

**AMENDED AND RESTATED BYLAWS
OF
RECREATIONAL EQUIPMENT, INC.**

**Article I
Purposes and Principles**

Section 1.1 Purposes. Recreational Equipment, Inc. ("REI") is a consumer cooperative corporation organized under Chapter 24.06 of the Revised Code of Washington. REI is organized to provide outdoor recreation products and services to its members and others, and to promote an outdoor lifestyle that helps members enjoy and appreciate nature and serve as faithful stewards of our natural environment.

Section 1.2 Principles. REI provides a broad range of excellent outdoor products and shares its knowledge and passion for the outdoors with members to inspire, educate and outfit them for a lifetime of outdoor adventure and stewardship. REI operates on a cooperative basis and strives to fund its capital needs through new member enrollments and profits generated through sound financial management. REI strives to be a great place to work for its talented and dedicated staff and is committed to being a responsible corporate citizen.

Section 1.3 Nondiscrimination. Membership in REI is open to anyone without regard to any characteristic that does not directly pertain to a person's eligibility.

Section 1.4 Transparency. REI will provide active members with information about its mission and the ways it is working to advance that mission. This may be done through the website or by any other method reasonably designed to reach active members.

Section 1.5 Additional rights and powers. REI elects to avail itself of the additional rights and powers granted to cooperative associations under RCW 23.86.105(1), 23.86.160 and 23.86.170, and to consumer cooperatives under RCW 23.95.305(6) and 23.86.030(2).

**Article II
Membership**

Section 2.1 Eligibility for membership. Membership in REI is voluntary and open to any person whose purpose is to use the products and services of REI and who is willing to accept the responsibilities of membership and abide by the policies and conditions adopted by the board of directors.

Section 2.2 Membership application and fee. A person eligible for and desiring admission to membership in REI must submit a written application in a form and with the information required by the board of directors. The applicant must also pay a non-refundable membership application fee in an amount determined by the board at the time of application. No assessment may be made against any member except for full payment of the membership application fee.

Section 2.3 Admission as a member. Applications for membership will be reviewed by or at the direction of the board of directors. An application for membership will be presumed accepted and the person will be admitted as a member of REI unless the application is rejected by REI for reasons satisfactory

to the board of directors. Membership in REI will not be evidenced by certificate or in any other manner unless otherwise determined by the board of directors.

Section 2.4 Membership status. An active member is a member who regularly patronizes REI. A person becomes an active member when the person joins REI. A member remains an active member during the calendar year in which the member joins REI and in subsequent years as long as the member makes at least the minimum amount of eligible purchases (as defined in subsection 8.2(b)(1)) or pays REI a shipping fee, in each case in an amount determined by the board of directors, during the previous calendar year. A member who has become inactive will again become an active member in a calendar year when that member makes the required minimum amount of eligible purchases or pays an applicable shipping fee of at least the minimum amount. Only active members may receive notice of and attend member meetings, vote on matters submitted to members, and receive distributions to members if and when made by REI.

Section 2.5 No transfer of membership. No member may transfer the member's membership or any right arising from that membership.

Section 2.6 Termination of membership. Any member may withdraw from REI and terminate the person's membership at any time by providing written notice to REI. A member will be deemed to have voluntarily withdrawn from REI and terminated the person's membership if that person (1) fails to comply with REI's bylaws, rules or regulations, (2) commits fraud or any criminal act against REI, (3) commits any other act that significantly harms the interests of REI and its members, or (4) requests that REI delete the person's personal data. The termination of membership will become effective immediately without any action by REI. When a person's membership is terminated for any reason, the person's right to participate in REI as a member terminates and the person has no right to a refund of the person's membership fee nor a further right to any patronage dividend or other distribution. The board of directors may provide for reinstatement of any membership that has automatically terminated without requiring a new application or the payment of an additional membership fee.

Article III **Member Participation in REI**

Section 3.1 Member participation. Participation of active members is essential to REI's continued success. Active members are encouraged to support REI's mission and cooperative governance in a variety of ways, including: (1) shopping for quality gear, apparel, and services, (2) engaging with REI through the many opportunities, events, and communications it offers; (3) attending member meetings and voting in director elections and on other matters submitted to members; and (4) sharing feedback, ideas, or priorities with REI.

Section 3.2 Member engagement. REI will provide opportunities for engagement with its members to support a participatory and transparent cooperative. These efforts may include communicating information about REI's activities, inviting member feedback, and maintaining channels for connection between members and REI. REI will maintain a method for members and other interested parties to communicate with REI and the board of directors. REI will make governance-related materials available to members, as determined appropriate by the board of directors.

Section 3.3 Member meetings. REI will hold an annual meeting of members each year for the election of directors and to conduct any other business properly brought before the meeting. REI may hold special meetings of members only if called by the board of directors or the president. Member meetings are to be held and conducted in accordance with Article IV.

Section 3.4 Member feedback. REI encourages members to share ideas, suggestions, and concerns through the communication channels established by REI. The board of directors and management may review and consider member input at their discretion but are not obligated to respond to or take action on any particular communication.

Section 3.5 Member nominations. Any active member may submit themselves for consideration by the nominating and governance committee of the board of directors as a potential nominee for election as a director. To be considered, the member must meet the eligibility requirements stated in these bylaws and must submit a written notice to the secretary of REI as prescribed by the secretary prior to the annual meeting. The notice must include any information required by the board or the nominating and governance committee. The nominating and governance committee may consider timely self-nominations at its discretion and is not obligated to nominate the individual or submit the recommendation to the board. Members must also comply with any additional guidelines or procedures adopted by the committee.

Article IV Member Meetings

Section 4.1 Business at member meetings. A matter is properly brought before an annual meeting if it is brought by or at the discretion of the board of directors. Only business that is stated in the meeting notice may be conducted at a special meeting.

Section 4.2 Time and place of member meetings. The date, time, and place of all member meetings are to be determined by or at the direction of the board of directors. Meetings may be held in or out of this state and may be held at one or more physical locations, solely by means of electronic or other remote communications, or by any combination of these as determined by and subject to any guidelines and procedures adopted by the board of directors.

Section 4.3 Notice of member meetings. REI will provide notice to active members of the date, time, and place of each member meeting at least 10 days before the meeting. For annual meetings, the notice will include the names of all nominees for election as directors. For special meetings, the notice will include a description of the purposes for which the meeting is called. To the extent permitted by applicable law, REI may provide notice by mail, email, or any other method reasonably designed to reach active members. This may include posting notice in a prominent place in REI's stores, on store receipts, in printed marketing materials, or on REI's website. REI may make required meeting information available electronically, including through its website, so long as the notice includes instructions on how to access that information. The method or combination of methods used to provide notice will be determined by REI in its discretion and in accordance with applicable law.

Section 4.4 Record date for member meetings. REI may set a record date to determine which active members are entitled to receive notice of and to vote at a member meeting. The record date must

be a date in the future and no more than 90 days before notice of the meeting is provided. If no record date is set, the default record date will be 30 days before notice of the meeting is given.

Section 4.5 Quorum. No quorum of members is required to conduct business at any member meeting, unless otherwise required by applicable law.

Section 4.6 Voting and ballots.

(a) Each active member is entitled to one vote on each matter submitted to a vote of members. Members may not vote by proxy or designee. Action on any matter, other than the election of directors, is approved if the votes cast favoring the matter exceed the votes cast opposing the matter, unless applicable law imposes a different voting requirement. If a matter includes one or more choices to be made from several alternatives, the alternative receiving the most votes will be considered approved or preferred, as applicable.

(b) All member voting must be by written ballot, which includes a paper ballot or any form of electronic ballot. An active member may vote in person, by mail or, at the discretion of the board of directors, by email, over the internet, by telephone or by any other method of electronic communication. A member participating in any meeting by any method of voting is deemed to be present at that meeting. A ballot will be valid only if it is signed by the member. An electronic ballot will be deemed to be signed by a member if REI can determine the identity of the member. A vote will be counted only if the signed ballot is received by REI on or before the voting deadline determined by the board of directors, which may not be more than seven days before the meeting.

Section 4.7 Conduct of member meetings. Unless the board of directors determines otherwise, the board chair presides at every meeting of members at which the board chair is present. If the board chair is not present at a meeting of members, the directors present at the meeting may designate another person to be the meeting chair. Member meetings are to be conducted using what the board of directors or meeting chair determines are reasonable and appropriate rules of procedure and conduct.

Article V
Board of Directors

Section 5.1 Powers and duties. All corporate powers are exercised by or under the authority of the board of directors, and the business and affairs of REI are to be under the direction and subject to the oversight of the board of directors.

Section 5.2 Qualifications for directors. To be eligible to serve as a director, a person (1) must be at least 21 years old and be an active member, (2) must comply with REI's written standards for honest and ethical conduct and any other written policies, (3) must satisfy any other reasonable eligibility requirements set by the board of directors, and (4) must not be limited by the term limits provided in subsection 5.3(d). No employee of REI (other than the president) is eligible to serve as a director.

Section 5.3 Number and terms of directors.

(a) The board of directors consists of at least three individuals, with the specific number to be determined by the board of directors from time to time. All members of the board of directors (other than REI president) should be independent directors, as determined by the nominating and governance committee in accordance with such policies as it may adopt from time to time.

(b) REI president will be an ex officio voting member of the board of directors and will automatically be a director for the period during which that person serves as president. The termination of the president's service with REI for any reason will automatically terminate the person's service as a director.

(c) The directors (other than the president) will be divided into three classes, as nearly equal in number as reasonably possible, with one class to be elected each year. The terms of directors in each class will be three years and will expire when the results for the election held in the third year following the class election are certified in writing by the secretary of REI (a "Term"). Each director will hold office until a successor is elected or appointed and qualified or until the director's earlier death, resignation or disqualification.

(d) No person may serve more than four consecutive full Terms as a director. After serving four consecutive full Terms, a person must wait at least two years following the end of their last Term before becoming eligible to serve again. If a person is appointed to fill an incomplete or partial Term, that service will not count as a full Term for purposes of this limit. This Term limit does not apply to the ex officio director.

Section 5.4 Election of directors.

(a) Nominations of individuals for election as directors may be made solely by the board of directors. The nominating and governance committee of the board of directors will assist the board of directors in identifying and evaluating potential nominees for election as directors, including any self-nominations submitted by members.

(b) In any election of directors where the number of nominees exceeds the number of seats to be filled, directors will be elected by a plurality of the votes cast. If the number of nominees does not exceed the number of seats to be filled, each nominee is elected if the number of votes cast for the nominee exceeds the number of votes cast against the nominee.

(c) An incumbent director not elected because the director does not receive a majority vote in accordance with subsection 5.4(b) will continue to serve as a holdover director until the earliest of (1) 90 days after the date on which the voting results are certified by the secretary, (2) the date on which the Board appoints an individual to fill the office held by such director (which will constitute the filling of a vacancy under subsection 5.8), and (3) the date of the director's resignation. Any vacancy resulting from the non-election of a director under this section 5.4 may be filled by the Board as provided in section 5.8.

Section 5.5 Resignation of directors. A director may resign at any time by delivering written notice of resignation to the board of directors, the board chair, or the president. The resignation will be

effective immediately unless the notice provides for a delayed effectiveness, including effectiveness determined upon a future event.

Section 5.6 Removal of directors. As a condition to becoming a nominee for election to the board, each such person must enter into an agreement tendering that person's resignation from the board, which resignation would become effective upon the affirmative vote of at least 2/3 of the directors then in office.

Section 5.7 Change in director circumstances. A director who experiences a material change in job responsibilities or the position the director was in when becoming a director, or a significant change in the director's personal circumstances that impacts the director's ability to serve effectively as a director or which reflects poorly on REI, must deliver to the board chair a notice of that change and an offered resignation from the board. The nominating and governance committee will consider the circumstances and the appropriateness of that person's continued service and ability to contribute to the board in light of this change and determine whether to accept that resignation.

Section 5.8 Vacancy on the board. A vacancy on the board of directors (including a vacancy resulting from an increase in the number of directors or non-election of a director under section 5.4) may be filled solely by a majority vote of the directors then in office. No director who failed to receive a majority vote for election will participate in the Board decision about filling the vacancy resulting from his or her non-election. A vacancy that will occur at a specific later date may be filled before the vacancy occurs but the new director may not take office until the vacancy occurs. A person chosen to fill any vacancy will hold office for the unexpired term of the directors in that person's designated class or until the director's earlier death, resignation or disqualification.

Section 5.9 Compensation of directors. REI will pay the reasonable expenses of directors incurred in the performance of their duties as directors of REI. REI will also pay reasonable compensation to the directors (other than the president) for their service on the board of directors in an amount determined by the board of directors.

Section 5.10 Board committees. The board of directors may establish one or more committees, including standing or special committees, and may delegate to any such committee the authority of the board to the extent permitted by applicable law. Each committee must be composed entirely of independent directors as determined by the board. The board may adopt or amend committee charters or resolutions outlining the purpose, authority, composition, and procedures of each committee. Unless otherwise determined by the board, a majority of the members of a committee constitutes a quorum, and the act of a majority of committee members present at a meeting at which a quorum is present is the act of the committee. A committee may also act by unanimous written consent to the same extent as the board. Each committee will operate in accordance with procedures established by the board and will keep minutes or other appropriate records of its meetings and actions. The board may modify or dissolve any committee at any time.

Section 5.11 Officers of the board of directors. The board of directors is to appoint a director to serve as board chair and may appoint any other officers with such titles and duties as the board of directors may determine, in each case to serve until that person's successor is appointed or until that person's earlier death, resignation or removal. The board chair is to perform such duties and possess such powers as are

assigned by the board of directors and these bylaws. Unless otherwise determined by the board of directors, the board chair presides at every meeting of the board of directors at which the board chair is present. If the board chair is not present at a meeting of the board of directors, the directors present at the meeting may appoint a director to be the meeting chair.

Section 5.12 Approval of director conflict transactions. A director who has a material direct or indirect financial interest in any proposed transaction or arrangement with REI must promptly disclose to the board of directors the nature of the interest and all material information known to the director that is not already known to the disinterested directors. The interested director must recuse themselves from deliberations and voting on the matter. The remaining disinterested directors may approve the transaction or arrangement if they determine that the transaction is fair to REI and in its best interests. Approval requires the affirmative vote of a majority of the disinterested directors present at a meeting where a quorum of disinterested directors is present. Approval of a transaction under this process will serve as a safe harbor and will be deemed to satisfy any fiduciary duty with respect to that transaction. However, this procedure is not the exclusive means for validating a transaction involving a conflict of interest. Each director is expected to assess their own potential conflicts or other circumstances that may impair independent judgment and to recuse themselves when appropriate.

Article VI

Meetings and Action of the Board

Section 6.1 Board meetings. The board of directors may hold regular or special meetings in or out of this state. Meetings are to be held regularly and may be called by the board chair, the president or any three directors. Any or all directors may participate in any meeting of the board of directors through the use of any means of communication by which all directors participating may simultaneously hear each other during the meeting. A director participating in a meeting in this manner is deemed to be present in person at the meeting. The board of directors is to maintain minutes or other records of its meetings and activities.

Section 6.2 Action without a board meeting. Any action required or permitted to be approved by the board of directors may be approved without a meeting or vote if the action is approved by all members of the board of directors. The approval must be evidenced by one or more written consents describing the action being approved and signed by each director. A written consent includes a paper consent, an email consent or any other form of electronic consent. An email or other electronic consent will be deemed to be signed if REI can determine that the director sent the email or other electronic consent and the date on which it was sent. After an action is approved, the consent or consents should be filed with the minutes of the board of directors. Action by written consent has the effect of action taken at a meeting of the board of directors and may be described as such in any document.

Section 6.3 Notice of board meetings. Regular meetings of the board of directors may be held without notice if the date, time and place of the meetings have been set by the board of directors. Special meetings of the board of directors must be preceded by at 24 hours' notice of the date, time and place of the meeting. The notice need not describe the purpose of the meeting. The notice must be given by the secretary of REI or by the person calling the meeting and may be given in any manner permitted by law, including orally, in writing, or by email or any other method of electronic communication. Notice will be deemed to have been given on the earliest of (1) when it is actually received, (2) if mailed, three days after

it is deposited in the United States mail with first-class postage prepaid and correctly addressed to the director's mailing address as it appears in REI's records, (3) if emailed, when it is sent to the director's email address as it appears in REI's records, and (4) if by any other method of electronic communication, when it enters an information processing system that the director has designated or uses for the purpose of receiving communications or information of the type sent.

Section 6.4 Waiver of notice. Any director may waive any notice required by applicable law or these bylaws before or after the date and time stated in the notice. The waiver must be in writing (including email or other form of electronic communication), signed by the director entitled to the notice, and delivered to REI for filing with the minutes or REI records. An email or other electronic waiver will be deemed to be signed if REI can determine that the director sent the email or other electronic waiver and the date on which it was sent. A director's attendance at or participation in a meeting waives any required notice to the director of the meeting unless the director at the beginning of the meeting (or promptly upon arrival) objects to the holding of the meeting or transacting business at the meeting and does not after objecting vote for or assent to any action taken at the meeting.

Section 6.5 Quorum and voting. A quorum of the board of directors consists of a majority of the number of directors in office, unless applicable law imposes a different requirement. If a quorum is present when a vote is taken, the affirmative vote of a majority of directors present is the act of the board of directors.

Article VII Officers

Section 7.1 Officers of REI. The officers of REI include a president, a chief financial officer, a secretary, a treasurer and any other officers with such titles and duties as the board of directors may determine. The president is the principal executive officer of REI and is an ex officio voting member of the board of directors.

Section 7.2 Appointment of officers. Officers may be appointed only by the board of directors and serve at the pleasure of the board of directors, unless the board of directors delegates the authority to any officer to appoint one or more other officers. Each officer will hold office for a one-year term and until the officer's successor is appointed or until the officer's earlier death, resignation, or removal. Individuals may be appointed to fill one or more offices of REI and the same person may simultaneously hold more than one office, except the offices of president and secretary.

Section 7.3 Functions of officers. Each officer has those responsibilities and powers as are customarily associated with the office, subject to such limitations or additional powers as the board of directors may determine. Each officer has the authority and is to perform the functions stated in these bylaws or, to the extent consistent with these bylaws, the functions determined by the board of directors or by direction of any officer authorized by the board of directors to determine the functions of other officers.

Section 7.4 Resignation and removal of officers. An officer may resign at any time by delivering written notice to the board of directors or the board chair, or to the appointing officer or the secretary of REI. A resignation is effective immediately unless the notice provides for a delayed

effectiveness. Any officer may be removed at any time with or without cause by the board of directors, the appointing officer (unless the board of directors provides otherwise), or any other officer if authorized by the board of directors.

Article VIII

Distributions and Patronage Dividends

Section 8.1 Distributions. REI may make distributions to members to the fullest extent permitted by law, subject to any restrictions contained in REI's articles of incorporation. No such distribution may be made in a manner that would impair REI's obligation to distribute patronage dividends as provided in this article or that would reasonably be expected to jeopardize REI's status as a cooperative for federal income tax purposes.

Section 8.2 Patronage Dividends.

(a) REI will allocate and distribute to active members the net distributable surplus of REI from business done with or for them on a cooperative basis annually as patronage dividends, in proportion to their eligible purchases from REI during the fiscal year for which the patronage dividend is declared, subject to the other provisions of this article. The board of directors will annually determine the amount of net distributable surplus for the prior fiscal year, the time and manner of distribution of patronage dividends from such amount, and any other related matters, in accordance with such policies and procedures as it may adopt from time to time.

(b) For purposes of these bylaws, the following definitions apply:

(1) "Eligible purchases" means all purchases by members, except that: (1) services will not qualify as "eligible purchases" unless otherwise specified by REI; (2) specified merchandise will not qualify as "eligible purchases" if so designated by REI; and (3) REI may establish separate allocation units or pools for specified merchandise or services, and distribute net earnings of the allocation units or pools on the basis of the value of business done with or for members with respect to those allocation units or pools. All eligible purchases by active members will constitute business done on a cooperative basis.

(2) "Net distributable surplus" means the amount equal to the net earnings from business conducted with or for members on a cooperative basis for such year as determined by the board of directors, less such reserves retained from those net earnings as the board of directors may consider necessary or appropriate for business purposes or contingencies. Except as otherwise determined by the board of directors, losses with respect to one year will not be taken into account in determining the net distributable surplus with respect to another year for patronage dividend determination purposes.

(c) Patronage dividends may be distributed in cash, merchandise credits, qualified or nonqualified written notices of allocation (as such terms are defined in 26 U.S.C. Sec. 1388), other property, or any combination of the above as determined from time to time by the board of directors. Any patronage dividend distributed as a qualified or nonqualified written notice of allocation must be designated as such by the board of directors in accordance with 26 U.S.C. Sec. 1388. REI will redeem any qualified or nonqualified written notice of allocation with merchandise credits in full and complete satisfaction of such allocation. Merchandise credits distributed as patronage dividends or in redemption of qualified or

nonqualified written notices of allocation may be used only upon such terms and conditions as may be designated by the board of directors.

(d) Unless it has taken specific action to the contrary, the board of directors will be conclusively presumed to have exercised its discretion under RCW 23.86.160 to cause the expiration and reversion to REI of any patronage dividend that was paid in the form of a qualified or nonqualified written notice of allocation or in merchandise credits, to the extent it has not been used or redeemed on or before the second January 3 following declaration of the patronage dividend. By obtaining or retaining membership in REI, each member thereby agrees that if the member's patronage dividend is not used or otherwise redeemed by the expiration date stated above, the unused or unredeemed patronage dividend will revert to REI.

(e) If any part of REI's annual earnings or income to be distributed and paid to members as patronage dividends would not be deductible from REI's gross income as a patronage dividend (under applicable provisions of 26 U.S.C. Secs. 1381-1388, inclusive, or any other applicable revenue statute or regulation), the declaration and payment of such patronage dividends will to such extent be deemed to have been made out of annual earnings that do so qualify as deductible, whether or not the patronage dividend resolution of the board of directors made specific reference to the source of earnings out of which the patronage dividend was declared or payable. Any distribution (other than a patronage dividend) that is made by REI to members in accordance with section 8.1 or otherwise will be deemed first to have been made out of nonpatronage earnings to the extent thereof, then out of retained earnings to the extent thereof, and, to the extent those are insufficient, out of net distributable surplus available for distribution as deductible patronage dividends.

Article IX

Indemnification and Insurance

Section 9.1 Indemnification. In addition to the immunities and releases from liability conferred by RCW Secs. 4.24.264, 23B.08.320 and 24.06.035, REI will indemnify its current and former directors, officers, employees and agents against any expense, loss or damages incurred by them in connection with or arising out of their service in such capacities, to the fullest extent allowed by law under any circumstances. Without limiting this undertaking, which is not exclusive, REI may also provide indemnification and other benefits to its current and former directors and officers in separate agreements approved by the board of directors. Whether or not any such separate agreement has been entered into, the right to indemnification conferred in this section is a contract right upon which each beneficiary hereof will be presumed to have relied. Any amendment to or repeal of this section will not adversely affect any right or protection of any current or former director, officer, employee or agent for or with respect to any acts or omissions of that individual occurring before that amendment or repeal.

Section 9.2 Expenses. Expenses (including reasonable attorneys' fees) incurred by a director or an officer in defending a civil, criminal, administrative or investigative action, suit or proceeding will be paid by REI in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of the director or officer to repay such amount if it is ultimately determined that the director or officer is not entitled to be indemnified by REI as authorized in this Article IX. Such expenses incurred by other employees and agents may also be paid upon such terms, if any, as the board of directors deems appropriate.

Section 9.3 Insurance. REI may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of REI, or is or was serving at the request of REI as a director, officer, employee or agent of another entity or enterprise against any liability asserted against that person and incurred by that person in any such capacity, or arising out of the person's status as such, whether or not REI would have the authority to indemnify that person against such liability under this Article IX.

Article X

Fiscal and Miscellaneous Matters

Section 10.1 Fiscal year. The fiscal year of REI will be as determined by the board of directors.

Section 10.2 Communication by electronic means. Unless otherwise required by these bylaws, any notice, consent, ballot, document or other communication required or permitted by these bylaws may be delivered by email or other electronic means. Any email or other electronic communication will be deemed to be written and signed if REI can determine that it was sent by the sender and the date on which it was sent.

Section 10.3 Amendment of bylaws. These bylaws may be amended or repealed, or new bylaws may be adopted, by the affirmative vote of at least 2/3 of the directors in office. No alteration, amendment or repeal of these bylaws or adoption of new bylaws will impair, alter in an adverse manner or reduce or diminish the rights and benefits of any current or former director, officer, employee or agent under Article IX except with the advance written consent of each individual so affected.
