

FOOT LOCKER INC
Form DEF 14A
April 09, 2009
UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

SCHEDULE 14A

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

Exchange Act of 1934 (Amendment No.)

Filed by the Registrant S
Filed by a Party other than the Registrant £

Check the appropriate box:

£	Preliminary Proxy Statement	£ Confidential, for Use of the Commission Only
S	Definitive Proxy Statement	(as permitted by Rule 14a-6(e)(2))
£	Definitive Additional Materials	
£	Soliciting Material Pursuant to § 240.14a-12	

Foot Locker, Inc.

(Name of Registrant as Specified in its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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NOTICE OF 2009 ANNUAL MEETING
AND
PROXY STATEMENT

112 West 34th Street
New York, New York 10120

NOTICE OF 2009 ANNUAL MEETING OF SHAREHOLDERS

DATE: May 20, 2009
TIME: 9:00 A.M., local time
PLACE: Foot Locker, Inc., 112 West 34th Street, New York, New York 10120
RECORD DATE: Shareholders of record on March 27, 2009 can vote at this meeting.

ITEMS OF BUSINESS: Elect three members to the Board of Directors to serve for three-year terms and one member to serve for a two-year term.
Ratify the appointment of KPMG LLP as our independent registered public accounting firm for the 2009 fiscal year.
Approve an amendment to our By-Laws to reduce the required number of directors.
Transact such other business as may properly come before the meeting and at any adjournment or postponement.

PROXY VOTING: **YOUR VOTE IS IMPORTANT TO US.** Please vote as soon as possible in one of these ways:

Use the toll-free telephone number shown on the Notice of Internet Availability of Proxy Materials for the 2009 Annual Meeting of Foot Locker, Inc. (your Foot Locker Notice) or on your proxy card;
Visit the web site shown on your Foot Locker Notice or on your proxy card to vote via the Internet;
If you received a printed copy of the proxy card, you may mark, sign and return the enclosed proxy card using the postage-paid envelope provided; or
Follow the instructions on your proxy materials if your shares are held in the name of your bank, broker, or other holder of record.

Even if you plan to attend the annual meeting, we encourage you to vote in advance using one of these methods.

GARY M. BAHLER
Secretary

April 9, 2009

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112 West 34th Street
New York, New York 10120

PROXY STATEMENT

GENERAL INFORMATION

We are providing these proxy materials to you for the solicitation of proxies by the Board of Directors of Foot Locker, Inc. for the 2009 Annual Meeting of Shareholders and for any adjournments or postponements of this meeting. We are holding this annual meeting on May 20, 2009 at 9:00 A.M., local time, at our corporate headquarters located at 112 West 34th Street, New York, New York 10120. In this proxy statement we refer to Foot Locker, Inc. as Foot Locker, the Company, we, our, or us.

**Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting
To Be Held on May 20, 2009**

**The Company's Proxy Statement and 2008 Annual Report/Form 10-K are available at
www.proxyvote.com/ and
<http://bnymellon.mobular.net/bnymellon/fl>**

We are pleased to be using again this year a procedure approved by the Securities and Exchange Commission that allows companies to furnish their proxy materials to shareholders over the Internet instead of mailing full sets of the printed materials. We believe that this procedure will reduce costs, provide greater flexibility to our shareholders, and lessen the environmental impact of our Annual Meeting. On or about April 9, 2009, we started mailing to most of our shareholders in the United States a Notice of Internet Availability of Proxy Materials (the Foot Locker Notice). The Foot Locker Notice contains instructions on how to access and read our 2009 Proxy Statement and our 2008 Annual Report to Shareholders on the Internet and to vote online. **If you received a Foot Locker Notice by mail, you will not receive paper copies of the proxy materials in the mail unless you request them.** Instead, the Foot Locker Notice instructs you on how to access and read the Proxy Statement and Annual Report and how you may submit your proxy over the Internet. If you received a Foot Locker Notice by mail and would like to receive a printed copy of the materials, please follow the instructions on the Foot Locker Notice for requesting the materials, and we will promptly mail the materials to you.

We are mailing to shareholders, or making available to shareholders via the Internet, this Proxy Statement, form of proxy card, and our 2008 Annual Report/Form 10-K on or about April 9, 2009.

QUESTIONS AND ANSWERS ABOUT THIS ANNUAL MEETING AND VOTING

What is included in these proxy materials?

The proxy materials include our 2009 Proxy Statement and 2008 Annual Report/Form 10-K. If you received printed copies of these materials by mail, these materials also include the proxy card for this annual meeting.

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

Our Form 10-K for the 2008 fiscal year ended January 31, 2009 is included with the 2008 Annual Report. You may obtain an additional copy of our 2008 Form 10-K without charge by writing to our Investor Relations Department at Foot Locker, Inc., 112 West 34th Street, New York, New York 10120. It is also available free of charge through our corporate web site at http://www.footlocker-inc.com/IR_index.htm.

What constitutes a quorum for the Annual Meeting?

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

What is the record date for this meeting?

The record date for this meeting is March 27, 2009. If you were a Foot Locker shareholder on this date, you are entitled to vote on the items of business described in this proxy statement.

Do I need a ticket to attend the Annual Meeting?

You will need an admission ticket to attend the Annual Meeting. Attendance at the meeting will be limited to shareholders on March 27, 2009 (or their authorized representatives) having an admission ticket or proof of their share ownership, and guests of the Company. If you plan to attend the meeting, please indicate this when you are voting by telephone or Internet or check the box on your proxy card, and we will promptly mail an admission ticket to you.

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

What are shareholders voting on at this meeting?

You are being asked to vote on the following items:

Proposal 1: Election of three directors in Class III and one director in Class II;

Proposal 2: Ratification of the appointment of KPMG LLP as our independent registered public accountants for 2009; and

Proposal 3: Approval of an amendment to our By-Laws.

How does the Board of Directors recommend that I vote on the proposals?

The Board recommends that you vote **FOR** each of the three proposals being voted on at the meeting.

Could other matters be voted on at the Annual Meeting?

We do not know of any other business that will be presented at the 2009 annual meeting. If any other matters are properly brought before the meeting for consideration, then the persons named as proxies will have the discretion to vote on those matters for you using their best judgment.

Who may vote at the Annual Meeting?

The only voting securities of Foot Locker are our shares of Common Stock. Only shareholders of record on the books of the Company on March 27, 2009 are entitled to vote at the annual meeting and any adjournments or postponements. Each share is entitled to one vote. There were 155,683,854 shares of Common Stock outstanding on March 27, 2009.

What are the voting requirements to elect directors and to approve the other proposals?

Directors must be elected by a plurality of the votes cast by shareholders. (Please see our policy described on Page 7 regarding resignations by directors who do not receive more for votes than

withheld votes.) The other proposals being voted on at this meeting require the favorable vote of a majority of the votes cast by shareholders to be approved.

How will the votes be counted?

Votes will be counted and certified by representatives of our transfer agent, BNY Mellon Shareowner Services, as inspectors of election. The inspectors of election are independent and are not employees of Foot Locker.

We do not count abstentions and broker non-votes, if any, in determining the votes cast for any proposal. Votes withheld for the election of one or more of the nominees for director will not be counted as votes cast for them.

Broker non-votes occur when brokers or other entities holding shares for an owner in street name do not receive voting instructions from the owner on non-routine matters and, consequently, have no discretion to vote on those matters. If a proposal is routine under the rules of The New York Stock Exchange, then the brokers or other entities may vote the shares held by them even though they have not received instructions from the owner.

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

Will my vote be confidential?

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

as necessary
to meet any
applicable
legal
requirements,

when a
shareholder
requests
disclosure or
writes a
comment on a
proxy card,

in a contested
proxy
solicitation,
and

to allow
independent
inspectors of
election to
tabulate and

certify the
vote.

How do I vote my shares?

You may vote using any of the following methods:

Telephone

If you are located within the United States or Canada, you can vote your shares by telephone by calling the toll-free telephone number printed on your Notice of Internet Availability of Proxy Materials (Notice), on your proxy card, or in the instructions that accompany your proxy materials, as applicable, and following the recorded instructions. You will need the control number printed on your Notice, on your proxy card, or in the instructions that accompany your proxy materials, as applicable. Telephone voting is available 24 hours a day and will be accessible until 11:59 P.M. Eastern Time on May 19, 2009. The telephone voting system has easy to follow instructions and allows you to confirm that the system has properly recorded your vote. **If you vote by telephone, you do NOT need to return a proxy card or voting instruction form.** If you are an owner in street name, please follow the instructions that accompany your proxy materials.

Internet

You can also choose to vote your shares by the Internet. You will need the control number printed on your Notice, on your proxy card, or in the instructions that accompany your proxy materials, as applicable. The web site for Internet voting is listed on your Notice, proxy card, or in the instructions that accompany your proxy materials. Internet voting is available 24 hours a day and will be accessible until 11:59 P.M. Eastern Time on May 19, 2009. As with telephone voting, you will be able to confirm that the system has properly recorded your vote. **If you vote via the Internet, you do NOT need to return a proxy card or voting instruction form.**

Mail

If you are a holder of record and received printed copies of the materials by mail, you may choose to vote by mail. Simply mark your proxy card, date and sign it, and return it in the postage-paid envelope that we included with your materials. If you hold your shares through a bank or brokerage account, please complete and mail the voting instruction form in the envelope provided.

Ballot at the Annual Meeting

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

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

Can I change my mind after voting my shares?

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

Are shares held in employee plans included on the proxy card?

If you hold shares of Foot Locker Common Stock through the Foot Locker 401(k) Plan or the Foot Locker Puerto Rico 1165(e) Plan, you received a proxy card showing the number of shares allocated to your plan account. Your proxy card will serve as a voting instruction card for the trustees of the plans, who will vote the shares. The trustees will vote only those shares for which voting instructions have been given. To allow sufficient time for voting by the trustees of these plans, your voting instructions must be received by May 15, 2009.

Who pays the cost of this proxy solicitation?

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

Proxies may be solicited, without additional compensation, by our directors, officers, or employees by mail, telephone, fax, in person, or otherwise. We will request banks, brokers and other custodians, nominees and fiduciaries to deliver proxy materials to the beneficial owners of Foot Locker's Common Stock and obtain their voting instructions, and we will reimburse those firms for their expenses under the rules of the Securities and Exchange Commission and The New York Stock Exchange. In addition, we have retained Innisfree M&A Incorporated to assist us in the solicitation of proxies for a fee of \$10,000 plus out-of-pocket expenses.

BENEFICIAL OWNERSHIP OF THE COMPANY S STOCK**Directors and Executive Officers**

The following table shows the number of shares of Common Stock reported to us as beneficially owned by each of our directors and named executive officers as of March 27, 2009. The table also shows beneficial ownership by all directors, named executive officers, and executive officers as a group on that date, including shares of Common Stock that they have a right to acquire within 60 days after March 27, 2009 by the exercise of stock options.

Matthew D. Serra beneficially owned 1.26 percent of the total number of outstanding shares of Common Stock as of March 27, 2009. No other director, named executive officer, or executive officer beneficially owned one percent or more of the total number of outstanding shares as of that date.

Each person has sole voting and investment power for the number of shares shown unless otherwise noted.

Name	Amount and Nature of Beneficial Ownership			Total
	Common Stock Beneficially Owned Excluding Stock Options(a)	Stock Options Exercisable Within 60 Days After 3/27/2009	RSUs and Deferred Stock Units(b)	
Gary M. Bahler	151,766	251,668		403,434
Nicholas DiPaolo	21,349 (c)	16,542	6,869	44,760
Alan D. Feldman	22,801	6,314	6,869	35,984
Jarobin Gilbert Jr.	18,433	25,520	6,869	50,822
Ronald J. Halls	165,128	155,000		320,128
Robert W. McHugh	160,163	175,666		335,829
Matthew M. McKenna	26,352	4,287	6,869	37,508
Richard T. Mina	237,801 (d)	395,171		632,972
Laurie J. Petrucci	117,062	146,147		263,229
James E. Preston	65,400	25,520	6,869	97,789
David Y. Schwartz	15,979	25,520	21,216	62,715
Matthew D. Serra	760,258	1,197,333		1,957,591
Cheryl Nido Turpin	9,668	20,815	24,586	55,069
Dona D. Young	11,060	20,815	35,074	66,949
All 19 directors and executive officers as a group, including the named executive officers	2,123,146	3,126,167	115,221	5,364,534 (e)

Notes to Beneficial Ownership Table

- (a) This column includes shares held in the

Company's
401(k)
Plan, as
well as the
executives
unvested
shares of
restricted
stock listed
below over
which they
have sole
voting
power but
no
investment
power:

Name	Number of Unvested Shares of Restricted Stock
M. Serra	210,000
R. McHugh	