

SUMMARY OF MINUTES
Regular Meeting
of the Board of Directors
November 23, 2009

The meeting was called to order by Chair, Anne Farrell at 10:15 a.m. Other directors present were: Brenda Davis, Joanne Harrell, Tom Harville, Sally Jewell, Chuck Katz, Jesse King, José Lozano, Ed Schmults, Cheryl Scott, and Michael Smith. John Hamlin was excused. Corporate officers attending the meeting were: Ivar Chhina, Brian Unmacht, Michelle Clements, Catherine Walker and Matt Hyde.

Here is a summary of the subjects discussed and actions taken during the meeting:

- The meeting started with an executive session with independent directors only.
- The minutes of the regular Board meeting of September 21, 2009, were approved.
- Sally Jewell began the President's Report with a review of the new store openings since the last Board meeting. She continued with an update on her work nationally advocating for the National Parks system.
- Michelle Clements, SVP of Human Resources, provided highlights of the results of the 2009 Employee Survey. Employee participation was a record 85%, while engagement scores surpassed the U.S. Retail benchmark in all categories and the Global High Performing Companies benchmark in all but two categories.
- Catherine Walker, SVP and General Counsel, provided an update on the Company's disaster preparedness in light of increased risk of flooding in the Kent Valley.
- Mark Lester, Director Strategic and Financial Planning, reported on the Company's financial results through the end of October. The co-op is slightly ahead of plan for the year in total sales, gross margin, and net income.
- Ivar Chhina, EVP and CFO, provided a review of the preliminary 2010 budget. Final approval of the budget will occur in February after factoring in 2009 year-end results.
- Janet Hopkins, VP of Customer Experience, and Tim Spangler, VP of Retail, provided an overview of the strategic imperative known as "transforming the customer experience".
- Michelle Clements, Janet Hopkins, Tim Spangler, and Tom Vogl, VP of Marketing, presented an update on the Company's diversity and inclusion initiatives. Mr. Vogl cited increased diversity in both customers and employees in the targeted locations. Ms. Clements provided recommendations for investments in 2010 and beyond.
- Ed Schmults provided the Audit & Finance Committee report. The Committee reviewed the preliminary 2010 budget and received an update on the performance of the REI Visa card program. Brenda Davis provided a summary of the Committee's November 16th telephone meeting during which the Committee received and reviewed Jefferson Wells' audit of the Company's factory sourcing standards.
- Cheryl Scott, Chair of the Compensation Committee, provided the report of the Committee. The Committee reviewed various aspects of the Company's retirement plan and appointed Ivar Chhina to serve on the Company's Retirement Plan Committee.
- Chuck Katz, Chair of the Nominating & Governance Committee, provided the report of the Committee. The primary focuses of the meeting were the 2010 election slate and director recruiting. The Committee reviewed the director candidate pool with the Company's recruiting consultant. The directors standing for election in 2010 were excused from the meeting. Mr. Katz put forward the Committee's recommended slate of four directors for the 2010 election. After discussion, on motion duly made and seconded, the Board approved the recommended 2010 election slate. The excused directors rejoined the meeting.
- The Board went into an executive session at 3:55 p.m. with all directors and Catherine Walker, the General Counsel. The executive session ended at 4:15 p.m.
- The meeting was adjourned at 4:15 p.m.