

SUMMARY OF MINUTES
Regular Meeting
of the Board of Directors
September 24, 2007

The meeting was called to order by Chair, Doug Walker. Other directors present were Ivar Chhina, John Hamlin, Joanne Harrell, Tom Harville, Sally Jewell, Chuck Katz, Ed Schmults, Cheryl Scott, and Jesse King. Anne Farrell was absent. Corporate officers attending the meeting were: Brad Johnson, Brian Unmacht, Catherine Walker and Matt Hyde. Assistant Secretary Danette Capello was also in attendance.

Here is a summary of the subjects discussed and actions taken:

- The meeting started with an executive session with independent directors only.
- The minutes of the regular Board meeting of July 23, 2007, were approved.
- The Company's Privacy Policy and Disapproval of Membership Policy were approved.
- Sally Jewell provided the President's Report, which included a description of her recent trip to China as part of the World Economic Forum.
- Matt Hyde, Senior VP of Merchandising and Marketing, provided an update on the Company's diversity and inclusion initiative.
- Brian Unmacht, Senior VP of Sales, Service & Logistics, gave an overview of the grand opening of the REI Fresno, CA Store. He also updated the Board on progress towards full operation of the Company's new distribution center in Bedford, PA.
- Brad Johnson, Senior VP and CFO, provided the Financial Report, detailing both quarterly and year-to-date operating results for the Company.
- Mark Lester, Director of Strategic and Financial Planning, joined the meeting to give a presentation on the master plan of the Company's Kent headquarters over the next 20 years.
- Matt Hyde, Brad Brown, VP of Online, and Jason Madlung, Director of Site Production, provided an overview of the future of REI.com.
- Brad Johnson presented the 2007 amendments to the Strategic Plan. After discussion, the Board approved the Plan.
- Ivar Chhina, Chair of the Audit & Finance Committee, provided the report of the Committee, which reviewed internal audits with the Company's internal audit firm (Jefferson Wells) and reviewed the proposed new master plan for the Kent campus.
- Tom Harville, acting Chair of the Nominating & Governance Committee, provided the report of the Committee. The Committee recommended approval of Brenda Davis to a one-year appointed position on the Board of Directors starting October 1, 2007. After consideration, the Board approved the appointment of Ms. Davis. The Committee continues to identify and evaluate potential director candidates. In addition, the Committee reviewed seven self-nominees.
- Joanne Harrell, Chair of the Compensation Committee, gave the report of the Committee. With the assistance of the Committee's compensation consultant, the Committee reviewed national trends in both overall compensation and executive level compensation. It also discussed its oversight role in respect to the Company's Retirement and Profit Sharing Plan.
- The meeting concluded with an executive session of all directors and the general counsel and was adjourned at 4:45 PM.