

SUMMARY OF MINUTES
Regular Meeting
of the Board of Directors
November 2, 2015

A regular meeting of the Board of Directors of Recreational Equipment, Inc. (the “Company”) was held on November 2, 2015, at the Company’s headquarters in Kent, WA.

The meeting was called to order by Chair, Cheryl Scott at 11:45 a.m. All directors were present in person. Company officers present in person were Eric Artz, Michelle Clements, Ben Steele, and Catherine Walker.

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

Administrative:

The Board approved the minutes of the regular meeting of August 2, 2015.

Financial Report:

Eric Artz, CFO, provided the year-to-date financial report through October. He noted the momentum of sales heading into the holiday season. He also provided an update on the status of the Store Inventory Fulfillment program. He concluded his report with a review of operational investments made this year, and the impact they have had on the Co-op.

President’s Report:

Jerry Stritzke provided a summary of the Leadership Conference that took place in September, in Bend, OR. The primary audience was the Retail division, with emphasis on store managers. The conference was very successful, and the highpoint was the announcement of #OptOutside for Black Friday. When the announcement was made, conference attendees gave a standing ovation, and expressed appreciation for the Board’s support of the decision to close stores, distribution centers, and headquarters on Black Friday.

Brand & Holiday Update:

Craig Rowley, VP Marketing, and Alex Thompson, VP Communications and Public Affairs, joined Chief Creative Officer Ben Steele in presenting the work on the Company’s brand since the August Board meeting. They also presented highlights of the reactions to the #OptOutside Black Friday announcement, noting that over 750,000 people had already signed up and committed to go outside that day. They concluded their presentation with a preview of how the effort would continue up to and throughout the holiday season and beyond.

Digital & Marketing:

Mr. Artz discussed future digital opportunities and paths for the Company. He noted that digital sales are now a \$500 million business for the Company, with demand up 29% over last year. He described the competitive landscape, and the strength of the Company’s digital “ecosystem,” which includes staff from Marketing, Communications, Outdoor Programs, and IT. The Board discussed how customers use digital tools and how to help convene smaller and more local communities of interest.

Committee Reports

Nominating & Governance – Kari Glover provided the report of the Nominating & Governance Committee. She described the Committee’s work in evaluating the directors eligible for re-election, and the process of composing a recommended election slate for 2016. Ms. Glover led a discussion on each nominee and offered a motion to approve the 2016 election slate. The slate was approved by unanimous vote.

HR Update

Michelle Clements, SVP of Human Resources, introduced the Board to the Company’s new Competency Model for all non-retail employees. The model will be integrated into development plans, performance management, and annual employee reviews.

With no further business, the Board adjourned at 4:35 p.m.