

SUMMARY OF MINUTES
Regular Meeting
of the Board of Directors
February 6, 2017

A regular meeting of the Board of Directors of Recreational Equipment, Inc. (the "Co-Op") was held at the at the Co-Op's headquarters in Kent, Washington.

The meeting was called to order by Chair Cheryl Scott at 10:00 a.m. All directors were present in person, with the exception of Chris Carr, who was excused. Director candidate Mary Beth Laughton attended as a guest. Management representatives present in person for the entire meeting were Raquel Karls, Tracie Winbigler, and Jolene Miller. Eric Artz attended by phone.

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

Administrative:

The minutes of the regular board meeting of November 14, 2016, were approved.

Financial Report:

Tracie Winbigler, CFO, provided the year-end financial results for 2016. She continued with a review of the overall 2016 performance, including the opening of a third distribution center in Goodyear, AZ, and the fifth flagship store in Washington, D.C. At the conclusion of the report, Sharon Philpott proposed the Audit & Finance Committee's motion to approve a resolution to declare a member refund of \$140.3 million and discretionary employee profit sharing of \$11.2 million. The Board approved the resolution as presented.

President's Report:

Mr. Stritzke began the President's Report with a summary of the second year of the #OptOutside campaign. He noted that the campaign saw four times the engagement as the first year, and the role the Co-Op has taken in leading the industry. Mr. Stritzke also reviewed current market conditions and the results of a recent off-site leadership team strategy session.

2017 Budget:

Ms. Winbigler led the review of the proposed 2017 budget. The Board's Audit & Finance Committee, having previously reviewed the budget, recommended its adoption. After discussion, the Board unanimously approved the proposed budget.

Progress Updates:

Ben Steele, Chief Creative Officer, provided the Board with an update on the progress of the women-centered Forces of Nature campaign. John Sheppard, DVP of Outdoor Programs and New Ventures, described an initiative to develop experiences as a new line of business. Jed Paulson, VP of Digital, and Jamie Turnbull, DVP IT Digital & Marketing, explained how Digital is branching out of a siloed business strategy, to one that is a network of connected assets and customers. Finally, Leslie Gerrard, DVP Strategy, provided an update on several projects first introduced at the Board's retreat in August.

At 4:45 p.m., the Board went into executive session.

The executive session ended at 5:03 p.m., and the meeting was adjourned immediately thereafter.