

MINUTES OF MEETING
Annual Membership Meeting
of Recreational Equipment, Inc.

March 27, 2006

The Annual Membership Meeting of Recreational Equipment, Inc. (REI) was called to order by Chair, Doug Walker at 7:05 p.m. at REI's Seattle Flagship store in Seattle, Washington.

Directors in attendance were:

Bill Britt	Chuck Katz
Ivar Chhina	Angel Rodriguez
Anne Farrell	Cheryl Scott
Joanne Harrell	Mike Smith
Tom Harville	Doug Walker
Sally Jewell	

Mr. Walker gave opening remarks, which included an explanation of the role and responsibilities of REI's Board of Directors. REI's Board of Directors currently consists of 11 members: 10 independent directors and REI's President/CEO. The Board has four standing committees: Executive, Nominating and Governance, Compensation and Leadership Development, and Audit and Finance. Mr. Walker explained that REI is not a publicly traded company, yet it nonetheless follows "best practices" in corporate governance. After Mr. Walker concluded his introduction, each director introduced himself or herself.

Mr. Walker then gave a brief summary of the company's declared dividend to membership and annual conservation giving program. The Board approved declaration of patronage dividends totaling \$50 million for 2005 and conservation-related grants exceeding \$3 million, including \$1 million in grants to parks across the United States. Mr. Walker noted that the 2006 Board of Directors retreat will be in Corte Madera, California, in June, in furtherance of the Board's goal to hold at least one meeting a year in a location outside of Washington state.

After completion of his remarks, Mr. Walker called for approval of the minutes of the 2005 Annual Membership Meeting, held March 28, 2005. On motion made and seconded, the minutes were approved as submitted.

Mr. Walker introduced director Anne Farrell, chair of the Nominating and Governance Committee. Ms. Farrell described the duties and role of the Nominating and Governance Committee and gave the election results for the three candidates on the ballot this year: Joanne Harrell (55,378 votes), Chuck Katz (54,419 votes), and Ivar Chhina (52,624 votes). Ms. Farrell noted that Mr. Chhina was a self-nominated candidate whom the Board then supported for election. Ms. Farrell then announced the officers of the Board and the committee chairs for 2006-2007: Doug Walker, Chair of the Board; Anne Farrell, Vice Chair of the Board; Tom Harville, Chair of Audit & Finance; Joanne Harrell, Chair of Compensation and Leadership Development; Bill Britt, Chair of Nominating and Governance. Ms. Farrell closed by announcing REI's corporate officers elected by the Board:

Sally Jewell	President and Chief Executive Officer
Brad Johnson	Senior Vice President, Chief Financial Officer and Chief Administrative Officer
Matt Hyde	Senior Vice President, Marketing and Merchandising
Brian Unmacht	Senior Vice President, Sales, Service and Store Development
Brad Brown	Vice President, Information Systems
Michelle Clements	Vice President, Human Resources

Michael Collins	Vice President, Public Affairs
Lee Fromson	Vice President, Gear & Apparel
David Presley	Vice President, Distribution and Logistics
Angela Owen	Vice President, Merchandising
Janet Hopkins	Regional Vice President, Midwest-East Region
Tim Spangler	Regional Vice President, West Region
Catherine Walker	Vice President, General Counsel and Corporate Secretary

Doug Walker thanked Catherine Walker for her eight years of service to the Board and presented her with a plaque in recognition of her contributions.

Doug Walker then introduced Sally Jewell, President and CEO of REI to present the President's Report. Ms. Jewell informed the audience of REI's purpose statement and aspirations, taken from the company's Strategic Plan. She emphasized that 85% of REI's sales are to REI members, an impressively high percentage. In 2005, the company achieved a remarkable 69.9% member retention rate, which is the highest retention rate since 1987. In noting highlights from 2005, Ms. Jewell listed the following: sales surpassing \$1 billion for the first time, commemorated with a special \$1 million grant to 100 parks across the U.S.; 497,000 new members; six new retail stores; and a commitment to build a new distribution center in Bedford, Pennsylvania. She also emphasized the vital role of REI employees in REI's successful performance. In 2005, REI earned a spot in the top 10 of FORTUNE Magazine's "100 Best Companies" for the first time, thanks to the input from REI employees. REI moved from 45th to 9th place in one year.

Other important events in 2005 that Ms. Jewell highlighted included an innovative new health insurance program for REI's part-time employees; organization of 170,000 volunteers who gave 572,000 hours of time to trail repair and other outdoor and recreation work projects; PEAK (Promoting Environmental Awareness in Kids) program presentations to 80,000 children around the U.S.; 84,300 persons participating in recreational programs funded by REI; and receipt of a LEED Gold environmental design award for the Portland store (the only retail store in the U.S. to receive a LEED Gold award).

Ms. Jewell concluded her report with a brief presentation about REI's efforts in the area of sustainable business practices. The five areas of focus are greenhouse gas emissions; packaging materials; waste production; wood and paper product use; and green buildings. At the completion of Ms. Jewell's presentation, Mr. Walker opened the meeting for questions from the attendees. One member stated his opinion about the importance of REI taking a leadership role in preserving and protecting public lands, and he offered suggestions on ways he believed REI could be more effective in its role.

There being no further business to come before the membership, the Chair adjourned the meeting at 8:00 p.m.

Respectfully submitted,

Catherine Walker
Vice President, General Counsel and Corporate Secretary