

SUMMARY OF MINUTES
Regular Meeting
of the Board of Directors
June 4, 2010

The meeting was called to order by Chair, Anne Farrell at 9:00 a.m. at Paradise Point in San Diego, California. Other directors present were: Brenda Davis, Joanne Harrell, Sally Jewell, Chuck Katz, Jesse King, Stephen Lockhart, José Lozano, and Cheryl Scott. John Hamlin and Michael Smith were excused. Company 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 April 19, 2010, and the minutes of the annual Board meeting of April 19, 2010, were approved as submitted.
- Ivar Chhina, EVP and CFO, began the President's Report by providing an update on the Starfish/SAP project. He noted that the "go-live" date has been set, along with a "no go" decision date. He reported that two test cycles have been completed with good results, and complemented the team in doing an outstanding job. He noted that the Company's anticipated launch date is six months ahead of a typical SAP installation of this size and complexity.
- Mr. Chhina continued the President's Report with an update on real estate activities. As part of the report, Matt Hyde, EVP, presented information on potential locations for new stores.
- Mr. Hyde also shared his experience at the opening of the Bozeman, MT store. He noted that the store beat its sales plan for the first weekend by a significant margin, signed up over 1,000 new members in the first week, and had over 600 people in line for the official opening from a community of 60,000. Ms. Jewell shared her experience at the opening of the new Tucson, AZ store, noting that there were over 700 people in line at the time the store opened.
- Mr. Hyde concluded the President's Report by presenting the newest TV ad to the Board. The advertisement is called "Family Camping" and is designed to showcase families in the outdoors. The Board congratulated the Marketing team for producing a spot that captured REI's authenticity and diversity.
- Mr. Chhina presented the Financial Report to the Board. He reported that sales continue to exceed the 2010 plan all across the country. He provided preliminary results of the Anniversary Sale, again reporting significantly stronger than budgeted sales and an exceptional number of new memberships. The REI.com free-shipping offer to Members has been a major driver of sales of memberships.
- The Board went into an executive session at 11:25 a.m. with all directors. The executive session ended at 11:35 a.m.
- The meeting was adjourned at 11:35 a.m.