

SUMMARY OF MINUTES
Regular Meeting
of the Board of Directors
September 22, 2008

The meeting was called to order by Chair, Anne Farrell at 10:30 a.m. Other directors present were Ivar Chhina, Brenda Davis, John Hamlin, Joanne Harrell, Tom Harville, Sally Jewell, Chuck Katz, Jesse King, Ed Schmults, Cheryl Scott and José Lozano. Corporate officers attending the meeting were: Brad Johnson, Brian Unmacht, Matt Hyde, Catherine Walker, and Danette Capello.

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

- The meeting started with an executive session with independent directors only. The executive session concluded at 10:48 a.m. and the general session began.
- Sally Jewell, CEO, provided the President's Report, presenting an overview of how the economy has affected REI.
- Brad Johnson, Senior VP and CFO, provided the Financial Report, detailing the 2008 year-to-date performance. In his report, Mr. Johnson provided an overview of the Company's five-year financial and strategic plan.
- Brian Unmacht, Executive VP of Sales, Service, Store Development and Logistics, Tim Spangler, VP of the West Region, Rachel Ligtenberg, Seattle Store Manager, and Barb Williams, Director, Merchandising Management, gave an update on the Company's employee diversity initiative.
- Tom Vogl, VP of Marketing, Jennifer Beard, Director, Advertising and Communications, and Mike Bowcut, Direct Marketing & Modeling, gave a presentation about REI's marketing initiatives.
- Brian Unmacht, Danette Capello, Associate General Counsel; Jerry Chevassus, Director of Real Estate; Michelle Eten, Director, Marketing Planning & Research; Dean Iwata, Director of Store Development; and Tim Spangler provided an overview of the improvements made to the new store site selection process.
- Ivar Chhina, Chair of the Audit & Finance Committee, presented the report of the Committee. The Committee discussed budget issues for 2008, and received an internal audit report by the Company's internal audit firm, Jefferson Wells.
- Tom Harville, Chair of the Nominating & Governance Committee, provided the report of the Committee. The Committee reviewed the director candidate slate for the 2009 election. Directors Davis, Chhina, Harrell, and Katz were excused from the meeting because each is a candidate for re-election. The Board approved the 2009 director's ballot slate and the appointment of Ms. Davis to a second one-year term. Ms. Davis, Mr. Chhina, Ms. Harrell, and Mr. Katz then rejoined the meeting.
- Joanne Harrell, Chair of the Compensation Committee, gave the report of the Committee. The Committee approved the executive compensation peer group, the executive compensation methodology, and the Board compensation philosophy.
- The Board went into executive session with Ms. Jewell and Catherine Walker, General Counsel, at 4:45 p.m. The executive session ended at 5:35 p.m. and the meeting was then adjourned.