

SUMMARY OF MINUTES
Regular Meeting
of the Board of Directors
July 23, 2007

The meeting was attended by Board Chair, Doug Walker and directors Ivar Chhina, Anne Farrell, John Hamlin, Joanne Harrell, Tom Harville, Sally Jewell, Chuck Katz, Edward M. Schmults, and Cheryl Scott. Incoming director Jesse King was also in attendance. Mike Smith was absent. Corporate officers attending the meeting were: Brad Johnson, Brian Unmacht, and Catherine Walker. Assistant Secretary Danette Capello was also in attendance.

Here is the summary of the subjects discussed and actions taken.

- The meeting started with an executive session.
- The minutes of the regular Board meeting of June 3, 2007, and the annual Board meeting of March 26, 2007, were approved.
- Sally Jewell provided the President's Report. She recapped the Board service project on June 2 and REI's sponsorship of National Trails Day.
- Ms. Jewell described her visit, with Tom Vogl and Michael Collins, to Washington D.C. to participate in the National Forum on Children and Nature. The Forum is composed of representatives from government, foundations, universities, businesses, and non-profit organizations, and has five working groups to accomplish 20 demonstration projects over the next 18 months. REI has two representatives participating in the Forum.
- Brad Johnson provided an update on the company campus plan. He also reported the performance of sale events during 2007 and a year-to-date financial update.
- Vice President of Logistics and Distribution Dave Presley joined the meeting to discuss with the Board the Company's supply chain strategy and provide an update on the Bedford Distribution Center construction.
- The Board toured the mock up of the interior of the new REI prototype store. The prototype will be first implemented in the remodel of the Boulder store, which will open on October 5.
- Brad Johnson explained the process for updating the Company's strategic plan. Tom Vogl provided an update on the Company's brand strategy work that has been occurring over the last nine months. Mr. Vogl then introduced Jason Sutherland and Teresa O'Driscoll who presented the revised REI brand tenets and the brand statement.
- Ivar Chhina provided the report of the Audit and Finance Committee, and reviewed its meetings with the company's internal audit firm. The Committee approved a location, per its policies.
- Anne Farrell provided the report of the Nominating and Governance Committee, and received approved revisions to its charter and on the policy on compensable meetings.
- Joanne Harrell provided the report of the Compensation Committee, including a review of mid-year retail employee incentive payouts and overall compensation strategies.
- The meeting concluded with an executive session and was adjourned at 4:45 p.m.