

SUMMARY OF MINUTES
Regular Meeting
of the Board of Directors
of Recreational Equipment, Inc.

February 7, 2005

This meeting was attended by directors Ann Farrell, Tom Harville, Sally Jewell, Chuck Katz, Doug McCallum, Angel Rodriguez, Mike Smith, Catherine Walker, and Doug Walker. The meeting started with an executive session. Here is a summary of the subjects discussed and the actions taken.

- The board approved minutes from the meeting November 22, 2004. The board also adjusted director compensation by 2.1%.
- Chief Financial Officer Sally Jewell gave a report on REI's performance and current projects.
- Chief Administrative Officer and Chief Financial Officer Brad Johnson presented the Financial Report for 2004. Upon reviewing these results, the board declared a 10% patronage refund to be returned to members.
- The board approved an allocation of \$2.5 million for REI conservation and community recreation giving for 2005.
- Based on Company performance in 2004, the board approved full funding of the employee retirement and profit sharing plan.
- Brad Johnson presented the 2005 budget, which was approved by the board as presented.
- Brian Unmacht, Senior Vice President of Sales, Service, and Store Development, presented the Real Estate report, including discussion of market and site selection strategies. The board voted to approve new markets as presented.
- Chuck Katz, chair of the Nominating and Governance Committee, described the process of recruitment and selection of directors, along with a review of governance documents by legal counsel.
- The Compensation Committee report was provided by Anne Farrell. The committee set performance incentive goals for 2005 for REI, and these were subsequently approved by the board.
- Tom Harville of the Audit and Finance Committee provided results from the meeting held with the Company's auditors, Ernst & Young, regarding the annual audit and profit distribution recommendation.
- The meeting concluded with an executive session.