

FOOT LOCKER, INC.

AUDIT COMMITTEE OF THE BOARD OF DIRECTORS CHARTER

PURPOSE AND AUTHORITY OF COMMITTEE

The Audit Committee of the Board of Directors shall assist the Board in fulfilling its oversight responsibilities with regard to the Company in the following areas: (i) accounting policies and practices, (ii) the integrity of the Company's financial statements, (iii) compliance with legal and regulatory requirements, (iv) the qualifications, independence, and performance of the independent accountants, and (v) the performance of the internal audit function.

The power and authority of the committee is subject to the provisions of the Business Corporation Law of the State of New York, the Company's Certificate of Incorporation, and its By-laws. Nothing contained in this charter is intended to create, or should be construed as creating, any responsibility or liability of the members of the Audit Committee, except to the extent otherwise provided under the applicable laws of the State of New York, which shall continue to set the legal standard for the conduct of the members of the Audit Committee.

MEMBERSHIP

The committee shall consist of at least three directors appointed by the Board on the recommendation of the Nominating and Corporate Governance Committee, as provided for in the By-laws of the Company. One of the Audit Committee members shall be appointed by the Board as Chair of the committee. Each member of the committee shall be qualified to serve on the committee pursuant to the requirements of the New York Stock Exchange and the Sarbanes - Oxley Act of 2002 and the rules and regulations promulgated thereunder by the Securities and Exchange Commission.

Expertise of Committee Members. Each member of the Audit Committee shall be financially literate or must become "financially literate" within a reasonable period of time after his or her appointment to the committee. At least one member of the committee shall have "accounting or related financial management expertise" and, to the extent possible, shall qualify as an "audit committee financial expert" under the applicable rules and regulations of the Securities and Exchange Commission. The Board of Directors shall interpret the qualifications of "financial literacy" and "accounting or related financial management expertise" in its business judgment and shall determine whether a director meets these qualifications.

Service on Other Audit Committees. If a member of the committee serves, or desires to serve, on the audit committees of more than two other public companies, the Board of Directors must make a determination that the member's simultaneous service on these audit committees would not impair the ability of such member to serve effectively on the committee.

MEETINGS

The committee shall meet in accordance with a schedule established each year by the Board of Directors, and at other times that the committee may determine. The committee shall meet at least annually with the independent accountants, the internal auditors, the Chief Executive Officer, the Chief Financial Officer, the Chief Accounting Officer, and the General Counsel in separate executive sessions. Meeting agendas are developed by the chair of the committee in consultation with the Company's management and the Secretary.

Committee members who would like to suggest agenda items should communicate with one of these individuals. Agendas shall be circulated to committee members prior to committee meetings. The committee shall make regular reports to the Board of Directors.

RESPONSIBILITIES AND DUTIES

The Company's management is responsible for preparing the Company's financial statements and the independent accountants are responsible for auditing those financial statements. The committee is responsible for overseeing the conduct of those activities by the Company's management and the independent accountants. It is not the duty of the Audit Committee to plan or conduct audits or to determine that the Company's financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles. These are the responsibilities of management and the independent accountants. In fulfilling their responsibilities hereunder, it is recognized that members of the Audit Committee are not full-time employees of the Company and are not, and do not represent themselves to be, accountants or auditors by profession or experts in the fields of accounting or auditing. The Audit Committee and its members shall be entitled to rely on (i) the integrity of those persons and organizations within and outside the Company that it receives information from and (ii) the accuracy of the financial and other information provided to the Audit Committee by such persons or organizations absent actual knowledge to the contrary (which shall be promptly reported to the Board of Directors).

The Company's independent accountants report directly to the Audit Committee. The Company's internal audit function reports to management; however, the internal audit function is ultimately accountable to the Committee, and the Committee is responsible for the selection, assessment, and termination of the internal auditors, if out-sourced, or the head of the internal audit function, if an officer or employee of the Company.

The Committee's responsibilities and duties are as follows:

Accounting Policies

- review major changes to the Company's auditing and accounting policies and practices as suggested by the independent accountants, management, or the internal auditors;
- review with the independent accountants, the internal auditors and management the extent to which changes or improvements in financial or accounting practices, as previously approved by the committee, have been implemented;

Financial Reporting Process and Financial Statements

- in consultation with the independent accountants and the internal auditors, review the integrity of the organization's financial reporting process, both internal and external;
- review and discuss with management the Company's annual audited financial statements, including the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations," and any major issues related thereto and any certification, report, opinion, or review rendered thereon by the independent accountants;
- review the Company's proxy statement, Annual Report to Shareholders, and Form 10-K and Forms 10-Q; following completion of the annual audit, review with each of management, the independent accountants, and the internal auditors any significant difficulties encountered during the course of the audit (including any restrictions on the scope of work or access to required information), any issues that arose during the course of the audit concerning the Company's internal accounting controls, any issues that arose concerning the completeness or accuracy of the financial statements, and management's response. In connection therewith, the committee should review with the independent auditors the following:
 - (i) any accounting adjustments that were noted or proposed by the independent accountants but were rejected by management (as immaterial or otherwise);
 - (ii) any communications between the audit team and the national office of the independent accountants respecting auditing or accounting issues presented by the engagement;
 - (iii) any "management" or "internal control" letter issued, or proposed to be issued, by the independent accountants to the Company;
 - (iv) major issues regarding accounting principles and financial statement presentations, including (A) any significant changes in the Company's selection or application of accounting principles and (B) any analyses prepared by management or the independent accountants setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements;
- review any significant disagreement among management and the independent accountants or the internal auditors in connection with the preparation of the financial statements;
- discuss with the independent accountants the matters required to be discussed by Statement on Auditing Standards No. 61, as may be modified or supplemented;
- review and discuss with management and the independent accountants, prior to the filing thereof, the Company's interim financial results to be included on Form 10-Q, including the

Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations";

- review and discuss quarterly reports from the independent accountants on:
 - (i) critical accounting policies and practices and such other accounting policies and practices of the Company as are deemed appropriate for review by the committee prior to any interim or year-end filings with the Securities and Exchange Commission;
 - (ii) all alternative treatments of financial information related to material items that have been discussed by the independent accountants and management, ramifications of the use of such alternative disclosures and treatment, and the treatment preferred by the independent accountants; and
 - (iii) all other material written communications between the independent accountants and management, such as any management letter or schedule of unadjusted differences;
- generally discuss the Company's earnings releases as well as financial information and earnings guidance disclosed publicly and, through the Chair, a member of the committee designated by the Chair, or the committee as a whole, review and discuss the Company's quarterly earnings press releases prior to release;
- review with the chief executive officer, the chief financial officer, and the independent accountants, periodically, the following:
 - (i) the adequacy and effectiveness of the Company's accounting and internal control policies and procedures;
 - (ii) all significant deficiencies in the design or operation of internal controls which could adversely affect the ability of the Company to record, process, summarize, and report financial data, including any material weaknesses in internal controls identified by the independent accountants;
 - (iii) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal controls;
 - (iv) any significant changes in internal controls or in other factors that could significantly affect internal controls, including any corrective actions with regard to significant deficiencies and material weaknesses; and
 - (v) the annual report prepared by management, and attested to by the independent accountants, assessing the effectiveness of the Company's internal control structure and

procedures for financial reporting and stating management's responsibility to establish and maintain such structure and procedures, prior to its inclusion in the Company's annual report;

- review disclosures made to the committee by the Company's Chief Executive Officer and Chief Financial Officer during their certification process for the Form 10-K and Forms 10-Q about any significant deficiencies in the design or operation of internal controls or material weaknesses therein and any fraud involving management or other employees who have a significant role in the Company's internal controls;
- discuss with management the Company's major financial risk exposures and the steps management has taken to monitor and control these exposures;
- periodically review management's assessment of the Company's information technology systems that support the financial reporting process;
- establish and maintain free and open means of communication between and among the Board, the Audit Committee, the independent accountants, the internal auditors and management;

Independent Accountants

- retain, select, evaluate and, where appropriate, replace the independent accountants;
- review and evaluate the lead partner assigned to the Company's audit engagement by the independent accountants;
- review all audit and all permitted non-audit engagements and relationships between the Company and the independent accountants;
- approve all audit and non-audit fees paid by the Company to the independent accountants;
- establish and approve all pre-approval policies for permitted non-audit engagements;
- at least annually, in order to assess the independence of the independent accountants, review the formal written statement and letter required by Independence Standards Board Standard No. 1, as may be modified or supplemented, delineating all relationships between the independent accountants and the Company, and actively engage in a dialogue with the independent accountants with respect to any disclosed relationships or services and their impact on the objectivity or independence of the independent accountants;
- review the annual audit plan of the independent accountants, including the scope of audit

activities;

- review the results of the independent accountants' annual audit;
- consider the independent accountants' judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting;
- at least annually, obtain and review a report by the independent accountants describing the firm's internal quality-control procedures and any material issues raised by the most recent internal quality-control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the firm, and any steps taken to deal with any such issues;
- establish hiring policies for employees or former employees of the independent accountants;

Internal Auditors

- review the activities, organization, resources, and qualifications of the internal auditors (whether employees of the Company or employees of a third party providing such services on an out-sourced basis);
- review the annual internal audit plan and, if an out-sourced internal audit staff is used, approve their annual plan and fee;
- review a summary of the significant reports to management prepared by the internal auditors and management's responses;

Legal and Regulatory Requirements

- review with the Company's General Counsel legal compliance matters and any legal matter that does or could reasonably be expected to have a significant impact on the Company's financial statements;
- review and reassess the adequacy of the committee's charter on an annual basis;
- review and monitor compliance with the Company's Code of Business Conduct and establish procedures for (i) the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters, and (ii) the confidential, anonymous submission by associates of the Company of concerns regarding questionable accounting or auditing matters;

- prepare an annual report to be included in the Company's annual proxy statement in accordance with applicable rules and regulations of the U.S. Securities and Exchange Commission; and
- at least annually, conduct an evaluation of the performance of the committee to determine whether it is functioning effectively.

RESOURCES AND AUTHORITY OF THE AUDIT COMMITTEE

The Audit Committee shall have the funding, resources and authority appropriate to discharge its responsibilities, and shall, as it deems appropriate and at the expense of the Company, engage and obtain advice and assistance from outside legal, accounting, or other advisors.

Adopted November 19, 2003