in, all or a portion of, Foot Locker's bank debt or other long-term or short-term public or private debt or other similar financial obligations of Foot Locker, if any, which may be calculated net of such cash balances and/or other offsets and adjustments as may be established by the Committee;

(vi) the attainment of a specified percentage increase in earnings per share or earnings per share from continuing operations of Foot Locker (or a subsidiary, division or other operational unit of Foot Locker);

(vii) the attainment of certain target levels of, or a specified percentage increase in, revenues, net income, or earnings before (A) interest, (B) taxes, (C) depreciation and/or (D) amortization, of Foot Locker (or a subsidiary, division, or other operational unit of Foot Locker);

(viii) the attainment of certain target levels of, or a specified increase in, return on invested capital or return on investment;

(ix) the attainment of certain target levels of, or a percentage increase in, after-tax or pre-tax return on shareholders' equity of Foot Locker (or any subsidiary, division or other operational unit of Foot Locker);

(x) the attainment of a certain target level of, or reduction in, selling, general and administrative expense as a percentage of revenue of Foot Locker (or any subsidiary, division or other operational unit of Foot Locker);

(xi) the attainment of a certain target level of, or percentage increase in, Consolidated Net Income;

(xii) the attainment of certain target levels of, or a specified increase in, enterprise value or value creation targets of Foot Locker (or any subsidiary, division or other operational unit of Foot Locker);

(xiii) the attainment of a certain target level of, or a specified increase in, gross or operating margins of Foot Locker (or any subsidiary, division or other operational unit of Foot Locker); and

(xiv) the attainment of certain target levels of, or a specified increase in, the fair market value of the shares of Common Stock or total shareholder return, including the value of an investment in Common Stock assuming the reinvestment of dividends.

In addition, performance goals may be based upon the attainment of specified levels of Foot Locker (or a subsidiary, division or other operational unit of Foot Locker) performance under one or more of the measures described above relative to the performance of other corporations. The Committee may designate additional business

criteria on which the performance goals may be based or adjust, modify, or amend those criteria.

(2) To the extent permitted under Section 162(m) of the Code, unless otherwise determined by the Committee at the time the performance goals are set and incorporated into the performance goals, the Committee shall exclude the impact of any of the following events or occurrences:

(i) restructurings, discontinued operations, extraordinary items or other special, unusual or non-recurring items or charges;

(ii) any acquisition or divestiture of an operating business during the Plan Year or Performance Period;

(iii) impairment charges taken under relevant accounting rules;

(iv) an event either not directly related to the operations of the Company (or any subsidiary, division or other operational unit of the Company) or not within the reasonable control of the Company's management; or

(v) a change in tax law or accounting standards required by generally accepted accounting principles.

(3) In no event shall payment in respect of an award granted for a Performance Period be made to a participant as of the end of such Performance Period in a dollar value which exceeds the lesser of (i) 300% of such participant's Annual Base Salary or (ii) \$5,000,000.

6. Time of Payment. Subject to Section 4 herein, all payments earned by participants under the Plan shall be based on the achievement of performance goals established by the Committee and will be paid in accordance with Section 5 herein after performance goal achievements for the Performance Period have been finalized, reviewed, approved and certified by the Committee, but in no event later than two and one-half months following the end of the fiscal year for the last year of the applicable Performance Period. Foot Locker's independent accountants shall examine as of the close of the Performance Period and communicate the results of such examination to the Committee as to the appropriateness of the proposed payments under the Plan.

7. Interim Participation. Notwithstanding anything else herein, the Committee may, in its sole discretion, grant an award hereunder to a participant who commences employment with Foot Locker during a Plan Year. Such award is not required to satisfy the exception for performance-based compensation set forth in Section 162(m) of the Code.

8. Miscellaneous Provisions.

(a) A participant's rights and interests under the Plan may not be sold, assigned, transferred, pledged or alienated.

(b) In the case of a participant's death, payment, if any, under the Plan shall be made to his or her designated beneficiary, or in the event no beneficiary is designated or surviving, to the participant's estate.

(c) Neither the Plan nor any action taken hereunder shall be construed as giving any employee any right to be retained in the employ of Foot Locker or any subsidiary.

(d) Foot Locker and any of its subsidiaries shall have the right to make such provisions as it deems necessary or appropriate to satisfy any obligations it may have to withhold federal, state or local income or other taxes incurred by reason of payments made pursuant to the Plan.

(e) Except with regard to an award made pursuant to Section 7 herein, the Plan is designed and intended to comply with Section 162(m) of the Code and all provisions hereof shall be limited, construed and interpreted in a manner to so comply.

(f) While neither Foot Locker nor any of its subsidiaries guarantee any particular tax treatment, the Plan is designed and intended to comply with the short-term deferral rules under Section 409A of the Code and the applicable regulations thereunder and shall be limited, construed and interpreted with such intent. All amounts payable under the Plan shall be payable within the short-term deferral period in accordance with Section 409A and regulations issued thereunder.

(g) The Board or the Committee may at any time and from time to time alter, amend, suspend or terminate the Plan in whole or in part; provided, that, no amendment which requires shareholder approval in order for the Plan to continue to comply with the exception for performance based compensation under Section 162(m) of the Code shall be effective unless the same shall be approved by the requisite vote of the shareholders of Foot Locker as determined under Section 162(m) of the Code. Notwithstanding the foregoing, no amendment shall affect adversely any of the rights of any participant, without such participant's consent, under the award theretofore granted under the Plan.

(h) Notwithstanding anything herein to the contrary, amounts payable hereunder shall be subject to Foot Locker's clawback policy with respect to the recovery of incentive compensation to the extent and in the manner provided therein.