

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

November 21, 2005

The meeting was attended by Board Chair Doug Walker and directors Catherine Walker, Anne Farrell, Bill Britt, Joanne Harrell, Tom Harville, Sally Jewell, Chuck Katz, Angel Rodriguez, and Mike Smith. The meeting was held in REI's Headquarters in Kent, Washington. 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 of September 26, 2005. The consent agenda was passed with the exception of several policy recommendations that were held for further consideration and revision.
- Chief Executive Officer Sally Jewell provided the President's report with the assistance of reports from Brad Johnson, CAO/CFO, Sr. Vice President of Marketing Atsuko Tamura and Vice President of Human Resources Michelle Clements. Mr. Johnson reported on banking issues; Ms. Tamura on e-mail marketing and Ms. Clements on a new program to offer health care benefits to all employees.
- Mr. Johnson presented a financial report and reviewed performance plans for the rest of the year.
- Mr. Johnson provided a report to the Board on the Company's preliminary budget for 2006. He presented the budget assumptions and described the progress on key performance indicators. He reviewed the components of the budget as well as risks and opportunities, then took questions from the Board.
- Dave Presley, the Company's Vice President – Distribution and Logistics, joined the meeting to present an update on the Company's second distribution center. He reviewed the center's location and financial requirements. The board passed a resolution approving the projected capital expense and authorizing management to negotiate necessary agreements.
- Vice President Brad Brown and Jim Osborne provided an update on Information Services and current and future projects.
- Nominating & Governance Committee Chair Catherine Walker made a recommendation to nominate Ms. Harrell and Mr. Katz as incumbent directors, and also recommended the nomination of Mr. Ivar Chhina to the 2006 ballot. The slate was approved by the board.
- Ms. Walker presented nominating and governance issues for the board's discussion. Ms. Jewell gave the Board a summary of her meeting with a perspective board candidate and the board approved an amendment to Article III, Paragraph 2 of the Bylaws to clarify the intent of its term limits provision.
- Tom Harville presented the report of the Audit & Finance Committee regarding the progress of audit activities.
- Joanne Harrell presented the Compensation Committee report, describing the committee's work on executive pay recommendations with an outside consultant and provided an update on current executive searches.
- The meeting concluded with an executive session and was adjourned at 5 p.m.