

SUMMARY OF MINUTES
Regular Meeting
of the Board of Directors
February 9, 2015

The meeting was called to order by Chair, John Hamlin at 10:15 a.m., at the Company's headquarters in Kent, Washington. Other directors present at the meeting were Matt Compton, Karen Glover, Steve Hooper, Beth Newlands Campbell, Stephen Lockhart, Gerry Lopez, Sharon Philpott, Bert Quintana, Cheryl Scott, Jerry Stritzke, and Tony Truesdale. Management representatives present in person for the entire meeting were Eric Artz, Michelle Clements, and Catherine Walker.

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

Administrative

The minutes of the regular board meeting of December 8, 2014, were approved.

President's Report

Mr. Stritzke provided the board with a brief summary of the recent Divisional Leaders off-site retreat. He reported that the Company is focused on elevating the REI brand, elevating the customer experience, providing compelling product, and improving inventory flow. The Board received reports on some of the major projects taking place in each category.

Financial Report:

Eric Artz, COO/CFO, provided the year-end 2014 financial report. He reported comparable yearly revenue growth of 7.5%. He noted that 62% of the Company's profits would be distributed to members in the form of the 2014 dividend, and 8% would be distributed to employees as part of the REI Retirement and Profit Sharing Plan.

2015 Budget:

Mr. Artz continued with the presentation of the final proposed 2015 budget. The Board's Audit & Finance Committee, having previously reviewed the budget, recommended its adoption. After discussion, the Board unanimously approved the proposed budget.

Total Rewards/Minimum Wage Review:

The Board received a presentation on the effects of national and local efforts to raise the minimum wage. The Board was briefed on current Company compensation and benefits for full- and part-time retail employees. Directors discussed their own experiences addressing base pay and the minimum wage issue.

Committee Reports

Audit & Finance - Beth Newlands Campbell provided the report of the Committee. The Committee reviewed in depth the proposed 2015 budget and recommended its adoption. The Committee also received reports from the Internal Audit team, and on the status of the onboarding of the Company's new external audit firm, KPMG.

Nominating & Governance – Cheryl Scott provided the report of the Nominating & Governance Committee. The Committee discussed the upcoming orientation for director candidate Christine Day and reviewed the self-nomination process. Acknowledging the responsibility to continuously plan for Board succession, the Committee suggested the self-nomination process be streamlined, eliminating the formal application process for self-nomination while accepting and responding to members' expressions of interest in serving on the Board.

Compensation – Steve Lockhart provided the report of the Compensation Committee. The Committee reviewed and approved officer compensation levels for 2015, the 2014 annual Summit employee incentive payout, and the 2014 REI Retirement and Profit Sharing Plan contribution.

At 3:00 p.m., the Board went into executive session with Mr. Stritzke, Mr. Artz, Ms. Clements, and Ms. Walker. At 4:00, Mr. Artz and Ms. Walker were excused.

The executive session ended at 4:30 p.m., and the meeting was adjourned immediately thereafter.