

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

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported): March 26, 2008

Foot Locker, Inc.

(Exact Name of Registrant as Specified in its Charter)

New York
(State or other Jurisdiction
of Incorporation)

1-10299
(Commission File Number)

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

112 West 34th Street, New York, New York
(Address of Principal Executive Offices)

10120
(Zip Code)

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

Former Name/Address

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

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

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

(e) Executive Compensation Matters

(1) Amendment of Annual Incentive Compensation Plan. On March 26, 2008, the Compensation and Management Resources Committee (the "Compensation Committee") of the Board of Directors of Foot Locker, Inc. (the "Company") approved the Foot Locker Annual Incentive Compensation Plan, as Amended and Restated (the "Annual Bonus Plan"). The named executive officers, as well as other officers and key employees of the Company, participate in this plan. The amendments were made to (i) comply with Sections 409A and 162(m) of the Internal Revenue Code of 1986, as amended (the "Code") and (ii) add the attainment of certain target levels of, or percentage increase in, division profit to the performance goals under the Annual Bonus Plan. The Annual Bonus Plan will be considered for approval by shareholders at the Company's 2008 Annual Shareholders' Meeting. A copy of the Annual Bonus Plan is attached hereto as Exhibit 10.1 and is incorporated herein in its entirety.

(2) Establishment of Performance Goals.

(i) On March 26, 2008, the Compensation Committee established the performance goals for the 2008 fiscal year under the Annual Bonus Plan. The goals for the executives, excluding Mr. Halls, are based on a combination of pre-tax income and return-on-invested capital. Mr. Halls's performance goals are based on the operating profit of the divisions for which he is responsible. Under the Annual Bonus Plan, the amount that would be paid to the executives if the performance goals are met is based on a percentage of their annual base salaries earned for the plan year. The percentage of annual base salary payable at threshold, target, and maximum for each of the executives included as named executive officers in the Company's 2008 proxy statement is stated in the table below:

Name	Percent of Annual Base Salary at Threshold Payout	Percent of Annual Base Salary at Target Payout	Percent of Annual Base Salary at Maximum Payout
Matthew D. Serra	31.25%	125%	200%
Robert W. McHugh	18.75%	75%	131.25%
Richard T. Mina	18.75%	75%	131.25%
Ronald J. Halls	18.75%	75%	131.25%
Gary M. Bahler	18.75%	75%	131.25%

(ii) On March 26, 2008, the Compensation Committee established the performance goals for the 2008-2010 Performance Period under the Long-Term Incentive Compensation Plan (the "Long-Term Bonus Plan") based on the Company's three-year average return-on-invested capital. Under the Long-Term Bonus Plan, individual target awards are expressed as a percentage of the rate of the executive's annual base salary in the first year of the performance period. The percentages shown in the table below represent the percent of 2008 annual base salary rates that would be paid to each of the named executive officers at the end of the 2008-2010 performance period only if the established goals are achieved.

Name	Performance Period	Percent of Annual Base Salary at Threshold Payout	Percent of Annual Base Salary at Target Payout	Percent of Annual Base Salary at Maximum Payout
Matthew D. Serra	2008-2010	22.5%	90%	180%
Robert W. McHugh	2008-2010	22.5%	90%	180%
Richard T. Mina	2008-2010	22.5%	90%	180%
Ronald J. Halls	2008-2010	22.5%	90%	180%
Gary M. Bahler	2008-2010	22.5%	90%	180%

(3) Restricted Stock Awards. On March 26, 2008, the Compensation Committee granted awards of restricted stock to the following named executive officers under the 2007 Stock Incentive Plan. Mr. Serra's shares will vest on January 30, 2010, provided that he remains employed by the Company or one of its subsidiaries or affiliates through the vesting date. The shares for the other executives will vest on March 26, 2011, provided that they remain employed by the Company or one of its subsidiaries or affiliates through the vesting date. Each of the executives will be entitled to receive and retain all cash dividends that are payable after the date of grant to record holders of the Company's Common Stock.

Name	Number of Shares	Closing Price on Date of Grant
Matthew D. Serra	50,000	\$11.66
Robert W. McHugh	10,000	\$11.66
Ronald J. Halls	20,000	\$11.66
Gary M. Bahler	10,000	\$11.66

(4) Stock Option Awards. On March 26, 2008, the Compensation Committee granted nonstatutory stock options to the following named executive officers under the 2007 Stock Incentive Plan. Mr. Serra's options will vest in two equal installments, on March 26, 2009 and January 30, 2010. The options for the other executives will vest in three equal installments, on March 26, 2009, March 26, 2010, and March 26, 2011. The options were granted at an exercise price of \$11.66 per share, which was 100 percent of the fair market value (closing price) of a share of the Company's Common Stock on the date of grant.

Name	Number of Shares
Matthew D. Serra	100,000
Robert W. McHugh	25,000
Ronald J. Halls	25,000
Gary M. Bahler	25,000

(5) Form of Employment Agreements. On March 26, 2008, the Compensation Committee approved amended forms of executive employment agreements, substantially to comply with Sections 409A and 162(m) of the Code. Copies of the standard forms of Senior Executive Employment Agreement and Executive Employment Agreement are

attached hereto as Exhibits 10.2 and 10.3, respectively, and are incorporated herein in their entirety.

Item 9.01. Financial Statements and Exhibits

- (c) Exhibits
- 10.1 Foot Locker Annual Incentive Compensation Plan, As Amended and Restated
- 10.2 Form of Senior Executive Employment Agreement
- 10.3 Form of Executive Employment Agreement

SIGNATURE

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

FOOT LOCKER, INC.

(Registrant)

Date: April 1, 2008

By: /s/ Laurie Petrucci

Senior Vice President – Human Resources

**FOOT LOCKER ANNUAL INCENTIVE COMPENSATION PLAN,
AS AMENDED AND RESTATED**

The Compensation and Management Resources Committee of the Board of Directors of Foot Locker, Inc. ("Foot Locker") has amended and restated the Foot Locker Annual Incentive Compensation Plan (the "Plan") as of March 26, 2008, subject to shareholder approval at the 2008 annual meeting of shareholders. The Plan was previously amended and restated effective as of June 25, 2003.

1. Purpose of the Plan.

The purposes of the Plan are:

- (a) to reinforce corporate organizational and business development goals.
- (b) to promote the achievement of year-to-year and long-range financial and other business objectives such as high quality of service and product, improved productivity and efficiencies for the benefit of our customers' satisfaction and to assure a reasonable return to Foot Locker's shareholders.
- (c) to reward the performance of officers and key employees in fulfilling their personal responsibilities for annual achievements.
- (d) to serve as a qualified performance-based compensation program under Section 162(m) of the Internal Revenue Code of 1986, as amended (the "Code") or any successor section and the Treasury regulations promulgated thereunder ("Section 162(m) of the Code").

2. Definitions.

The following terms, as used herein, shall have the following meanings:

- (a) "**Annual Base Salary**" with respect to any Plan Year shall mean the total amount paid by Foot Locker and its subsidiaries to a participant during such Plan Year without reduction for any amounts withheld pursuant to participation in a qualified "cafeteria plan" under Section 125 of the Code, a qualified transportation arrangement under Section 132(f)(4) of the Code, or a cash or deferred arrangement under Section 401(k) of the Code. Annual Base Salary shall not include any amount paid or accruing to a participant under the Foot Locker Long-Term Incentive Compensation Plan or any other incentive compensation or bonus payment or extraordinary remuneration, expense allowances, imputed income or any other amounts deemed to be indirect compensation, severance pay and any contributions made by Foot Locker to this or any other plan maintained by Foot Locker or any other amounts which, in the opinion of the Committee, are not considered to be Annual Base Salary for purposes of the Plan.
 - (b) "**Board**" shall mean the Board of Directors of Foot Locker.
 - (c) "**Committee**" shall mean two or more members of the Compensation and Management Resources Committee of the Board, each of whom is an "outside director" within the meaning of Section 162(m) of the Code.
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(d) **“Covered Employee”** shall mean an officer or key employee of Foot Locker who is designated as an executive officer for purposes of Rule 3b-7 of the Securities Exchange Act of 1934 for the relevant Plan Year.

(e) **“Payment Date”** shall mean the date selected by the Committee for payments under the Plan to be made following the finalization, review and approval of performance goal achievements for the Plan Year, which date shall be within two and one-half months following the end of the Plan Year.

(f) **“Individual Target Award”** shall mean the targeted performance award for a Plan Year specified by the Committee as provided in Section 6 herein.

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

3. Administration of the Plan.

The Plan shall be administered by the Committee. No member of the Committee while serving as such shall be eligible for participation in the Plan. The Committee shall have exclusive and final authority in all determinations and decisions affecting the Plan and its participants. The Committee shall also have the sole authority to interpret the Plan, to establish and revise rules and regulations relating to the Plan, to delegate such responsibilities or duties as it deems desirable, and to make any other determination that it believes necessary or advisable for the administration of the Plan including, but not limited to: (i) approving the designation of eligible participants; (ii) setting the performance criteria within the Plan guidelines; and (iii) certifying attainment of performance goals and other material terms. The Committee shall have the authority in its sole discretion, subject to and not inconsistent with the express provisions of the Plan, to incorporate provisions in the performance goals allowing for adjustments in recognition of unusual or non-recurring events affecting Foot Locker or the financial statements of Foot Locker, or in response to changes in applicable laws, regulations, or accounting principles; provided that the Committee shall have such authority with regard to the performance goals of Covered Employees solely to the extent permitted by Section 162(m) of the Code. To the extent any provision of the Plan creates impermissible discretion under Section 162(m) of the Code or would otherwise violate Section 162(m) of the Code with regard to the performance goals of Covered Employees, such provision shall have no force or effect.

4. Participation.

Participation in the Plan is limited to officers or key employees of Foot Locker. Individual participants shall be those employees selected in the sole discretion of the Committee (in the case of Covered Employees) or its designee (in the case of all other officers and key employees). In determining the persons to whom awards shall be granted, the Committee shall take into account such factors as the Committee shall deem appropriate in connection with accomplishing the purposes of the Plan. The Committee may from time to time designate additional participants who satisfy the criteria for participation as set forth herein and shall determine when an officer or key employee of Foot Locker ceases to be a participant in the Plan.

5. Right to Payment.

Unless otherwise determined by the Committee in its sole discretion, a participant shall have no right to receive payment under this Plan unless the participant remains in the employ of Foot Locker at all times through and including the Payment Date.

6. Payment.

(a) Payment under this Plan to a participant will be made in cash in an amount equal to the achieved percentage of such participant's Annual Base Salary as determined by the Committee for each Plan Year. Such percentage shall be based on the participant's achievement of his or her Individual Target Award. Payment shall be made only if and to the extent the performance goals with respect to the Plan Year are attained.

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

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

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

- (i) the attainment of certain target levels of, or percentage increase in, pre-tax profit;
 - (ii) the attainment of certain target levels of, or percentage increase in, division profit;
 - (iii) the attainment of certain target levels of, or a percentage increase in, after-tax profits of Foot Locker (or a subsidiary, division, or other operational unit of Foot Locker);
 - (iv) the attainment of certain target levels of, or a specified increase in, operational cash flow of Foot Locker (or a subsidiary, division, or other operational unit of Foot Locker);
 - (v) the achievement of a certain level of, reduction of, or other specified objectives with regard to limiting the level of increase in, all or a portion of, Foot Locker's bank debt or other long-term or short-term public or private debt or other similar financial obligations of Foot Locker, if any, which may be calculated net of such cash balances and/or other offsets and adjustments as may be established by the Committee;
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- (vi) the attainment of a specified percentage increase in earnings per share or earnings per share from continuing operations of Foot Locker (or a subsidiary, division or other operational unit of Foot Locker);
- (vii) the attainment of certain target levels of, or a specified percentage increase in, revenues, net income, or earnings before (A) interest, (B) taxes, (C) depreciation and/or (D) amortization, of Foot Locker (or a subsidiary, division, or other operational unit of Foot Locker);
- (viii) the attainment of certain target levels of, or a specified increase in, return on invested capital or return on investment;
- (ix) the attainment of certain target levels of, or a percentage increase in, after-tax or pre-tax return on shareholders' equity of Foot Locker (or any subsidiary, division or other operational unit of Foot Locker); and
- (x) the attainment of a certain target level of, or reduction in, selling, general and administrative expense as a percentage of revenue of Foot Locker (or any subsidiary, division or other operational unit of Foot Locker), and

(2) in no event shall payment in respect of an award granted for a performance period be made to a participant who is a Covered Employee as of the end of such Plan Year in an amount which exceeds \$3 million. Subject to Section 3 of the Plan regarding certain adjustments, in connection with the establishment of the performance goals, the criteria listed above for Foot Locker (or any subsidiary, division or other operational unit of Foot Locker) shall be determined in accordance with generally accepted accounting principles consistently applied by Foot Locker, but before consideration of payments to be made pursuant to this Plan and pursuant to the Foot Locker Long-Term Incentive Compensation Plan.

7. Time of Payment.

All payments earned by participants under this Plan will be paid after performance goal achievements for the Plan Year have been finalized, reviewed, approved, and to the extent required by Section 162(m) of the Code, certified by the Committee but in no event later than two and one-half months following the end of the applicable Plan Year. Foot Locker's independent accountants shall, as of the close of the Plan Year, determine whether the performance goals have been achieved and communicate the results of such determination to the Committee.

8. Miscellaneous Provisions.

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

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

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

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

(e) While Foot Locker does not guarantee any particular tax treatment, the Plan is designed and intended to comply with the short-term deferral rules under Section 409A of the Code and the applicable regulations thereunder and shall be limited, construed and interpreted with such intent. All amounts payable under the Plan shall be payable within the short-term deferral period in accordance with Section 409A and regulations issued thereunder.

(f) The Plan is designed and intended to comply with Section 162(m) of the Code with regard to awards made to Covered Employees, and all provisions hereof shall be limited, construed and interpreted in a manner so to comply.

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

(h) The Plan shall be binding on Foot Locker and its successors by operation of law.

SENIOR EXECUTIVE EMPLOYMENT AGREEMENT

AGREEMENT made as of the ___ day___ of 200_ between Foot Locker, Inc. (the “Company”), a New York corporation with its principal office located at 112 West 34th Street, New York, New York, and (“Executive”).

W I T N E S S E T H:

WHEREAS, the Company believes that the establishment and maintenance of a sound and vital management of the Company is essential to the protection and enhancement of the interests of the Company and its shareholders;

WHEREAS, the Company wishes to provide for the continued employment of the Executive with the Control Group, and the Executive is willing to commit himself to continue to serve the Company, on the terms and conditions herein provided; and

WHEREAS, this Agreement supersedes any employment agreement, severance plan, policy and/or practice of the Company in effect on the date hereof for the Executive.

NOW, THEREFORE, in consideration of the premises and mutual covenants herein contained, the parties hereto hereby agree as follows:

1. **Definitions.** The following terms shall have the meanings set forth in this section as follows:

(a) “Affiliate” shall mean the Company and any entity affiliated with the Company within the meaning of Code Section 414(b) with respect to a controlled group of corporations, Code Section 414(c) with respect to trades or businesses under common control with the Company, Code Section 414(m) with respect to affiliated service groups and any other entity required to be aggregated with the Company under Section 414(o) of the Code. No entity shall be treated as an Affiliate for any period during which it is not part of the controlled group, under common control or otherwise required to be aggregated under Code Section 414.

(b) “Beneficiary” shall mean the individual designated by the Executive, on a form acceptable by the Committee, to receive benefits payable under this Agreement in the event of the Executive’s death. If no Beneficiary is designated, the Executive’s Beneficiary shall be his spouse, or if the Executive is not survived by a spouse, the Executive’s estate.

(c) “Board” shall mean the Board of Directors of the Company.

(d) “Cause” shall mean (with regard to the Executive’s Termination of Employment with the Control Group): (i) the refusal or willful failure by the Executive to substantially perform his duties, (ii) with regard to the Control Group or any of their assets **or**

businesses, the Executive's dishonesty, willful misconduct, misappropriation, breach of fiduciary duty or fraud, (iii) the willful breach by the Executive of any material provision of this Agreement, which breach is not cured within ten (10) business days from the date of the Company's notice of the occurrence of such breach to the Executive, or (iv) the Executive's conviction of a felony (other than a traffic violation) or any other crime involving, in the sole discretion of the Committee, moral turpitude.

(e) "Change in Control" shall have the meaning set forth in Appendix A attached hereto.

(f) "Code" shall mean the Internal Revenue Code of 1986, as amended and as hereafter amended from time to time.

(g) "Committee" shall mean the Compensation and Management Resources Committee of the Board or an administrative committee appointed by the Compensation and Management Resources Committee.

(h) "Competition" shall mean participating, directly or indirectly, as an individual proprietor, stockholder, officer, employee, director, joint venturer, investor, lender, or in any capacity whatsoever (within the United States of America or in any other country where any of the Executive's former employing members of the Control Group does business) in (A) a business in competition with the retail, catalog, or on-line sale of athletic footwear, athletic apparel and sporting goods conducted by the Control Group (the "Athletic Business"), or (B) a business that in the prior fiscal year supplied product to the Control Group for the Athletic Business having a value of \$20 million or more at cost to the Company or any of its subsidiaries or affiliates; provided, however, that such participation shall not include (X) the mere ownership of not more than 1 percent of the total outstanding stock of a publicly held company; (Y) the performance of services for any enterprise to the extent such services are not performed, directly or indirectly, for a business in competition with the Athletic Business or for a business which supplies product to the Control Group for the Athletic Business; or (Z) any activity engaged in with the prior written approval of the Chief Executive Officer of the Company.

(i) "Control Group" shall mean the Company and its Affiliates.

(j) "Good Reason" shall mean (with respect to an Executive's Termination of Employment with the Control Group):

(i) Prior to a Change in Control, (A) a reduction in the Executive's rate of base salary as payable from time to time, other than a reduction that occurs in connection with, and in the same percentage as, an across-the-board reduction over any three-year period in the base salaries of all executives of the Company of a similar level and where the reduction is less than 20 percent of the Executive's base salary measured from the beginning of such three-year period; or (B) a material and adverse change in the nature and status of the Executive's authority or responsibilities, except temporarily as a result of the Executive's disability, illness or other absence;

(ii) On or after a Change in Control, (A) any reduction in the Executive's rate of base salary as payable from time to time, (B) a failure of the Company to continue in effect the benefits applicable to, or the Company's reduction of the benefits applicable to, the Executive under any benefit plan or arrangement (including without limitation, any pension, life insurance, health or disability plan) in which the Executive participates as of the date of the Change in Control without implementation of a substitute plan(s) providing materially similar benefits in the aggregate to those discontinued or reduced, except for a discontinuance of, or reduction under, any such plan or arrangement that is legally required, and provided that in either such event the Company provides similar benefits (or the economic effect thereof) to the Executive in any manner determined by the Company; (C) any material demotion of the Executive or any material reduction in the Executive's authority or responsibility, except temporarily as a result of the Executive's disability, illness or other absence; or (D) the Company's failure to renew this Agreement.

(iii) At any time, (A) a reduction in the Executive's annual bonus classification level other than in connection with a redesign of the applicable bonus plan that affects all employees at the Executive's bonus level; or (B) the failure of any successor to the Company to assume in writing the obligations hereunder.

(k) "Non-Competition Period" shall mean (i) the period the Executive is employed by the Control Group and (ii) at any time prior to a Change in Control, the two (2) year period commencing on the Termination Date.

(l) "Retirement" shall mean separation from service with the Control Group in accordance with Section 409A on or after the date that the Participant's age added together with his or her Years of Service equals or exceeds the sum of sixty-five (65).

(m) "Salary" shall mean an Executive's base cash compensation rate for services paid to the Executive by the Company or an Affiliate at the time of his Termination of Employment from the Control Group. Salary shall not include commissions, bonuses, overtime pay, incentive compensation, benefits paid under any qualified plan, any group medical, dental or other welfare benefit plan, noncash compensation or any other additional compensation but shall include amounts reduced pursuant to an Executive's salary reduction agreement under Sections 125, 132(f) or 401(k) of the Code (if any) or a nonqualified elective deferred compensation arrangement to the extent that in each such case the reduction is to base salary.

(n) "Section 409A" shall mean Section 409A of the Code including the regulations issued thereunder by the Department of the Treasury.

(o) "Severance Benefit" shall mean (i) in the case of the Executive's Termination of Employment with the Control Group that does not occur within the 24 month period following a Change in Control and such termination is a Termination of Employment by the Company without Cause or by the Executive for Good Reason, 3.0 times the Executive's weekly Salary multiplied by the Executive's Years of Service; provided, however, that the Severance Benefit shall be no less than 52 weeks' Salary; or (ii) in the case of the Executive's Termination of Employment with the Control Group that occurs within the 24 month period

following a Change in Control and such termination is a Termination of Employment by the Company without Cause or by the Executive for Good Reason, 3.0 times the Executive's weekly Salary multiplied by the Executive's Years of Service; provided, however, that the Severance Benefit shall be no less than 3.0 times his annual Salary.

(p) "Severance Period" shall mean (i) in the case of the Executive's Termination of Employment that does not occur within the 24 month period following a Change in Control and such termination is a Termination of Employment by the Company without Cause or by the Executive for Good Reason, two weeks multiplied by the Executive's Years of Service, with a minimum of 52 weeks; or (ii) in the case of an Executive's Termination of Employment within the 24 month period following a Change in Control and such termination is a Termination of Employment by the Company without Cause or by the Executive for Good Reason, two weeks multiplied by the Executive's Years of Service, with a minimum of 104 weeks.

(q) "Substantially All of the Assets of the Company" shall mean at least 66 percent of the total gross fair market value of the assets of the Company immediately prior to the acquisition by a non-related third party, determined without regard to any liabilities associated with such assets.

(r) "Termination Date" shall mean in the case of the Executive's death, the date of death, or in all other cases, the date specified in the Notice of Termination of Employment; provided, however, that if the Executive's Termination of Employment is due to disability as provided in Section 7(b), the date specified in the Notice of Termination of Employment shall be at least thirty (30) days from the date the Notice of Termination of Employment is given to the Executive.

(s) "Termination of Employment" shall mean separation from service with the Control Group in accordance with Section 409A for any reason, including, but not limited to retirement, death, disability, resignation or dismissal with or without Cause; provided, however, that if an Employer is no longer a member of the Control Group and the Participant is transferred in connection with the sale of the assets of an Employer and the successor assumes the obligations hereunder in accordance with Section 13 hereof, a Termination of Employment shall not occur until termination of employment with the new control group.

(t) "Year of Service" shall mean each 12 consecutive month period commencing on the Executive's date of hire by the Company or an Affiliate and each anniversary thereof in which the Executive is paid by the Company or an Affiliate for the performance of full-time services as an Executive. For purposes of this section, full-time services shall mean that the Executive is employed for at least 30 hours per week. A Year of Service shall include any period during which the Executive is not working due to disability, leave of absence or layoff so long as he is being paid by the Company or an Affiliate (other than through any employee benefit plan). A Year of Service also shall include service in any branch of the armed forces of the United States by any person who is an Executive on the date such service commenced, but only to the extent required by applicable law.

2. Term. The initial term of this Agreement shall commence on _____, 200_ and shall end on January 31, 20__ , unless further extended or sooner terminated as hereinafter provided. The term shall be automatically renewed for additional one-year periods unless the Company notifies the Executive three months prior to the end of the term that the term shall not be renewed. In no event, however, shall the term of the Executive's employment extend beyond the date of the Executive's actual retirement under a retirement plan of the Company.

3. Position and Duties. The Executive shall serve as _____ , and shall have such responsibilities, duties and authority as he may have as of the effective date of this Agreement (or any comparable position to which he may be assigned after the effective date of this Agreement) and as may from time to time be assigned to the Executive by the ____ of the Company that are consistent with such responsibilities, duties and authority. The Executive shall devote substantially all of his working time and efforts to the business and affairs of the Company and its Affiliates.

4. Place of Performance. In connection with the Executive's employment by the Company, the Executive shall be based in _____, except for required travel on Company business (or in such other place in the United States that the Company may determine). In the event of such relocation outside of _____, the Company will pay the reasonable costs of the relocation of the Executive's principal residence and provide such other relocation assistance as the Company then provides to its comparably situated employees.

5. Compensation and Related Matters

(a) Salary. During the period of the Executive's employment hereunder, the Company or an Affiliate shall pay to the Executive a salary at a rate not less than the rate in effect as of the effective date of this Agreement or such higher rate as may from time to time be determined by the Company, such salary to be paid in accordance with the Company's normal payroll practices.

(b) Expenses. During the term of the Executive's employment hereunder, subject to Section 20 hereof, the Executive shall be entitled to receive prompt reimbursement for all reasonable and customary expenses incurred by the Executive in performing services hereunder, including all expenses of travel and living expenses while away from home on business or at the request of and in the service of the Company or an Affiliate, provided that such expenses are incurred and accounted for in accordance with the policies and procedures established by the Company.

(c) Other Benefits. The Company shall maintain in full force and effect, and the Executive shall be entitled to continue to participate in, all of the employee benefit plans and arrangements in effect on the date hereof in which the Executive participates or plans or arrangements providing the Executive with at least equivalent benefits thereunder (including without limitation each retirement plan, supplemental and excess retirement plans, annual and long-term incentive compensation plans, stock option and purchase plans, group life insurance and accident plan, medical and dental insurance plans, and disability plan), and the Company shall not make any changes in such plans or arrangements that would adversely affect the

Executive's rights or benefits thereunder; provided, however, that such a change may be made, including termination of such plans or arrangements, to the extent permitted by the respective plan or arrangement, if it occurs pursuant to a program applicable to all comparably situated executives of the Company and does not result in a proportionately greater reduction in the rights of or benefits to the Executive as compared with any other comparably situated executive of the Company. The Executive shall be entitled to participate in or receive benefits under any employee benefit plan or arrangement made available by the Company in the future to its comparably situated executives and key management employees, subject to and on a basis consistent with the terms, conditions and overall administration of such plans and arrangements. Nothing paid to the Executive under any plan or arrangement presently in effect or made available in the future shall be deemed to be in lieu of the salary payable to the Executive pursuant to Section 5(a). Any payments or benefits payable to the Executive hereunder in respect of any calendar year during which the Executive is employed by the Company for less than the entire year shall, unless otherwise provided in the applicable plan or arrangement, be pro rated in accordance with the number of days in such calendar year during which he is so employed.

(d) Vacations. The Executive shall be entitled to no less than the number of vacation days in each calendar year that is determined in accordance with the Company's vacation policy as in effect on the date hereof. The Executive shall also be entitled to all paid holidays and personal days given by the Company to its executives.

6. Offices. Subject to Sections 3 and 4, the Executive agrees to serve without additional compensation, if elected or appointed thereto, as a director of the Company and any of its Affiliates and in one or more executive offices of any of the Company's Affiliates.

7. Termination of Employment. The Executive's employment hereunder may be terminated without any breach of this Agreement only upon the following circumstances:

(a) Death. The Executive's employment hereunder shall automatically terminate upon his death.

(b) Disability. If, as a result of the Executive's incapacity due to physical or mental illness as determined by the Company in its sole discretion, the Executive shall have been absent from his duties hereunder on a full-time basis for a period of six consecutive months, and within 30 days after written Notice of Termination of Employment is given (which may occur before or after the end of such six month period) shall not have returned to the performance of his duties hereunder on a full-time basis, the Company may immediately terminate the Executive's employment hereunder.

(c) Cause. The Company may terminate the Executive's employment hereunder for Cause by, at any time at its election within six months after the Company shall obtain knowledge of the grounds for termination, giving the Executive notice of its intention to terminate the Executive for Cause and stating the date of Termination of Employment and the grounds for termination.

(d) Good Reason. The Executive may terminate his employment hereunder for Good Reason upon 30 days' prior written notice to the Company; provided, however, that prior to a Change in Control, if the Company corrects the matter that has given rise to the Good Reason event, and makes the Executive whole for any loss to the Executive resulting from such Good Reason event, the Executive may not so terminate his employment.

(e) Without Cause. The Company may terminate the Executive's employment hereunder without Cause upon 30 days' prior written notice to the Executive.

(f) Without Good Reason. The Executive may terminate his employment hereunder without Good Reason upon 30 days' prior written notice to the Company.

Any Termination of Employment by the Company or by the Executive (other than termination pursuant to Section 7(a)) shall be communicated by written Notice of Termination of Employment to the other party hereto in accordance with Section 19. For purposes of this Agreement, a "Notice of Termination of Employment" shall mean a notice which shall indicate the specific termination provision in this Agreement relied upon and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for Termination of Employment under the provision so indicated. Notwithstanding anything in this Agreement to the contrary, if the Company becomes obligated to make any payment to the Executive pursuant to the terms hereof, then this Agreement shall remain in effect until all of the Company's obligations hereunder are fulfilled.

8. Benefits Upon Termination of Employment.

(a) Death. In the event of the Executive's Termination of Employment with the Control Group due to his death, the Company shall pay any amounts due to the Executive under Section 5 through the date of his death in accordance with the payment provisions of Section 5 and Section 13.

(b) Disability. In the event of the Executive's Termination of Employment with the Control Group under Section 7(b), the Company shall pay any amounts due to the Executive under Section 5 through the Termination Date in accordance with the payment provisions of Section 5 and shall have no other obligation to the Executive or his dependents other than amounts due, if any, under the Company's long-term disability plan, and any benefits offered by the Company under its then policy to employees who become disabled while employed by the Company.

(c) Cause. In the event the Executive's employment with the Control Group is terminated for Cause, the Company shall pay any amounts due to the Executive under Section 5 through the Termination Date in accordance with the payment provisions of Section 5 and shall have no other obligation to the Executive or his dependents other than any amounts, if any, due to Executive under its then existing policies to employees whose employment is terminated for Cause or under the specific terms of any welfare, pension, fringe benefit or incentive plan. Other than as provided in the preceding sentence, in the event the Executive's employment is

terminated for Cause, he shall not be entitled to the benefits and payments provided under Section 8(g) below.

(d) Without Cause or For Good Reason. In the event the Executive's employment with the Control Group is terminated by the Company without Cause, or the Executive terminates employment with the Control Group within 60 days after the occurrence of a Good Reason event with regard to the Executive, the Company shall pay any amounts due to the Executive under Section 5 through the Termination Date in accordance with the payment provisions of Section 5 and shall pay the Executive a Severance Benefit as provided in Section 8(f) below.

(e) Following a Change in Control. Notwithstanding anything to the contrary contained herein, if, within 24 months following a Change in Control, the Executive's employment with the Control Group is terminated without Cause or if the Executive terminates employment with the Control Group within sixty (60) days after the occurrence of a Good Reason event with regard to the Executive, (i) the Executive shall receive his Severance Benefit as provided in Section 8(f) below and (ii) the restrictions on Competition and no-hire contained in Sections 9(a)(i) and 9(b), respectively, shall not apply.

(f) Timing and Form of Payment. The Executive shall receive payment of his Severance Benefit in a lump sum payment within 10 days following the six-month anniversary of the Termination Date, provided that the Executive has signed and returned to the Company the release provided for in Section 12 in a form acceptable to the Company (the "Release"). The Release shall be provided to the Executive within seven (7) days following the Termination Date. In order to receive his Severance Benefit, the Executive will be required to sign the Release within twenty-one (21) or forty-five (45) days after the date it is provided to him, whichever is applicable under applicable law, and not revoke the Release within the seven (7) day period following the date the Executive signs the Release. If the Company has not received from the Executive an effective Release as of the six-month anniversary of the Termination Date, no Severance Benefit shall be paid to the Executive.

(g) Except as set forth below and other than in cases where the Executive's employment with the Control Group is terminated pursuant to Sections 7(a), 7(b), 7(c) or 7(f), the Company shall provide the Executive with post-termination medical and dental benefits during the Severance Period in a manner intended to satisfy the requirements of Sections 105(h) and 409A as follows: (i) immediately following the Termination Date, the Executive will be entitled to elect such continuation coverage pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA"), subject to the terms and conditions of the Company's medical and dental benefit plans and the provisions of COBRA; (ii) if the Executive elects COBRA continuation coverage, he will pay the applicable COBRA premiums during the period that his medical and dental benefits are continued pursuant to COBRA; and (iii) for each month during Severance Period, but not exceeding 18 months, the Company will pay to the Executive, on a monthly basis, the difference in the amount of COBRA premiums he pays and the amount the Executive would have paid for such medical and dental coverage as an active employee for such month.

(i) Notwithstanding the foregoing, in the event the Executive elects Retirement, the Company shall provide the Executive with post-termination medical and dental benefits in a manner intended to satisfy the requirements of Sections 105(h) and 409A such that the Executive shall be entitled to medical and dental insurance benefits substantially the same as those to which senior executives of the Company are entitled under the medical and dental plans of the Company applicable to actively employed senior executives, less any benefits Executive or his or her covered dependents may receive from Medicare. The Executive shall be responsible for the payment of the insurance premiums applicable to actively employed senior executives, including any subsequent increases in such premiums. Such medical and dental insurance coverage shall cease in the event the Executive engages in Competition during the one-year period following his Retirement or becomes a participant in a new employer's medical and dental plan.

(ii) Notwithstanding anything else herein, the Executive shall not be entitled to any benefits during the Severance Period other than the benefits provided in Section 8 and, without limiting the generality of the foregoing, the Executive specifically shall not be entitled to continue to participate in any group disability or voluntary accidental death or dismemberment insurance plan he participated in prior to his Termination Date. Without limiting the generality of the foregoing, the Executive shall not accrue additional benefits under any pension plan of the Company or an Affiliate (whether or not qualified under Section 401(a) of the Code) during the Severance Period, provided, however, that to the extent provided for under any applicable plan, the amount of any Severance Benefit may be included in the Executive's earnings for purposes of calculating the Executive's benefit under the Foot Locker Retirement Plan, the Foot Locker Excess Cash Balance Plan, and the Foot Locker 401(k) Plan.

(h) In the event of the Executive's death after becoming eligible for the Severance Benefit described in Section 8(f) and prior to payment of such amount, such Severance Benefit shall be paid to the Executive's Beneficiary.

(i) Notwithstanding anything else herein, to the extent the Executive would be subject to the excise tax under Section 4999 of the Code on the amounts in Section 8(f) and such other amounts or benefits he received from the Company and its Affiliates required to be included in the calculation of parachute payments for purposes of Sections 280G and 4999 of the Code, the amounts provided under this Agreement shall be automatically reduced to an amount one dollar less than that which, when combined with such other amounts and benefits required to be so included, would subject the Executive to the excise tax under Section 4999 of the Code if, and only if, the reduced amount received by the Executive on a net after-tax basis after taking into account federal, state and local income and social security taxes at the maximum marginal rates would be greater than the unreduced amount to be received by the Executive on a net after-tax basis after taking into account federal, state and local income and social security taxes at the maximum marginal rates minus the excise tax payable under Section 4999 of the Code on such amount and the other amounts and benefits received by the Executive and required to be included in the calculation of a parachute payment for purposes of Sections 280G and 4999 of the Code.

9. Non-Competition and Confidentiality.

(a) (i) The Executive agrees that he shall not engage in Competition during the Non-Competition Period, subject to the Company's option to waive all or any portion of the Non-Competition Period, as more specifically provided for in the following paragraph.

(ii) As additional consideration for the covenant not to compete during the Non-Competition Period described above, the Company shall pay the Executive, on a monthly basis, the sum of 25 percent of the Executive's monthly Salary, less the amount of the Executive's "Monthly Severance Benefit," if any. This additional consideration shall be payable for the two (2) year period commencing on the Termination Date and shall be payable on the first day of each month. For purposes of this provision, the "Monthly Severance Benefit" shall be equal to the Severance Benefit divided by the number of months in the Severance Period. The Company has the option, for any reason, to elect to waive all or any portion of the two (2) year period of Non-Competition commencing on the Termination Date, by giving the Executive written notice of such election not later than thirty (30) days following the Termination Date. In that event, the Company shall not be obligated to pay the Executive under this paragraph for any months as to which the covenant not to compete has been waived. The Company may discontinue payments being made pursuant to this paragraph at any time during the Non-Competition Period that (i) Executive is engaged in full-time employment that, in the Company's opinion, does not violate the provisions of Section 9(a)(i) hereof, or (ii) Executive violates the provisions of Section 9(a)(i) hereof.

(b) The Executive acknowledges that, during the course of his employment with the Company, due to the nature of the position he occupies he will have access to confidential information of the Company concerning its executives and employees, including, but not limited to, their background, experience, education, training, capabilities, and potential. He agrees, therefore, that if his employment is terminated at any time prior to a Change in Control (a) by the Company for any reason or (b) by the Executive for any reason, he shall not, for a two-year period beginning on the Termination Date, intentionally recruit, solicit or induce any employee or employees of the Control Group to terminate their employment with, or otherwise cease their relationship with, the former employing members of the Control Group where such employee or employees do in fact so terminate their employment.

(c) The Executive shall not at any time during the term of this Agreement, or thereafter, communicate or disclose to any unauthorized person, or use for the Executive's own account, without the prior written consent of the Chief Executive Officer of the Company, nonpublic information of any kind concerning the Company or any of its subsidiaries or affiliates, including, but not limited to, nonpublic information concerning finances, financial plans, accounting methods, strategic plans, operations, personnel, organizational structure, methods of distribution, suppliers, customers, client relationships, marketing strategies, real estate strategies or the like. In the event of the termination of Executive's employment, Executive shall, on or before the Termination Date, return all Confidential Information in his possession, in whatever form, to the Company. It is understood, however, that the obligations set forth in this paragraph shall not apply to the extent that the aforesaid matters (a) are disclosed in circumstances in which the Executive is legally required to do so or (b) become generally known to and available for use

by the public other than by the Executive's wrongful act or omission.

(d) The Executive agrees that any breach by him of the terms of Section 9 would result in irreparable injury and damage to the Company for which the Company would have no adequate remedy at law; the Executive therefore agrees that in the event of a breach or threatened breach by the Executive of the provisions of Section 9, the Company shall be entitled to an immediate injunction and restraining order to prevent such breach or threatened breach or continued breach by the Executive, including any and all persons and entities acting for or with the Executive, without having to prove damages, in addition to any other remedies to which the Company may be entitled at law or in equity. The terms of this paragraph shall not prevent the Company from pursuing any other available remedies for any breach or threatened breach hereof, including but not limited to the recovery of damages from the Executive. The Executive and the Company further agree that the provisions of the covenant not to compete are reasonable and that the Company would not have entered into this Agreement but for the inclusion of such covenant herein. If any provision of the covenants set forth in Section 9 is found by any court of competent jurisdiction to be unenforceable because it extends for too long a period of time or over too great a range of activities or in too broad a geographic area, it shall be interpreted to extend over the maximum period of time, range of activities or geographic area as to which it may be enforceable.

(e) The provisions of Section 9 shall survive any termination of this Agreement and the existence of any claim or cause of action by the Executive against the Control Group, whether predicated on this Agreement or otherwise, shall not constitute a defense to the enforcement by the Company of the covenants and agreements of Section 9.

10. No Duty to Mitigate/Set-off. The Company agrees that if the Executive's employment with the Control Group is terminated during the term of this Agreement, the Executive shall not be required to seek other employment or to attempt in any way to reduce any amounts payable to the Executive by the Company pursuant to this Agreement. Further, the amount of the Severance Benefit provided for in this Agreement shall not be reduced by any compensation earned by the Executive or benefit provided to the Executive as the result of employment by another employer or otherwise. Except as otherwise provided herein, the Company's obligations to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder shall not be affected by any circumstances, including without limitation, any set-off, counterclaim, recoupment, defense or other right which the Company may have against the Executive. The Executive shall retain any and all rights under all pension plans, welfare plans, equity plans and other plans, including other severance plans, under which the Executive would otherwise be entitled to benefits.

11. Withholding. The Company shall have the right to make such provisions as it deems necessary or appropriate to satisfy any obligations it may have to withhold federal, state, or local income or other taxes incurred by reason of payments pursuant to this Agreement. In lieu thereof, the Company shall have the right to withhold the amount of such taxes from any other sums due or to become due from the Company or an Affiliate to the Executive upon such terms and conditions as the Committee may prescribe.

12. Release. In consideration of the Executive's entitlement hereunder to a Severance Benefit which exceeds the severance benefit provided for under the Company's standard severance program and as a condition of receiving any Severance Benefit hereunder with regard to a Termination of Employment occurring prior to a Change in Control, the Executive shall be required to provide the Company with a release of all claims of the Executive (except with regard to claims for payment of benefits specifically payable or providable hereunder which have not been paid as of the effective date of the release, claims for vested accrued benefits or claims under COBRA) of any kind whatsoever against the Control Group, its past or present officers, directors and employees, known or unknown, as of the date of the release. The release shall be in such form as may reasonably be specified by the Company.

13. Successors; Binding Agreement. In addition to any obligations imposed by law upon any successor to the Company, the Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to expressly assume and agree in writing to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. This Agreement shall inure to the benefit of and be enforceable by the Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. If the Executive shall die while any amount would still be payable to the Executive hereunder if the Executive had continued to live, all such amounts, unless otherwise provided herein, shall be paid in accordance with the terms of this Agreement to the Executive's Beneficiary, or the executors, personal representatives or administrators of the Executive's estate.

[14. Termination of Prior Agreement. The Senior Executive Employment Agreement entered into between the Company and the Executive dated is hereby terminated without any further obligation of the parties thereto.]

15. Miscellaneous. No provisions of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing and signed by the Executive and such officer as may be specifically designated by the Company. No waiver by either party hereto at any time of any breach by the other party hereto of, or compliance with, any condition or provision shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. No agreements or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made by either party which are not expressly set forth in this Agreement. All references to sections of the Code or any other law shall be deemed also to refer to any successor provisions to such sections and laws.

16. Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

17. Severability. If any provisions of this Agreement shall be declared to be invalid or unenforceable, in whole or in part, such invalidity or unenforceability shall not affect the remaining provisions hereof which shall remain in full force and effect.

IN WITNESS WHEREOF, the Company has caused this Agreement to be duly executed and the Executive's hand has hereunto been set as of the date first set forth above.

FOOT LOCKER, INC.

By: _____
Senior Vice President -
Human Resources

[Executive]

APPENDIX A

Change in Control

A Change in Control shall mean any of the following:

(A) the merger or consolidation of the Company with, or the sale or disposition of all or Substantially All of the Assets of the Company to, any person or entity or group of associated persons or entities (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934 (the "Exchange Act")) (a "Person") other than (a) a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving or parent entity) fifty percent (50%) or more of the combined voting power of the voting securities of the Company or such surviving or parent entity outstanding immediately after such merger or consolidation; or (b) a merger or capitalization effected to implement a recapitalization of the Company (or similar transaction) in which no Person is or becomes the beneficial owner, directly or indirectly (as determined under Rule 13d-3 promulgated under the Exchange Act), of securities representing more than the amounts set forth in (B) below;

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

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

EXECUTIVE EMPLOYMENT AGREEMENT

AGREEMENT made as of the ___ day of _____ 20__ between Foot Locker, Inc. (the "Company"), a New York corporation with its principal office located at 112 West 34th Street, New York, New York 10120, and ("Executive").

WITNESSETH:

WHEREAS, the Company believes that the establishment and maintenance of a sound and vital management of the Company is essential to the protection and enhancement of the interests of the Company and its shareholders;

WHEREAS, the Company wishes to provide for the continued employment of the Executive with the Control Group, and the Executive is willing to commit himself to continue to serve the Company;

WHEREAS, this Agreement supersedes any employment agreement, severance plan, policy and/or practice of the Company in effect on the date hereof for the Executive.

NOW, THEREFORE, in consideration of the premises and mutual covenants herein contained, the parties hereto hereby agree as follows:

1. **Definitions.** The following terms shall have the meanings set forth in this section as follows:

(a) "Affiliate" shall mean the Company and any entity affiliated with the Company within the meaning of Code Section 414(b) with respect to a controlled group of corporations, Code Section 414(c) with respect to trades or businesses under common control with the Company, Code Section 414(m) with respect to affiliated service groups and any other entity required to be aggregated with the Company under Section 414(o) of the Code. No entity shall be treated as an Affiliate for any period during which it is not part of the controlled group, under common control or otherwise required to be aggregated under Code Section 414.

(b) "Beneficiary" shall mean the individual designated by the Executive, on a form acceptable by the Committee, to receive benefits payable under this Agreement in the event of the Executive's death. If no Beneficiary is designated, the Executive's Beneficiary shall be his spouse, or if the Executive is not survived by a spouse, the Executive's estate.

(c) "Board" shall mean the Board of Directors of the Company.

(d) "Cause" shall mean (with regard to the Executive's termination of employment with the Control Group): (i) the refusal or willful failure by the Executive to

substantially perform his duties, (ii) with regard to the Control Group or any of their assets or businesses, the Executive's dishonesty, willful misconduct, misappropriation, breach of fiduciary duty or fraud, (iii) the willful breach by the Executive of any material provision of this Agreement, which breach is not cured within ten (10) business days from the date of the Company's notice of the occurrence of such breach to the Executive, or (iv) the Executive's conviction of a felony (other than a traffic violation) or any other crime involving, in the sole discretion of the Committee, moral turpitude.

(e) "Change in Control" shall have the meaning set forth in Appendix A attached hereto.

(f) "Code" shall mean the Internal Revenue Code of 1986, as amended and as hereafter amended from time to time.

(g) "Committee" shall mean the Compensation and Management Resources Committee of the Board or an administrative committee appointed by the Compensation and Management Resources Committee.

(h) "Competition" shall mean participating, directly or indirectly, as an individual proprietor, stockholder, officer, employee, director, joint venturer, investor, lender, or in any capacity whatsoever (within the United States of America, or in any other country where any of the Executive's former employing members of the Control Group does business) in (A) a business in competition with the retail, catalog, or on-line sale of athletic footwear, athletic apparel and sporting goods conducted by the Control Group (the "Athletic Business"), or (B) a business that in the prior fiscal year supplied product to the Control Group for the Athletic Business having a value of \$20 million or more at cost to the Company or any of its subsidiaries or affiliates; provided, however, that such participation shall not include (X) the mere ownership of not more than 1 percent of the total outstanding stock of a publicly held company; (Y) the performance of services for any enterprise to the extent such services are not performed, directly or indirectly, for a business in competition with the Athletic Business or for a business which supplies product to the Control Group for the Athletic Business; or (Z) any activity engaged in with the prior written approval of the Chief Executive Officer of the Company.

(i) "Control Group" shall mean the Company and its Affiliates.

(j) "Good Reason" shall mean (with respect to an Executive's termination of employment with the Control Group):

(i) Prior to a Change in Control, (A) a reduction in the Executive's rate of base salary as payable from time to time, other than a reduction that occurs in connection with, and in the same percentage as, an across-the-board reduction over any three-year period in the base salaries of all executives of the Company of a similar level and where the reduction is less than 20 percent of the Executive's base salary measured from the beginning of such three-year period; or (B) a material and adverse change in the nature and status of the Executive's authority or responsibilities, except temporarily as a result of the Executive's disability, illness or other absence;

(ii) On or after a Change in Control, (A) any reduction in the Executive's rate of base salary as payable from time to time, (B) a failure of the Company to continue in effect the benefits applicable to, or the Company's reduction of the benefits applicable to, the Executive under any benefit plan or arrangement (including without limitation, any pension, life insurance, health or disability plan) in which the Executive participates as of the date of the Change in Control without implementation of a substitute plan(s) providing materially similar benefits in the aggregate to those discontinued or reduced, except for a discontinuance of, or reduction under, any such plan or arrangement that is legally required, and provided that in either such event the Company provides similar benefits (or the economic effect thereof) to the Executive in any manner determined by the Company; (C) any material demotion of the Executive or any material reduction in the Executive's authority or responsibility, except temporarily as a result of the Executive's disability, illness or other absence; or (D) the Company's failure to renew this Agreement;

(iii) At any time, (A) a reduction in the Executive's annual bonus classification level other than in connection with a redesign of the applicable bonus plan that affects all employees at the Executive's bonus level; or (B) the failure of any successor to the Company to assume in writing the obligations hereunder.

(k) "Non-Competition Period" shall mean (i) the period the Executive is employed by the Control Group and (ii) at any time prior to a Change in Control, the one (1) year period commencing on the Termination Date.

(l) "Salary" shall mean an Executive's base cash compensation rate for services paid to the Executive by the Company or an Affiliate at the time of his termination of employment from the Control Group. Salary shall not include commissions, bonuses, overtime pay, incentive compensation, benefits paid under any qualified plan, any group medical, dental or other welfare benefit plan, noncash compensation or any other additional compensation but shall include amounts reduced pursuant to an Executive's salary reduction agreement under Sections 125, 132(f) or 401(k) of the Code (if any) or a nonqualified elective deferred compensation arrangement to the extent that in each such case the reduction is to base salary.

(m) "Section 409A" shall mean Section 409A of the Code including the regulations issued thereunder by the Department of the Treasury.

(n) "Severance Benefit" shall mean (i) in the case of the Executive's termination of employment with the Control Group that does not occur within the 24 month period following a Change in Control and such termination is a termination of employment by the Company without Cause or by the Executive for Good Reason, 2.9 times his weekly Salary multiplied by the Executive's Years of Service; provided, however, that the Severance Benefit shall be no less than 39 weeks' Salary; or (ii) in the case of the Executive's termination of employment with the Control Group that occurs within the 24 month period following a Change in Control and such termination is a termination of employment by the Company without Cause or by the Executive for Good Reason, 2.9 times his weekly Salary multiplied by the Executive's Years of Service; provided, however, that the Severance Benefit shall be no less than 1.45 times the Executive's annual Salary.

(o) "Severance Period" shall mean (i) in the case of the Executive's termination of employment that does not occur within the 24 month period following a Change in Control and such termination is a termination of employment by the Company without Cause or by the Executive for Good Reason, two weeks multiplied by the Executive's Years of Service, with a minimum of 26 weeks; or (ii) in the case of the Executive's termination of employment within the 24 month period following a Change in Control and such termination is a termination of employment by the Company without Cause or by the Executive for Good Reason, two weeks multiplied by the Executive's Years of Service, with a minimum of 52 weeks.

(p) "Substantially All of the Assets of the Company" shall mean at least 66 percent of the total gross fair market value of the assets of the Company immediately prior to the acquisition by a non-related third party, determined without regard to any liabilities associated with such assets.

(q) "Termination Date" shall mean in the case of the Executive's death, the date of death, or in all other cases, the date specified in the Notice of Termination; provided, however, that if the Executive's employment is terminated by the Company due to disability as provided in Section 7(b), the date specified in the Notice of Termination shall be at least thirty (30) days from the date the Notice of Termination is given to the Executive.

(r) "Termination of Employment" shall mean separation from service with the Control Group in accordance with Section 409A for any reason, including, but not limited to retirement, death, disability, resignation or dismissal with or without Cause; provided, however, that if an Employer is no longer a member of the Control Group and the Participant is transferred in connection with the sale of the assets of an Employer and the successor assumes the obligations hereunder in accordance with Section 13 hereof, a Termination of Employment shall not occur until termination of employment with the new control group.

(s) "Year of Service" shall mean each 12 consecutive month period commencing on the Executive's date of hire by the Company or an Affiliate and each anniversary thereof in which the Executive is paid by the Company or an Affiliate for the performance of full-time services as an Executive. For purposes of this section, full-time services shall mean that the Executive is employed for at least 30 hours per week. A Year of Service shall include any period during which the Executive is not working due to disability, leave of absence or layoff so long as he is being paid by the Company or an Affiliate (other than through any employee benefit plan). A Year of Service also shall include service in any branch of the armed forces of the United States by any person who is an Executive on the date such service commenced, but only to the extent required by applicable law.

2. Term. The initial term of this Agreement shall commence on _____, 200_ and shall end on January 31, 20__ , unless further extended or sooner terminated as hereinafter provided. The term shall be automatically renewed for additional one-year periods unless the Company notifies the Executive three months prior to the end of the term that the term shall not be renewed. In no event, however, shall the term of the Executive's employment extend beyond the date of the Executive's actual retirement under a retirement plan of the Company.

3. Position and Duties. The Executive shall serve as _____ of the Company, and shall have such responsibilities, duties and authority as he may have as of the effective date of this Agreement (or any comparable position to which he may be assigned after the effective date of this Agreement) and as may from time to time be assigned to the Executive by the _____ of the Company that are consistent with such responsibilities, duties and authority. The Executive shall devote substantially all of his working time and efforts to the business and affairs of the Company and its Affiliates.

4. Place of Performance. In connection with the Executive's employment by the Company, the Executive shall be based in _____, except for required travel on Company business (or in such other place in the United States that the Company may determine). In the event of such relocation outside of _____, the Company will pay the reasonable costs of the relocation of the Executive's principal residence and provide such other relocation assistance as the Company then provides to its comparably situated employees.

5. Compensation and Related Matters

(a) Salary. During the period of the Executive's employment hereunder, the Company or an Affiliate shall pay to the Executive a salary at a rate not less than the rate in effect as of the effective date of this Agreement or such higher rate as may from time to time be determined by the Company, such salary to be paid in accordance with the Company's normal payroll practices.

(b) Expenses. During the term of the Executive's employment hereunder, subject to Section 20 hereof, the Executive shall be entitled to receive prompt reimbursement for all reasonable and customary expenses incurred by the Executive in performing services hereunder, including all expenses of travel and living expenses while away from home on business or at the request of and in the service of the Company or an Affiliate, provided that such expenses are incurred and accounted for in accordance with the policies and procedures established by the Company.

(c) Other Benefits. The Company shall maintain in full force and effect, and the Executive shall be entitled to continue to participate in, all of the employee benefit plans and arrangements in effect on the date hereof in which the Executive participates or plans or arrangements providing the Executive with at least equivalent benefits thereunder (including without limitation each retirement plan, excess retirement plans, annual incentive compensation plans, stock option and purchase plans, group life insurance and accident plans, medical and dental insurance plans, and disability plan), and the Company shall not make any changes in such plans or arrangements that would adversely affect the Executive's rights or benefits thereunder; provided, however, that such a change may be made, including termination of such plans or arrangements, to the extent permitted by the respective plan or arrangement, if it occurs pursuant to a program applicable to all comparably situated executives of the Company and does not result in a proportionately greater reduction in the rights of or benefits to the Executive as compared with any other comparably situated executive of the Company. The Executive shall be entitled to participate in or receive benefits under any employee benefit plan or arrangement made available

by the Company in the future to its comparably situated executives and key management employees, subject to and on a basis consistent with the terms, conditions and overall administration of such plans and arrangements. Nothing paid to the Executive under any plan or arrangement presently in effect or made available in the future shall be deemed to be in lieu of the salary payable to the Executive pursuant to Section 5(a). Any payments or benefits payable to the Executive hereunder in respect of any calendar year during which the Executive is employed by the Company for less than the entire year shall, unless otherwise provided in the applicable plan or arrangement, be prorated in accordance with the number of days in such calendar year during which he is so employed.

(d) Vacations. The Executive shall be entitled to no less than the number of vacation days in each calendar year that is determined in accordance with the Company's vacation policy as in effect on the date hereof. The Executive shall also be entitled to all paid holidays and personal days given by the Company to its executives.

6. Offices. Subject to Sections 3 and 4, the Executive agrees to serve without additional compensation, if elected or appointed thereto, as a director of the Company and any of its Affiliates and in one or more executive offices of any of the Company's Affiliates.

7. Termination. The Executive's employment hereunder may be terminated without any breach of this Agreement only upon the following circumstances:

(a) Death. The Executive's employment hereunder shall automatically terminate upon his death.

(b) Disability. If, as a result of the Executive's incapacity due to physical or mental illness as determined by the Company in its sole discretion, the Executive shall have been absent from his duties hereunder on a full-time basis for a period of six consecutive months, and within 30 days after written Notice of Termination is given (which may occur before or after the end of such six-month period) shall not have returned to the performance of his duties hereunder on a full-time basis, the Company may immediately terminate the Executive's employment hereunder.

(c) Cause. The Company may terminate the Executive's employment hereunder for Cause by, at any time at its election within six months after the Company shall obtain knowledge of the grounds for termination, giving the Executive notice of its intention to terminate the Executive for Cause and stating the termination date and the grounds for termination.

(d) Good Reason. The Executive may terminate his employment hereunder for Good Reason upon 30 days' prior written notice to the Company; provided, however, that prior to a Change in Control, if the Company corrects the matter that has given rise to the Good Reason event, and makes the Executive whole for any loss to the Executive resulting from such Good Reason event, the Executive may not so terminate his employment.

(e) Without Cause. The Company may terminate the Executive's employment hereunder without Cause upon 30 days' prior written notice to the Executive.

(f) Without Good Reason. The Executive may terminate his employment hereunder without Good Reason upon 30 days' prior written notice to the Company.

Any termination of the Executive's employment by the Company or by the Executive (other than termination pursuant to Section 7(a)) shall be communicated by written Notice of Termination to the other party hereto in accordance with Section 18. For purposes of this Agreement, a "Notice of Termination" shall mean a notice which shall indicate the specific termination provision in this Agreement relied upon and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated. Notwithstanding anything in this Agreement to the contrary, if the Company becomes obligated to make any payment to the Executive pursuant to the terms hereof at or prior to the expiration of this Agreement, then this Agreement shall remain in effect until all of the Company's obligations hereunder are fulfilled.

8. Benefits Upon Termination.

(a) Death. In the event of the Executive's Termination of Employment with the Control Group due to his death, the Company shall pay any amounts due to the Executive under Section 5 through the date of his death in accordance with the payment provisions of Section 5 and Section 13.

(b) Disability. In the event of the Executive's Termination of Employment with the Control Group under Section 7(b), the Company shall pay any amounts due to the Executive under Section 5 through the Termination Date in accordance with the payment provisions of Section 5 and shall have no other obligation to the Executive or his dependents other than amounts due, if any, under the Company's long-term disability plan, and any benefits offered by the Company under its then policy to employees who become disabled while employed by the Company.

(c) Cause. In the event the Executive's employment with the Control Group is terminated for Cause, the Company shall pay any amounts due to the Executive under Section 5 through the Termination Date in accordance with the payment provisions of Section 5 and shall have no other obligation to the Executive or his dependents other than any amounts, if any, due to Executive under its then existing policies to employees whose employment is terminated for Cause or under the specific terms of any welfare, pension, fringe benefit or incentive plan. Other than as provided in the preceding sentence, in the event the Executive's employment is terminated for Cause, he shall not be entitled to the benefits and payments provided under Section 8(g) below.

(d) Without Cause or For Good Reason. In the event the Executive's employment with the Control Group is terminated by the Company without Cause, or the Executive terminates employment with the Control Group within 60 days after the occurrence of

a Good Reason event with regard to the Executive, the Company shall pay any amounts due to the Executive under Section 5 through the Termination Date in accordance with the payment provisions of Section 5 and shall pay the Executive a Severance Benefit as provided in Section 8(f) below.

(e) Following a Change in Control. Notwithstanding anything to the contrary contained herein, if, within 24 months following a Change in Control, the Executive's employment with the Control Group is terminated without Cause or if the Executive terminates employment with the Control Group within sixty (60) days after the occurrence of a Good Reason event with regard to the Executive, (i) the Executive shall receive 100 percent of his Severance Benefit in the form of a lump sum cash payment within 10 days following his Termination Date (and, if not paid within such 10 day period, with interest payable beginning on the tenth day following the Termination Date at the prime rate of interest as stated in *The Wall Street Journal*), and (ii) the restrictions on Competition and no-hire contained in Sections 9(a)(i) and 9(b), respectively, shall not apply.

(f) Timing and Form of Payment. The Executive shall receive payment of his Severance Benefit in a lump sum payment within 10 days following the six-month anniversary of the Termination Date, provided that the Executive has signed and returned to the Company the release provided for in Section 12 in a form acceptable to the Company (the "Release"). The Release shall be provided to the Executive within seven (7) days following the Termination Date. In order to receive his Severance Benefit, the Executive will be required to sign the Release within twenty-one (21) or forty-five (45) days after the date it is provided to him, whichever is applicable under applicable law, and not revoke the Release within the seven (7) day period following the date the Executive signs the Release. If the Company has not received from the Executive an effective Release as of the six-month anniversary of the Termination Date, no Severance Benefit shall be paid to the Executive.

(g) Except as set forth below and other than in cases where the Executive's employment with the Control Group is terminated pursuant to Sections 7(a), 7(b), 7(c) or 7(f), the Company shall provide the Executive with post-termination medical and dental benefits during the Severance Period in a manner intended to satisfy the requirements of Sections 105(h) and 409A as follows: (i) immediately following the Termination Date, the Executive will be entitled to elect such continuation coverage pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA"), subject to the terms and conditions of the Company's medical and dental benefit plans and the provisions of COBRA; (ii) if the Executive elects COBRA continuation coverage, he will pay the applicable COBRA premiums during the period that his medical and dental benefits are continued pursuant to COBRA; and (iii) for each month during Severance Period, but not exceeding 18 months, the Company will pay to the Executive, on a monthly basis, the difference in the amount of COBRA premiums he pays and the amount the Executive would have paid for such medical and dental coverage as an active employee for such month.

Notwithstanding anything else herein, the Executive shall not be entitled to any benefits during the Severance Period other than the benefits provided in Section 8 and, without limiting the generality of the foregoing, the Executive specifically shall not be entitled to continue to participate in any group disability or voluntary accidental death or dismemberment insurance plan he participated in prior to his Termination Date. Without limiting the generality of the foregoing, the Executive shall not accrue additional benefits under any pension plan of the Company or an Affiliate (whether or not qualified under Section 401(a) of the Code) during the Severance Period, provided, however, that to the extent provided for under any applicable plan, the amount of any Severance Benefit may be included in the Executive's earnings for purposes of calculating the Executive's benefit under the Foot Locker Retirement Plan, the Foot Locker Excess Cash Balance Plan, and the Foot Locker 401(k) Plan.

(h) In the event of the Executive's death after becoming eligible for the Severance Benefit described in Section 8(f) and prior to payment of such amount, such Severance Benefit shall be paid to the Executive's Beneficiary.

(i) Notwithstanding anything else herein, to the extent the Executive would be subject to the excise tax under Section 4999 of the Code on the amounts in Sections 8(f) and such other amounts or benefits he received from the Company and its Affiliates required to be included in the calculation of parachute payments for purposes of Sections 280G and 4999 of the Code, the amounts provided under this Agreement shall be automatically reduced to an amount one dollar less than that which, when combined with such other amounts and benefits required to be so included, would subject the Executive to the excise tax under Section 4999 of the Code if, and only if, the reduced amount received by the Executive on a net after-tax basis after taking into account federal, state and local income and social security taxes at the maximum marginal rates would be greater than the unreduced amount to be received by the Executive on a net after-tax basis after taking into account federal, state and local income and social security taxes at the maximum marginal rates minus the excise tax payable under Section 4999 of the Code on such amount and the other amounts and benefits received by the Executive and required to be included in the calculation of a parachute payment for purposes of Sections 280G and 4999 of the Code.

9. Non-Competition, No-Hire, and Confidentiality.

(a) (i) The Executive agrees that he shall not engage in Competition during the Non-Competition Period, subject to the Company's option to waive all or any portion of the Non-Competition Period, as more specifically provided for in the following paragraph.

(ii) As additional consideration for the covenant not to compete during the Non-Competition Period described above, the Company shall pay the Executive, on a monthly basis, the sum of 25 percent of the Executive's monthly Salary, less the amount of the Executive's "Monthly Severance Benefit," if any. This additional consideration shall be payable for the one (1) year period commencing on the Termination Date and shall be payable on the first day of each month. For purposes of this provision, the "Monthly Severance Benefit" shall be equal to the Severance Benefit divided by the number of months in the Severance Period. The Company has the option, for any reason, to elect to waive all or any portion of the one (1) year period of Non-Competition commencing on the Termination Date, by giving the Executive

written notice of such election not later than thirty (30) days following the Termination Date. In that event, the Company shall not be obligated to pay the Executive under this paragraph for any months as to which the covenant not to compete has been waived. The Company may discontinue payments being made pursuant to this paragraph at any time during the Non-Competition Period that (i) Executive is engaged in full-time employment that, in the Company's opinion, does not violate the provisions of Section 9(a)(i) hereof, or (ii) Executive violates the provisions of Section 9(a)(i) hereof.

(b) The Executive acknowledges that, during the course of his employment with the Company, due to the nature of the position he occupies he will have access to confidential information of the Company concerning its executives and employees, including, but not limited to, their background, experience, education, training, capabilities, and potential. He agrees, therefore, that if his employment is terminated at any time prior to a Change in Control (a) by the Company for any reason (b) by the Executive for any reason or (c) by reason of the Company's decision not to extend the term of this Agreement as provided in Section 2 hereof, he shall not, for a one-year period beginning on the Termination Date, intentionally recruit, solicit or induce any employee or employees of the Control Group to terminate their employment with, or otherwise cease their relationship with, the former employing members of the Control Group where such employee or employees do in fact so terminate their employment.

(c) The Executive shall not at any time during the term of this Agreement, or thereafter, communicate or disclose to any unauthorized person, or use for the Executive's own account, without the prior written consent of the Chief Executive Officer of the Company, nonpublic information of any kind concerning the Company or any of its subsidiaries or affiliates, including, but not limited to, nonpublic information concerning finances, financial plans, accounting methods, strategic plans, operations, personnel, organizational structure, methods of distribution, suppliers, customers, client relationships, marketing strategies, real estate strategies or the like. In the event of the termination of Executive's employment, Executive shall, on or before the Termination Date, return all Confidential Information in his possession, in whatever form, to the Company. It is understood, however, that the obligations set forth in this paragraph shall not apply to the extent that the aforesaid matters (a) are disclosed in circumstances in which the Executive is legally required to do so or (b) become generally known to and available for use by the public other than by the Executive's wrongful act or omission.

(d) The Executive agrees that any breach by him of the terms of Section 9 would result in irreparable injury and damage to the Company for which the Company would have no adequate remedy at law; the Executive therefore agrees that in the event of a breach or threatened breach by the Executive of the provisions of Section 9, the Company shall be entitled to an immediate injunction and restraining order to prevent such breach or threatened breach or continued breach by the Executive, including any and all persons and entities acting for or with the Executive, without having to prove damages, in addition to any other remedies to which the Company may be entitled at law or in equity. The terms of this paragraph shall not prevent the Company from pursuing any other available remedies for any breach or threatened breach hereof, including but not limited to the recovery of damages from the Executive. The Executive and the Company further agree that the provisions of the covenant not to compete are reasonable and that the Company would not have entered into this Agreement but for the inclusion of such covenant

herein. If any provision of the covenants set forth in Section 9 is found by any court of competent jurisdiction to be unenforceable because it extends for too long a period of time or over too great a range of activities or in too broad a geographic area, it shall be interpreted to extend over the maximum period of time, range of activities or geographic area as to which it may be enforceable.

(e) The provisions of Section 9 shall survive any termination of this Agreement and the existence of any claim or cause of action by the Executive against the Control Group, whether predicated on this Agreement or otherwise, shall not constitute a defense to the enforcement by the Company of the covenants and agreements of Section 9.

10. No Duty to Mitigate/Set-off. The Company agrees that if the Executive's employment with the Control Group is terminated during the term of this Agreement, the Executive shall not be required to seek other employment or to attempt in any way to reduce any amounts payable to the Executive by the Company pursuant to this Agreement. Further, the amount of the Severance Benefit provided for in this Agreement shall not be reduced by any compensation earned by the Executive or benefit provided to the Executive as the result of employment by another employer or otherwise. Except as otherwise provided herein, the Company's obligations to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder shall not be affected by any circumstances, including without limitation, any set-off, counterclaim, recoupment, defense or other right which the Company may have against the Executive. The Executive shall retain any and all rights under all pension plans, welfare plans, equity plans and other plans, including other severance plans, under which the Executive would otherwise be entitled to benefits.

11. Withholding. The Company shall have the right to make such provisions as it deems necessary or appropriate to satisfy any obligations it may have to withhold federal, state, or local income or other taxes incurred by reason of payments pursuant to this Agreement. In lieu thereof, the Company shall have the right to withhold the amount of such taxes from any other sums due or to become due from the Company or an Affiliate to the Executive upon such terms and conditions as the Committee may prescribe.

12. Release. In consideration of the Executive's entitlement hereunder to a Severance Benefit which exceeds the severance benefit provided for under the Company's standard severance program and as a condition of receiving any Severance Benefit hereunder with regard to a Termination of Employment occurring prior to a Change in Control, the Executive shall be required to provide the Company with a release of all claims of the Executive (except with regard to claims for payment of benefits specifically payable or providable hereunder which have not been paid as of the effective date of the release, claims for vested accrued benefits or claims under COBRA) of any kind whatsoever against the Control Group, its past or present officers, directors and employees, known or unknown, as of the date of the release. The release shall be in such form as may reasonably be specified by the Company.

13. Successors; Binding Agreement. In addition to any obligations imposed by law upon any successor to the Company, the Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to expressly assume and agree in writing to perform this Agreement

in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. This Agreement shall inure to the benefit of and be enforceable by the Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. If the Executive shall die while any amount would still be payable to the Executive hereunder if the Executive had continued to live, all such amounts, unless otherwise provided herein, shall be paid in accordance with the terms of this Agreement to the Executive's Beneficiary, or the executors, personal representatives or administrators of the Executive's estate.

[14. Termination of Prior Agreement. The Executive Employment Agreement entered into between the Company and the Executive dated is hereby terminated without any further obligation of the parties thereto.]

15. Miscellaneous. No provisions of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing and signed by the Executive and such officer as may be specifically designated by the Company. No waiver by either party hereto at any time of any breach by the other party hereto of, or compliance with, any condition or provision shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. No agreements or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made by either party which are not expressly set forth in this Agreement. All references to sections of the Code or any other law shall be deemed also to refer to any successor provisions to such sections and laws.

16. Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

17. Severability. If any provisions of this Agreement shall be declared to be invalid or unenforceable, in whole or in part, such invalidity or unenforceability shall not affect the remaining provisions hereof which shall remain in full force and effect.

18. Arbitration. Any dispute or controversy arising under or in connection with this Agreement or the breach thereof, other than injunctive relief pursuant to Section 9, shall be settled by arbitration, conducted before a panel of three arbitrators in New York, New York, or in such other city in which the Executive is then located, in accordance with the rules of the American Arbitration Association then in effect. The determination of the arbitrators, which shall be based upon a de novo interpretation of this Agreement, shall be final and binding and judgment may be entered on the arbitrators' award in any court having jurisdiction. The costs assessed by the American Arbitration Association for arbitration shall be borne by the Company.

19. Notice. Any notice to either party hereunder shall be in writing, and shall be deemed to be sufficiently given to or served on such party, for all purposes, if the same shall be given personally delivered to such party, or sent to such party by registered mail, postage prepaid, addressed as follows:

If to the Company: Foot Locker, Inc.
112 West 34th Street
New York, NY 10120
Attention: General Counsel

If to the Executive: _____

Either party may change the address to which notices are to be sent to such party hereunder by written notice of such new address given to the other party hereto. Notices shall be deemed given when received if delivered personally or three days after mailing if mailed as aforesaid.

20. Section 409A. This Agreement is intended to comply with, or be exempt from, Section 409A and all provisions hereof shall be construed in a manner to so comply. With regard to any provision herein that provides for reimbursement of costs and expenses or in-kind benefits, except as permitted by Section 409A, (i) the right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit, (ii) the amount of expenses eligible for reimbursement, or in-kind benefits, provided during any taxable year shall not affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other taxable year and (iii) such payments shall be made on or before the last day of the Executive's taxable year following the taxable year in which the expense was incurred. The parties further agree that there is no guarantee as to the tax consequences of payments provided for hereunder.

21. Governing Law. The validity, interpretation, construction, enforcement and performance of this Agreement shall be governed by the laws of the State of New York without regard to its conflicts of laws principles. For purposes of Section 9, the Executive consents to the jurisdiction of state and federal courts in New York County.

IN WITNESS WHEREOF, the Company has caused this Agreement to be duly executed and the Executive's hand has hereunto been set as of the date first set forth above.

FOOT LOCKER, INC.

By: _____
Senior Vice President -
Human Resources

[Executive]

APPENDIX A

Change in Control

A Change in Control shall mean any of the following:

(A) the merger or consolidation of the Company with, or the sale or disposition of all or Substantially All of the Assets of the Company to, any person or entity or group of associated persons or entities (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934 (the "Exchange Act")) (a "Person") other than (a) a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving or parent entity) fifty percent (50%) or more of the combined voting power of the voting securities of the Company or such surviving or parent entity outstanding immediately after such merger or consolidation; or (b) a merger or capitalization effected to implement a recapitalization of the Company (or similar transaction) in which no Person is or becomes the beneficial owner, directly or indirectly (as determined under Rule 13d-3 promulgated under the Exchange Act), of securities representing more than the amounts set forth in (B) below;

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

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