

SUMMARY OF MINUTES
Regular Meeting
of the Board of Directors
November 19, 2007

The meeting was called to order by Chair, Doug Walker. Other directors present were Ivar Chhina, Joanne Harrell, Tom Harville, Anne Farrell, Sally Jewell, Chuck Katz, Ed Schmults, Cheryl Scott, and Jesse King. John Hamlin, and Brenda Davis were absent. Corporate officers attending the meeting were: Brad Johnson, Brian Unmacht, 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 September 24, 2007, were approved.
- An update to the PaTH company benefits plan to expand certain benefits to part-time employees was approved.
- Sally Jewell provided the President's Report, which included an overview of her attendance at a recent Member Engagement Session in Chicago.
- Brian Unmacht, Senior VP of Sales, Service & Logistics, gave an overview of retail store performance, and an update on the opening of six new stores between September and November as well as the grand re-opening of the remodeled Boulder, CO store.
- Michelle Clements, VP of Human Resources, provided a brief description of the results of the 2007 employee survey. Once again, REI's overall engagement score far exceeds the retail industry norm.
- Brad Johnson, Senior VP and CFO, provided the Financial Report, detailing both quarterly and year-to-date operating results for the Company.
- Lee Fromson, VP of REI Gear & Apparel, Kelly Kraus, Director of Sales & Marketing, Kevin Myette, Director of Research and Development, and Kathleen Peterson, Director of Sourcing, provided a comprehensive review of the operations of the REI Gear & Apparel Division.
- Brad Johnson presented the 2008 preliminary budget to the Board. The Audit & Finance Committee voted earlier to recommend approving the budget. After discussion, the Board approved the preliminary budget as presented.
- Ivar Chhina, Chair of the Audit & Finance Committee, provided the report of the Committee. At its two recent meetings, the Committee reviewed and approved the 2007 preliminary budget and received updates from both the Company's internal audit firm, Jefferson Wells, and its external audit firm, Grant Thornton.
- Anne Farrell, Chair of the Nominating & Governance Committee, provided the report of the Committee. The Committee received a report from the Board's executive search consultant, Adam Forest. The Committee also recommended to the Board the slate of directors for the 2008 ballot.
- Joanne Harrell, Chair of the Compensation Committee, provided the report of the Committee. Company officers were excused while Ms. Harrell discussed an analysis of executive compensation, titles, and possible promotions.
- The meeting concluded with an executive session of all directors and the general counsel and was adjourned at 5:00 PM.