FOOT LOCKER INC
Form DEF 14A
April 11, 2014

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

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934

Filed by the Registrant S

Filed by a Party other than the Registrant £

Check the appropriate box:

£ Preliminary Proxy Statement

£ Confidential, For Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

S Definitive Proxy Statement

£ Definitive Additional Materials

£ Soliciting Material Pursuant to §240.14a-12

FOOT LOCKER, INC.
(Name of Registrant as Specified in its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

S No fee required.

£ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

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£ Fee paid previously with preliminary materials.

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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

NOTICE OF 2014 ANNUAL MEETING
AND
PROXY STATEMENT

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112 West 34th Street
New York, New York 10120

NOTICE OF 2014 ANNUAL MEETING OF SHAREHOLDERS

DATE AND TIME:	May 21, 2014 at 9:00 A.M., Eastern Daylight Time
PLACE:	Foot Locker, Inc., 112 West 34th Street, New York, New York 10120
RECORD DATE:	Shareholders of record on March 24, 2014 can vote at this meeting.
ITEMS OF BUSINESS:	Elect four members to the Board of Directors to serve for three-year terms.
	Ratify the appointment of KPMG LLP as our independent registered public accounting firm for the 2014 fiscal year.
	Approve an amendment to the Certificate of Incorporation to declassify the Board of Directors.
	Approve the second amendment and restatement of the Foot Locker 2007 Stock Incentive Plan.
	Advisory approval of the compensation of our named executive officers.
	Transact such other business as may properly come before the meeting and at any adjournment or postponement.
PROXY VOTING:	**YOUR VOTE IS IMPORTANT TO US.** Whether or not you plan to attend the Annual Meeting in person, please promptly vote by telephone or by Internet, or by completing, signing, dating and returning your proxy card or vote instruction form so that your shares will be represented at the Annual Meeting.

GARY M. BAHLER
Secretary

April 11, 2014

Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting To Be Held on May 21, 2014

The Company s Proxy Statement and 2013 Annual Report/Form 10-K are available at http://materials.proxyvote.com/344849

PROXY STATEMENT SUMMARY

We are providing this summary of our 2014 Notice of Annual Meeting and Proxy Statement and the items to be voted on by our shareholders. This is only a summary. For more complete information, please review the complete Proxy Statement and our 2013 Annual Report on Form 10-K.

2014 Annual Meeting of Shareholders

Date and Time	Wednesday, May 21, 2014, at 9:00 a.m., Eastern Daylight Time
Place	Foot Locker, Inc., 112 West 34th Street, New York, NY 10120
Record Date	March 24, 2014

Information on the Board of Directors

Board of Directors		**Independent Lead Director**
Maxine Clark	Guillermo Marmol	Nicholas DiPaolo
Nicholas DiPaolo	Matthew M. McKenna	
Alan D. Feldman	Steven Oakland	
Jarobin Gilbert Jr.	Cheryl Nido Turpin	
Ken C. Hicks	Dona D. Young	

Director Independence	**Director Attendance in 2013**
9 out of 10 directors are independent	Attendance at Board and Committee Meetings in 2013 exceeded 98%

Named Executive Officers

Ken C. Hicks	Chairman, President and CEO
Richard A. Johnson	Executive Vice President and COO
Lauren B. Peters	Executive Vice President and CFO
Robert W. McHugh	Executive Vice President-Operations Support
Paulette Alviti	Senior Vice President and Chief Human Resources Officer

Our 2013 Results

In 2013, for the third year in a row, Foot Locker, Inc. achieved record sales, earnings, and earnings per share in our history as an athletic footwear and apparel company. Results included:

Net income, on a non-GAAP basis, of $432 million or earnings-per-share of $2.87, a 16% increase over 2012. (A reconciliation to GAAP is provided on Pages 16-18 of our 2013 Form 10-K.)

End-of-year market capitalization of $5.6 billion, an 8% increase over year-end 2012.

Total dividend payments to shareholders of $118 million.

Total share repurchases of $229 million.

Total shareholder return (stock price appreciation plus reinvested dividends) of 13.6 percent.

Proposals and the Board of Directors Voting Recommendations

Proposal	Board Vote Recommendation	Page Reference for More Detail
Election of Four Directors	FOR EACH NOMINEE	72-78
Ratification of the Appointment of KPMG LLP as Our Independent Registered Public Accounting Firm for 2014	FOR	79-80
Approval of Amendment to the Certificate of Incorporation to Declassify the Board of Directors	FOR	81
Approval of the Second Amendment and Restatement of the Foot Locker 2007 Stock Incentive Plan	FOR	82-91
Advisory Approval of Our Named Executive Officers Compensation	FOR	92-93

Election of Directors

Four directors are standing for election at this meeting. The following table provides summary information about each of the nominees for director:

Name	Age	Director Since	Occupation	Independent	Other Public Company Boards
Nicholas DiPaolo	72	2002	Retired Vice Chairman of Bernard Chaus, Inc.	Yes	JPS Industries, Inc. R.G. Barry Corporation
Matthew M. McKenna	63	2006	Special Advisor to the U.S. Secretary of Agriculture	Yes	None
Steven Oakland	53	2014	President, International, Foodservice and Natural Foods, The J.M. Smucker Company	Yes	None
Cheryl Nido Turpin	66	2001	Retired President & CEO of The Limited Stores	Yes	None

Ratification of Appointment of KPMG LLP for 2014

We are asking our shareholders to ratify the appointment of KPMG LLP as our independent registered public accounting firm for fiscal year 2014. The following is a summary of KPMG s fees for 2013 and 2012:

	2013	2012
Audit Fees	$ 2,967,000	$ 2,815,000
Audit-Related Fees	614,000	803,000

Tax Fees	165,000	267,000
All Other Fees	0	0
Total	$ 3,746,000	$ 3,885,000

Approval of an Amendment to the Certificate of Incorporation to Declassify the Board

We are asking shareholders to approve an amendment to the Company s Certificate of Incorporation to declassify the Board of Directors. The Certificate of Incorporation currently provides that the Board be divided into three classes serving staggered three-year terms. The proposed amendment provides that, beginning with directors elected in 2015, directors would be elected on an annual basis. Directors elected prior to the effectiveness of the proposed amendment would continue in office until the expiration of their terms of office. A complete copy of the proposed amendment is provided in Appendix A on Page A-1.

Approval of the Second Amendment and Restatement of the Foot Locker 2007 Stock Incentive Plan

We are asking shareholders to approve the second amendment and restatement of the Foot Locker 2007 Stock Incentive Plan to increase the aggregate share reserve to 14 million shares, inclusive of shares currently remaining under the Stock Incentive Plan, and amend the definition of Change in Control and the vesting provisions of awards following a Change in Control. There are currently 1,721,896 million shares available for grant under the plan. If shareholders approve this proposal, it will result in a net increase of 12,278,104 million shares under the plan. The Board of Directors believes that the proposed increase in the share reserve is necessary to insure that a sufficient reserve of Common Stock remains available to meet anticipated future needs in issuing equity incentives and thereby continuing to align our executives and nonemployee directors interests with those of our shareholders. We are also seeking shareholder re-approval of the performance goals under the plan. A summary of the material features of the Foot Locker 2007 Stock Incentive Plan, as Amended and Restated, is provided beginning on Page 82, and a complete copy of the amended and restated plan is provided in Appendix B beginning on Page B-1.

Advisory Approval of the Named Executive Officers Compensation

We are asking shareholders to approve, on a nonbinding, advisory basis, the 2013 compensation of our named executive officers, as described in this proxy statement on Pages 25 through 71. Over the past three years, our shareholders overwhelmingly approved our executive compensation program. Given this strong support, the Compensation and Management Resources Committee decided to retain the overall program, which ties the executives pay closely with Foot Locker s performance. Our 2013 results reflect our diligent execution of the Company s strategies and represent continued meaningful progress toward the goals contained in our current long-range plan. Based on the Company s performance, the named executive officers earned annual bonuses for 2013 and long-term incentive payouts for the 2012-2013 performance measurement period payable in 2015.

Financial Metrics	2012	2013	Long-Term Objectives
Sales	$6,101 million	$6,505 million	$7,500 million
Sales Per Gross Square Foot	$443	$460	$500
Earnings Before Interest and Taxes (EBIT) Margin	9.9%	10.4%	11%
Net Income Margin	6.2%	6.6%	7%
Return on Invested Capital (ROIC)	14.2%	14.1%	14%

The above table represents non-GAAP results. We provide a reconciliation to GAAP on Pages 16-18 of our 2013 Form 10-K.

112 West 34th Street
New York, New York 10120

PROXY STATEMENT

GENERAL INFORMATION

We are providing these proxy materials to you for the solicitation of proxies by the Board of Directors of Foot Locker, Inc. for the 2014 Annual Meeting of Shareholders and for any adjournments or postponements of this meeting. We are holding this annual meeting on May 21, 2014 at 9:00 A.M., local time, at our corporate headquarters located at 112 West 34th Street, New York, New York 10120. In this proxy statement we refer to Foot Locker, Inc. as Foot Locker, the Company, we, our, or us.

We are furnishing proxy materials to our shareholders primarily over the Internet under the Securities and Exchange Commission s notice and access rules instead of mailing full sets of the printed materials. We believe that this procedure reduces costs, provides greater flexibility to our shareholders, and lessens the environmental impact of our Annual Meeting. On or about April 11, 2014 we started mailing to most of our shareholders in the United States a Notice of Internet Availability of Proxy Materials (the Foot Locker Notice). The Foot Locker Notice contains instructions on how to access and read our 2014 Proxy Statement and our 2013 Annual Report to Shareholders on the Internet and to vote online. **If you received a Foot Locker Notice by mail, you will not receive paper copies of the proxy materials in the mail unless you request them.** Instead, the Foot Locker Notice instructs you on how to access and read the Proxy Statement and Annual Report and how you may submit your proxy over the Internet. If you received a Foot Locker Notice by mail and would like to receive a printed copy of the materials, please follow the instructions on the Foot Locker Notice for requesting the materials, and we will promptly mail the materials to you.

We are mailing to shareholders, or making available to shareholders via the Internet, this Proxy Statement, form of proxy card, and our 2013 Annual Report/Form10-K on or about April 11, 2014.

QUESTIONS AND ANSWERS ABOUT THIS ANNUAL MEETING AND VOTING

What is included in these proxy materials?

The proxy materials include our 2014 Proxy Statement and 2013 Annual Report and Form 10-K. If you received printed copies of these materials by mail, these materials also include the proxy card for this annual meeting.

May I obtain an additional copy of the Form 10-K?

You may obtain an additional copy of our 2013 Form 10-K without charge by writing to our Investor Relations Department at Foot Locker, Inc., 112 West 34th Street, New York, New York 10120. It is also available free of charge through our corporate web site at *http://www.footlocker-inc.com/investors.cfm?page=corporate-governance*.

QUESTIONS AND ANSWERS

What constitutes a quorum for the Annual Meeting?

We will have a quorum and will be able to conduct the business of the Annual Meeting if the holders of a majority of the shares outstanding are present at the meeting, either in person or by proxy. We will count abstentions and broker non-votes, if any, as present and entitled to vote in determining whether we have a quorum.

What is the record date for this meeting?

The record date for this meeting is March 24, 2014. If you were a Foot Locker shareholder on this date, you are entitled to vote on the items of business described in this proxy statement.

Who may vote at the Annual Meeting?

The only voting securities of Foot Locker are our shares of Common Stock. Only shareholders of record on the books of the Company on March 24, 2014 are entitled to vote at the annual meeting and any adjournments or postponements. Each share is entitled to one vote. There were 145,817,895 shares of Common Stock outstanding on March 24, 2014.

Can I vote shares held in employee plans?

If you hold shares of Foot Locker Common Stock through the Foot Locker 401(k) Plan or the Foot Locker Puerto Rico 1165(e) Plan, your proxy card includes the number of shares allocated to your plan account. Your proxy card will serve as a voting instruction card for these shares for the plan trustee to vote the shares. The trustee will vote only those shares for which voting instructions have been given. To allow sufficient time for voting by the trustees of these plans, your voting instructions must be received by 11:59 P.M. Eastern Daylight Time on May 18, 2014.

QUESTIONS AND ANSWERS

What proposals are shareholders voting on at this meeting and what are the voting recommendations of the Board of Directors and the vote requirements to approve the proposals?

The proposals that you are being asked to vote on at this Annual Meeting, our Board s voting recommendations, and the vote required to approve each proposal are shown in the table below:

Proposal Number	Subject	Board s Voting Recommendation	Vote Required to Approve
1	Election of Four Directors in Class II	FOR EACH NOMINEE	Plurality of Votes Cast by Shareholders *Please see our policy described on Page 9 regarding resignations by directors who do not receive more For votes than Withheld votes.*
2	Ratification of the Appointment of KPMG LLP as Our Independent Registered Public Accounting Firm for 2014	FOR	Majority of Votes Cast by Shareholders
3	Approval of an Amendment to the Company s Certificate of Incorporation to Declassify the Board of Directors	FOR	Majority of Shares Outstanding
4	Approval of the Second Amendment and Restatement of the Foot Locker 2007 Stock Incentive Plan	FOR	Majority of Votes Cast by Shareholders
5	Advisory Approval of Executive Compensation	FOR	Majority of Votes Cast by Shareholders

Could other matters be voted on at the Annual Meeting?

We do not know of any other business that will be presented at the 2014 annual meeting. If any other matters are properly brought before the meeting for consideration, then the persons named as proxies will have the discretion to vote on those matters for you using their best judgment.

What happens if I do not vote my shares?

This depends on how you hold your shares and the type of proposal. If you hold your shares in street name, such as through a bank or brokerage account, it is important that you cast your vote if you want it to count for Proposals 1, 3, 4 and 5. If you do not instruct your bank or broker how to vote your shares on these proposals, no votes will be cast on your behalf because the broker does not have discretionary authority to vote. This is called a broker non-vote. With regard to Proposal 2, your bank or broker will have discretion to vote any uninstructed shares for this proposal.

QUESTIONS AND ANSWERS

If you are a shareholder of record where your stock ownership is reflected directly on the books and records of the Company s transfer agent, or if you hold your shares through the Foot Locker 401(k) Plan or Foot Locker 1165(e) Plan, no votes will be cast on your behalf on any of the proposals if you do not cast your vote.

How will the votes be counted?

Votes will be counted and certified by an independent inspector of election.

Votes withheld for the election of one or more of the nominees for director will not be counted as votes cast for them. Except in the case of Proposals 3 and 4, if you abstain from voting or there is a broker non-vote on any matter, your abstention or broker non-vote will not affect the outcome of such vote because abstentions and broker non-votes are not considered to be votes cast. With respect to Proposal 3 to approve the amendment to the Certificate of Incorporation, an abstention and broker non-vote will have the same effect as a vote against this proposal. With respect to Proposal 4 to approve the second amendment and restatement of the Foot Locker 2007 Stock Incentive Plan, which is subject to New York Stock Exchange shareholder approval rules, broker non-votes will not affect the outcome of such vote because broker non-votes are not considered votes cast; however, abstentions are counted as votes cast and, therefore, will have the effect of a vote against the proposal.

The Company s Certificate of Incorporation and By-laws do not contain any provisions on the effect of abstentions or broker non-votes.

How do I vote my shares?

You may vote using any of the following methods:

Telephone

If you are located within the United States or Canada, you can vote your shares by calling 1-800-690-6903 and following the recorded instructions. Telephone voting is available 24 hours a day and will be accessible until 11:59 P.M. Eastern Daylight Time on May 20, 2014. The telephone voting system has easy to follow instructions and allows you to confirm that the system has properly recorded your vote. **If you vote by telephone, you do NOT need to return a proxy card or voting instruction form.**

Internet

You can also choose to vote your shares through the Internet at www.proxyvote.com. Internet voting is available 24 hours a day and will be accessible until 11:59 P.M. Eastern Daylight Time on May 20, 2014. As with telephone voting, you will be able to confirm that the system has properly recorded your vote. **If you vote via the Internet, you do NOT need to return a proxy card or voting instruction form.**

QR Code

You may also choose to scan the QR Code provided to you to vote your shares through the Internet with your mobile device. Internet voting is available 24 hours a day and will be accessible until 11:59 P.M. Eastern Daylight Time on May 20, 2014. You will be able to confirm that the system has properly recorded your vote. **You do NOT need to return a proxy card or voting instruction form if you scan your QR code to vote.**

Mail

If you received printed copies of the proxy materials by mail, you may choose to vote by mail. Simply mark your proxy card or voting instruction form, date and sign it, and return it in the postage-paid envelope that we included with your materials.

Ballot at the Annual Meeting

You may also vote by ballot at the Annual Meeting if you decide to attend in person. If your shares are held in the name of a bank, broker or other holder of record, you must obtain a proxy, executed in your favor, from the holder of record to be able to vote at the meeting.

All shares that have been properly voted and not revoked will be voted at the Annual Meeting. If you sign and return a proxy card but do not give voting instructions, the shares represented by that proxy card will be voted as recommended by the Board of Directors.

Can I change my mind after voting my shares?

You may revoke your proxy at any time before it is used by (i) sending a written notice to the Company at its corporate headquarters, (ii) delivering a valid proxy card with a later date, (iii) providing a later dated vote by telephone or Internet, or (iv) voting by ballot at the Annual Meeting.

Will my vote be confidential?

We maintain the confidentiality of our shareholders votes. All proxy cards, electronic voting, voting instructions, ballots, and voting tabulations identifying shareholders are kept confidential from the Company, except:

- as necessary to meet any applicable legal requirements,
- when a shareholder requests disclosure or writes a comment on a proxy card,
- in a contested proxy solicitation, and
- to allow independent inspectors of election to tabulate and

certify the
vote.

Do I need a ticket to attend the Annual Meeting?

You will need an admission ticket to attend the Annual Meeting. Attendance at the meeting will be limited to shareholders on March 24, 2014 (or their authorized representatives) having an admission ticket or proof of their share ownership, and guests of the Company. If you plan to attend the meeting, please indicate this when you are voting by telephone or Internet or check the box on your proxy card, and we will promptly mail an admission ticket to you.

If your shares are held in the name of a bank, broker, or other holder of record and you plan to attend the meeting, you can obtain an admission ticket in advance by providing proof of your ownership, such as a bank or brokerage account statement, to the Corporate Secretary at Foot Locker, Inc., 112 West 34th Street, New York, New York 10120. If you do not have an admission ticket, you must show proof of your ownership of the Company s Common Stock at the registration table at the door.

Who pays the cost of this proxy solicitation?

We will pay for the cost of the solicitation of proxies, including the preparation, printing and mailing of the proxy materials.

Proxies may be solicited, without additional compensation, by our directors, officers, or employees by mail, telephone, fax, in person, or otherwise. We will request banks, brokers and other custodians, nominees and fiduciaries to deliver proxy materials to the beneficial owners of Foot Locker s Common Stock and obtain their voting instructions, and we will reimburse those firms for their expenses under the rules of the Securities and Exchange Commission and The New York Stock Exchange. In addition, we have retained Innisfree M&A Incorporated to assist us in the solicitation of proxies for a fee of $15,000 plus out-of-pocket expenses.

BENEFICIAL OWNERSHIP OF THE COMPANY S STOCK

Directors and Executive Officers

The following table shows the number of shares of Common Stock reported to us as beneficially owned by each of our directors and named executive officers as of March 24, 2014. The table also shows beneficial ownership by all directors, named executive officers, and executive officers as a group on that date, including shares of Common Stock that they have a right to acquire within 60 days after March 24, 2014 by the exercise of stock options.

Ken C. Hicks beneficially owned 1.52 percent of the total number of outstanding shares of Common Stock as of March 24, 2014. No other director, named executive officer, or executive officer beneficially owned one percent or more of the total number of outstanding shares as of that date. Each person has sole voting and investment power for the number of shares shown unless otherwise noted.

	Amount and Nature of Beneficial Ownership			
Name	**Common Stock Beneficially Owned Excluding Stock Options(a)**	**Stock Options Exercisable Within 60 Days After 3/24/2014**	**RSUs and Deferred Stock Units(b)**	**Total**
Paulette Alviti	33,253			33,253
Maxine Clark	1,351		1,505	2,856
Nicholas DiPaolo	62,933 (c)	6,317	1,505	70,755
Alan D. Feldman	47,564	6,314	25,635	79,513
Jarobin Gilbert Jr.	35,037	6,317	1,505	42,859
Ken C. Hicks	516,841	1,693,333		2,210,174
Richard A. Johnson	195,456	283,332		478,788
Guillermo G. Marmol	19,752		1,505	21,257
Robert W. McHugh	171,578	298,333		469,911
Matthew M. McKenna	74,580	4,287	1,505	80,372
Steven Oakland				
Lauren B. Peters	117,656	269,999		387,655
Cheryl Nido Turpin	38,821	6,317	42,290	87,428
Dona D. Young	31,280	6,317	52,325	89,922
All 19 directors and executive officers as a group, including the named executive officers	1,545,998	2,997,063	127,775	4,670,836 (d)

Notes to Beneficial Ownership Table

(a) This column includes shares held in the Company s

401(k) Plan and, where applicable, executives unvested shares of restricted stock as listed below over which they have sole voting power but no investment power:

Name	Number of Unvested Shares of Restricted Stock
K. Hicks	74,000
L. Peters	20,000
R. Johnson	20,000
R. McHugh	20,000
P. Alviti	30,000

(b) This column includes (i) the number of deferred stock units credited as of March 24, 2014 to the account of the directors who elected to defer all or part of their annual retainer fee and (ii) time-vested restricted stock units (RSUs). The deferred stock units and RSUs do not have current voting or investment power.

(c) Includes 1,050 shares held by his spouse.

(d) This number represents approximately 3.2 percent of the shares of Common Stock outstanding at the close of business on March 24, 2014.

Persons Owning More Than Five Percent of the Company s Stock

The following table provides information on shareholders who beneficially own more than five percent of our Common Stock according to reports filed with the Securities and Exchange Commission (SEC). To the best of our knowledge, there are no other shareholders who beneficially own more than five percent of a class of the Company s voting securities.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
BlackRock, Inc. 40 East 52nd Street New York, NY 10022	9,667,583(a)	6.6 %(a)
FMR LLC 245 Summer Street Boston, MA 02210	9,312,634(b)	6.346 %(b)
The Vanguard Group 100 Vanguard Blvd. Malvern, PA 19355	8,118,085(c)	5.53 %(c)
Harris Associates L.P. and Harris Associates Inc. 2 North LaSalle Street, Suite 500 Chicago, IL 60602-3790	8,129,056(d)	5.5 %(d)

<u>Notes to Table on Persons Owning More than Five Percent of the Company s Stock</u>

(a) Reflects shares beneficially owned as of December 31, 2013 according to Amendment No. 4 to Schedule 13G filed with the SEC. As reported in this schedule, BlackRock, Inc., a parent holding company, holds sole voting power with respect to 8,859,636 shares and sole dispositive power with respect to 9,667,583 shares.

(b) Reflects shares beneficially owned as of December 31, 2013 according to Schedule 13G filed with the SEC. As reported in this schedule, (1) Fidelity Management & Research Company (Fidelity), a wholly owned subsidiary of FMR LLC and an investment adviser, is the beneficial owner of 8,559,119 shares as a result of acting as investment adviser to various investment companies. Edward C. Johnson 3d and FMR LLC, through its control of Fidelity, and the funds each has sole power to dispose of the 8,559,119 shares owned by the funds. (2) Fidelity SelectCo, LLC (SelectCo), 1225 17th Street, Suite 1100, Denver, Colorado 80202, a wholly owned subsidiary of FMR LLC and an investment adviser, is the beneficial owner of 509,352 shares as a result of acting as investment adviser to various investment companies (SelectCo Funds). Edward C. Johnson 3d and FMR LLC, through its control of SelectCo, and the SelectCo Funds each has sole power to dispose of the 509,352 shares. Neither FMR LLC nor Edward C. Johnson 3d has the sole

BENEFICIAL OWNERSHIP

power to vote or direct the voting of the shares owned directly by the Fidelity Funds. (3) Strategic Advisers, Inc., a wholly owned subsidiary of FMR LLC and an investment adviser, provides investment advisory services to individuals. As such, FMR LLC s beneficial ownership includes 1,584 shares beneficially owned through Strategic Advisers, Inc. (4) Pyramis Global Advisers, LLC (PGALLC), 900 Salem Street, Smithfield, Rhode Island 02917, an indirect wholly owned subsidiary of FMR LLC and an investment adviser, is the beneficial owner of 39,500 shares as a result of its serving as investment adviser to institutional accounts, non-U.S. mutual funds, or investment companies owning the shares. Edward C. Johnson 3d and FMR LLC, through its control of PGALLC, each has sole dispositive power and sole power to vote or to direct the voting over the 39,500 shares. (4) Pyramis Global Advisors Trust Company (PGATC), 900 Salem Street, Smithfield, Rhode Island

02917, an indirect wholly owned subsidiary of FMR LLC and a bank, is the beneficial owner of 203,079 shares as a result of its serving as investment manager of institutional accounts owning the shares. Edward C. Johnson 3d and FMR LLC, through its control of PGATC, each has sole dispositive power and sole power to vote or to direct the voting of 203,079 shares owned by the institutional accounts managed by PGATC.

(c) Reflects shares beneficially owned as of December 31, 2013 according to Amendment

No. 2 to Schedule 13G filed with the SEC. As reported in this schedule, The Vanguard Group, an investment adviser, holds sole voting power with respect to 94,510 shares, sole dispositive power with respect to 8,034,275 shares, and shared dispositive power with respect to 83,810 shares. Vanguard Fiduciary Trust Company, a wholly owned subsidiary of The Vanguard Group, Inc., is the beneficial owner of 83,810 shares as a result of its serving as investment manager of collective trust accounts. Vanguard Investments Australia, Ltd., a wholly owned subsidiary of The Vanguard Group, Inc., is the beneficial owner of 10,700 shares as a result of its serving as investment manager of Australian investment offerings.

(d) Reflects shares beneficially owned as of December 31, 2013 according to Schedule 13G filed with the SEC. As reported in this schedule, Harris Associates L.P., an investment adviser, holds sole voting and dispositive power with respect to 8,098,456 shares.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934 requires that our directors and executive officers file with the Securities and Exchange Commission reports of ownership and changes in ownership of Foot Locker s Common Stock. Based on our records and other information, we believe that during the 2013 fiscal year, the directors and executive officers complied with all applicable SEC filing requirements.

CORPORATE GOVERNANCE INFORMATION

The Board of Directors is committed to good corporate governance and has adopted Corporate Governance Guidelines and other policies and practices to guide the Board and senior management in this area. This section of the proxy statement summarizes our key corporate governance policies and practices.

Our Board of Directors

Our Board of Directors comprises directors having a mix of business experience, education, skills, and service on our Board, as well as on the boards of other organizations. Our Board also reflects diversity in terms of gender, age, and ethnicity. Over the past three years, four new directors have been elected to the Board, three directors retired in accordance with the retirement policy for directors, and a new independent lead director was appointed.

Corporate Governance Guidelines

The Board of Directors has adopted Corporate Governance Guidelines. The Board periodically reviews the guidelines and may revise them when appropriate. The Corporate Governance Guidelines are available on the corporate governance section of the Company s corporate web site at *http://www.footlocker-inc.com/investors.cfm?page=corporate-governance.* You may also obtain a printed copy of the guidelines by writing to the Corporate Secretary at the Company s headquarters.

Committee Charters

The Board of Directors has adopted charters for the Audit Committee, the Compensation and Management Resources Committee, the Finance and Strategic Planning Committee, and the Nominating and Corporate Governance Committee. Copies of the charters for these committees are available on the corporate governance section of the Company s corporate web site at *http://www.footlocker-inc.com/investors.cfm?page=corporate-governance*. You may also obtain printed copies of these charters by writing to the Corporate Secretary at the Company s headquarters.

Policy on Voting for Directors

Our Corporate Governance Guidelines provide that if a nominee for director in an uncontested election receives more votes withheld from his or her election than votes for election (a Majority Withheld Vote), then the director must offer his or her resignation for consideration by the Nominating and Corporate Governance Committee (the Nominating Committee). The Nominating Committee will evaluate the resignation, weighing the best interests of the Company and its shareholders, and make a recommendation to the Board of Directors on the action to be taken. For example, the Nominating Committee may recommend (i) accepting the resignation, (ii) maintaining the director but addressing what the Nominating Committee believes to be the underlying cause of the withheld votes, (iii) resolving that the director will not be re-nominated in the future for election, or (iv) rejecting the resignation. When making its determination, the Nominating Committee will consider all factors that it deems relevant, including (i) any stated reasons why shareholders withheld votes from the director, (ii) any alternatives for curing the underlying cause of the withheld votes, (iii) the director s tenure, (iv) the director s qualifications, (v) the director s past and expected future contributions to the Board and to the Company, and (vi) the overall composition of the Board, including whether accepting the resignation would cause the Company to fall below the minimum number of directors required under the Company s By-laws or fail to meet any applicable Securities and Exchange Commission or New York Stock Exchange requirements. We will promptly disclose the Board s decision on whether or not to accept the director s resignation, including, if applicable, the reasons for rejecting the offered resignation.

Director Independence

The Board believes that a significant majority of the members of the Board should be independent, as determined by the Board based on the criteria established by The New York Stock Exchange. Each year, the Nominating Committee reviews any relationships between outside directors and the Company that may affect independence. Currently, one of the ten members of the Board of Directors serves as an officer of the Company, and the remaining nine directors are independent under the criteria established by The New York Stock Exchange. Please see Pages 14-16 for more information regarding director independence.

CORPORATE GOVERNANCE

Committee Rotation

As a general principle, the Board believes that the periodic rotation of committee assignments on a staggered basis is desired and provides an opportunity to foster diverse perspective and develop breadth of knowledge within the Board.

Lead Director

We have had a lead director since 2004. The lead director s responsibilities include reviewing and approving Board agendas; chairing executive sessions of the Board and meetings of the independent directors, both of which are held in conjunction with each quarterly Board meeting; leading the annual review of the Chief Executive Officer s performance; attending meetings of Board committees; and serving as a liaison between the independent directors and the Chief Executive Officer. The Board of Directors considers the periodic rotation of the lead director from time to time, taking into account experience, continuity of leadership, and the best interests of the Company.

Nicholas DiPaolo currently serves as the lead director. The Board believes that Mr. DiPaolo is well-suited to serve as lead director, given his business and financial background and more than ten years of service on our Board.

Board Leadership Structure

The Board of Directors evaluates, from time to time as appropriate, whether the same person should serve as Chairman of the Board and Chief Executive Officer, or whether the positions should be split, in light of all relevant factors and circumstances, and what it considers to be in the best interests of the Company and its shareholders.

In recent years, the Board has utilized various leadership structures. For example, from 2001 to 2004, the positions were separated, with a previously independent director serving as Chairman of the Board. From 2004 to 2009, the positions of Chairman of the Board and Chief Executive Officer were held by the same person, with an independent member of the Board serving as lead director. From August 2009 to January 2010, the positions were again separated, with the former Chairman and Chief Executive Officer serving as Chairman of the Board and an independent member of the Board serving as lead director. Since January 2010, Mr. Hicks has served as Chairman of the Board and Chief Executive Officer with an independent member of the Board serving as lead director. Nicholas DiPaolo, an independent director, has served as the lead independent director since May 2012.

The Board believes that the current leadership structure is appropriate for the Company in light of the Company s and the Board s history of operating effectively when these positions have been combined; the availability of directors such as Mr. DiPaolo to serve as a strong, independent lead director; the size of the Board, which allows a free flow of communication among its members and between the independent members and the Chairman; the important role played by our committee chairs; the independence of our directors; and Mr. Hicks background and experience.

Executive Sessions of Non-Management Directors

The Board of Directors holds regularly scheduled executive sessions of non-management directors in conjunction with each quarterly Board meeting. Nicholas DiPaolo, as lead director, presides at these executive sessions.

Board Members Attendance at Annual Meetings

Although we do not have a policy on our Board members attendance at annual shareholders meetings, we encourage each director to attend these important meetings. The annual meeting is

normally scheduled on the same day as a quarterly Board of Directors meeting. In 2013, all of the directors then serving attended the annual shareholders meeting.

Director Orientation and Education

We have an orientation program for new directors that is intended to educate a new director on the Company and the Board s practices. At the orientation, the newly elected director generally meets with the Company s Chief Executive Officer, the Chief Operating Officer, the Chief Financial Officer, the General Counsel and Secretary, and other senior officers of the Company, to review the business operations, financial matters, investor relations, corporate governance policies, the composition of the Board and its committees, and succession and development plans. Additionally, he or she has the opportunity to visit our stores at the Company s New York headquarters, or elsewhere, with a senior division officer for an introduction to store operations. We also provide the Board of Directors with educational training from time to time on subjects applicable to the Board and the Company, including with regard to retailing, accounting, financial reporting, and corporate governance, using both internal and external resources.

Payment of Directors Fees in Stock

The non-employee directors receive one-half of their annual retainer fees, including committee chair and lead director retainer fees, in shares of the Company s Common Stock, with the balance payable in cash. Directors may elect to receive up to 100 percent of their fees in stock.

Director Retirement

The Board has established a policy in its Corporate Governance Guidelines that directors retire from the Board at the annual meeting of shareholders following the director s 72nd birthday. As part of the Nominating Committee s regular evaluation of the Company s directors and the overall needs of the Board, the Nominating Committee may ask a director to remain on the Board for an additional period of time beyond age 72, or to stand for re-election after reaching age 72. For any director over age 72, the Nominating and Corporate Governance Committee evaluates that director each year in light of the retirement policy to determine his or her continued service on the Board. As described on Page 72, the Nominating and Corporate Governance Committee has asked Nicholas DiPaolo, age 72, to continue to serve on the Board and to stand for re-election in 2014.

Change in a Director s Principal Employment

The Board has established a policy that any director whose principal employment changes is required to advise the Chair of the Nominating and Corporate Governance Committee of this change. If requested by the Chair of the Committee, after consultation with the members of the Committee, the director will submit a letter of resignation to the Chair of the Committee, and the Committee would then meet to consider whether to accept or reject the letter of resignation.

Risk Oversight

The Board of Directors has oversight responsibilities regarding risks that could affect the Company. This oversight is conducted primarily through the Audit Committee. The Audit Committee has established procedures for reviewing the Company s risks. These procedures include regular risk monitoring by Foot Locker management to update current risks and identify potential new and emerging risks, quarterly risk reviews by management with the Audit Committee, and an annual risk report to the full Board of Directors. The Audit Committee Chair reports on the committee s meetings, considerations, and actions to the full Board at the next Board meeting following each committee meeting. In addition, the Compensation and Management Resources Committee

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considers risk in relation to the Company s compensation policies and practices. The Compensation Committee s independent compensation consultant provides an annual report to the committee on risk relative to the Company s compensation programs.

The Company believes that this process for risk oversight is appropriate in light of the nature of the Company s business, its size, and the active participation of senior members of management, including the Chief Executive Officer, in managing risk and holding regular discussions on risk with the Audit Committee, the Compensation and Management Resources Committee, and the Board.

Stock Ownership Guidelines

The Board of Directors has adopted Stock Ownership Guidelines. The Guidelines were initially adopted in 2006 and were most recently amended as of the start of the 2012 fiscal year. These guidelines cover the Board of Directors, the Chief Executive Officer, and Other Principal Officers. The Guidelines are as follows:

Covered Position	Current Ownership Guidelines
Non-Employee Directors	4 x Annual Retainer Fee
Chief Executive Officer	6 x Annual Base Salary
Executive Vice Presidents	3 x Annual Base Salary
Senior Vice Presidents and CEOs of Operating Divisions	2 x Annual Base Salary
Managing Directors of Operating Divisions and Corporate Vice Presidents	0.5 x Annual Base Salary

Shares of unvested restricted stock, unvested restricted stock units, and deferred stock units are counted towards beneficial ownership. Performance-based restricted stock units are counted once earned. Stock options and shares held through the Foot Locker 401(k) Plan are disregarded in calculating beneficial ownership.

Non-employee directors and executives who are covered by the guidelines are required to be in compliance within five years after the effective date of becoming subject to these guidelines. In the event of any later increase in the required ownership level, whether as a result of an increase in the annual retainer fee or base salary or an increase in the required ownership multiple, then the target date for compliance with the increased ownership guideline is five years after the effective date of such increase.

All non-employee directors and executives who were required to be in compliance as of the end of the 2013 fiscal year are in compliance. The Company measures compliance with the guidelines at the end of each fiscal year based on the market value of the Company s stock, with the compliance determination at that point in time applying for the next fiscal year, regardless of fluctuations in the Company s stock price.

If a director or covered executive fails to be in compliance by the required compliance date, then he or she must hold the net shares obtained through future stock option exercises and the vesting of restricted stock and restricted stock units, after payment of applicable taxes, until coming into compliance with the guidelines. In order to take into consideration fluctuations in the Company s stock price, any person who has been in compliance with the guidelines as of the end of at least one of the two preceding fiscal years and who has not subsequently sold shares will not be subject to this holding requirement. For non-employee directors, the Nominating and Corporate Governance Committee will consider a director s failure to comply with the Guidelines when considering that director for re-election to the Board of Directors.

Political Contributions

Our Code of Business Conduct prohibits making contributions on behalf of the Company to political parties, political action committees, political candidates, or holders of public office. The Company is a member of several trade associations which, as part of their overall activities, may engage in advocacy activities with regard to issues important to the retail industry or the business community generally.

Communications with the Board of Directors

The Board has established a procedure for shareholders and other interested parties to send communications to the non-management members of the Board of Directors. Shareholders and other interested parties who wish to communicate directly with the non-management directors of the Company should send a letter to:

Board of Directors
c/o Secretary, Foot Locker, Inc.
112 West 34th Street
New York, NY 10120

The Secretary will promptly send a copy of the communication to the lead director, who may direct the Secretary to send a copy of the communication to the other non-management directors and may determine whether a meeting of the non-management directors should be called to review the communication.

A copy of the Procedures for Communications with the Board of Directors is available on the corporate governance section of the Company s corporate web site at *http://www.footlocker-inc.com/investors.cfm?page=corporate-governance.* You may obtain a printed copy of the procedures by writing to the Corporate Secretary at the Company s headquarters.

Retention of Outside Advisors

The Board of Directors and all of its committees have authority to retain outside advisors and consultants that they consider necessary or appropriate in carrying out their respective responsibilities. The independent accountants are retained by the Audit Committee and report directly to the Audit Committee. In addition, the Committee is responsible for the selection, assessment, and termination of the internal auditors to which the Company has outsourced a portion of its internal audit function, which is ultimately accountable to the Audit Committee. Similarly, the consultant retained by the Compensation and Management Resources Committee to assist it in the evaluation of senior executive compensation reports directly to that committee.

Code of Business Conduct

The Company has adopted a Code of Business Conduct for directors, officers and employees, including our Chief Executive Officer, Chief Financial Officer, and Chief Accounting Officer. A copy of the Code of Business Conduct is available on the corporate governance section of the Company s corporate web site at *http://www.footlocker-inc.com/investors.cfm?page=corporate-governance.* You may obtain a printed copy of the Code of Business Conduct by writing to the Corporate Secretary at the Company s headquarters.

Any waivers of the Code of Business Conduct for directors and executive officers must be approved by the Audit Committee. We promptly disclose amendments to the Code of Business Conduct and any waivers of the Code for directors and executive officers on the corporate governance section of the Company s corporate website at *http://www.footlocker-inc.com/investors.cfm?page=corporate-governance*.

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BOARD OF DIRECTORS

Organization and Powers

The Board of Directors has responsibility for establishing broad corporate policies, reviewing significant developments affecting Foot Locker, and monitoring the general performance of the Company. Our By-laws provide for a Board of Directors consisting of between 7 and 13 directors. The exact number of directors is determined from time to time by the entire Board. Our Board currently has 10 members.

The Board of Directors held five meetings during 2013. All of our directors attended at least 75 percent of the meetings of the Board and committees on which they served in 2013.

Director Qualifications

The Board of Directors, acting through the Nominating and Corporate Governance Committee, considers its members, including those directors being nominated for reelection to the Board at the 2014 annual meeting, to be qualified for service on the Board due to a variety of factors reflected in each director s experience, education, areas of expertise, and experience serving on the boards of directors of other organizations. Generally, the Board seeks individuals of broad-based experience who have the background, judgment, independence, and integrity to represent the shareholders in overseeing the Company s management in their operation of the business rather than specific, niche areas of expertise. Within this framework, specific items relevant to the Board s determination for each director are listed in each director s biographical information beginning on Page 73.

Directors Independence

A director is considered independent under the rules of the The New York Stock Exchange if he or she has no material or immaterial relationship to the Company that would impair his or her independence. In addition to the independence criteria established by The New York Stock Exchange, the Board of Directors has adopted categorical standards to assist it in making its independence determinations regarding individual members of the Board. These categorical standards are contained in the Corporate Governance Guidelines, which are posted on the Company s corporate web site at *http://www.footlocker-inc.com/investors.cfm?page=corporate-governance.*

The Board of Directors has determined that the categories of relationships listed in the following table are immaterial for purposes of determining whether a director is independent under the listing standards adopted by The New York Stock Exchange.

Categorical Relationship	Description
Investment Relationships with the Company	A director and any family member may own equities or other securities of the Company.
Relationships with Other Business Entities	A director and any family member may be a director, employee (other than an executive officer), or beneficial owner of less than 10 percent of the shares of a business entity with which the Company does business, provided that the aggregate amount involved in a fiscal year does not exceed the greater of $1,000,000 or 2 percent of either that entity s or the Company s annual consolidated gross revenue.
Relationships with Not-for-Profit Entities	A director and any family member may be a director or employee (other than an executive officer or the equivalent) of a not-for-profit organization to which the Company (including the Foot Locker Foundation) makes contributions, provided that the aggregate amount of the Company s contributions in any fiscal year do not exceed the greater of $1,000,000 or 2 percent of the not-for-profit entity s total annual receipts.

The Board of Directors, upon the recommendation of the Nominating and Corporate Governance Committee, has determined that the following directors are independent under the rules of The New York Stock Exchange because they have no material or immaterial relationship to the Company that would impair their independence:

Maxine Clark	Matthew M. McKenna
Nicholas DiPaolo	Steven Oakland
Alan D. Feldman	Cheryl Nido Turpin
Jarobin Gilbert Jr.	Dona D. Young
Guillermo Marmol	

James E. Preston, Allen Questrom, and David Y. Schwartz served as directors of the Company during 2013 until their retirement from the Board on May 15, 2013. The Board determined, upon the recommendation of the Nominating and Corporate Governance Committee, that Mr. Preston, Mr. Questrom, and Mr. Schwartz each was independent under the rules of The New York Stock Exchange through the end of his term as a director because he had no material or immaterial relationship to the Company that would impair his independence.

In making its decisions on independence, the Board of Directors reviewed recommendations of the Nominating and Corporate Governance Committee and considered the following relationships between the Company and organizations with which the current members of our Board are affiliated:

- Nicholas DiPaolo s spouse is a trustee of the Greater Paramus Chamber of Commerce

Education Foundation, a not-for-profit corporation. The Foot Locker Foundation made a contribution of $5,000 to this organization in 2013. As the amount of the contribution does not exceed the greater of $1,000,000 or 2 percent of the not-for-profit entity s total annual receipts, this relationship falls under the Company s categorical standards of relationships that are immaterial for purposes of determining director independence because it constitutes a relationship with a not-for-profit entity.

BOARD OF DIRECTORS

Dona D. Young is a member of the Board of Trustees of Save the Children, a not-for-profit corporation. The Foot Locker Foundation made a contribution of $10,000 to this charitable organization in 2013. As the amount of the contribution does not exceed the greater of $1,000,000 or 2 percent of the not-for-profit entity s total annual receipts, this relationship falls under the Company s categorical standards of relationships that are immaterial for purposes of determining director independence because it constitutes a relationship with a not-for-profit entity.

The Board of Directors has determined that all members of the Audit Committee, the Compensation and Management Resources Committee, and the Nominating and Corporate Governance Committee are independent as defined under the listing standards of The New York Stock Exchange and the director independence standards adopted by the Board.

Related Person Transactions

We individually inquire of each of our directors and executive officers about any transactions in which Foot Locker and any of these related persons or their immediate family members are participants. We also make inquiries within the Company s records for information on any of these kinds of transactions. Once we gather the information, we then review all relationships and transactions in which Foot Locker and any of our directors, executive officers or their immediate family members are participants to determine, based on the facts and circumstances, whether the Company or the related persons have a direct or indirect material interest. The General Counsel s office coordinates the related person review process. The Nominating and Corporate Governance Committee reviews any reported transactions involving directors and their immediate families in making its recommendation to the Board of Directors on the independence of the directors. The Company s written policies and procedures for related person transactions are included within the Corporate Governance Guidelines and Foot Locker s Code of Business Conduct. There were no related party transactions in 2013.

Committees of the Board of Directors

The Board has delegated certain duties to committees, which assist the Board in carrying out its responsibilities. There are five standing committees of the Board. Each director serves on at least two committees. The current committee memberships, the number of meetings held during 2013, and the functions of the committees are described below.

Audit Committee	**Compensation and Management Resources Committee**	**Finance and Strategic Planning Committee**	**Nominating and Corporate Governance Committee**	**Executive Committee**
G. Marmol, *Chair*	A. Feldman, *Chair*	M. McKenna, *Chair*	D. Young, *Chair*	K. Hicks, *Chair*
M. Clark	N. DiPaolo	M. Clark	J. Gilbert Jr.	N. DiPaolo
J. Gilbert Jr.	S. Oakland	N. DiPaolo	S. Oakland	A. Feldman
M. McKenna	C. Turpin	A. Feldman	C. Turpin	G. Marmol
	D. Young	G. Marmol		M. McKenna
				D. Young

Audit Committee

The committee held nine meetings in 2013. The Audit Committee has a charter, which is available on the corporate governance section of our corporate web site at *http://www.footlocker-inc.com/investors.cfm?page=corporate-governance.* The report of the Audit Committee appears on Page 80.

This committee appoints the independent accountants and is responsible for approving the independent accountants compensation. This committee also assists the Board in fulfilling its oversight responsibilities in the following areas:

- accounting policies and practices,
- the integrity of the Company s financial statements,
- compliance with legal and regulatory requirements,
- risk oversight,
- the qualifications, independence, and performance of the independent accountants, and
- the qualifications, performance and compensation of the internal auditors.

The Audit Committee has established procedures for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters.

The Board of Directors has determined that Matthew M. McKenna, qualifies as an audit committee financial expert, as defined under the rules of the Securities Exchange Act of 1934, through his relevant experience as a senior financial executive of a large multinational corporation. Mr. McKenna is independent under the rules of The New York Stock Exchange and the Securities Exchange Act of 1934.

Compensation and Management Resources Committee

The Compensation and Management Resources Committee (the Compensation Committee) held six meetings in 2013. The committee has a charter, which is available on the corporate governance section of the Company s corporate web site at *http://www.footlocker-inc.com/investors.cfm?page=corporate-governance.*

The Compensation Committee determines the compensation of the Chief Executive Officer, reviews and approves all compensation for the Company s executive management group, which consists of the executive officers and corporate officers, and determines significant elements of the compensation of the chief executive officers of our operating divisions. Decisions regarding equity compensation for other employees are also the Compensation Committee s responsibility. Decisions regarding non-equity compensation of the Company s other associates are made by the Company s management. The committee also considers risk in relation to the Company s compensation policies and practices.

The Compensation Committee also administers Foot Locker s various compensation plans, including the incentive plans, the equity-based compensation plans, and the employees stock purchase plan. Other than the 2007 Stock Incentive Plan, committee members are not eligible to participate in these compensation plans. This committee also reviews and makes recommendations to the Board of Directors concerning executive development and succession, including for the position of Chief Executive Officer.

Each year, the Compensation Committee holds a meeting with management, the Company s compensation consultant, and the Committee s independent compensation consultant to review the overall executive compensation environment, including recent developments in executive compensation, and the Company s executive compensation program, including a historical view of the pay-for-performance correlation in the program and any changes to the program being recommended by management or either of the consultants.

The Committee then holds a meeting in March, after the financial results for the prior year have been finalized and audited, to review and approve bonus and incentive compensation payments for the prior year and to review and approve compensation arrangements base salaries, stock awards, and incentive plan targets for the upcoming year. The Committee meets privately with its independent consultant for the purpose of establishing the compensation of the Chief Executive Officer, including establishing target awards under the Annual Bonus Plan and the long-term incentive compensation program, and making stock awards to him. Except in the case of promotions or other unusual circumstances, the Compensation Committee considers stock awards only at its March meeting, which is normally held within a few weeks following the issuance of the Company s full-year earnings release for the prior year.

The Committee may hold other meetings during the year to review specific issues related to executive compensation, new developments in executive compensation, or other management resources-related topics. It also has responsibility, along with the Nominating and Corporate Governance Committee, for annually reviewing compensation paid to non-employee directors.

The Compensation Committee has retained as its advisor a nationally recognized executive compensation consultant Compensation Advisory Partners that is independent and performs no other work for the Company. Compensation Advisory Partners is retained directly by the Compensation Committee, reports to it directly, meets with the Committee privately, without management present, and regularly communicates privately with the Chair of the Committee. The Compensation Committee has assessed the independence of Compensation Advisory Partners based on standards promulgated by the Securities and Exchange Commission and concluded that no conflict of interest exists that would prevent it from serving as an independent consultant to the Committee. Each year, the Committee s compensation consultant reviews a report on risk in relation to the Company s compensation policies and practices, provides a pay-for-performance analysis of our executive compensation program, and reviews the Chief Executive Officer s compensation. Management utilizes the services of ClearBridge Compensation Group, a nationally recognized compensation consultant, to provide advice on the executive compensation program and plan design.

Management is involved in various aspects of developing the executive compensation program. Our Senior Vice President and Chief Human Resources Officer, Vice President Human Resources, and staff in the Human Resources Department work with our Chief Executive Officer to develop compensation recommendations for all corporate officers other than the Chief Executive Officer. The Chief Executive Officer or the Senior Vice President and Chief Human Resources Officer reviews these proposals with the Chair of the Compensation Committee, and may make changes to the recommendations based upon his input, before the recommendations are forwarded to the Compensation Committee for review. Our Senior Vice President and General Counsel and Vice President and Associate General Counsel also attend meetings of the Compensation Committee and participate in some of these discussions and preparations.

The Compensation Committee has delegated authority to its Chair to approve stock option awards of up to 25,000 shares to any single employee other than a corporate officer. The Chair generally uses this authority to approve stock option grants made during the course of the year in connection with promotions or new hires.

Compensation Committee Interlocks and Insider Participation

Nicholas DiPaolo, Alan D. Feldman, James E. Preston, Allen Questrom, Cheryl Nido Turpin, and Dona D. Young served on the Compensation and Management Resources Committee during 2013. None of the committee members was an officer or employee of the Company or any of its subsidiaries, and there were no interlocks with other companies within the meaning of the SEC s proxy rules.

Finance and Strategic Planning Committee

The Finance and Strategic Planning Committee held five meetings in 2013. This committee reviews the overall strategic and financial plans of the Company, including capital expenditure plans, proposed debt or equity issues of the Company, and the Company s capital structure. The committee also considers and makes recommendations to the Board of Directors concerning dividend payments and share repurchases, and reviews acquisition and divestiture proposals.

Nominating and Corporate Governance Committee

The Nominating and Corporate Governance Committee held four meetings in 2013. This committee has responsibility for overseeing corporate governance matters affecting the Company, including developing and recommending criteria and policies relating to service and tenure of directors. The committee is responsible for collecting the names of potential nominees to the Board, reviewing the background and qualifications of potential candidates for Board membership, and making recommendations to the Board for the nomination and election of directors. The committee reviews membership on the Board committees and, after consultation with the lead director and the Chief Executive Officer, makes recommendations to the Board regarding committee members and committee chair assignments annually. In addition, the committee meets jointly with the Compensation and Management Resources Committee to review directors compensation and make recommendations to the Board concerning the form and amount of directors compensation.

While the Nominating and Corporate Governance Committee does not have a formal policy regarding board diversity, the Foot Locker Board reflects diversity in terms of gender, experience and ethnicity. In selecting new directors and considering the re-nomination of existing directors, the Committee considers a variety of factors that it believes contribute to an individual s ability to be an effective director, as well as the overall effectiveness of the Board. These include independence, integrity, high personal and professional ethics, sound business judgment, and the ability and willingness to devote sufficient time to Board responsibilities. The Committee also considers an individual s understanding of business, finance, corporate governance, marketing, and other disciplines relevant to the oversight of a large publicly traded company; understanding of our industry; educational and professional background; international experience; personal accomplishment; community involvement; and cultural and ethnic diversity. The Nominating and Corporate Governance Committee may establish criteria for candidates for Board membership. These criteria may include area of expertise, diversity of experience, independence, commitment to representing the long-term interests of the Company s stakeholders, and other relevant factors, taking into consideration the needs of the Board and the Company and the mix of expertise and experience among current directors. From time to time the committee may retain the services of a third party search firm to identify potential director candidates.

After a potential nominee is identified, the Committee Chair will review his or her biographical information and discuss with the other members of the committee whether to request additional information about the individual or to schedule a meeting with the potential candidate. The committee s determination on whether to proceed with a formal evaluation of a potential candidate is based on the person s experience and qualifications, as well as the current composition of the Board and its anticipated future needs.

Shareholders who wish to recommend candidates may contact the Committee in the manner described on Page 13 under Communications with the Board of Directors. Shareholder nominations must be made according to the procedures required under our By-laws and within the timeframe described in the By-laws and on Page 93 of this proxy statement. Shareholder-recommended candidates and shareholder nominees whose nominations comply with these procedures will be evaluated by the Committee in the same manner as the Committee s nominees.

BOARD OF DIRECTORS

Executive Committee

The Executive Committee did not meet in 2013. Except for certain matters reserved to the Board, this committee has all of the powers of the Board in the management of the business of the Company during intervals between Board meetings.

Directors Compensation and Benefits

Non-employee directors are paid an annual retainer fee and meeting fees for attendance at each Board and committee meeting. The lead director and the committee chairs are paid an additional retainer fee for service in these capacities. We do not pay additional compensation to any director who is also an employee of the Company for service on the Board or any committee. The table below summarizes the fees paid to the non-employee directors in 2013.

Summary of Directors Compensation

Annual Retainer	$110,000. The annual retainer is payable 50 percent in cash and 50 percent in shares of our Common Stock. Directors may elect to receive up to 100 percent of their annual retainer, including committee chair retainer, in stock. We calculate the number of shares paid to the directors for their annual retainer by dividing their retainer fee by the closing price of a share of our stock on the last business day preceding the July payment date.	
Committee Chair Retainers	The committee chair retainers are paid in the same form as the annual retainer.	
	$25,000	Audit Committee Chair
	$25,000	Compensation and Management Resources Committee Chair
	$15,000	Finance and Strategic Planning Committee Chair
	$15,000	Nominating and Corporate Governance Committee Chair
	N/A:	Executive Committee
Lead Director Retainer	$50,000 payable in the same form as the annual retainer.	
Meeting Fees	$2,000 for attendance at each Board and committee meeting	
Restricted Stock Units	In fiscal 2013, the directors received a grant of 1,505 restricted stock units (RSUs). The number of RSUs granted was calculated by dividing $55,000 by the closing price of a share of our stock on the date of grant. The RSUs will vest one year following the date of grant in May 2014. Each RSU represents the right to receive one share of the Company s common stock on the vesting date.	

Deferral Election

Non-employee directors may elect to receive all or a portion of the cash component of their annual retainer fee, including committee chair retainers, in the form of deferred stock units or to have these amounts placed in an interest account. Directors may also elect to receive all or part of the stock component of their annual retainer fee in the form of deferred stock units. The interest account is a hypothetical investment account bearing interest at the rate of 120 percent of the

applicable federal long-term rate, compounded annually, and set as of the first day of each plan year. A stock unit is an accounting equivalent of one share of the Company s Common Stock.

Miscellaneous

Directors and their immediate families are eligible to receive the same discount on purchases of merchandise from our stores, catalogs and Internet sites that is available to Company employees. The Company reimburses non-employee directors for their reasonable expenses in attending meetings of the Board and committees, including their transportation expenses to and from meetings, hotel accommodations, and meals.

Fiscal 2013 Director Compensation

The amounts paid to each non-employee director for fiscal 2013, including amounts deferred under the Company s stock plan, and the RSUs granted to each director are reported in the tables below. Mr. Oakland did not serve as a director during 2013, so no compensation is reported for him in the table.

Director Compensation

(a) Name	(b) Fees Earned or Paid in Cash ($)	(c) Stock Awards ($)(1)(2)	(d) Total ($)
M. Clark	80,053	102,468	182,521
N. DiPaolo	110,009	134,999	245,008
A. Feldman	35,625	202,754 (3)(4)	238,379
J. Gilbert Jr.	93,022	109,986	203,008
G. Marmol	105,515	122,493	228,008
M. McKenna	38,025	172,483	210,508
S. Oakland			
J. Preston	38,945	27,472	66,417
A. Questrom	38,945	28,203	67,148
D. Schwartz	40,061	37,576	77,637
C. Turpin	32,583	192,066 (3)(4)	224,649
D. Young	78,000	169,694 (4)	247,694

<u>Notes to Director Compensation Table</u>

(1) Column (c) reflects the following three

bulleted items:

Retainer fees paid in stock or deferred by the director. The fiscal 2013 grant date fair value for the portion of the annual retainer fees, including committee chair retainer fees and the lead director retainer fee, paid in shares of the Company s common stock or deferred by the director, as shown in the following table:

BOARD OF DIRECTORS

Name	Number of Shares	Number of Deferred Stock Units	Grant Date Fair Value ($)
M. Clark	1,351		47,461
N. DiPaolo	2,277		79,991
A. Feldman		3,749.8243	129,375
J. Gilbert Jr.	1,565		54,978
G. Marmol	1,921		67,485
M. McKenna	3,344		117,475
S. Oakland			
J. Preston	782		27,472
A. Questrom	782		27,472
D. Schwartz	889		31,231
C. Turpin		3,055.4124	105,417
D. Young		2,134.9274	75,000

- *Stock portion of retainer fee*: In 2013, we made the annual stock payment to each director on July 1. Under the terms of the 2007 Stock Incentive Plan, the stock payment was valued at the closing price of a share of the Company s common stock on June 28, which was $35.13. The 2013 grant date fair value is equal to the number of shares received or deferred by the director multiplied by $35.13, calculated in accordance with stock-based compensation accounting rules (ASC Topic 718). Directors who deferred the stock portion of their annual retainer were credited with deferred stock units on the annual payment date valued at $35.13 per unit.

- *Cash portion of retainer fee*: For fiscal 2013, two directors deferred part of the cash portion of their annual retainer fees and were credited during the fiscal year with deferred stock units on the quarterly cash retainer payment dates, valued at the fair market value on the payment dates, as follows: January 2, 2013 ($31.60; pro rated for 2 months of fiscal year), April 1, 2013 ($33.82), July 1, 2013 ($35.36), and October 1, 2013 ($34.01). The 2013 grant date fair value is equal to the number of deferred stock units received multiplied by the fair market value on the payment dates, calculated in accordance with stock-based compensation accounting rules (ASC Topic 718).

Dividend equivalents. The fiscal 2013 grant date fair value for dividend equivalents credited in the form of additional stock units to five directors during the year on the quarterly dividend payment dates, valued at the fair market value of the Company s common stock on the dividend payment dates, as shown in the following table.

Name	**05/03/13 FMV: $35.28**	**08/02/13 FMV: $37.31**	**11/01/13 FMV: $34.99**	**01/31/14 FMV: $38.60**
A. Feldman	117.5291	124.6225	136.4340	124.3812
D. Schwartz	179.8530			
A. Questrom	20.7185			
C. Turpin	212.9243	212.9576	230.6058	210.2336
D. Young	269.8295	268.0390	287.3434	261.9589

The **Total Number of Deferred Stock Units** credited to directors accounts for fiscal 2013, including the dividend equivalents and the units credited representing 2013 retainer fees reported in the above two tables, and the total number of units held at the end of fiscal 2013, are reported in the following table:

Name	Total # of Units Credited for 2013	Total # of Units Held at 02/01/14
A. Feldman	4,252.7911	24,129.9493
D. Schwartz	179.8530	14,735.8533
A. Questrom	20.7185	
C. Turpin	3,922.1337	40,785.3239
D. Young	3,222.0982	50,820.0216

Restricted Stock Units (RSUs). The fiscal 2013 grant date fair value for the RSUs granted to the nonemployee directors in 2013 is shown in the following table. The number of RSUs granted was calculated by dividing $55,000 by $36.55, which was the closing price of a share of our stock on the date of grant. The RSUs will vest in May 2014. As provided under the

SEC s rules, the amounts shown exclude the impact of estimated forfeitures related to service-based vesting conditions. For additional information on the valuation assumptions, please refer to Note 22 to the Company s financial statements in our 2013 Form 10-K. The following table shows the aggregate number of RSUs granted in 2013 and the number of RSUs outstanding at the end of the 2013 fiscal year:

Name	Number of RSUs Granted	Grant Date Fair Value ($)	Number of RSUs Outstanding on 2/1/2014
M. Clark	1,505	55,008	1,505
N. DiPaolo	1,505	55,008	1,505
A. Feldman	1,505	55,008	1,505
J. Gilbert Jr.	1,505	55,008	1,505
G. Marmol	1,505	55,008	1,505
M. McKenna	1,505	55,008	1,505
S. Oakland			
J. Preston			
A. Questrom			

D. Schwartz			
C. Turpin	1,505	55,008	1,505
D. Young	1,505	55,008	1,505

(2) No stock options were granted to the nonemployee directors in 2013. The following table provides information on the number of stock options outstanding for each of the nonemployee directors at the end of the 2013 fiscal year, all of which are exercisable:

BOARD OF DIRECTORS

Name	Number of Stock Options Outstanding on 2/1/2014
M. Clark	
N. DiPaolo	6,317
A. Feldman	6,314
J. Gilbert Jr.	6,317
G. Marmol	
M. McKenna	4,287
Steven Oakland	
J. Preston	
A. Questrom	
D. Schwartz	6,317
C. Turpin	6,317
D. Young	6,317

(3) Quarterly cash payments for part of fiscal 2013 deferred in the form of stock units under Foot Locker s Stock Incentive Plan.

(4) Stock payment deferred in the form of stock units under Foot

Locker s
Stock
Incentive
Plan.

Directors Retirement Plan

The Directors Retirement Plan was frozen as of December 31, 1995. Consequently, only Jarobin Gilbert Jr. and James E. Preston remained entitled to receive a benefit under this plan when their service as directors ends because they had completed at least five years of service as directors on December 31, 1995. The retirement benefit under this plan is an annual retirement benefit of $24,000 that is payable quarterly for a period of 10 years after the director leaves the Board or until their death, if sooner. Mr. Preston retired from the Board in May 2013, and he is currently receiving a benefit under this plan.

Directors and Officers Indemnification and Insurance

We have purchased directors and officers liability and corporation reimbursement insurance from a group of insurers comprising ACE American Insurance Co., Zurich American Insurance Co., Arch Insurance Co., St. Paul Mercury Insurance Co., Freedom Specialty Insurance Co., Berkley Insurance Co., Navigators Insurance Co., Aspen American Insurance Co., XL Insurance Bermuda Ltd., and Illinois National Insurance Co. These policies insure the Company and all of the Company s wholly owned subsidiaries. They also insure all of the directors and officers of the Company and the covered subsidiaries. The policies were written for a term of 12 months, from October 12, 2013 until October 12, 2014. The total annual premium for these policies, including fees and taxes, is $1,050,835. Directors and officers of the Company, as well as all other employees with fiduciary responsibilities under the Employee Retirement Income Security Act of 1974, as amended, are insured under policies issued by a group of insurers comprising Arch Insurance Co., St. Paul Mercury Insurance Co., Federal Insurance Co., and Continental Casualty Co., which have a total premium, including fees and taxes, of $367,988 for the 12- month period ending October 12, 2014.

The Company has entered into indemnification agreements with its directors and officers, as approved by shareholders at the 1987 annual meeting.

EXECUTIVE COMPENSATION

Compensation and Risk

The Company has completed a risk-related review and assessment of our compensation program and considered whether our executive compensation is reasonably likely to result in a material adverse effect on the Company. As part of this review, the independent compensation consultant to the Compensation and Management Resources Committee reviewed risk in relation to the Company s compensation policies and practices with the Company s human resources executives directly involved in compensation matters. The consultant reviewed the compensation policies and practices in effect for corporate and division employees through the manager level, store managers, and store associates and reviewed the features we have built into the compensation programs to discourage excessive risk taking by employees, including a balance between different elements of compensation, differing time periods for different elements, consistent Company-wide programs, plan performance targets based on the corporate budgeting process, and stock ownership guidelines for senior management.

Compensation Discussion and Analysis

This section explains our executive compensation program as it relates to the following named executive officers whose compensation information is presented in the tables following this discussion and analysis:

Ken C. Hicks	Chairman of the Board, President and Chief Executive Officer
Lauren B. Peters	Executive Vice President and Chief Financial Officer
Richard A. Johnson	Executive Vice President and Chief Operating Officer
Robert W. McHugh	Executive Vice President Operations Support
Paulette R. Alviti	Senior Vice President and Chief Human Resources Officer

Our executive compensation program is designed to attract, motivate, and retain talented retail company executives in order to maintain and enhance the Company s performance and its return to shareholders. In order to accomplish this, we have a compensation program for our executives that ties pay closely to performance. The more senior an executive s position, the greater the portion of his or her compensation that is tied to performance. The Compensation and Management Resources Committee (the Compensation Committee), composed of five independent directors, oversees the executive compensation program.

2013 Summary

This summary is intended to highlight certain features of our performance and our executive compensation program in 2013. Please refer to the entire Compensation Discussion and Analysis that follows the 2013 Summary for more detailed and specific information on our program.

Our 2013 Results. In 2013, for the third year in a row, we achieved record sales, earnings, and earnings per share in our history as an athletic footwear and apparel company. Results included:

Net income, on a non-GAAP basis, of $432 million or earnings-per-share of $2.87, a 16 percent increase over 2012

End-of-year market capitalization of $5.6 billion, an 8 percent increase over year-end 2012

Total dividend payments to shareholders of $118 million

Total share repurchases of $229 million

Total shareholder return (stock price appreciation plus reinvested dividends) of 13.6 percent.

EXECUTIVE COMPENSATION

These results represent continued strong progress toward the long-term objectives contained in the updated long-range strategic plan that we adopted in early 2012, as shown in the following table:

Financial Metrics	2012	2013	Long-Term Objectives
Sales	$6,101 million	$6,505 million	$7,500 million
Sales per Gross Square Foot	$443	$460	$500
Earnings Before Interest and Taxes (EBIT) Margin	9.9%	10.4%	11%
Net Income Margin	6.2%	6.6%	7%
Return on Invested Capital (ROIC)	14.2%	14.1%	14%

The above table represents non-GAAP results. There is a reconciliation to GAAP on Pages 16-18 of our 2013 Form 10-K.

Base Salaries. The Chief Executive Officer s base salary was unchanged in 2013 from 2012. As part of the Compensation Committee s normal annual compensation review, the other named executive officers (other than Ms. Alviti) received base salary increases ranging from 3.2 to 10 percent, which were based on the executive s performance and a position-oriented analysis of peer group salaries. Ms. Alviti joined the Company in June 2013, and her base salary was established based upon the salary range for her position and her prior experience and compensation level.

Annual Bonus. Both our annual bonus and long-term incentive programs are formula-driven, with targets established by the Compensation Committee based upon financial targets included in the business plan approved each year by our Finance and Strategic Planning Committee and Board of Directors. Our annual and long-term bonus programs for the named executive officers pay out based upon the Company s results, without individual performance adjustments.

At the beginning of 2013, the Compensation Committee established a performance target under the Annual Incentive Compensation Plan (the Annual Bonus Plan) based on the Company achieving pre-tax income of $666.1 million, a 6.8 percent increase over 2012 pre-tax income. In 2013, the Company achieved adjusted pre-tax income of $665.5 million, a 6.7 percent increase over 2012, and slightly less than the target, which resulted in annual cash bonuses slightly below the target payout of 124.1 percent of base salary for the Chief Executive Officer, 74.5 percent of base salary for the Chief Operating Officer, 64.5 percent of base salary for the other executive vice presidents, and 50 percent for Ms. Alviti (whose first year annual bonus was guaranteed at target).

Long-Term Incentive Programs. At the beginning of 2012, the Compensation Committee established performance targets for the 2012-13 performance period under the long-term incentive program. The amount earned for the two-year 2012-2013 performance period will not be paid to participants until 2015, following the completion of an additional one-year holding period. The targets that the Committee established were based on the Company achieving average annual net income of $346.2 million (which accounts for 70% of the payout) and ROIC of 12.8 percent (which accounts for 30% of the payout). For the period, the Company achieved average annual net income of $418.6 million and ROIC of 15.0 percent. As a result, the named executive officers earned a maximum payout for the performance period - for Mr. Hicks, 350 percent of initial base salary; for Mr. Johnson 200 percent of initial base salary; and for the other named executive officers, 150 percent of initial base salary. Payouts will be calculated and made one-half in cash and one-half in restricted stock units (RSUs). Ms. Alviti s payout under the long-term program is pro rated based upon her period of service with the Company as a percentage of the total performance period.

In 2013, the Compensation Committee established long-term incentive performance targets for the 2013-2014 performance period based upon net income (70%) and ROIC (30%) denominated one-half in cash and one-half in RSUs. The Committee will determine whether payouts have been earned for that performance period following the end of 2014. If payouts are earned, they will be calculated one-half in cash and one-half in RSUs, and payment will be made to participating executives in 2016 following an additional one-year holding period.

Our annual bonus and long-term incentive programs are performance-based. When we meet or exceed our targets, payments are made to participants, including the named executive officers. When we do not, no payments are made. Following is a five-year history of bonus payments to our named executive officers:

	Annual Bonus Plan Payout	Long-Term Bonus Plan Payout
2013	Slightly Below Target	2012-13: Maximum
2012	Between Target and Maximum	2011-12: Maximum
2011	Maximum	2010-11: Maximum
		2009-11: Maximum
2010	Maximum	2008-10: Between Threshold and Target
2009	No Payout	2007-09: No Payout

Stock Options. The Compensation Committee granted stock options to each of the named executive officers in 2013. As part of its normal annual compensation review, the Committee awarded options to purchase the number of shares of common stock to each of the named executive officers shown in the following chart:

Executive	Number of Options	Assumed Black-Scholes Value
Mr. Hicks	280,000	$ 3,012,800
Mr. Johnson	47,000	$ 505,720
Mr. McHugh and Ms. Peters	42,000	$ 451,920

When determining the number of stock options to grant, the Compensation Committee considered an assumed Black-Scholes value, shown in the chart, which was based on the closing price of a share of the Company s common stock in the 20 trading day period ending 10 days prior to the date the Committee met to authorize these awards. The option exercise price, as well as the actual Black-Scholes value of the awards, is based upon the closing price of a share of the Company s common stock on the grant date. All of the options granted have a three-year vesting schedule, with one-third of each option grant vesting on the first, second, and third anniversary of the grant date, subject to continuous service through each vesting date.

Ms. Alviti. When she joined the Company in June 2013, Ms. Alviti was awarded a stock option grant of 21,000 options, vesting in three equal annual installments, the same number of options granted to the Company s other Senior Vice Presidents in 2013. As additional sign-on compensation to compensate her for incentive compensation and stock and other awards she forfeited upon termination of her employment with her prior employer, Ms. Alviti received (i) a cash payment of $126,563 and 6,718 restricted stock units, to be payable and vest in March 2014, comparable to a pro-rated payout under the long-term incentive program payable to other senior executives in 2014, and (ii) a restricted stock award of 30,000 shares, vesting in three equal annual installments.

Special Stock Awards to Mr. Hicks. In addition to the stock option award made to Mr. Hicks as part of the Compensation Committee s normal annual compensation review, as shown in the chart above, in 2013 the Compensation Committee also made two special stock awards to Mr. Hicks. These were made in light of the Company s performance in 2012, when, under the leadership of Mr. Hicks, the Company achieved record sales, earnings, earnings per share, and return-on-invested-capital in our history as an athletic footwear and apparel company. These awards were:

EXECUTIVE COMPENSATION

Type of Award	Number of Shares	Value	Vesting
Stock Option	232,000	$2,614,014	50% in March 2015
			50% in March 2016
Restricted Stock	74,000	$2,533,760	50% in March 2015
			50% in March 2016

The value shown for the stock option award is the assumed Black-Scholes value; the value shown for the restricted stock award is the fair market value of the Company s stock on the grant date.

Key Compensation Policies. In addition to the specific compensation programs outlined above, the Company has adopted a number of other policies related to executive compensation:

Independent Consultant. With regard to executive compensation matters, our Compensation Committee directly retains, and is advised by, an independent compensation consultant who performs no other work for the Company.

No Gross-Ups. We do not provide a tax gross-up with regard to any compensation, benefit, or perquisite paid by the Company, other than our executive relocation program that is applicable to all executives. We also do not provide tax gross-ups for any amount paid to an executive upon termination of employment or a change-in-control.

Stock Ownership Guidelines. We have stock ownership guidelines for our senior executives. These are set at six times annual salary for the Chief Executive Officer, three times annual salary for executive vice presidents, two times annual salary for senior vice presidents and divisional chief executive officers, and one-half times annual salary for vice presidents and divisional managing directors. If an executive has not met the ownership requirements following a five-year phase-in period, the executive is required to hold 100 percent of net shares acquired from the vesting of restricted stock or RSUs or the exercise of stock options until the stock ownership guidelines are achieved.

Long-Term Incentive Program Performance Gate. With regard to the long-term incentive program, the Compensation Committee has established a performance gate so that no amounts will be paid out under the program unless the Company s average annual after-tax income for the performance period exceeds the Company s after-tax income in the year prior to the commencement of the performance period.

2013 Say-on-Pay Vote. At our 2013 annual meeting, 97 percent of shareholders voting on the advisory vote on executive compensation supported the executive compensation program. The Compensation Committee considered the results of the 2013 say-on-pay vote and shareholders strong support of our executive compensation program in reviewing the executive compensation program for 2014. In light of this, the Compensation Committee decided to retain the general overall program design, which ties executive pay closely with Company performance. In the future, the Compensation Committee will continue to consider the executive compensation program in light of changing circumstances and shareholder feedback. Our Say-on-Pay vote is currently held on an annual basis, consistent with the views expressed by a majority of our shareholders at our 2011 annual meeting.

In the balance of this Compensation Discussion and Analysis, we provide greater detail about our compensation program for the named executive officers.

* * *

What are the objectives of our compensation program?

The objectives of our compensation program are to attract, motivate, and retain talented retail industry executives in order to maintain and enhance the Company s performance and its return to shareholders.

What is our compensation program designed to reward?

We have designed our compensation program to align the financial interests of our executives, including the named executive officers, with those of our shareholders. It is designed to reward the overall effort and contribution of our executives as measured by the Company s performance in relation to targets established by the Compensation Committee, more than individual performance. Key concepts underlying our program are:

Balance. Executive compensation should be balanced between annual and long-term compensation and between cash and equity-based compensation.

Align Interests of Executives and Shareholders. The compensation program should align the interests of executives with those of the Company s shareholders by rewarding both increases in the Company s share price and the achievement of performance goals that contribute to the Company s long- term health and growth.

Strong Relationship to Company Performance. A substantial portion of the compensation of our executives, whether paid out currently or on a long-term basis, should depend on the Company s performance.

The Compensation of Our Senior Executives Has Greater Risk. More-senior executives should have a greater portion of their compensation at risk, whether through performance-based incentive programs or through stock price appreciation.

What are our elements of compensation?

The elements of compensation for the named executive officers are:

- base salary
- performance-based annual cash bonus
- performance-based long-term incentive, payable in a combination of cash and RSUs
- long-term equity-based compensation (stock options and, in special situations, restricted stock)
- retirement and other benefits

perquisites

Why do we pay each element of compensation and how do we determine the amount for each element of compensation, or the formula that determines the amount?

We have established benchmarks for base salary and total compensation for each named executive officer. These benchmarks are reviewed annually and are based upon compensation for comparable positions in a peer group consisting of 20 national retail companies with annual sales of approximately $1 billion to $10 billion. The Compensation Committee determined that these companies were the appropriate peer group for executive compensation purposes based upon the nature of their business, their revenues, and the pool from which they recruit their executives.

In 2013, we removed three companies from the peer group Collective Brands Inc., Charming Shoppes, and Talbots Inc. because they were no longer publicly traded. In 2012, we had removed companies Borders Group, Inc. and Timberland Co. for the same reason. In order to maintain a peer group of reasonable size, in 2013 we added five companies: Ascena Retail Group, Inc., Bed,

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Bath & Beyond, Inc., DSW, Inc., GameStop Corp., and Williams-Sonoma, Inc. The 20 companies included in the peer group were:

Abercrombie & Fitch	Family Dollar Stores
Aeropostale, Inc.	Finish Line Inc.
American Eagle Outfitters Inc.	GameStop Corp.
ANN INC.	Genesco Inc.
Ascena Retail Group, Inc.	L Brands Inc.
Bed, Bath & Beyond Inc.	Quiksilver Inc.
Brown Shoe Company, Inc.	Radioshack Corp.
Dick s Sporting Goods Inc.	Ross Stores Inc.
Dillards Inc.	Saks Inc.
DSW Inc.	Williams-Sonoma, Inc.

Saks Inc. is no longer a publicly traded company, and we removed it from the peer group for 2014.

The goal of the Compensation Committee is to provide competitive total compensation opportunities for the named executive officers that vary with Company performance. The Committee uses the peer group benchmark information as a reference point in evaluating executive compensation, but does not attempt to match the compensation of each executive position in the Company precisely with that of an equivalent position in the peer group. In general, the Committee attempts to position an executive s total compensation between the median and 75th percentile of comparable positions at peer companies, consistent with the Company s revenues in relation to the peer companies. The Committee also takes into consideration factors such as performance, responsibility, experience, and length of time an executive has served in a position.

Base Salaries

We pay base salaries to provide our named executive officers with current, regular compensation that is appropriate to their position, experience, and responsibilities. We pay higher base salaries to those named executive officers with greater overall responsibility. Other than Mr. Hicks, whose base salary did not change in 2013 from 2012, and Ms. Alviti, the other named executive officers received base salary increases in 2013 that ranged from 3.2 percent to 10 percent. These increases were determined based principally upon the executive s performance and his or her salary as compared to salaries for comparable positions in the peer group. Ms. Alviti s base salary was established when she joined the Company in June 2013 based upon the salary range for her position and her prior experience and compensation.

Performance-Based Annual Cash Bonus

We pay performance-based annual cash bonuses to our named executive officers under the Annual Bonus Plan in order to provide incentive for them to work toward the Company s achievement of annual performance goals established by the Compensation Committee. Payments are calculated as a percentage of actual base salary earned by the executive during the year.

Our Annual Bonus Plan allows the Compensation Committee, in establishing performance targets under the plan, to choose one or more performance measures from a list of ten factors that have been approved by our shareholders. For 2013, for the named executive officers, the Compensation Committee established a performance target under the

Annual Bonus Plan based upon the Company s achievement of a prescribed level of pre-tax income. All bonus targets and calculations are based on the results of continuing operations. The performance targets established by the

Compensation Committee are based upon the business plan and budget reviewed and approved each year by the Finance and Strategic Planning Committee and the Board of Directors.

The Annual Bonus Plan targets and the actual amount of adjusted pre-tax profit achieved for 2013 were as follows:

	Threshold	Target	Maximum	Actual
Pre-tax profit	$599.5 million	$666.1 million	$799.3 million	$665.5 million

Bonus payouts are calculated on the basis of straight-line interpolation between the threshold, target, and maximum points.

Target payments under the Annual Bonus Plan for the named executive officers and actual payments for 2013 based upon the Company s performance were as follows:

	Target	Range	Actual 2013 Percentage	Actual 2013 Payout
Mr. Hicks	125% of Base Salary	31.25 % to 218.75% of Base Salary	124.1 of Base Salary	$1,365,375
Ms. Peters	65% of Base Salary	16.25% to 113.75% of Base Salary	64.5% of Base Salary	$346,929
Mr. Johnson	75% of Base Salary	18.75% to 131.25% of Base Salary	74.5% of Base Salary	$660,966
Mr. McHugh	65% of Base Salary	16.25% to 113.75% of Base Salary	64.5% of Base Salary	$419,543
Ms. Alviti	50% of Base Salary	12.5% to 87.5% of Base Salary	50% of Base Salary	$150,000

If the Company does not achieve threshold performance, then no annual bonus is paid. Executives who do not receive a meets expectations rating or higher in their annual performance review are ineligible to receive an annual bonus payment.

Performance-Based Long-Term Incentive Program

We pay performance-based long-term incentives to our named executive officers in order to provide incentive for them to work toward the Company s achievement of performance goals established by the Compensation Committee for each performance period. The long-term incentive program is based on the following principles:

Balance between Cash and RSUs. Awards are denominated 50 percent in cash, payable under the Long-Term Incentive Plan, and 50 percent in RSUs, payable under the Stock Incentive Plan. The same performance target is established for both the cash and RSU portions of the award.

Two-year Performance Period and One-year Holding Period. The performance period is two years; however, while award payouts are calculated following the end of the two-year performance period, payments require continued employment and are subject to forfeiture, as well as stock price fluctuations, for another year that is, payments are not made until the end of a three-year period.

Net Income and ROIC Targets. The performance target is based on net income (70 percent) and ROIC (30 percent). These performance targets are based upon net income and ROIC contained in the business and financial plan and budget adopted by the Finance and Strategic Planning Committee and the Board of Directors for the relevant period.

EXECUTIVE COMPENSATION

Target Awards are Percentage of Base Salary. The target awards are expressed as a percentage of initial base salary that is, the base salary paid to the executive following the salary adjustments that take place on May 1 of the first year of the performance period. The Chief Executive Officer s target award is 175 percent of initial base salary; the Chief Operating Officer s, 100 percent of initial base salary; and the other named executive officers , 75 percent of initial base salary.

In 2012, the Compensation Committee established the net income and ROIC targets for the 2012-2013 performance period. The targets, along with the adjusted actual performance for the period, are shown in the table below:

	Threshold	Target	Maximum	Actual
Average Annual Net Income (weighted 70%)	$279 million	$346 million	$415 million	$419 million
Two-year Average ROIC (weighted 30%)	10.9%	12.8%	14.7%	15.0%

The target payment level, possible range of payments, and actual payout, based on the Company s actual performance measured against these performance goals were as follows:

	Target	Range	Actual
Mr. Hicks	175% of Initial Base Salary	43.75% to 350% of Initial Base Salary	350% of Initial Base Salary
Mr. Johnson	100% of Initial Base Salary	25% to 200% of Initial Base Salary	200% of Initial Base Salary
Other Named Executive Officers	75% of Initial Base Salary	18.75% to 150% of Initial Base Salary	150% of Initial Base Salary

The payout to Ms. Alviti was made on a pro rata basis.

As noted above, the awards are denominated one-half in cash and one-half in RSUs. There is a one-year holding period, so that the payouts will not be made to executives until 2015. The RSUs allocated to each executive were valued at the closing price on the date of grant. The actual cash and RSU calculations for each of the named executive officers for the 2012-13 performance period were as follows:

	Cash	RSUs
Mr. Hicks	$ 1,925,000	62,258
Ms. Peters	$ 375,000	12,129
Mr. Johnson	$ 850,000	27,491
Mr. McHugh	$ 476,250	15,403
Ms. Alviti	$ 112,041	3,270

In 2010, we made a change to our long-term incentive program. For years prior to 2010, the long-term incentive was determined based upon performance over a three-year performance measurement period and was paid in cash. Beginning in 2010, the long-term incentive is determined based upon performance over a two-year performance measurement period, with an additional one-year holding period, and the award is denominated one-half in cash and one-half in RSUs. Consequently the Summary Compensation Table reflects two long-term incentives for 2011 the 2009-2011 three-year performance measurement period under the old program and the 2010-2011 performance measurement period under the new program. The Summary Compensation Table reflects more normalized non-equity incentive plan compensation for 2012 and 2013.

Provisions Applicable to All Performance Periods

ROIC is a non-GAAP financial measure. For purposes of calculating the long-term bonus, we define ROIC as follows:

$$\text{ROIC} = \frac{\text{Operating Profit after Taxes}}{\text{Average Invested Capital}}$$

Operating Profit after Taxes (Numerator) =	**Average Invested Capital (Denominator) =**
Pre-tax income	Average total assets
+/- interest expense/income	- average cash, cash equivalents, and short-term investments
+ implied interest portion of operating lease payments	- average year-end inventory
+/- Unusual/non-recurring items	- non-interest-bearing current liabilities
+ Long-term bonus expense	+ 13-month average inventory
= Earnings before long-term bonus expense, interest and taxes	+ average estimated asset base of capitalized operating leases
- Estimated income tax expense	
= Operating Profit after Taxes	= Average Invested Capital

Certain items used in the calculation of ROIC for bonus purposes, such as the implied interest portion of operating lease payments, certain unusual or non-recurring items, average estimated asset base of capitalized operating leases, and 13-month average inventory, while calculated from our financial records, cannot be calculated from our audited financial statements. Prior to the Compensation Committee s determining whether bonus targets have been achieved, the Company s independent registered public accounting firm, at the request, and for the restricted use, of the Compensation Committee, reviews the bonus calculations. There is a calculation of basic ROIC, which is not precisely the same as the calculation used for incentive compensation purposes because of the exclusion of certain extraordinary items (see discussion below of disregarded items), and a reconciliation to GAAP, on Pages 16- 18 of our 2013 Form 10-K.

Items Disregarded for Annual and Long-Term Bonus Calculations

Under normal circumstances, the Compensation Committee has no discretion to increase annual bonus or long-term incentive payments, which are formula-driven based upon Company performance, and our program for the named executive officers does not provide for discretionary adjustments based upon individual performance. The Compensation Committee has not adjusted, either upward or downward, any of the annual bonus or long-term incentive payments to the named executive officers shown in the summary compensation table from pay-outs calculated based upon the applicable formula. When determining bonus and incentive payments, consistent with Section 162(m) of the Internal Revenue Code, the Committee is required to disregard certain events that it determines to be unusual or non-recurring. When establishing the targets, the Committee normally specifies certain items that it considers to be unusual or non-recurring, and these events, if they occur, are automatically excluded when calculating payments. All of the references in this Compensation Discussion and Analysis to target and actual performance levels refer to amounts after taking into consideration these adjustments.

EXECUTIVE COMPENSATION

Long-Term Equity-Based Awards

A. ***Stock Options***

We grant stock options to our named executive officers to align their interests more closely with those of our shareholders. Equity grants are the responsibility of the Compensation Committee, which is composed entirely of independent directors. The Committee awards stock options with exercise prices equal to the fair market value of our stock on the date of grant. Therefore, executives who receive stock options will only realize value if there is appreciation in the share price.

Stock option grants of the same size are normally made each year to executives holding comparable positions, with larger awards being made to those with greater responsibility. Beginning in 2012, the Compensation Committee has determined the number of options granted on a fixed value basis, using assumed Black-Scholes values, rather than the fixed share basis used in prior years. Under the 2007 Stock Incentive Plan, fair market value is defined as the closing price on the grant date. The Compensation Committee has not granted options with an exercise price of less than the fair market value on the grant date. Options normally vest at the rate of one-third of the total grant per year over the first three years of the ten-year option term, subject to accelerated vesting in certain circumstances. The Compensation Committee does not normally consider an executive s gains from prior stock awards in making new awards.

B. ***Restricted Stock Units***

As noted above in our discussion of the Performance-Based Long-Term Bonus Incentives, one-half of the long-term incentive award is denominated in RSUs.

C. ***Restricted Stock***

We normally make restricted stock awards only in special circumstances, such as related to promotions, special performance, or retention, rather than as part of an executive s normal compensation package. In 2013, the Compensation Committee made two restricted stock awards to named executive officers: an award of 74,000 shares to Mr. Hicks in recognition of the Company s performance in 2012 under his leadership and an award of 30,000 shares to Ms. Alviti as compensation for the value of stock and other awards which she forfeited upon termination of her employment with her prior employer.

Other Related Policies

A. ***Stock Ownership Guidelines***

We have stock ownership guidelines for our senior executives. These are set at six times annual salary for the Chief Executive Officer, three times annual salary for executive vice presidents, two times annual salary for senior vice presidents and divisional chief executive officers, and one-half times annual salary for vice presidents and divisional managing directors. If an executive has not met the ownership requirements following a five-year phase-in period, the executive is required to hold 100 percent of net shares acquired from the vesting of restricted stock or RSUs or the exercise of stock options until the stock ownership guidelines are achieved. At the end of 2013, all of the named executive officers met the stock ownership requirements.

B. ***Anti-Hedging Policy***

We do not permit our executive officers to take short or long positions in our shares or to hedge their economic interest in their shares.

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C. ***Clawback Policy***

We do not have a formal policy with regard to the adjustment or recovery of bonus or incentive payments if it is determined, at a future date, that the relevant performance measures upon which the payments were based must be restated or adjusted. We do, however, have in place other established practices to address this. In particular, annual bonus payments are not made until after our independent auditors have completed their audit for the fiscal year to which the payments relate and presented the results of their audit to our Audit Committee; an executive who does not receive an annual performance review rating of Meets Expectations or above is ineligible to receive an annual bonus payment; there is a one-year holding period under the long-term incentive program so that cash payments and RSU distributions are not made until our independent auditors have completed their audit of both the performance period and the year following the performance period, and presented the results of their audits to our Audit Committee; and we have the ability to adjust future bonus, incentive, and equity grant opportunities downward to adjust for over-payments in prior years. We expect to establish a formal policy on clawbacks once the Securities and Exchange Commission has issued final clawback rules.

Retirement and Other Benefits

A. ***Retirement Plan and Excess Cash Balance Plan***

All United States-based associates of the Company who meet the eligibility requirements are participants in the Foot Locker Retirement Plan. The Retirement Plan and the method of calculating benefits payable under it are described on Page 68. All of the named executive officers, other than Ms. Alviti, who has not yet met the service requirements for eligibility, are participants in the Retirement Plan. The Internal Revenue Code limits the amount of compensation that may be taken into consideration in determining an individual s retirement benefits. Therefore, those participants in the Retirement Plan whose compensation exceeds the Internal Revenue Code limit are also participants in the Excess Cash Balance Plan, described on Page 68, which provides a benefit equal to the difference between the amount a participant receives from the Retirement Plan and the amount the participant would have received were it not for the Internal Revenue Code limits.

B. ***401(k) Plan***

The Company maintains a 401(k) Plan for its eligible U.S. associates, and all of the named executive officers other than Ms. Alviti, who has not yet met the service requirement, participate in it. The 401(k) Plan permits participants to contribute the lesser of 40 percent of eligible compensation or the limit prescribed by the Internal Revenue Code to the 401(k) Plan on a before-tax basis. The Company will match 25 percent of the first 4 percent of pay that is contributed to the 401(k) Plan, and the Summary Compensation Table on Page 41 includes, in All Other Compensation, the amount of the Company match for each of the named executive officers. The Company match is made in shares of Company stock, valued on the last trading day of the plan year. Participants in the 401(k) Plan may diversify their matching contributions at any time into any of the other investment options available under the plan.

C. ***Supplemental Executive Retirement Plan***

The Company maintains a Supplemental Executive Retirement Plan (SERP), described on Page 69, for certain senior officers of the Company and other key employees, including the named executive officers. The SERP is an unfunded plan that sets an annual target incentive award for each participant consisting of a percentage of base salary and annual bonus based on the Company s performance against target. Contributions range from 4 percent to 12 percent of salary and annual bonus, depending on the Company s performance against an established target, with an 8 percent

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contribution being made for target performance. The Compensation Committee establishes the SERP target each year, and it is normally the same as the performance target under the Annual Bonus Plan. Participant accounts accrue simple interest at the rate of 6 percent annually. The SERP also provides for the continuation of medical and dental insurance benefits to vested participants following their retirement.

Based upon the Company s performance in 2013, a credit of 7.944 percent of 2013 base salary and annual bonus was made to the SERP for each of the named executive officers. As of the end of 2013, the account balances of the named executive officers ranged from approximately $45,550 for Ms. Alviti to $1.5 million for Mr. Hicks. Under the terms of the SERP, executives are vested in their account balances based upon a combination of age and service. As of the end of 2013, all of the named executive officers were vested in the SERP other than Ms. Alviti, who had not yet met the plan s age and service vesting requirements.

The Retirement Plan takes into account only base salary and annual bonus in determining pension benefits. Credits to the SERP are based only on base salary and annual bonus. Therefore, long-term incentives, stock options, and stock awards have no effect on the calculation of benefits or payments under these plans.

Perquisites

We provide the named executive officers with certain perquisites, which the Compensation Committee believes to be reasonable and consistent with its overall objective of attracting and retaining talented retail industry executives. The Company provides the named executive officers with an automobile allowance, financial planning, medical expense reimbursement, annual physical, supplemental long-term disability insurance, and life insurance. In addition, the Company reimburses Mr. Hicks for the reasonable expenses of using a car service for transportation in the New York metropolitan area. We do not provide a gross-up to executives for the income tax liability they incur due to their receipt of these perquisites. In 2013, we provided a one-time tax gross-up to Ms. Alviti in connection with our reimbursement to her of certain relocation expenses that she was required to repay to her former employer.

How does each element of compensation fit into our overall compensation objectives? How does each element affect our decisions regarding other elements?

As stated at the beginning of this discussion and analysis, the objectives of our compensation program are to attract, motivate, and retain talented retail industry executives in order to maintain and enhance the Company s performance and its return to shareholders.

Base salaries aid in attracting and retaining talented retail company executives by providing fixed pay commensurate with their position, experience and responsibilities.

The performance-based annual and

long-term incentive plans are designed to reward executives for enhancing the Company s performance through the achievement of performance targets.

Equity awards are designed to reward executives for increasing our return to our shareholders through increases in our stock price. Equity awards may, in addition, serve to help retain key executives.

Base salaries of named executive officers rarely change materially from year-to-year unless there has been a promotion, other change in responsibility, or other special factors apply. Bonus target payouts, both annual and long-term, are established by level of position. Mr. Hicks annual bonus target is specified in his employment agreement. In determining total compensation, stock options are valued using the Black-Scholes model. Awards of RSUs and restricted stock awards are valued based upon the share price at the time of grant. The goal of the Compensation Committee is to balance annual, mid-term, and long-term compensation opportunities, as well as balance the mix of cash and equity in the executive compensation program.

Compensation Plans and Risk

We believe that our compensation program encourages our named executive officers to take energetic action to improve the Company s performance without encouraging them to take undue risk. The annual bonus and long-term incentive elements of the program are paid based upon performance as compared to the Company s annual and two-year business plans, which are prepared each year by the Company s management and reviewed and approved by the Finance and Strategic Planning Committee and the Board of Directors. While in some years these business plans have proven to be aggressive as shown in hindsight when the plans are not achieved and bonuses are not paid our history suggests that, on balance, they are reasonably achievable under normal business conditions. This encourages our executives to manage the business well without pressuring them to take undue risks in order to obtain a bonus payment.

Our equity-based compensation for the named executive officers is designed with a similar goal in mind. We believe that our equity grants are reasonable in relation to overall compensation. Stock options normally vest ratably over a three-year period and have a 10-year term, reducing the risk that an executive will take short-term action to inflate the price of the Company s stock for a brief period.

Long-term incentive payouts are calculated at the conclusion of the two-year performance period, but not actually paid to the participant until an additional year has passed. In addition to serving as a retention vehicle, this also requires that the executive continue to have the value of the stock portion of his or her award at risk, dependent on fluctuations in stock price, for an additional year. It also allows a year to pass in which any issues concerning the Company s operating or financial performance may come to light before payments are made.

In addition, there are certain other factors related to our compensation programs for the named executive officers that we believe help reduce the likelihood that our compensation programs will encourage our executives to take undue risk:

Bonus Targets Based on Business Plan. As the bonus targets are based on the business plan, any significant deviation from the plan undertaken by management during the course of the year must be reviewed and approved by the Board of Directors.

ROIC as Bonus Measurement. As a retail company, we believe that one of the potential risks we have is that management will attempt to achieve profit targets without taking into account the capital used, particularly working capital invested in inventory. We have therefore designed our long-term incentive plan for senior management, including the named executive officers, to take into account ROIC as well as net income in determining whether a bonus will be paid.

No Bonus Payments to Executives with Poor Performance Ratings. We have designed our plans so that executives who receive a

Not Meeting Expectations or Unsatisfactory rating under the Company s annual performance appraisal process are not eligible to receive an annual bonus payment. This helps prevent an individual executive from taking any action inconsistent with the business plan or otherwise exposing the Company to undue risk.

Incentive Payments Proportional to Base Salary. We believe that our cash incentive payments are not outsized in relation to base salary. At target, the Chief Executive Officer has the opportunity to earn 125 percent of his base salary in annual bonus and 175 percent of his base salary in long-term bonus.

Comparable percentages for the Chief Operating Officer are

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75 percent and 100 percent; for the other Executive Vice Presidents, 65 percent and 75 percent; and for Senior Vice Presidents (including Ms. Alviti), 50 percent and 75 percent.

Bonus Caps. Annual cash bonus and the cash portion of the long-term incentive awards to executives are capped and do not include excessive leverage.

Balance Among Components. There is a balance between annual, mid-term, and long-term compensation plans for executives, as well as a balance between the use of cash and equity.

Please see Page 25 of the proxy statement for a discussion of compensation and risk in our compensation plans more generally, and the procedures we followed to evaluate this.

Compensation Committee Procedure

Each year, the Compensation Committee holds a meeting with management, the Company s compensation consultant, and the Committee s independent compensation consultant to review the overall executive compensation environment, including recent developments in executive compensation, and the Company s executive compensation program, including a historical view of the pay-for-performance correlation in the program and any changes to the program being recommended by management or either of the consultants.

The Committee then holds a meeting in March, after the financial results for the prior year have been finalized and audited, to review and approve bonus and incentive compensation payments for the prior year and to review and approve compensation arrangements base salaries, stock awards, and incentive plan targets for the upcoming year. The Committee meets privately with its independent consultant for the purpose of establishing the compensation of the Chief Executive Officer, including establishing target awards under the Annual Bonus Plan and the long-term incentive compensation program, and making stock awards to him. Except in the case of promotions or other unusual circumstances, the Compensation Committee considers stock awards only at its March meeting, which is normally held within a few weeks following the issuance of the Company s full-year earnings release for the prior year.

The Committee may hold other meetings during the year to review specific issues related to executive compensation, new developments in executive compensation, or other management resources-related issues. It also has responsibility, along with the Nominating and Corporate Governance Committee, for annually reviewing compensation paid to non-employee directors. In 2013, the Compensation Committee held a total of six meetings.

The Compensation Committee has retained as its advisor a nationally recognized executive compensation consultant Compensation Advisory Partners that is independent and performs no other work for the Company. Compensation Advisory Partners is retained directly by the Compensation Committee, reports to it directly, meets with the Committee privately, without management present, and regularly communicates privately with the Chair of the Committee. The Compensation Committee has assessed the independence of Compensation Advisory Partners based on standards promulgated by the Securities and Exchange Commission and concluded that no conflict of interest exists that would prevent it from serving as an independent consultant to the Committee. Each year, the Committee s compensation consultant reviews a report on risk in relation to the Company s compensation policies and practices, provides a pay-for-performance analysis of our executive compensation program, and reviews the Chief Executive Officer s compensation. Management utilizes the services of ClearBridge Compensation Group, a nationally recognized compensation consultant, to provide advice on the executive compensation program and plan design.

Management is involved in various aspects of developing the executive compensation program. Our Senior Vice President and Chief Human Resources Officer, Vice President Human Resources, and staff in the Human Resources Department work with our Chief Executive Officer to develop compensation recommendations for all corporate officers other than the Chief Executive Officer. The Chief Executive Officer or the Senior Vice President and Chief Human Resources Officer reviews these proposals with the Chair of the Compensation Committee, and may make changes to the recommendations based upon his input, before the recommendations are forwarded to the Compensation Committee for review. Our Senior Vice President and General Counsel and Vice President and Associate General Counsel also attend meetings of the Compensation Committee and participate in some of these discussions and preparations.

The Compensation Committee has delegated authority to its Chair to approve stock option awards of up to 25,000 shares to any single employee other than a corporate officer. The Chair generally uses this authority to approve stock option grants made during the course of the year in connection with promotions or new hires. In 2013, the Chair used this authority to approve a grant of options to one executive, who was not a named executive officer, to purchase a total of 1,100 shares. Those options are priced at fair market value on the date the Chair signs the approval. The Compensation Committee has not delegated authority to management to make stock option, restricted stock, RSU, or other equity-based awards.

Executive Employment Agreements

As more fully described on Pages 51 to 54, we have employment agreements with each of our named executive officers. Other than the agreement with Mr. Hicks, which was separately negotiated when he joined the Company in 2009, the agreements with the named executive officers are in the same form.

Our employment agreements with the named executive officers provide for severance payments to the executive if we terminate the executive s employment without cause or if we give the executive good reason to terminate employment. These payments to the named executive officers, calculated as if termination of employment occurred at the end of our last fiscal year, are set out in the tables on Pages 56 to 67.

The named executive officers receive an enhanced severance payment if the executive s employment is terminated without cause or if the executive terminates employment for good reason within two years following a change-in-control. For an executive to receive the enhanced severance payment, two events must occur: first, employment must be terminated for one of the specified reasons, and second, this termination must occur within two years following a change-in-control. We believe that these provisions, which we have had in place for a number of years, provide appropriate protection to our executives, comparable to that available at other publicly traded companies, and, with regard to the enhanced severance following a change-in-control, protect us from losing key executives during a period when a change-in-control may be threatened or pending. None of the named executive officers is entitled to a gross-up payment upon a change-in-control.

All of the named executive officers have agreed in their employment contracts not to compete with the Company for two years following the termination of employment and not to hire Company employees during that same period. This restriction does not apply following a change-in-control.

Accounting and Tax Considerations

While we review both the accounting and tax effects of various components of compensation, these effects are not a significant factor in the Compensation Committee s allocation of compensation among the different components. In general, it is our position that compensation paid to executive officers should be fully deductible for U.S. tax purposes, and we have structured our bonus, long-term incentive, and stock option programs so that payments made under them are deductible. In certain instances, however, we believe that it is in the Company s best interests, and that of its

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shareholders, to have the flexibility to pay compensation that is not deductible under the limitations of Section 162(m) of the Internal Revenue Code in order to provide a compensation package consistent with our program and objectives. The portion of base salary paid to Mr. Hicks that exceeds $1,000,000, the value of time-based restricted stock awards made to him, and potentially a portion of the value of time-based restricted stock awards made to one or more of the other named executive officers, are not expected to be deductible.

Compensation Committee Report

The Compensation and Management Resources Committee of the Board of Directors has reviewed and discussed the Compensation Discussion and Analysis required by Item 402(b) of Regulation S-K with management and, based on that review and discussion, has recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this proxy statement.

Alan D. Feldman, *Chair*
Nicholas DiPaolo
Steven Oakland
Cheryl Nido Turpin
Dona D. Young

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Summary Compensation Table

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
Name and Principal Position(1)	**Year**	**Salary ($)**	**Bonus ($)(2)**	**Stock Awards ($)(3)(4)**	**Option Awards ($)(3)**	**Non-Equity Incentive Plan Compensation($)(5)**	**Change in Pension Value and Nonqualified Deferred Compensation Earnings($)(6)**
Ken C. Hicks	2013	1,100,000		3,496,281	5,669,402	3,290,375	291,428
Chairman, President	2012	1,100,000		1,925,017	3,040,800	4,233,625	504,007
and CEO	2011	1,100,000	500,000	2,867,015	2,878,750	5,954,052	520,474
Lauren B. Peters	2013	537,500		206,262	458,308	721,929	130,619
Executive VP and	2012	493,750		375,029	445,984	758,455	199,843
CFO	2011	439,061		827,696	549,216	1,393,837	174,519
Richard A. Johnson	2013	887,500		450,016	512,869	1,510,966	229,672
Executive VP and	2012	837,500		850,022	496,664	1,659,510	338,832
Chief Operating Officer	2011	765,833		1,078,663	460,600	2,266,217	271,336
Robert W. McHugh	2013	650,000		245,638	458,308	895,793	150,471
Executive VP	2012	631,250		476,261	445,984	994,934	231,482
Operations Support	2011	615,000		960,009	460,600	2,023,125	220,847
Paulette Alviti	2013	300,000		1,511,341	231,939	262,041	45,550
Senior VP and Chief Human Resources Officer							

Notes to Summary Compensation Table

(1) Lauren B. Peters has served as Executive Vice President and Chief Financial Officer since July 1, 2011. Prior to this, she served as Senior Vice President Strategic Planning.

Richard A. Johnson has served as Executive Vice President and Chief Operating Officer since May 16, 2012. He served as Executive Vice President and Group President Retail Stores from July 1, 2011 to May 16, 2012. He served as President and Chief Executive Officer of Foot Locker U.S., Lady Foot Locker, Kids Foot Locker, and Footaction from January 8, 2010 to June 30, 2011.

Robert W. McHugh has served as Executive Vice President Operations Support since July 1, 2011. He previously served as Executive Vice President and Chief Financial Officer from May 1, 2009 to June 30, 2011.

Paulette Alviti has served as Senior Vice President and Chief Human

Resources Officer since the commencement of her employment with the Company on June 3, 2013.

(2) This column reflects the sign-on bonus Mr. Hicks received in connection with the commencement of his employment in August 2009, a portion of which was paid on his employment commencement date in 2009, with the balance paid to him over a two-year period on the first and second anniversaries of his employment date.

(3) The amounts in these columns reflect the stock and option awards granted in the designated years. The amounts represent the aggregate grant date fair value of the awards granted in each respective year calculated in accordance with stock-based compensation accounting rules (ASC Topic 718). A discussion of the assumptions used in computing the award values may be found in Note 22 to our financial statements in our Form 10-K

for 2013. As provided under the SEC s rules, the amounts shown exclude the impact of estimated forfeitures related to service-based vesting conditions and include for restricted stock awards expected dividend payments at the same rate as paid on our shares of Common Stock. Please see the Grants of Plan-Based Awards table on Page 44 for additional information on awards granted in 2013. The amounts shown in

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the table do not necessarily reflect the actual value that may be recognized by the named executives.

(4) The amounts in column (e) include the grant date fair value of performance-based restricted stock units (RSUs) granted for the long-term performance measurement periods of 2013-2014, 2012-2013, and 2011-2012, valued at grant date based upon the probable outcome of meeting the performance conditions. The amounts shown reflect the achievement of target level performance for the 2013-2014 performance period and maximum performance for the 2012-2013 and 2011-2012 performance periods, are consistent with the estimate of the aggregate compensation cost to be recognized over the service period determined at the grant date under FASB ASC

Topic 718, and exclude the effect of estimated forfeitures. For 2013 and 2011, column (e) also includes restricted stock awards where applicable. Please see the Grants of Plan-Based Awards table on Page 44 for additional information on the awards granted in 2013.

(5) For 2013, this column reflects the sum of the cash incentive payouts made in 2014 under the Annual Incentive Compensation Plan (Annual Bonus Plan) for 2013 and the cash portion of the earned payout under the Long-Term Incentive program (LTI) for the 2012-2013 performance measurement period that is payable in 2015 if the executive continues to be employed by us on the payment date, as shown in Table I below. For 2012, this column reflects the sum of the cash incentive payouts made in 2013 under the Annual Bonus Plan for 2012 and the cash portion of

the earned LTI payout for the 2011-2012 performance measurement period that was paid in 2014, as shown in Table II below. For 2011, this column reflects the sum of the cash incentive payments made in 2012 under the Annual Bonus Plan for 2011 and the LTI payment for the 2009-2011 performance measurement period, and the cash portion of the earned LTI incentive for the 2010-2011 performance measurement period paid in 2013, as shown in Table III below.

I Cash Incentive Payouts for 2013

	Payout in 2014	Payout in 2015	
Name	**Annual Bonus Plan Cash Payment for 2013**	**LTI 2012-2013 Performance Period (Cash Payout Earned Payable in 2015)**	**Total As Shown in Summary Compensation Table**
K. Hicks	$ 1,365,375	$ 1,925,000	$ 3,290,375
L. Peters	346,929	375,000	721,929
R. Johnson	660,966	850,000	1,510,966
R. McHugh	419,543	476,250	895,793
P. Alviti	150,000	112,041	262,041

II Cash Incentive Payouts for 2012

	Payout in 2013	Payout in 2014	
Name	Annual Bonus Plan Cash Payment for 2012	LTI 2011-2012 Performance Period (Cash Payout Earned Payable in 2014)	Total As Shown in Summary Compensation Table
K. Hicks	$ 2,308,625	$ 1,925,000	$ 4,233,625
L. Peters	414,503	343,952	758,455
R. Johnson	1,054,622	604,888	1,659,510
R. McHugh	529,934	465,000	994,934
P. Alviti			

III Cash Incentive Payouts for 2011

Name	Annual Bonus Plan Cash Payment for 2011	LTI 2009-2011 Performance Period (Cash Payout)	Total Cash Bonus Payments Received in 2012	LTI 2010-2011 Performance Period (Cash Payout Earned Payable in 2013)	Total as Shown in Summary Compensation Table
	Payouts in 2012			Payout in 2013	
K. Hicks	$ 2,406,250	$ 1,622,802	$ 4,029,052	$ 1,925,000	$ 5,954,052
L. Peters	384,179	701,726	1,085,905	307,932	1,393,837
R. Johnson	670,104	1,049,272	1,719,376	546,841	2,266,217
R. McHugh	538,125	1,035,000	1,573,125	450,000	2,023,125
P. Alviti					

(6) Amounts shown in column (h) represent the annual change in pension value during each of our last three fiscal years for each of the executives. Please see Page 70 for more information on 2013 pension benefits.

(7) This column includes perquisites and other compensation, and the amounts attributable to

the executives for 2013 are shown in the tables below. We valued these perquisites at the incremental cost to the Company of providing the personal benefits to the executives, which represents the actual cost attributable to providing these personal benefits. Please note:

The amounts shown for financial planning and medical expense reimbursement reflect amounts reimbursed in 2013, which may also include reimbursement of amounts submitted in 2013 for expenses incurred in 2012.

The amounts shown in the table under the 401(k) Match column represent the dollar value of the Company s matching contribution under the Foot Locker 401(k) Plan made to the named executive s account in shares of Common Stock. The shares of stock for the 2013 matching contribution were valued at $41.44 per share.

The amounts shown under the column Accrual for Post-Retirement Medical reflect the amounts accrued in 2013 for the actuarial present value of the future cost of providing this benefit to these individuals. Mr. Hicks and Ms. Alviti are the only named executives who are not fully eligible for this benefit and, therefore, their benefit accruals reflect the fact that they are earning additional service credit towards benefit eligibility, resulting in a higher accrual amount than the other named executives who are already fully eligible for the benefit.

The amounts shown under the columns One-Time Relocation Repayment and Tax Gross-Up for Ms. Alviti reflect the reimbursement of relocation payments Ms. Alviti was required to make to her former employer upon commencing employment with the Company and the related one-time tax gross- up payment.

Name	Auto Allowances	Car Service Reimb.	Universal Life Insurance Premium	Medical Expense Reimbursement	Executive Physical	Supp. LTD Insurance Premiums	Accrual for Post-Retirement Medical	Financial Planning	401 Ma
K. Hicks	28,308	18,607	6,303	2,242	884	12,515	138,730	8,600	2,
L. Peters	1,520		2,562	3,501					2,
R. Johnson	8,958		4,599	5,200	884	6,075		8,600	2,
R. McHugh	11,978			5,000					2,

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Name	Auto Allowances	Financial Planning	Universal Life Insurance Premium	Medical Expense Reimbursement	Executive Physical	Supp. LTD Insurance Premiums	Accrual for Post-Retirement Medical	One-Time Relocation Payment	Tax Gross Up
P. Alviti	14,934	6,802	3,384	944	684	1,985	81,681	22,500	16,475

The following **Grants of Plan-Based Awards Table** shows the awards made to the named executive officers in 2013 under the Annual Bonus Plan and the Long-Term Bonus Plan, as well as the restricted stock unit and stock option awards under the Company s Stock Incentive Plan.

Grants of Plan-Based Awards

		Estimated Future Payouts Under Non-Equity Incentive Plan Awards			Estimated Future Payouts Under Equity Incentive Plan Awards		
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
Name	Grant Date	Threshold ($)	Target ($)	Maximum ($)	Threshold (#)	Target (#)	Maximum (#)
K. Hicks	03/28/13(1)	343,750	1,375,000	2,406,250			
	03/28/13(2)	240,625	962,500	1,925,000			
	03/28/13(2)				7,028	28,111	56,221
	03/28/13(3)						
	03/29/13(3)						
	03/29/13(4)						
L. Peters	03/28/13(1)	89,375	357,500	625,625			
	03/28/13(2)	51,563	206,250	412,500			
	03/28/13(2)				1,506	6,024	12,048
	03/28/13(3)						
R. Johnson	03/28/13(1)	168,750	675,000	1,181,250			
	03/28/13(2)	112,500	450,000	900,000			
	03/28/13(2)				3,286	13,143	26,286
	03/28/13(3)						
	03/28/13(1)	106,438	425,750	745,063			

R. McHugh							
	03/28/13(2)	61,407	245,625	491,250			
	03/28/13(2)				1,794	7,174	14,348
	03/28/13(3)						
P. Alviti	06/03/13(1)	37,500	150,000	262,500			
	06/03/13(2)	35,235	140,940	281,880			
	06/03/13(2)				1,029	4,113	8,226
	06/03/13(4)						
	06/03/13(4)						
	06/03/13(3)						

Notes to Grants of Plan-Based Awards Table

(1) **Annual Incentive Awards**

Amounts shown reflect the payment levels at threshold, target, and maximum performance for the 2013 fiscal year under the Annual Bonus Plan and reflect the potential amounts that would be paid at the end of the period if the applicable performance goals were achieved. The estimated bonus payouts are based on a

percentage
of the
executive s
base salary,
as shown in
the table
below.

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Name	Threshold	Target	Maximum
K. Hicks	31.25%	125%	218.75%
L. Peters	16.25%	65%	113.75%
R. Johnson	18.75%	75%	131.25%
R. McHugh	16.25%	65%	113.75%
P. Alviti	12.5%	50%	87.5%

The annual bonus payments actually made to the named executives for 2013 are shown in Note 5 to the Summary Compensation Table on Page 42.

(2) **Long-Term Incentive Awards**

Provided the performance goals for the 2013-2014 long-term performance measurement period are achieved, the payout structure of the executives awards is as follows: (a) 50 percent of the award would be payable in cash under the Long-Term Bonus Plan, (b) 50 percent of the award would be payable in restricted stock units under the 2007 Stock

Incentive Plan, and (c) both the cash portion and the stock portion of the payout would be subject to a time-based, one-year holding period following the end of the performance measurement period before payout to the executives. The amounts shown in the table reflect the estimated payment levels in cash and number of restricted stock units at threshold, target, and maximum performance for the 2013-2014 performance measurement period. Columns (c), (d), and (e) show the estimated cash payments and columns (f), (g), and (h) show the number of restricted stock units that would be paid out at threshold, target and maximum performance if the applicable performance goals are achieved. The amounts shown for Ms. Alviti are pro rated, as she commenced employment on June 3, 2013.

The threshold, target and maximum number of restricted stock units for each executive was calculated on the date of grant on the basis of that day s closing stock price of a share of the Company s Common Stock. The closing price on the grant date of March 28, 2013 for each of the named executives other than Ms. Alviti was $34.24. The closing price on the grant date of

June 3, 2013 for Ms. Alviti was $34.27. Similarly, the grant date fair values of the restricted stock unit awards are based on the closing stock price on these grant dates. The actual number of restricted stock units paid out will be based on the Company s performance compared to targets. The value of the restricted stock units received by an executive will depend upon the Company s stock price on the payment date in 2016. No dividends are paid or accrued for the restricted stock units.

The aggregate payout in cash and stock at threshold, target and maximum performance for each of the named executives is based on a percentage of the executive s base salary in the first year of the performance period. The percent of base salary for each executive at threshold, target and maximum performance is shown in the table below:

Name	Threshold	Target	Maximum
K. Hicks	43.75%	175%	350%
L. Peters	18.75%	75%	150%
R. Johnson	25.00%	100%	200%
R. McHugh	18.75%	75%	150%
P. Alviti	18.75%	75%	150%

No amounts would be paid to the executives under the long-term incentive awards unless the performance goals for the performance measurement period are achieved.

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(3) **Stock Option Grants**

The amounts in column (j) reflect the number of stock options granted in 2013 under the 2007 Stock Incentive Plan. The exercise price reflected in column (k) is equal to the closing price of a share of the Company s Common Stock on the grant date. In general, no portion of any stock option may be exercised until the first anniversary of its date of grant. Vested options may be exercised for ten years following the date of grant, unless the option is cancelled or exercised sooner than this. If the executive retires, becomes disabled, or dies while employed by the Company or one of its subsidiaries, all unexercised options that are then exercisable, plus those options that would have become exercisable on the next anniversary of the grant date, will remain (or become) exercisable as of that date. Moreover, upon the occurrence of a Change in Control, all outstanding options will become immediately exercisable as of that date. In general, options may remain exercisable for up to three years following a participant s retirement or termination due to disability, and for up to one year for any other termination of employment for reasons other than cause.

The vesting schedule for options granted to the executives in 2013 is shown below.

Name	Grant Date	# of Shares	Vest Date: # of Shares	Vest Date: # of Shares	Vest Date: # of Shares
K. Hicks	3/28/13	280,000	3/28/14: 93,333	3/28/15: 93,333	3/28/16: 93,334
K. Hicks	3/29/13	232,000		3/29/15: 116,000	3/29/16: 116,000
L. Peters	3/28/13	42,000	3/28/14: 14,000	3/28/15: 14,000	3/28/16: 14,000
R. Johnson	3/28/13	47,000	3/28/14: 15,666	3/28/15: 15,667	3/28/16: 15,667
R. McHugh	3/28/13	42,000	3/28/14: 14,000	3/28/15: 14,000	3/28/16: 14,000
P. Alviti	6/03/13	21,000	6/03/14: 7,000	6/03/15: 7,000	6/03/16: 7,000

(4) **Restricted Stock and RSUs**

The amounts shown in the table under column (i) represent the number of shares of restricted stock or time-vested restricted stock units (RSUs) granted to Mr. Hicks and Ms. Alviti under the 2007 Stock Incentive Plan. Mr. Hicks restricted stock award for 74,000 shares will vest 50 percent in March 2015 and 50 percent in March 2016, provided that he remains employed by the Company through the vesting dates. Ms. Alviti s restricted stock award for 30,000 shares will vest in three installments, in June 2014, June 2015, and June 2016, provided that she remains employed by the Company through the vesting dates. Ms. Alviti s award of 6,718 RSUs vested in March 2014. With regard to the restricted stock awards, Mr. Hicks and Ms. Alviti have the right to receive all regular cash dividends payable after the date of grant to all record holders of our Common Stock. The grant date fair value of the restricted stock awards shown in column (l) includes expected dividend payments on the shares.

(5) **Grant Date Fair Value**

The amounts shown in column (l) reflect the aggregate grant date fair value of the restricted stock, restricted stock unit, and stock option awards granted in 2013, calculated in accordance with stock-based compensation accounting rules (FASB ASC Topic 718). A discussion of the assumptions used in computing the award values may be found in Note 22 to our financial statements in our Form 10-K for 2013. As provided under the SEC s rules, the amounts shown exclude the impact of estimated forfeitures related to service-based vesting conditions and include, where applicable, expected dividend payments at the same rate as paid on our shares of Common Stock. For option awards, the value is calculated by multiplying the Black-Scholes value by the number of options granted. For restricted stock and time-vested RSUs, the fair value is calculated by multiplying the closing price of our Common Stock on The New York Stock Exchange (the NYSE) on the award date by the number of shares or RSUs granted. For the performance-based restricted stock units awarded under the 2007 Stock Incentive Plan in connection with the 2013-2014 long-term performance measurement period, the fair value is calculated based upon the probable outcome of meeting the performance conditions at the target performance level and multiplying the number of units that would be received at that level by the closing price of a share of our Common Stock on the grant date. This is consistent with the estimate of the aggregate compensation cost to be recognized over the service period determined at the grant date under FASB ASC Topic 718. All of these values are shown in the table below.

Name	Black-Scholes Value for Stock Options Granted on	Black-Scholes Value for Stock Option Granted on	Black-Scholes Value for Stock Option Granted on	Restricted Stock Award Granted on March 29,	Restricted Stock/RSU Awards Granted on June 3,	Performance-Based RSU Awards Granted on March 28,	Performan Based RS Award Granted o June 3,

	March 28, 2013	March 29, 2013	June 3, 2013	2013	2013	2013	2013
K. Hicks	$ 10.9121	$ 11.2673		$ 34.24		$ 34.24	
L. Peters	$ 10.9121					$ 34.24	
R. Johnson	$ 10.9121					$ 34.24	
R. McHugh	$ 10.9121					$ 34.24	
P. Alviti			$ 11.0447		$ 34.27		$ 34.2

Salary. The annual base salaries and cash bonuses earned by our named executives for 2013 are set forth in the Summary Compensation Table. Including the cash long-term incentive earned for the 2012-2013 performance period that is payable in 2015, these amounts represented the following percentages of the named executives total compensation for 2013: Mr. Hicks (31.2%), Ms. Peters (61.0%), Mr. Johnson (66.1%), Mr. McHugh (63.9%), and Ms. Alviti (22.5%). Information on the named executives employment agreements appears beginning on Page 51.

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The following table, **Outstanding Equity Awards at Fiscal Year-End** shows the number of outstanding stock options, both vested and unvested, and the number of unvested shares of restricted stock and restricted stock units held by the named executives at the end of the 2013 fiscal year.

Outstanding Equity Awards at Fiscal Year-End

	Option Awards					Stock Awards		
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Name	Number of Securities Underlying Unexercised Options (#) Exercisable(1)	Number of Securities Underlying Unexercised Options (#) Unexercisable(1)	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)(2)	Market Value of Shares or Units of Stock That Have Not Vested ($)(3)	Equity Incenti Plan Award Number Unearn Shares Units o Other Right That Ha Not Ves (#)(2)
K. Hicks	600,000	0		10.10	08/25/2019			
	300,000	0		15.10	03/23/2020			
	333,333	166,667		18.84	03/23/2021			
	100,0000	200,000		30.92	03/21/2022			
	0	280,000		34.24	03/28/2023			
	0	232,000		34.24	03/29/2023			
						50,000	1,930,000	
						74,000	2,856,400	
						102,177	3,944,032	
								62,25
								7,02
L. Peters	25,000	0		28.155	03/23/2015			
	25,000	0		23.92	03/22/2016			
	20,000	0		23.42	03/28/2017			
	25,000	0		11.66	03/26/2018			
	25,000	0		9.93	03/25/2019			
	40,000	0		15.10	03/23/2020			
	26,666	13,334		18.84	03/23/2021			
	26,666	13,334		24.75	05/26/2021			
	14,666	29,334		30.92	03/21/2022			
	0	42,000		34.24	03/28/2023			

					20,000	772,000	
					17,659	681,637	
							12,12
							1,50
R. Johnson	20,000	0	23.42	03/28/2017			
	20,000	0	18.80	07/30/2017			
	10,000	0	11.66	03/26/2018			
	25,000	0	9.93	03/25/2019			
	80,000	0	15.10	03/23/2020			
	53,333	26,667	18.84	03/23/2021			
	16,333	32,667	30.92	03/21/2022			
	0	47,000	34.24	03/28/2023			
					20,000	772,000	
					31,444	1,213,738	
							27,49
							3,28
R. McHugh	20,000	0	28.155	03/23/2015			
	30,000	0	21.48	11/21/2015			
	20,000	0	23.42	03/28/2017			
	25,000	0	11.66	03/26/2018			
	80,000	0	15.10	03/23/2020			
	53,333	26,667	18.84	03/23/2021			
	14,666	29,334	30.92	03/21/2022			
	0	42,000	34.24	03/28/2023			
					20,000	772,000	
					24,682	952,725	
							15,40
							1,79
P. Alviti	0	21,000	34.27	06/03/2023			
					36,718	1,417,315	
							3,27
							1,02

Notes to Table on Outstanding Equity Awards at Fiscal Year-End

(1) The **Vesting Schedules** for the options shown in columns (b) and (c) are as follows:

Name	Total Number of Securities Underlying Unexercised Options	Date of Grant	Vesting Date for 1/3 of Total Grant	Vesting Date for 1/3 of Total Grant	Vesting Date for 1/3 of Total Grant
K. Hicks	300,000	08/25/2009	08/25/2010	08/25/2011	08/25/2012
	300,000	08/25/2009	02/25/2010 *	08/25/2010 *	
	300,000	03/23/2010	03/23/2011	03/23/2012	03/23/2013
	500,000	03/23/2011	03/23/2012	03/23/2013	03/23/2014
	300,000	03/21/2012	03/21/2013	03/21/2014	03/21/2015
	280,000	03/28/2013	03/28/2014	03/28/2015	03/28/2016
	232,000	03/29/2013		03/29/2015 **	03/29/2016 **
	2,212,000				
L. Peters	25,000	03/23/2005	03/23/2006	03/23/2007	03/23/2009
	25,000	03/22/2006	03/22/2007	03/22/2008	03/22/2009
	20,000	03/28/2007	03/28/2008	03/28/2009	03/28/2010
	25,000	03/26/2008	03/26/2009	03/26/2010	03/26/2011
	25,000	03/25/2009	03/25/2010	03/25/2011	03/25/2012
	40,000	03/23/2010	03/23/2011	03/23/2012	03/23/2013
	40,000	03/23/2011	03/23/2012	03/23/2013	03/23/2014
	40,000	05/26/2011	05/26/2012	05/26/2013	05/26/2014
	44,000	03/21/2012	03/21/2013	03/21/2014	03/21/2015
	42,000	03/28/2013	03/28/2014	03/28/2015	03/28/2016
	326,000				
R. Johnson	20,000	03/28/2007	03/28/2008	03/28/2009	03/28/2010

	20,000	07/30/2007	07/30/2008	07/30/2009	07/30/2010
	10,000	03/26/2008	03/26/2009	03/26/2010	03/26/2011
	25,000	03/25/2009	03/25/2010	03/25/2011	03/25/2012
	80,000	03/23/2010	03/23/2011	03/23/2012	03/23/2013
	80,000	03/23/2011	03/23/2012	03/23/2013	03/23/2014
	49,000	03/21/2012	03/21/2013	03/21/2014	03/21/2015
	47,000	03/28/2013	03/28/2014	03/28/2015	03/28/2016
	331,000				
R. McHugh	20,000	03/23/2005	03/23/2006	03/23/2007	03/23/2008
	30,000	11/21/2005	11/21/2006	11/21/2007	11/21/2008
	20,000	03/28/2007	03/28/2008	03/28/2009	03/28/2010
	25,000	03/26/2008	03/26/2009	03/26/2010	03/26/2011
	80,000	03/23/2010	03/23/2011	03/23/2012	03/23/2013
	80,000	03/23/2011	03/23/2012	03/23/2013	03/23/2014
	44,000	03/21/2012	03/21/2013	03/21/2014	03/21/2015
	42,000	03/28/2013	03/28/2014	03/28/2015	03/28/2016
	341,000				
P. Alviti	21,000	06/03/2013	06/03/2014	06/03/2015	06/03/2016
	21,000				

* 50 percent of grant vested six months following grant date and 50 percent vested one year following grant date.

** 50 percent of grant vests two years following grant date and 50 percent will vest three years following grant date.

(2) The vesting dates for the restricted stock and restricted stock unit (RSU) awards shown in column (g) and (i) are set forth in the following table. The RSU awards shown in column (g) granted in 2011 were earned following the end of the 2012 fiscal year when the Compensation and Management Resources Committee certified the achievement of the performance goals at the maximum level for the 2011-2012 long-term performance measurement period and vested in March 2014; the RSU awards shown in column (i) granted in 2012 were

earned following the end of the 2013 fiscal year when the Compensation and Management Resources Committee certified the achievement of the performance goals at the maximum level for the 2012-2013 long-term performance measurement period and will vest in 2015, and the RSU awards shown in column (i) granted in 2013 will be earned only if the threshold performance goals for the 2013-2014 performance measurement period are achieved and, if earned, will vest in 2016.

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Name	Date of Grant	Type of Award	Number of Shares/RSUs	Vesting Date
K. Hicks	03/23/2011	Restricted Stock	50,000	03/23/2014
	03/23/2011	RSU	102,177	03/23/2014
	03/21/2012	RSU	62,258	03/21/2015
	03/28/2013	RSU	7,028	03/28/2016
	03/29/2013	Restricted Stock	37,000	03/29/2015
	03/29/2013	Restricted Stock	37,000	03/29/2016
L. Peters	05/26/2011	Restricted Stock	20,000	06/30/2014
	03/23/2011	RSU	15,753	03/23/2014
	05/26/2011	RSU	1,906	03/23/2014
	03/21/2012	RSU	12,129	03/21/2015
	03/28/2013	RSU	1,506	03/28/2016
R. Johnson	05/26/2011	Restricted Stock	20,000	06/30/2014
	03/23/2011	RSU	29,658	03/23/2014
	05/26/2011	RSU	1,322	03/23/2014
	05/16/2012	RSU	464	03/23/2014
	03/21/2012	RSU	27,491	03/21/2015
	03/28/2013	RSU	3,286	03/28/2016
R. McHugh	05/26/2011	Restricted Stock	20,000	06/30/2014
	03/23/2011	RSU	24,682	03/23/2014
	03/21/2012	RSU	15,403	03/21/2015
	03/28/2013	RSU	1,794	03/28/2016
P. Alviti	06/03/2013	Restricted Stock	10,000	06/03/2014
	06/03/2013	Restricted Stock	10,000	06/03/2015
	06/03/2013	Restricted Stock	10,000	06/03/2016
	06/03/2013	RSU	6,718	03/23/2014
	06/03/2013	RSU	3,270	03/21/2015
	06/03/2013	RSU	1,029	03/28/2016

(3) Value calculated by multiplying the number of unvested shares or units by the closing price of $38.60 on

January 31, 2014, which was the last business day of the 2013 fiscal year. The values shown in column (h) and (j) for the restricted stock units are based on:

- the number of restricted stock units at maximum performance earned for the 2011-2012 performance period, which vested in March 2014;

- the number of restricted stock units at maximum performance earned for the 2012-2013 performance period, which will vest in March 2015; and

- the number of restricted stock units that may be earned at threshold performance for the 2013-2014 long-term performance period. If target or maximum performance is achieved for this performance period, the respective number of units earned and their value, based on the $38.60 closing price, is shown in the following table:

	Target		Maximum	
Name	**Number of Units**	**$ Value**	**Number of Units**	**$ Value**
K. Hicks	28,111	1,085,085	56,221	2,170,131
L. Peters	6,024	232,526	12,048	465,053
R. Johnson	13,143	507,320	26,286	1,014,640
P. Alviti	4,113	158,762	8,225	317,485
R. McHugh	7,174	276,916	14,348	553,833

The following table, **Option Exercises and Stock Vested**, provides information on the stock options exercised by the named executives during 2013 and restricted stock and restricted stock unit awards that vested during the year.

Option Exercises and Stock Vested

	Option Awards		Stock Awards	
(a)	(b)	(c)	(d)	(e)
Name	Number of Shares Acquired on Exercise(#)	Value Realized on Exercise($)	Number of Shares Acquired on Vesting(#)	Value Realized on Vesting($)
K. Hicks			127,484	4,246,492
L. Peters	72,000	1,283,606	19,882	662,269
R. Johnson	40,000	519,300	135,652	4,577,568
P. Alviti				
R. McHugh	25,000	256,093	29,802	992,705

Employment Agreements

We have employment agreements with each of the named executive officers, and we describe the material terms of each of these agreements below. Information on potential payments and benefits on termination of the agreements is described under the section Potential Payments upon Termination or Change in Control, beginning on Page 56.

Ken C. Hicks

Position. We entered into an employment agreement with Mr. Hicks in June 2009 in connection with our recruiting and hiring him to serve as our Chief Executive Officer.

Term. The term of this agreement began on August 17, 2009 and ends on January 31, 2016. The agreement contains an evergreen renewal provision that provides for additional one-year renewals of the employment term unless either party gives notice of non-renewal one year prior to the end of the then-current term.

Base Salary and Bonus. We pay Mr. Hicks an annual base salary of not less than $1.1 million during the term of the agreement. For fiscal years after 2009, Mr. Hicks annual bonus at target is 125 percent of his base salary. Mr. Hicks participates in the long-term bonus plan and, for the 2008-2010 and 2009-2011 performance periods, he participated on a pro rata basis with an annual bonus at target of 90 percent of his base salary at the time he began employment with the Company. For subsequent long-term performance periods, his bonus at target is 175 percent of his base salary.

Sign-on Bonus. Mr. Hicks agreement provided for a sign-on bonus payment of $2 million, payable as follows: (a) $1 million within 30 days of August 17, 2009 and (b) $500,000 each on August 17, 2010 and August 17, 2011, provided he continued to be employed by the Company as our Chief Executive Officer through theses dates.

Stock Awards. Mr. Hicks agreement provided for certain restricted stock and stock option awards to be made within 30 days of his employment commencement date, with vesting subject to his continued employment as Chief Executive Officer of the Company, and all of these awards vested prior to the 2013 fiscal year.

Relocation. The agreement provided for reimbursement of relocation expenses for Mr. Hicks to relocate to the New York metropolitan area.

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Benefit Plans and Perquisites. Mr. Hicks is entitled to participate in all bonus, incentive, and equity plans offered to senior executives. He is also eligible to participate in all pension, welfare, and fringe benefit plans and perquisites offered to senior executives. The benefits and perquisites available to Mr. Hicks include:

Company-paid life insurance in the amount of his annual base salary;

Long-term disability insurance coverage of $25,000 per month;

Annual out-of-pocket

medical expense reimbursement of up to $7,500;

Financial planning expenses of up to $15,000 during the first year of employment and $7,500 annually thereafter, as adjusted for adviser fee increases;

Reimbursement of up to $15,000 for legal fees in connection with his employment agreement; and

Automobile expense reimbursement for up to $40,000 annually and reimbursement of reasonable expenses for car service for transportation within the New York metropolitan area.

Non-Compete Provision. Mr. Hicks agreement provides that he may not compete with Foot Locker or solicit our employees for two years following the termination of his employment agreement.

Certain Defined Terms in the Agreement:

Cause means with regard to Mr. Hicks:

his refusal or willful failure to substantially perform his duties;

his dishonesty, willful misconduct, misappropriation, breach of fiduciary duty or fraud with regard to the Company, its business or assets;

his willful breach of any material provision of the agreement, which is not cured;

his conviction of a felony (other than a traffic violation) or any other crime involving moral turpitude; or

his willful failure to take lawful and reasonable directions from the Board.

Change in Control means any of the following:

the Company merges with another company or sells all (or substantially all) of its assets. This event would exclude, for example, mergers (or similar transactions) in which shareholders of the Company prior to the transaction continue to represent a majority of the stock outstanding after the transaction;

the acquisition of 35 percent or more of the outstanding stock; or

during any period of not more than 12 months, the directors at the start of the period, plus any new director whose election or nomination for election was approved by at least two-thirds of the directors then remaining on the Board who either were directors at the beginning of the period or whose election or nomination was approved in this manner, do not comprise at least a majority of the Board.

Good Reason means, following a Change in Control,

a material demotion or reduction in Mr. Hicks authority or responsibility (except in connection with a termination for Cause or disability or temporarily because of illness or other absence);

a reduction in his base

salary rate;

a reduction in his annual bonus classification level;

failure to continue the benefit plans and programs that apply to him, or the reduction of his benefits, without providing substitute comparable plans, programs and benefits;

failure by a successor company to assume in writing the Company s obligations under the agreement; or

the Company breaches a material provision of the agreement and does not correct the breach.

Lauren B. Peters, Richard A. Johnson, Robert W. McHugh, and Paulette Alviti

Position/Term/Base Salary. We have substantially identical employment agreements with these executives in their current positions, as follows:

Name	Position	Current Term End Date	2013 Base Salary Rate
L. Peters	Executive VP and CFO	1/31/2015	$550,000
R. Johnson	Executive VP and Chief Operating Officer	1/31/2015	$900,000
R. McHugh	Executive VP Operations Support	1/31/2015	$655,000
P. Alviti	Senior VP and Chief Human Resources Officer	1/31/2015	$450,000

Term. The terms of the agreements will automatically be extended for another year unless notice of non-renewal is given by the October 31 prior to the expiration of the term.

Base Salary. We pay these executives annual base salaries at rates not less than their salaries at the start of their agreements. The executives base salaries for 2013 are shown in the table.

Benefit Plans and Perquisites. These executives are entitled to participate in all benefit plans and arrangements in effect at the start of the agreement, including retirement plans, annual and long-term bonus plans, medical, dental, and disability plans, and any other plans subsequently offered to our senior executives.

Non-Compete Provision. The executives agreements provide that they may not compete with Foot Locker or solicit our employees for two years following the termination of their employment agreements.

Certain Defined Terms in the Agreement:

Cause means the executive s:

refusal or willful

failure to substantially perform his or her duties;

dishonesty, willful misconduct, or fraud with regard to the Company s business or assets;

willful breach of his or her employment agreement and the executive does not correct the breach; or

conviction of a felony (other than a traffic violation) or any other crime involving moral turpitude.

Change in Control means any of the following:

the Company merges with another company or sells all (or substantially all) of its assets. This event would exclude, for example, mergers (or similar transactions) in which shareholders of the Company prior to the transaction continue to represent a majority of the stock outstanding after the transaction;

the acquisition of 35 percent or more of the outstanding stock; or

during any period of not more than 12 months, the directors at the start of the period, plus any new director whose election or nomination for election was approved by at least two-

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thirds of the directors then remaining on the Board who either were directors at the beginning of the period or whose election or nomination was approved in this manner, do not comprise at least a majority of the Board.

Disability means:

The executive is incapacitated due to physical or mental illness and, as a result, has not performed his or her duties on a full-time basis for six months, and does not return to perform his or her duties after the Company gives notice.

Good Reason means:

Prior to a Change in Control,

a reduction in base salary, other than an across-the-board reduction in senior executive salaries over a three-year period and the reduction is less than 20% of the executive s salary from the beginning of the three-year period;

material change in the executive s authority or responsibilities, except temporarily as a result of illness or other absence;

Following a Change in Control,

any reduction in base salary;

failure to continue the benefit plans and programs that apply to the executive, or the reduction of his or her benefits, without providing substitute comparable plans and benefits;

a material demotion or reduction in executive s authority or responsibility (except temporarily because of illness or other absence);

At any time,

a reduction in the executive s annual bonus classification level, other than in connection with a redesign that affects all other employees in the executive s bonus level;

failure by a successor to the Company to confirm in writing that it will assume the Company s obligations under the agreement;

failure by the Company to renew the agreement.

2013 Nonqualified Deferred Compensation

(a) Name	(b) Executive Contributions in Last FY ($)	(c) Registrant Contributions in Last FY ($)(1)	(d) Aggregate Earnings in Last FY ($)	(e) Aggregate Withdrawals/ Distributions ($)	(f) Aggregate Balance at Last FYE ($)(2)
K. Hicks		1,925,000			3,850,000
L. Peters		375,000			718,952
R. Johnson		850,000			1,454,888
R. McHugh		476,250			941,250
P. Alviti		112,041			112,041

(1) The amounts shown in column (c) in the table above are reported as 2013 compensation in the Summary Compensation Table and reflect the cash portion of the earned long-term incentive award for the 2012-2013 performance measurement period. The payout of these amounts to the named executives is automatically deferred under the terms of the award and will be paid in March 2015, provided the executives remain employed by the Company

on the payout date. No earnings are accrued on these amounts.

(2) The aggregate balances shown in column (f) equal the sum of the amounts shown in column (c) for the 2012-2013 long-term performance measurement period plus the cash portion of the

executives earned long-term incentive awards for the 2011-2012 performance measurement period reported as 2012 compensation that was paid out in March 2014, as follows:

Name	Earned Cash Long-Term Incentive Award For the 2011-2012 Performance Period Paid in March 2014
K. Hicks	1,925,000
L. Peters	343,952
R. Johnson	604,888
R. McHugh	465,000
P. Alviti	

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Potential Payments Upon Termination or Change in Control

The executives employment agreements and certain of the plans and programs that executives participate in require the Company to pay compensation to the executives if their employment terminates in certain circumstances. The estimated amount of compensation, benefits, and vesting of restricted stock, restricted stock units, and stock options that may be payable to the named executives following termination of their employment, including amounts already vested, is stated in the tables below. The information in the tables assumes a termination date of February 1, 2014.

Ken C. Hicks

Reason for Termination	Severance Payment	Vesting of RS, RSUs and Options	Long-Term Incentive Payout Eligibility	SERP Benefit	Excess Cash Balance Plan Benefit	Continuation of Health Benefits	Senior Executive Life Insurance	To
By Company Without Cause or By Executive if Company Breaches Employment Agreement	$5,515,375 (1)	$2,403,159 (2)		$1,616,522 (3)	$188,532 (4)	$576,982 (5)		$10,30
Executive Resigns Before End of Term				$1,616,522 (3)	$188,532 (4)	$576,982 (5)		$2,38
Following Change in Control: By Executive for Good Reason or By Company Without Cause (6)	$4,975,000 (7)	$17,536,233 (8)	$4,331,250 (9)	$1,616,522 (3)	$188,532 (4)	$576,982 (5)		$29,22
Disability		$16,481,597 (10)	$4,331,250 (11)	$1,616,522 (12)	$188,532 (4)	$576,982 (5)(13)		$23,19
Death		$16,481,597	$4,331,250	$1,616,522	$188,532		$1,100,000	$23,71

	(10)	**(11)**	**(12)**	**(4)**		**(14)**	
Retirement	$11,695,197	$4,331,250	$1,616,522	$188,532	$576,982		$18,40
	(15)	**(11)**	**(3)**	**(4)**	**(5)**		
Cause				$188,532			$188
				(4)			

Notes to Table on Ken C. Hicks

(1) This severance amount includes the following items provided for under Mr. Hicks employment agreement:

- **Salary continuation for 24 months.** Payment of the first six months of salary continuation would be made six months following termination, and the remaining payments would then be made on a monthly basis ($2,200,000).

- **Annual bonus for 2013.** Payment of this bonus would be made at the same time as payments are made to other participants in the plan and within two and one-half months following the end of the 2013 fiscal year ($1,365,375).

- **Cash portion of the long-term incentive earned for the 2012-2013 performance measurement period.** The long-term incentive earned for this performance period is payable one-half in cash and one-half in restricted stock units (RSUs) and is based on the achievement of the performance goals at the maximum payout level. The cash portion of the earned long-term incentive for this period would be paid out in March 2015 at the same time as the payouts are made to the other participants ($1,925,000).

- **Outplacement.** The approximate cost of one year of outplacement services ($25,000).

(2) Represents the value of the 62,258 RSUs earned at the maximum performance level for the 2012-2013 long-term incentive performance period, valued at the closing price ($38.60) of the Company s Common Stock on January 31, 2014. This stock portion of the earned long-term incentive for this period would be paid out in March 2015 at the same time as the payouts are made to the other participants. The actual value of the stock portion of the long-term incentive payable to the executive in March 2015 would depend upon the Company s stock price at that time.

(3) This amount is the total benefit payable under the

Supplemental Executive Retirement Plan (SERP). The payments would be made quarterly over a three-year period. The first two quarterly payments would be made on the first day of the calendar quarter that occurs six months following the executive s termination date, with the remaining payments made quarterly during the remainder of the three-year period.

(4) Benefit payable as of February 1, 2014 in a lump sum under the Foot Locker Excess Cash Balance Plan six months following the executive s termination date. No information is provided with respect to the benefit under the Foot Locker Retirement Plan because that plan is available generally to all salaried employees and does not discriminate in

terms of scope, terms, or operation in favor of the executive officers.

(5) Executive would be entitled under the SERP to the continuation of medical and dental insurance benefits following termination. The benefits would be substantially the same as those benefits to which senior executives are entitled under Foot Locker s medical and dental plans for active employees. Executive would be required to pay the insurance premium applicable to actively employed senior executives, including any subsequent increases in the premiums. The amount shown in the table represents the actuarial present value of all future expected post-termination medical and dental benefits.

(6) This covers termination by the Company without Cause or by the executive for Good Reason during the two-year period following a Change in Control.

(7) The severance amount equals two times the sum of executive s annual base salary ($1,100,000) plus annual bonus at target ($1,375,000). Payment would be made in a lump sum six months following termination. The severance amount also includes the approximate cost of one year of outplacement services ($25,000). If the payments or benefits received by the executive following a Change in Control are subject to the excise tax under Section 4999 of the Internal Revenue Code, then the Company would automatically

reduce the executive s payments and benefits to an amount equal to $1 less than the amount that would subject him to the excise tax, as long as the reduced amount would result in a greater benefit to him compared to the unreduced amount on a net after-tax basis.

(8) The amount shown represents the sum of (A) the value of 124,000 shares of restricted stock that would vest; (B) the value of the RSUs that the executive would have been entitled to receive under the long-term incentive program based on the (i) maximum level of achievement of the performance goals for the 2011-2012 performance measurement period (102,177 RSUs), (ii) target level of achievement of the performance goals for the

2012-2013 performance period (31,129 RSUs), and (iii) pro rated target level achievement of the performance goals for the 2013-2014

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performance measurement period (14,056 RSUs); and (C) the intrinsic value on February 1, 2014 of 878,667 stock options that would vest. The RSUs would become immediately vested and payable. The restricted stock and RSUs were valued at $38.60.

(9) Upon a Change in Control, the Compensation and Management Resources Committee may, but is not required to, approve a pro rata payment to a participant under the Long-Term Incentive Compensation Plan. The amount shown in the table assumes approval of a payout under the plan and represents the cash portion of the long-term

incentive for (i) the 2011-2012 performance measurement period at the maximum payout level ($1,925,000), (ii) the 2012-2013 performance period at the maximum payout level ($1,925,000), and (iii) the 2013-2014 performance measurement period at the target payout level pro rated to the termination date ($481,250). The amounts would be payable to the executive on the date of the Change in Control, or as soon as practicable thereafter.

(10) The amount shown represents the sum of (A) the value of 124,000 shares of restricted stock, which the Compensation and Management Resources

Committee may, but is not obligated to, accelerate vesting of some or all of these shares, (B) the value of the RSUs that the executive would have been entitled to receive under the long-term incentive program based on (i) the maximum level of achievement of the performance goals for the 2011-2012 performance measurement period (102,177 RSUs), (ii) the maximum level of achievement of the performance goals for the 2012-2013 performance measurement period (62,258 RSUs), and (iii) a target level achievement of the performance goals for the 2013-2014 performance period, pro rated to the termination date (14,056 RSUs); and (C) the intrinsic value on February 1, 2014 of 437,333 stock options that would vest. The RSUs would be paid out at the same time as the payouts are made to the other participants in the plan for these performance periods in 2014, 2015 and 2016, as applicable. The restricted stock and RSUs were valued at $38.60. The actual value of the RSUs to the executive would depend upon the Company s stock price on the payout dates in 2014, 2015 and 2016.

(11) The Compensation and Management Resources Committee may, but is not obligated to,

approve a pro rata payment under the Long-Term Incentive Compensation Plan following the end of the applicable performance period, provided the performance goals for the period are met. The amount shown assumes the approval of a payout to the executive and represents the cash portion of the long-term incentive for (i) the 2011-2012 performance measurement period based on the maximum level of achievement of the performance goals ($1,925,000), (ii) the 2012-2013 performance measurement period based on the maximum level of achievement of the performance goals ($1,925,000), and (iii) the 2013-2014 performance measurement period, pro rated to the termination date, based on a target level of achievement of the performance goals ($481,250). The amounts would be payable to the executive at the same time as the payouts are made for these performance periods to the other participants in 2014, 2015 and 2016, as applicable.

(12) Benefit under the Supplemental Executive Retirement Plan payable in a lump sum following the determination of disability or the date of death.

(13) The benefit amount assumes the executive does not qualify for disability benefits under

Medicare.

(14) Senior executive life insurance is payable following death in a lump sum to the executive s beneficiary.

(15) The amount shown represents the sum of (A) the value of the RSUs that the executive would have been entitled to receive under the long-term incentive program based on (i) the maximum level of achievement of the performance goals for the 2011-2012 performance measurement period (102,177 RSUs), (ii) the maximum level of achievement of the performance goals for the 2012-2013 performance measurement period (62,258 RSUs), and (iii) a target

level
achievement
of the
performance
goals for the
2013-2014
performance
period, pro
rated to the
termination

date (14,056 RSUs); and (B) the intrinsic value on February 1, 2014 of 437,333 stock options that would vest. The RSUs would be paid out at the same time as the payouts are made to the other participants in the plan for these performance periods in 2014, 2015 and 2016, as applicable. The RSUs were valued at $38.60. The actual value of the RSUs to the executive would depend upon the Company s stock price on the payout dates in 2014, 2015 and 2016.

Lauren B. Peters

Total

Reason for Termination	Severance Payment	Vesting of RS, RSUs and Options	Long-Term Incentive Payout Eligibility	SERP Benefit	Excess Cash Balance Plan Benefit	Continuation of Health Benefits	Senior Executive Life Insurance	
By Company Without Cause	$550,000			$806,290	$141,092	$1,003,796		$2,501,178
	(1)			**(2)**	**(3)**	**(4)**		
By Executive for Good Reason	$550,000	$621,838		$806,290	$141,092	$1,003,796		$3,123,016
	(1)	**(5)**		**(2)**	**(3)**	**(4)**		
Executive Resigns Before End of Term				$806,290	$141,092	$1,003,796		$1,951,178
				(2)	**(3)**	**(4)**		
Following Change in Control: By Executive for Good Reason or By Company Without Cause	$1,650,000	$2,660,571	$822,077	$806,290	$141,092	$1,003,796		$7,083,826
(6)	**(7)**	**(8)**	**(9)**	**(2)**	**(3)**	**(4)**		
Disability		$2,659,918	$822,077	$806,290	$141,092	$1,003,796		$5,433,173
		(10)	**(11)**	**(12)**	**(3)**	**(4)(13)**		
Death		$2,659,918	$822,077	$806,290	$141,092		$550,000	$4,979,377
		(10)	**(11)**	**(12)**	**(3)**		**(14)**	
Retirement								
(15)								
Cause					$141,092			$141,092
					(3)			

<u>Notes to Table on Lauren B. Peters</u>

(1) The severance amount equals 52 weeks salary and would be

payable six months following termination.

(2) This amount is the total benefit payable under the Supplemental Executive Retirement Plan (SERP). The payments would be made quarterly over a three-year period. The first two quarterly payments would be made on the first day of the calendar quarter that occurs six months following the executive s termination date, with the remaining payments made quarterly during the remainder of the three-year period.

(3) Benefit payable as of February 1, 2014 in a lump sum under the Foot Locker Excess Cash

Balance Plan six months following the executive s termination date. No information is provided with respect to the benefit under the Foot Locker Retirement Plan because that plan is available generally to all salaried employees and does not discriminate in terms of scope, terms, or operation in favor of the executive officers.

(4) Executive would be entitled under the SERP to the continuation of medical and dental insurance benefits following termination. The benefits would be substantially the same as those benefits to which senior executives are entitled under Foot Locker s medical and

dental plans for active employees. Executive would be required to pay the insurance premium applicable to actively

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employed senior executives, including any subsequent increases in the premiums. The amount shown in the table represents the actuarial present value of all future expected post-termination medical and dental benefits.

(5) The amount shown represents the intrinsic value on February 1, 2014 of 55,335 stock options that would vest.

(6) This covers termination by the Company without Cause or by the executive for Good Reason within 24 months following a Change in Control.

(7) The severance amount equals three times the executive s annual salary. If the payments or benefits received by the executive following a Change in Control are

subject to the excise tax under Section 4999 of the Internal Revenue Code, then the Company would automatically reduce the executive s payments and benefits to an amount equal to $1 less than the amount that would subject her to the excise tax, as long as the reduced amount would result in a greater benefit to her compared to the unreduced amount on a net after-tax basis.

(8) The amount shown represents the sum of (A) the value of 20,000 shares of restricted stock that would vest; (B) the value of the RSUs that the executive would have been entitled to receive under the long-term incentive program based on the (i) maximum level of achievement of the performance goals for the 2011-2012 performance

measurement period (17,659 RSUs), (ii) target level of achievement of the performance goals for the 2012-2013 performance period (6,065 RSUs), and (iii) pro rated target level achievement of the performance goals for the 2013-2014 performance measurement period (3,012 RSUs); and (C) the intrinsic value on February 1, 2014 of 98,002 stock options that would vest. The RSUs would become immediately vested and payable. The restricted stock and RSUs were valued at $38.60.

(9) Upon a Change in Control, the Compensation and Management Resources Committee may, but is not required to, approve a pro rata payment to a participant under the Long-Term Incentive Compensation Plan. The

amount shown in the table assumes approval of a payout under the plan and represents the cash portion of the long-term incentive for (i) the 2011-2012 performance measurement period at the maximum payout level ($343,952), (ii) the 2012-2013 performance period at the maximum payout level ($375,000), and (iii) the 2013-2014 performance measurement period at the target payout level pro rated to the termination date ($103,125). The amounts would be payable to the executive on the date of the Change in Control, or as soon as practicable thereafter.

(10) The amount shown represents the sum of (A) the value of 20,000 shares of restricted stock, which the Compensation

and Management Resources Committee may, but is not obligated to, accelerate vesting of some or all of these shares; (B) the value of the RSUs that the executive would have been entitled to receive under the long-term incentive program based on (i) the maximum level of achievement of the performance goals for the 2011-2012 performance measurement period (17,659 RSUs), (ii) the maximum level of achievement of the performance goals for the 2012-2013 performance measurement period (12,129 RSUs), and (iii) a target level achievement of the performance goals for the 2013-2014 performance period, pro rated to the termination date (3,012 RSUs); and (C) the intrinsic value on

February 1, 2014 of 55,335 stock options that would vest. The RSUs would be paid out at the same time as the payouts are made to the other participants in the plan for these performance periods in 2014, 2015 and 2016, as applicable. The restricted stock and RSUs were valued at $38.60. The actual value of the RSUs to the executive would depend upon the Company s stock price on the payout dates in 2014, 2015 and 2016.

(11) The Compensation and Management Resources Committee may, but is not obligated to, approve a pro rata payment under the Long-Term Incentive Compensation Plan following the end of the applicable performance period, provided the performance goals for the period are met.

The amount shown assumes the approval of a payout to the executive and represents the cash portion of the long-term incentive for (i) the 2011-2012 performance measurement period based on the maximum level of achievement of the performance goals ($343,952), (ii) the 2012-2013 performance measurement period based on the maximum level of achievement of the performance goals ($375,000), and (iii) the 2013-2014 performance measurement period, pro rated to the termination date, based on a target level of achievement of the performance goals ($103,125). The amounts would be payable to the executive at the same time as the payouts are made for these performance periods to the other participants in 2014, 2015 and 2016, as applicable.

(12) Benefit under the SERP payable in a lump sum following the determination of disability or the date of death.

(13) The benefit amount assumes the executive does not qualify for disability benefits under Medicare.

(14) Senior executive life insurance benefit is payable following death in a lump sum to the executive s beneficiary.

(15) Executive was not eligible for retirement as of February 1, 2014.

Richard A. Johnson

Reason for Termination	Severance Payment	Vesting of RS, RSUs and Options	Long-Term Incentive Payout Eligibility	SERP Benefit	Excess Cash Balance Plan Benefit	Continuation of Health Benefits	Senior Executive Life Insurance	Total
By Company Without Cause	$900,000 **(1)**			$1,073,040 **(2)**	$258,421 **(3)**	$888,869 **(4)**		$3,120,33
By Executive for Good Reason	$900,000 **(1)**	$720,689 **(5)**		$1,073,040 **(2)**	$258,421 **(3)**	$888,869 **(4)**		$3,841,01
Executive Resigns Before End of Term				$1,073,040 **(2)**	$258,421 **(3)**	$888,869 **(4)**		$2,220,33
Following Change in Control: By Executive for Good Reason or By Company Without Cause **(6)**	$2,700,000 **(7)**	$3,752,756 **(8)**	$1,679,888 **(9)**	$1,073,040 **(2)**	$258,421 **(3)**	$888,869 **(4)**		$10,352,9
Disability		$4,021,259 **(10)**	$1,679,888 **(11)**	$1,073,040 **(12)**	$258,421 **(3)**	$888,869 **(4)(13)**		$7,921,47
Death		$4,021,259 **(10)**	$1,679,888 **(11)**	$1,073,040 **(12)**	$258,421 **(3)**		$900,000 **(14)**	$7,932,60
Retirement		$3,249,259 **(15)**	$1,679,888 **(11)**	$1,073,040 **(2)**	$258,421 **(3)**	$888,869 **(4)**		$7,149,47
Cause					$258,421 **(3)**			$258,42

<u>Notes to Table on Richard A. Johnson</u>

(1) The severance amount equals 52 weeks

salary and would be payable six months following termination.

(2) This amount is the total benefit payable under the Supplemental Executive Retirement Plan (SERP). The payments would be made quarterly over a three-year period. The first two quarterly payments would be made on the first day of the calendar quarter that occurs six

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months following the executive s termination date, with the remaining payments made quarterly during the remainder of the three-year period.

(3) Benefit payable as of February 1, 2014 in a lump sum under the Foot Locker Excess Cash Balance Plan six months following the executive s termination date. No information is provided with respect to the benefit under the Foot Locker Retirement Plan because that plan is available generally to all salaried employees and does not discriminate in terms of scope, terms, or operation in favor of the executive officers.

(4) Executive would be entitled under the SERP to the continuation of medical and

dental insurance benefits following termination. The benefits would be substantially the same as those benefits to which senior executives are entitled under Foot Locker s medical and dental plans for active employees. Executive would be required to pay the insurance premium applicable to actively employed senior executives, including any subsequent increases in the premiums. The amount shown in the table represents the actuarial present value of all future expected post-termination medical and dental benefits.

(5) The amount shown represents the intrinsic value on February 1, 2014 of 58,667 stock options that would vest.

(6) This covers termination by the Company

without Cause or by the executive for Good Reason within 24 months following a Change in Control.

(7) The severance amount equals three times the executive s annual salary. If the payments or benefits received by the executive following a Change in Control are subject to the excise tax under Section 4999 of the Internal Revenue Code, then the Company would automatically reduce the executive s payments and benefits to an amount equal to $1 less than the amount that would subject him to the excise tax, as long as the reduced amount would result in a greater benefit to him compared to the unreduced amount on a net after-tax basis.

(8) The amount shown represents the sum of (A) the value of

20,000 shares of restricted stock that would vest; (B) the value of the RSUs that the executive would have been entitled to receive under the long-term incentive program based on the (i) maximum level of achievement of the performance goals for the 2011-2012 performance measurement period (31,444 RSUs), (ii) target level of achievement of the performance goals for the 2012-2013 performance period (13,746 RSUs), and (iii) pro rated target level achievement of the performance goals for the 2013-2014 performance measurement period (6,572 RSUs); and (C) the intrinsic value on February 1, 2014 of 106,334 stock options that would vest. The RSUs would become immediately vested and payable. The restricted stock and RSUs were valued at $38.60.

(9) Upon a Change in Control, the Compensation and Management Resources Committee may, but is not required to, approve a pro rata payment to a participant under the Long-Term Incentive Compensation Plan. The amount shown in the table assumes approval of a payout under the plan and represents the cash portion of the long-term incentive for (i) the 2011-2012 performance measurement period at the maximum payout level ($604,888), (ii) the 2012-2013 performance period at the maximum payout level ($850,000), and (iii) the 2013-2014 performance measurement period at the target payout level pro rated to the termination

date ($225,000). The amounts would be payable to the executive on the date of the Change in Control, or as soon as practicable thereafter.

(10) The amount shown represents the sum of (A) the value of 20,000 shares of restricted stock, which the Compensation and Management Resources Committee may, but is not obligated to, accelerate vesting of some or all of these shares; (B) the value of the RSUs that the executive would have been entitled to receive under the long-term incentive program based on (i) the maximum level of achievement of the performance goals for the 2011-2012 performance measurement period (31,444 RSUs), (ii) the maximum level of achievement

of the
performance

goals for the 2012-2013 performance measurement period (27,491 RSUs), and (iii) a target level achievement of the performance goals for the 2013-2014 performance period, pro rated to the termination date (6,572 RSUs); and (C) the intrinsic value on February 1, 2014 of 58,667 stock options that would vest. The RSUs would be paid out at the same time as the payouts are made to the other participants in the plan for these performance periods in 2014, 2015 and 2016, as applicable. The restricted stock and RSUs were valued at $38.60. The actual value of the RSUs to the executive would depend upon the Company s stock price on the payout dates in 2014, 2015 and 2016.

(11) The Compensation and Management Resources Committee may, but is not obligated to, approve a pro rata payment under the Long-Term Incentive Compensation Plan following the end of the applicable performance period, provided the performance goals for the period are met. The amount shown assumes the approval of a payout to the executive and represents the cash portion of the long-term incentive for (i) the 2011-2012 performance measurement period based on the maximum level of achievement

of the performance goals ($604,888), (ii) the 2012-2013 performance measurement period based on the maximum level of achievement of the performance goals ($850,000), and (iii) the 2013-2014 performance measurement period, pro rated to the termination date, based on a target level of achievement of the performance goals ($225,000). The amounts would be payable to the executive at the same time as the payouts are made for these performance periods to the other participants in 2014, 2015 and 2016, as applicable.

(12) SERP benefit payable in a lump sum

following the determination of disability or the date of death.

(13) The benefit amount assumes the executive does not qualify for disability benefits under Medicare.

(14) Senior executive life insurance benefit is payable following death in a lump sum to the executive s beneficiary.

(15) The amount shown represents the sum of (A) the value of the RSUs that the executive would have been entitled to receive under the long-term incentive program based on (i) the maximum level of achievement of the performance goals for the 2011-2012 performance measurement period (31,444

RSUs), (ii) the maximum level of achievement of the performance goals for the 2012-2013 performance measurement period (27,491 RSUs), and (iii) a target level achievement of the performance goals for the 2013-2014 performance period, pro rated to the termination date (6,572 RSUs); and (B) the intrinsic value on February 1, 2014 of 58,667 stock options that would vest. The RSUs would be paid out at the same time as the payouts are made to the other participants in the plan for these performance periods in 2014, 2015 and 2016, as applicable. The RSUs were valued at $38.60. The actual value of the RSUs to the executive would depend upon the Company s stock price on the payout dates in 2014, 2015 and 2016.

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Robert W. McHugh

Reason for Termination	Severance Payment	Vesting of RS, RSUs and Options	Long-Term Incentive Payout Eligibility	SERP Benefit	Excess Cash Balance Plan Benefit	Continuation of Health Benefits	Senior Executive Life Insurance	Total
By Company Without Cause	$655,000			$735,258	$213,443	$888,869		$2,492,570
	(1)			**(2)**	**(3)**	**(4)**		
By Executive for Good Reason	$655,000	$700,622		$735,258	$213,443	$888,869		$3,193,192
	(1)	**(5)**		**(2)**	**(3)**	**(4)**		
Executive Resigns Before End of Term				$735,258	$213,443	$888,869		$1,837,570
				(2)	**(3)**	**(4)**		
Following Change in Control: By Executive for Good Reason or By Company Without Cause	$1,965,000	$3,095,826	$1,064,063	$735,258	$213,443	$888,869		$7,962,459
(6)	**(7)**	**(8)**	**(9)**	**(2)**	**(3)**	**(4)**		
Disability		$3,158,361	$1,064,063	$735,258	$213,443	$888,869		$6,059,994
		(10)	**(11)**	**(12)**	**(3)**	**(4)(13)**		
Death		$3,158,361	$1,064,063	$735,258	$213,443			$5,171,125
		(10)	**(11)**	**(12)**	**(3)**			
Retirement		$2,386,362	$1,064,063	$735,258	$213,443	$888,869		$5,287,995
		(14)	**(11)**	**(2)**	**(3)**	**(4)**		
Cause					$213,443			$213,443
					(3)			

Notes to Table on Robert W. McHugh

(1) The severance amount equals 52 weeks salary and would be payable six months following termination.

(2) This amount is the total benefit payable under the Supplemental Executive Retirement Plan (SERP). The payments would be made quarterly over a three-year period. The first two quarterly payments would be made on the first day of the calendar quarter that occurs six months following the executive s termination date, with the remaining payments made quarterly during the remainder of the three-year period.

(3) Benefit payable as of February 1, 2014 in a lump sum under the Foot Locker Excess Cash Balance Plan six months following the executive s

termination date. No information is provided with respect to the benefit under the Foot Locker Retirement Plan because that plan is available generally to all salaried employees and does not discriminate in terms of scope, terms, or operation in favor of the executive officers.

(4) Executive would be entitled under the SERP to the continuation of medical and dental insurance benefits following termination. The benefits would be substantially the same as those benefits to which senior executives are entitled under Foot Locker s medical and dental plans for active employees. Executive would be required to pay the insurance premium applicable to actively employed senior executives,

including any subsequent increases in the premiums. The amount shown in the table represents the actuarial present value of all future expected post-termination medical and dental benefits.

(5) The amount shown represents the intrinsic value on February 1, 2014 of 55,334 stock options that would vest.

(6) This covers termination by the Company without Cause or by the executive for Good Reason within 24 months following a Change in Control.

(7) The severance amount equals three times the executive s annual salary. If the payments or benefits received by the executive following a Change in Control are subject to the excise tax under Section 4999 of the Internal Revenue Code, then the Company would automatically reduce the executive s payments and benefits to an amount equal to $1 less than the amount that would subject him to the excise tax, as long as the

reduced amount would result in a greater benefit to him compared to the unreduced amount on a net after-tax basis.

(8) The amount shown represents the sum of (A) the value of 20,000 shares of restricted stock that would vest; (B) the value of the RSUs that the executive would have been entitled to receive under the long-term incentive program based on the (i) maximum level of achievement of the performance goals for the 2011-2012 performance period (24,682 RSUs), (ii) target level of achievement of the performance goals for the 2012-2013 performance period (7,702 RSUs),and (iii)

pro rated target level achievement of the performance goals for the 2013-2014 performance measurement period (3,587 RSUs); and (C) the intrinsic value on February 1, 2014 of 98,001 stock options that would vest. The RSUs would become immediately vested and payable. The restricted stock and RSUs were valued at $38.60.

(9) Upon a Change in Control, the Compensation and Management Resources Committee may, but is not required to, approve a pro rata payment to a participant under the Long-Term Incentive Compensation Plan. The amount shown in the table assumes approval of a payout under

the plan and represents the cash portion of the long-term incentive for (i) the 2011-2012 performance measurement period at the maximum payout level ($465,000), (ii) the 2012-2013 performance period at the maximum payout level ($476,250), and (iii) the 2013-2014 performance measurement period at the target payout level pro rated to the termination date ($122,813). The amounts would be payable to the executive on the date of the Change in Control, or as soon as practicable thereafter.

(10) The amount shown represents the sum of (A) the value of 20,000 shares of restricted stock, which the

Compensation and Management Resources Committee may, but is not obligated to, accelerate vesting of some or all of these shares; (B) the value of the RSUs that the executive would have been entitled to receive under the long-term incentive program based on (i) the maximum level of achievement of the performance goals for the 2011-2012 performance measurement period (24,682 RSUs), (ii) the maximum level of achievement of the performance goals for the 2012-2013 performance measurement period (15,403 RSUs), and (iii) a target level achievement of the performance goals for the

2013-2014 performance period, pro rated to the termination date (3,587 RSUs); and (C) the intrinsic value on February 1, 2014 of 55,334 stock options that would vest. The RSUs would be paid out at the same time as the payouts are made to the other participants in the plan for these performance periods in 2014, 2015 and 2016, as applicable. The restricted stock and RSUs were valued at $38.60. The actual value of the RSUs to the executive would depend upon the Company s stock price on the payout dates in 2014, 2015 and 2016.

(11) The Compensation and Management Resources Committee

may, but is not obligated to, approve a pro rata payment under the Long-Term Incentive Compensation Plan following the end of the applicable performance period, provided the performance goals for the period are met. The amount shown assumes the approval of a payout to the executive and represents the cash portion of the long-term incentive for (i) the 2011-2012 performance measurement period based on the maximum level of achievement of the performance goals ($465,000), (ii) the 2012-2013 performance measurement period based on the maximum level of achievement of the performance goals ($476,250), and (iii) the 2013-2014 performance measurement period, pro rated to the termination date, based on a target level of achievement of the performance goals

EXECUTIVE COMPENSATION

($122,813). The amounts would be payable to the executive at the same time as the payouts are made for these performance periods to the other participants in 2014, 2015 and 2016, as applicable.

(12) SERP benefit payable in a lump sum following the determination of disability or the date of death.

(13) The benefit amount assumes the executive does not qualify for disability benefits under Medicare.

(14) The amount shown represents the sum of (A) the value of the RSUs that the executive would have been entitled to receive under the long-term

incentive program based on (i) the maximum level of achievement of the performance goals for the 2011-2012 performance measurement period (24,682 RSUs), (ii) the maximum level of achievement of the performance goals for the 2012-2013 performance measurement period (15,403 RSUs), and (iii) a target level achievement of the performance goals for the 2013-2014 performance period, pro rated to the termination date (3,587 RSUs); and (B) the intrinsic value on February 1, 2014 of 55,334 stock options that would vest. The RSUs would be paid out at the same time as the payouts are made to the other participants in the plan for these performance periods in 2014, 2015, and 2016, as applicable. The RSUs were valued at $38.60. The actual value of the RSUs to the executive would depend upon the Company s stock price on the payout dates in 2014, 2015, and 2016.

Paulette Alviti

Reason for Termination	Severance Payment	Vesting of RS, RSUs and Options	Long-Term Incentive Payout Eligibility	SERP Benefit	Excess Cash Balance Plan Benefit	Continuation of Health Benefits	Senior Executive Life Insurance	Total
By Company Without Cause	$450,000 **(1)**							$450,000
By Executive for Good Reason	$450,000 **(1)**	$30,310 **(2)**						$480,310
Executive Resigns Before End of Term								
Following Change in Control:	$1,350,000	$1,713,867	$294,570					$3,358,437

By Executive
for Good
Reason or

By Company
Without
Cause

(3)	**(4)**	**(5)**	**(6)**			
Disability		$1,653,247	$294,570	$35,916		$1,983,733
		(7)	**(8)**	**(9)**		
Death		$1,653,247	$294,570	$35,916	$450,000	$2,433,733
		(7)	**(8)**	**(9)**	**(10)**	
Retirement						
(11)						
Cause						

<u>Notes to Table on Paulette Alviti</u>

(1) The severance amount equals 52 weeks salary and would be payable six months following termination.

(2) The amount shown represents the intrinsic value on February 1, 2014 of 7,000 stock options that would vest.

(3) This covers termination by the Company without Cause or by the executive for Good

Reason within 24 months following a Change in Control.

(4) The severance amount equals three times the executive s annual salary. If the payments or benefits received by the executive following a Change in Control are subject to the excise tax

under Section 4999 of the Internal Revenue Code, then the Company would automatically reduce the executive s payments and benefits to an amount equal to $1 less than the amount that would subject her to the excise tax, as long as the reduced amount would result in a greater benefit to her compared to the unreduced amount on a net after-tax basis.

(5) The amount shown represents the sum of (A) the value of 30,000 shares of restricted stock and 6,718 time vested restricted stock units that would vest; (B) the value of the RSUs that the executive would have

been entitled to receive under the long-term incentive program based on the (i) maximum level of achievement of the performance goals for the 2012-2013 performance period (3,270 RSUs), and (iii) pro rated target level achievement of the performance goals for the 2013-2014 performance measurement period (2,057 RSUs); and (C) the intrinsic value on February 1, 2014 of 21,000 stock options that would vest. The RSUs under the long-term incentive program would become immediately vested and payable. The restricted stock and RSUs were valued at $38.60.

(6) Upon a Change in Control, the

Compensation and Management Resources Committee may, but is not required to, approve a pro rata payment to a participant under the Long-Term Incentive Compensation Plan. The amount shown in the table assumes approval of a payout under the plan and represents the cash portion of the long-term incentive for the period of time Ms. Alviti participated in the plan for (i) the 2012-2013 performance period at the maximum payout level ($224,100) and (ii) the 2013-2014 performance measurement period at the target payout level pro rated to the termination date ($70,470). The amounts would be payable to the executive on the date of the

Change in Control, or as soon as practicable thereafter.

(7) The amount shown represents the sum of (A) the value of 30,000 shares of restricted stock and 6,718 RSUs, which the Compensation and Management Resources Committee may, but is not obligated to, accelerate vesting of some or all of these shares and RSUs; (B) the value of the performance RSUs that the executive would have been entitled to receive under the long-term incentive program for the period of time she participated in the plan based on (i) the maximum level of achievement of the performance goals for the

2012-2013 performance measurement period (3,270 RSUs) and (ii) a target level achievement of the performance goals for the 2013-2014 performance period, pro rated to the termination date (2,057 RSUs); and (C) the intrinsic value on February 1, 2014 of 7,000 stock options that would vest. The RSUs under the long-term incentive program would be paid out at the same time as the payouts are made to the other participants in the plan for these performance periods in 2015 and 2016, as applicable. The restricted stock and RSUs were valued at $38.60. The actual value to the executive of the RSUs under the long-term incentive program would depend upon the Company s stock price on the payout dates in 2015 and 2016.

(8) The Compensation and Management Resources Committee may, but is not obligated to, approve a pro rata payment under the Long-Term Incentive Compensation Plan following the end of the applicable performance period, provided the performance goals for the period are met. The amount shown assumes the approval of a payout to the executive and represents the cash portion of the long-term incentive for the period of time Ms. Alviti participated in the plan for (i) the 2012-2013 performance

measurement period based on the maximum level of achievement of the performance goals ($224,100), and (ii) the 2013-2014 performance measurement period, pro rated to the termination date, based on a target level of achievement of the performance goals ($70,470). The amounts would be payable to the executive at the same time as the payouts are made for these performance periods to the other participants in 2015 and 2016, as applicable.

(9) SERP benefit payable in a lump sum following the determination of disability or the date of death.

(10)

Senior executive life insurance benefit is payable following death in a lump sum to the executive s beneficiary.

(11) Executive was not eligible for retirement as of February 1, 2014.

EXECUTIVE COMPENSATION

Retirement Plans

Foot Locker Retirement Plan

The Foot Locker Retirement Plan (the Retirement Plan) is a defined benefit plan with a cash balance formula, which covers eligible employees of the Company and substantially all of our United States subsidiaries. All qualified employees who are at least 21 years old with one year of service are covered by the Retirement Plan. Plan participants become fully vested in their benefits under this plan generally upon completion of three years of service or upon reaching normal retirement age (age 65) while actively employed.

Under the cash balance formula, each participant has an account, for record keeping purposes only, to which credits are allocated annually based upon a percentage of the participant s W-2 Compensation, as defined in the Retirement Plan. This percentage is determined by the participant s years of service with the Company as of the beginning of each calendar year. The following table shows the percentage used to determine credits at the years of service indicated.

Years of Service	Percent of All W-2 Compensation	+	Percent of W-2 Compensation Over $22,000
Less than 6	1.10		0.55
6 10	1.50		0.75
11 15	2.00		1.00
16 20	2.70		1.35
21 25	3.70		1.85
26 30	4.90		2.45
31 35	6.60		3.30
More than 35	8.90		4.45

In addition, all balances in the participants accounts earn interest at the fixed rate of 6 percent, which is credited annually. At retirement or other termination of employment, an amount equal to the vested balance then credited to the account under the Retirement Plan is payable to the participant in the form of a qualified joint and survivor annuity (if the participant is married) or a life annuity (if the participant is not married). The participant may elect to waive the annuity form of benefit and receive benefits under the plan upon retirement in an optional annuity form or an immediate or deferred lump sum, or, upon other termination of employment, in a lump sum. Additional optional forms of payment are available to participants who were participating in the Retirement Plan as of December 31, 1995.

Foot Locker Excess Cash Balance Plan

The Internal Revenue Code limits annual retirement benefits that may be paid to, and the compensation that may be taken into account in calculating benefits for, any person under a qualified retirement plan such as the Foot Locker Retirement Plan. Accordingly, for any person covered by the Retirement Plan whose annual retirement benefit, calculated in accordance with the terms of the Retirement Plan, exceeds the limitations of the Internal Revenue Code, the Company has adopted the Foot Locker Excess Cash Balance Plan (the Excess Plan). The Excess Plan is an unfunded, nonqualified benefit plan, under which the individual is paid the difference between the Internal Revenue Code limitations and the retirement benefit to which he or she would otherwise be entitled under the Retirement Plan.

Early Retirement Eligibility

The Foot Locker Retirement Plan provides for a reduced benefit payment to a participant who retires after reaching early retirement age but prior to normal retirement age. Early retirement age is defined under the Retirement Plan and Excess Plan as age 55 with at least 5 years of vesting service. Mr. Johnson and Mr. McHugh are the only named executive officers currently eligible for early retirement under these plans.

Foot Locker Supplemental Executive Retirement Plan

In addition, the Foot Locker Supplemental Executive Retirement Plan (the SERP), which is an unfunded, nonqualified benefit plan, provides for payment by the Company of supplemental retirement, death and disability benefits to certain executive officers and certain other key employees of the Company and its subsidiaries who participate in this plan. The Compensation and Management Resources Committee sets an annual targeted incentive award under the SERP for each participant consisting of a percentage of salary and bonus based on the Company s performance against target. Achievement of the target causes an 8 percent credit to a participant s account for that year. The applicable percentage for the year increases or decreases proportionately to the percentage of the Company s performance in relation to the target, but may not be less than 4 percent or more than 12 percent in any year. Participants accounts accrue simple interest at the rate of 6 percent annually.

The named executive officers and four other executive officers of the Company currently participate in the SERP. Participants in the SERP prior to May 26, 2011 are eligible to receive a benefit only if their age plus years of service at retirement equals at least 65. For persons who become participants in the SERP on or after this date, they would be eligible to receive a benefit only if they are at least age 55 at retirement with 10 years of service. Other than Ms. Alviti, each of the named executive officers participated in the SERP on May 26, 2011 and has age plus years of service totaling at least 65. Ms. Alviti became a participant in the SERP upon her employment commencement date in June 2013 and she is not currently vested in the plan.

If a participant s employment terminates due to death or disability, he (or his estate) would be entitled to payment of his SERP balance. A participant s SERP benefit is paid in 12 quarterly installments following retirement, with the first two quarters payable no earlier than six months following retirement. Upon death or disability, a participant s SERP benefit is paid in a lump sum. For current participants in the plan, the SERP provides for the continuation of medical and dental insurance benefits if an executive meets the applicable age and service requirements when his employment terminates. The benefits would be substantially the same as those benefits to which senior executives are entitled under Foot Locker s medical and dental plans for active employees. The terminated executive would be required to pay the insurance premium applicable to actively employed senior executives, including any increases in the premiums, and the Company would pay the difference between the actual premium rate and the active employee rate.

Payment of Retirement Benefits

The table below provides the present value of the accumulated benefit payable to each of the named executives and the years of service credited to each of them under the Foot Locker Retirement Plan, the Excess Plan, and the SERP determined using interest rate and mortality rate assumptions consistent with those used in our 2013 financial statements.

EXECUTIVE COMPENSATION

Pension Benefits

(a) Name	(b) Plan Name	(c) Number of Years Credited Service (#)(1)	(d) Present Value of Accumulated Benefit ($)(1)	(e) Payments During Last Fiscal Year ($)
K. Hicks	Retirement Plan	4	15,191	0
	Excess Plan	4	206,386	
	SERP	5	1,542,518	
			1,764,095	
L. Peters	Retirement Plan	15	127,742	0
	Excess Plan	15	189,245	
	SERP	12	769,377	
			1,086,364	
R. Johnson	Retirement Plan	15	120,777	0
	Excess Plan	15	319,412	
	SERP	11	1,023,916	
			1,464,105	
R. McHugh	Retirement Plan	15	117,395	0
	Excess Plan	15	266,507	
	SERP	9	701,598	
			1,085,500	
P. Alviti	Retirement Plan	0	0	0
	Excess Plan	0	0	
	SERP	1	45,550	
			45,550	

Notes to Pension Benefits Table

(1) In general, the present value of accumulated benefits was determined using the same measurement date (February 1, 2014) and assumptions used for financial reporting purposes. Expected retirement age for the Retirement Plan and the Excess Plan is equal to normal retirement age as defined by the plans. For the SERP, the age at which participants become eligible for retirement under the plan is used as the expected retirement age. The following are the key assumptions that were used in calculating the values in the table:

ASC 715 discount rate of 4.4 percent for the Retirement Plan; ASC 715 discount rate of 3.5 percent for the Excess Plan and the SERP.

Retirement age is assumed to be 65 for the Retirement Plan and the Excess Plan; for the SERP the retirement age is assumed to be when age plus years of service equals 65 for participants in the plan on May 26, 2011 and, for participants in the SERP after this date, when the participant reaches age 55 with 10 years of service.

Form of payment for the Retirement Plan and the Excess Plan is a lump sum; the form of payment for the SERP is 12 quarterly installments.

The years of service for the SERP reflect the number of years that the executive has been approved by the Compensation Committee as a participant in that plan. Mr. Hicks and Ms. Alviti s years of service under the Retirement Plan and the Excess Plan are less than the number of years of credited service under the SERP because of the requirement that an employee must complete a year of eligibility service before becoming eligible for participation in these plans.

Trust Agreement for Certain Benefit Plans

The Company has established a trust for certain benefit plans, arrangements, and agreements, including the Supplemental Executive Retirement Plan, the Foot Locker Excess Cash Balance Plan, the executive employment agreements, and other benefit plans, agreements or arrangements that may be covered at a later date (collectively, the Benefit Obligations). Under the trust agreement, if there is a Change in Control of the Company (as defined in the Trust agreement), the trustee would pay to the persons entitled to the Benefit Obligations the amounts to which they may become entitled under the Benefit Obligations. Upon the occurrence of a Potential Change in Control of the Company as defined in the trust agreement, the Company is required to fund the trust with an amount sufficient to pay the total amount of the Benefit Obligations. Following the occurrence, and during the pendency, of a Potential Change in Control, the trustee would be required to make payments of Benefit Obligations to the extent these payments are not made by the Company.

EQUITY COMPENSATION PLAN INFORMATION

The following table provides information as of February 1, 2014 for compensation plans under which equity securities may be issued.

Plan Category	(a) Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and	(b) Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights	(c) Number of Securities Remaining Available For Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column(a))

	Rights			
Equity Compensation Plans Approved by Security Holders	5,667,626	$	22.6551	6,265,628 (1)(2)
Equity Compensation Plans Not Approved by Security Holders	0		0	0
Total	5,667,626	$	22.6551	6,265,628

Notes to Equity Compensation Plan Table

(1) Includes 3,000,000 shares available for future issuance under the 2013 Employees Stock Purchase Plan (the 2013 Purchase Plan) other than upon the exercise of an option, warrant or right.

Participating employees under the 2013 Purchase Plan may contribute up to 10 percent of their annual compensation to acquire shares of the Company s Common Stock at 85 percent of the lower market price on one of two specified dates in each plan year.

(2) The 2007 Stock Incentive Plan

(the 2007 Plan) currently is the only plan under which stock awards may be granted to directors, officers and other employees of Foot Locker.

Payouts under the Long-Term Incentive Compensation Plan may be made in cash or shares of Common Stock. If shares are used, they would be issued as Other Stock-Based Awards under the 2007 Plan.

ITEMS TO BE VOTED ON BY SHAREHOLDERS

PROPOSAL 1: ELECTION OF DIRECTORS

General

The Board has fixed the number of directors at 10. Our Certificate of Incorporation currently provides that the Board of Directors be divided into three classes serving staggered three-year terms, each class to be as nearly equal in number as the other two. The terms of Steven Oakland and the three directors constituting Class II expire at the 2014 annual meeting. Our Board comprises directors having a mix of business experience, education, skills, and service on our Board, as well as on the boards of other organizations. Our Board also reflects diversity in terms of gender, age, and ethnicity. Over the past three years, four new directors have been elected to the Board, three directors retired in accordance with the retirement policy for directors, and a new independent lead director was appointed.

Nominees

During 2013, the Nominating and Corporate Governance Committee (the Nominating Committee) conducted a search for a potential director candidate whose experience, skills, qualifications, and independence met the criteria established by the Nominating Committee and reviewed with the Board. Following this search, the Nominating Committee recommended that Steven Oakland be elected a director of Foot Locker. In conducting its search, the Nominating Committee collected names of potential candidates from a national director membership firm, a firm providing director recruitment advisory services, and existing Foot Locker directors to develop a list of potential director candidates. The Nominating Committee reviewed and discussed the biographical and other background information on each person it identified as a potential director candidate. The Chair of the Nominating Committee and the Chief Executive Officer conducted interviews with each of the potential candidates prior to presenting Mr. Oakland s name to the Nominating Committee for consideration, and the entire Nominating Committee met with Mr. Oakland before recommending his election to the full Board. Mr. Oakland s name was obtained through a firm providing director recruitment advisory services.

Nicholas DiPaolo, Matthew M. McKenna, Steven Oakland, and Cheryl Nido Turpin will be considered for election as directors in Class II, to serve for three-year terms expiring at the annual meeting in 2017. Each nominee has been nominated by the Board of Directors for election and has consented to serve. Mr. Oakland was elected by the Board to serve for his present term on February 19, 2014. Each of the other nominees was elected to serve for his or her present term at the 2011 annual meeting of shareholders. The six remaining directors will continue in office until the expiration of their terms at the 2015 or 2016 annual meeting. If, prior to the annual meeting, any nominee is not able to serve, then the persons designated as proxies for this meeting (Gary M. Bahler, Ken C. Hicks, and Richard A. Johnson) will have full discretion to vote for another person to serve as a director in place of that nominee.

Mr. DiPaolo, who is age 72, is standing for re-election by shareholders at this meeting. Under the retirement policy for directors, which is described on Page 11, the Nominating Committee asked that Mr. DiPaolo stand for election at this meeting. Mr. DiPaolo currently serves as lead director. If shareholders re-elect Mr. DiPaolo at this meeting, the Nominating and Corporate Governance Committee and the Board will review annually Mr. DiPaolo s continued service during his three-year term.

The biographies of each of the nominees and the continuing directors contain information regarding the person s service as a director, business experience, director positions held currently and at any time during the last five years, and the experience, qualifications, attributes or skills that caused the Nominating Committee and the Board to determine that the person should serve as a director of your company. The ages shown are as of April 11, 2014. There are no family relationships among the directors or executive officers of the Company.

PROPOSALS

The Board of Directors recommends that shareholders vote FOR the election of the four identified nominees to the Board of Directors.

Nominees for Director
Terms Expiring in 2017

Nicholas DiPaolo. Age 72. Retired Vice Chairman of Bernard Chaus, Inc. Director of the Company since 2002.

Mr. DiPaolo served as Vice Chairman of Bernard Chaus, Inc. (apparel designer and manufacturer) from November 1, 2000 to June 23, 2005 and as Chief Operating Officer of Bernard Chaus from November 1, 2000 to October 18, 2004. Mr. DiPaolo is a director of R.G. Barry Corporation. He previously was a director of JPS Industries, Inc. (to April 30, 2013) and Bernard Chaus, Inc.

Mr. DiPaolo has extensive experience as a senior executive of companies involved in the design and production of apparel, product development, and related financial matters. He served for four years as the Vice Chairman and Chief Operating Officer of Bernard Chaus, Inc., an apparel designer and manufacturer, and earlier in his career, as Chairman, President and Chief Executive Officer of Salant Corporation, a diversified apparel company. Mr. DiPaolo also serves on the board of R.G. Barry Corporation, a publicly traded company, and is chair of the compensation committee and past chair of the audit committee of that company. Mr. DiPaolo s broad base of business experience, combined with his depth of knowledge and experience with regard to financial matters, the retail industry, and Foot Locker s business, make him particularly suitable to serve as our lead director.