

Governing Documents of Recreational Equipment, Inc.

Charter of the Audit and Finance Committee

1. Purpose

The primary purpose of the Audit and Finance Committee (the “Committee”) established by this Charter is to assist the Board in fulfilling its financial oversight responsibilities by making such examinations as are necessary to monitor the corporate financial reporting and the internal and external audit processes of Recreational Equipment, Inc. (the “Company”) and to maintain the integrity of those processes; to provide to the Board of Directors (the “Board”) the results of its examinations; to review and evaluate the qualification and independence of the Company’s independent auditors; to retain the independent auditors; to supervise the finance function of the Company (which will include, among other matters, the Company’s investment activities); to oversee the real estate function of the Company; and to monitor the Company’s compliance with legal and regulatory requirements, particularly those related to the Company’s financial statements and financial management.

2. Membership

The Committee must be composed of at least three independent directors. The members and a Chairperson of the Committee shall be appointed by the Board and shall serve until their successors are duly elected and qualified or their earlier resignation or removal. Each member shall be able to read and understand fundamental financial statements. In addition, at least one member shall be a financial expert as defined in the Company’s Governance Principles.

3. Meetings

The Committee shall meet with members of the Company’s financial management team at least quarterly to review the financial affairs of the Company. The Committee will meet with the independent auditors of the Company upon the completion of the annual audit, and at such other times as it deems appropriate, to review the independent auditors’ examination and management report.

4. Responsibilities and Powers

The responsibilities of the Committee include:

- a) Annually selecting the independent auditors.
- b) Reviewing the plan for the audit;
- c) Reviewing audit results and annual and interim financial statements;
- d) Reviewing a written statement from the Company’s auditors delineating all relationships between the auditor and the Company;
- e) Actively discussing with the Company’s auditors any disclosed relationship or service that may impact the objectivity and independence of the auditor; assure the rotation of the lead audit partner every five years;

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- f) Taking or recommending that the Board take, appropriate action to oversee the independence of the outside auditor;
- g) Overseeing the Company's internal accounting controls, including obtaining management letters from the independent auditors and reports from the internal audit function;
- h) Meeting privately with management and the independent auditors on a periodic basis to discuss issues and concerns warranting Committee attention, including:
- The cooperation received by the independent auditors, including access to all requested information;
 - Any instances where management has obtained "second opinions" from other external auditors;
 - Any disagreements with management that, if not satisfactorily resolved, would have caused them to modify their report on the financial statements;
 - Management's comments regarding the audit; and
 - Any off-balance sheet transactions or structures.
- i) Working with management to assess compliance with the Foreign Corrupt Practices Act;
- j) Overseeing the Company's finance function, which may include the adoption from time to time of a policy governing the investment of the Company's assets;
- k) Establishing procedures for receiving, retaining and responding to anonymous complaints about accounting, internal accounting controls, or auditing matters, including procedures for the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters;
- l) Monitoring the Company's compliance with legal and regulatory requirements, including those related to the financial statements and financial management; and reviewing and addressing any concerns about questionable accounting or auditing matters;
- m) Periodically reviewing with management and the Board (i) any legal and regulatory matters that may have a material impact on the Company's financial statements, compliance policies, and compliance programs, and (ii) the steps management has taken to monitor and control such exposures, including risk transfers;
- n) Reporting to the Board any audit opinions that contain "going concern" qualifications;

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- o) Reviewing potential conflict of interest situations involving Company officers and members of the Board and reviewing any related party transactions and recommending solutions to the Board;
- p) Annually reviewing and reassessing the adequacy of this Charter and amending the Charter as appropriate;
- q) Overseeing the Company's real estate function, which may include receiving management's reports of new store performance and reviewing management's retail store expansion strategy prior to presentation of the strategy to the Board; and
- r) Maintaining the Profit Distribution Principles and annually recommending to the Board at its first meeting of each calendar year the distribution of profits, including the distribution of the cooperative patronage refund, all in accordance with the Profit Distribution Principles.

In addition to the above responsibilities, the Committee will undertake such other duties as the Board delegates to it. The powers of the Committee shall include:

- a) the sole authority to appoint, determine compensation for, retain and oversee the work of any registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company, without the approval of the Board;
- b) the authority to review and pre-approve all audit services and permissible non-audit services, if the Committee decides that pre-approval is in the Company's best interest; and
- c) the authority to engage and determine funding for independent auditors, independent counsel and other advisors, as it determines necessary to carry out its duties.

Finally, the Committee shall ensure that the Company's auditors understand both (i) their ultimate accountability to the Committee, as representatives of the Company's members, and (ii) the Committee's ultimate authority and responsibility to select, evaluate determine the compensation for and, where appropriate, replace the Company's independent auditors.

5. Reports

The Committee will, to the extent it deems appropriate, record summaries of deliberations in written form and provide the written summaries to the Board.