

Effective: January 18, 2012

## **THE FINISH LINE, INC. BOARD GOVERNANCE PRINCIPLES**

### **1. Board of Directors Composition and Qualifications**

- a)** The Board of Directors (“Board”) of The Finish Line, Inc. (“Company”) shall endeavor to compose its membership with directors that have a breadth of experience from a variety of industries and from professional disciplines, along with a diversity of gender, ethnicity, age and geographic location. Final approval of director nominees shall be determined by the entire Board based on recommendations of the Governance & Nominating Committee.
- b)** A majority of the members of the Board shall qualify as “independent” under the listing standards of the NASDAQ Exchange. A director who is deemed “independent” must disclose to the Board his/her principal employment and affiliations.
- c)** The Audit Committee, the Compensation Committee and the Governance & Nominating Committee shall be composed entirely of independent directors.
- d)** Committee and chair assignments shall be reviewed regularly to ensure that each Committee has an appropriate mix of tenure and experience.
- e)** In order to ensure that each individual director is able to devote sufficient time to perform his or her duties as a director the number of public company boards, other than the Company’s, on which an individual director may serve shall be limited to three and subject to a case-by-case review by the Governance & Nominating Committee. Directors agree to provide advance notice to the Company’s Secretary of their intent to join another Board no less than 5 days prior to their joining any such Board. Directors employed full-time by the Company shall not serve on more than two public company boards.
- f)** Directors are expected to report to the Chair of the Governance & Nominating Committee any changes in their principal employment (including retirement) or professional affiliations within two business days of the change and any involvement in an event that could potentially have a negative impact on the Company, its reputation or its brands within 24 hours of the event. The Governance & Nominating Committee will review any such disclosures and recommend to the full Board any action to be taken. A director should offer to resign if a majority of the Board determines that the director no longer meets the Company’s requirements for service on the Board.

## **2. Length of Director Terms**

a) Directors shall be apportioned into three classes as nearly equal in number as possible. The term of each class shall be for three years with one class expiring each year.

## **3. Board Performance**

a) Directors are expected to attend all meetings of the Board and of the Committees on which they serve, and to spend the appropriate time needed to effectively discharge their responsibilities.

b) Directors are expected to attend the Company's Annual Meeting of Shareholders.

c) The Board shall regularly review the Company's performance which may include a comparison to competitive peer companies.

d) Committee responsibilities are detailed in their respective charters, and reports of Committee meetings shall be given to the full Board which may act on the recommendations, as appropriate.

e) Time will be allocated at each regularly scheduled Board meeting for independent directors to meet in executive session. Executive sessions of independent directors may be chaired, on a rotating basis, by each of the independent directors of the Board.

f) The Governance & Nominating Committee is responsible for recommending to the Board these governance principles, Board organization, Board membership and Board evaluation. In addition, the Board and each of the Committees of the Board shall conduct a self-evaluation at least annually to determine whether the Board and its Committees are functioning effectively. The Governance & Nominating Committee shall be responsible for annually reporting to the Board the results of these self-evaluations. Recommended changes based on such evaluations shall be considered by the full Board.

g) Each director is expected to represent the interests of all shareholders and not those of any particular shareholder or any single interest group.

h) The Board shall maintain oversight of the Company's risk management processes.

i) To facilitate the effective discharge of their responsibilities each director is encouraged to visit Company store locations with management at least once annually.

j) Director compensation shall be reviewed and determined by the Compensation Committee on at least an annual basis, with consideration given to industry comparisons of director compensation.