

SUMMARY OF MINUTES
Regular Meeting
of the Board of Directors
March 30, 2009

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

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

- The meeting started with an executive session with independent directors only.
- The minutes of the regular Board meeting of February 9, 2009, were approved as submitted.
- The Board approved a proposed resolution from management and the Nominating and Governance Committee to change the dates of certain Board meetings and the annual members' meeting, historically held during the first quarter of the calendar year. After discussion and on a motion duly made and seconded, the Board approved the resolution.
- Sally Jewell provided the President's Report. She also congratulated Matt Hyde, Executive VP of Marketing and Merchandising, who has been invited to serve on the national YMCA board of directors.
- Brian Unmacht, Executive VP Sales, Distribution and Store Development, provided an overview of new store performance and the Company's real estate strategy, noting the opening of the Company's 106th store, located in Westminster, Colorado, earlier in the month.
- Lee Fromson, Acting VP of Finance, provided the Financial Report of the Company through the first two months of 2009. He noted that the Company is performing slightly ahead of plan, but reminded the Board that it is too early in the year to predict a positive trend.
- Kevin Hagen, Director of the Corporate Social Responsibility Program, presented a report on the Company's giving and community activities.
- Michael Collins, VP of Public Affairs, updated the Board on the efforts of The REI Foundation in 2008. The Board discussed several ideas to help shape the future of the Foundation.
- Matt Hyde, Executive VP of Marketing and Merchandising, Angela Owen, VP of Merchandising, Bill Baumann, VP Information Technology, Mark McKelvey, Director of Development Services, and John Strother, Director of Merchandising Operations and Planning, gave an overview of a new core Merchandising and Finance technology system project. After discussion and motion duly made and seconded, the Board approved the purchase of the software and the implementation services.
- Catherine Walker, SVP and General Counsel, introduced Rennie Muzzi from Marsh USA, and Nate McKitterick from the law firm of DLA Piper to provide an overview of the Company's directors' and officers' insurance coverage. In addition, Mr. McKitterick reviewed and discussed with the Board the fiduciary duties of officers and directors under Washington law.
- Tom Vogl, VP Marketing, Mark Lester, Director of Strategic and Financial Planning, and Jennifer Beard, Director of Advertising and Communications, presented an update on the Company's affinity credit card program.

- Tom Harville, Chair of the Nominating and Governance Committee, provided the report of the Committee. The Committee reviewed the results of the 2009 election. The Committee also reviewed the committee assignments for the 2009-2010 Board. In accordance with Board policy, the Committee also reviewed the resignation of Board member Ed Schmults, submitted because of the recent change in his employment. After considering the circumstances of the change and Mr. Schmults' contributions to the Board, the Committee rejected his resignation. Mr. Harville presented a proposed Bylaw amendment to Article II, Section 4 to change the time frame from 70 days to 90 days for determining the "record date", which is the date on which "active members" are determined for purposes of the annual election of directors. With co-op membership growing every year, and over 3.4 million ballots prepared and mailed, management needs a full 90 days to complete the election process. After motion duly made and seconded, the Board approved the amendment.
- Ivar Chhina, Chair of the Audit & Finance Committee, provided the report of the Committee. The Committee met with its external audit firm, Grant Thornton, to finalize the audit of the 2008 financial statements and received a report by the Company's internal audit firm, Jefferson Wells, on the budgeting process. The Committee also received the annual report of the Company's Outdoor Programs Risk Management Committee from Mr. Hyde.
- Joanne Harrell, Chair of the Compensation Committee, provided the report of the Committee. The Committee reviewed and approved the 2009 metrics for the annual employee bonus plan (Xcels).
- The Board went into an executive session at 4:45 p.m. with all directors and the general counsel. The executive session ended at 5:00 p.m. and meeting was adjourned immediately thereafter.