

SUMMARY OF MINUTES
Regular Meeting of the Board of Directors
February 10, 2020

The regular meeting of the Board of Directors of Recreational Equipment, Inc. (the “Co-Op”) was held at REI Headquarters, Kent, Washington

The meeting was called to order by Chair, Steve Hooper at 9:40 a.m. Other Directors present in person were Eric Artz, Beth Newlands Campbell, Chris Carr, Matt Compton, Karen Glover, Liz Huebner, Stephen Lockhart, Sharon Philpott, Ted Philip, Bert Quintana, and Tony Truesdale. Management representatives present in person for the entire general meeting were Kelley Hall, Raquel Karls, Sara Malcolm, Chris Putur, Tim Spangler, Ben Steele, Susan Viscon, Wilma Wallace and Kate Wendt. Other management representatives joined the meeting as noted herein.

Mr. Hooper commenced the meeting in Executive Session at 9:40 a.m.

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

Administrative:

The Minutes from the regular Board meeting held on November 4, 2019, were unanimously approved as submitted, by proper motion.

President’s Report:

Mr. Artz provided his report on the state of the business and Ms. Glover reported on leadership and committee assignments. Actions taken included approval of the Nominating and Governance Committee’s recommendation to nominate Gunjan Bhow and Ivy Chin for election to the Board of Directors and the election slate, including Ms. Glover, Mr. Philip and Ms. Philpott. The Directors also approved the Nominations & Governance Committee’s recommendation to amend the REI Bylaws to increase the maximum number of Directors from thirteen (13) to fourteen (14). Upon conclusion of the Executive Session, Ms. Wallace and other management representatives joined the meeting.

Financial Report:

Mr. Artz initiated a discussion on the Co-op’s 2019 financials before turning to Ms. Hall to provide a report on year-end results. Ms. Hall provided a detailed report on 2019 accomplishments and learnings, the full year KPI’s and P&L performance, gross margin & expense performance and an update on capital and cash positioning. After a robust discussion, a motion to approve a Resolution declaring the 2019 retirement and profit-sharing distribution as presented was unanimously approved.

Next, Mr. Artz transitioned to a discussion of the 2020 proposed budget and plan. He began by describing the 2020 plan priorities as one of focus and discipline, as compared to a 2019 priority largely to be one of investment. Ms. Hall reported on the 2020 budget and plan to feed future growth and optimize the core business through both omnichannel and physical presence. In so doing, she identified opportunities, as well as risks and challenges.

At the close of the presentation and discussions, a motion for final approval of the 2020 budget, after having been properly made was unanimously approved.

After a short break for lunch, the Board reconvened with Management from the morning session in attendance and were joined by additional representatives, Curtis Kopf and Chris Speyer.

Strategy Update:

Mr. Artz framed the forthcoming session in the context of the Co-op purpose, mission and Four Measures of Success Before transitioning to Mr. Steele, Mr. Artz shared the Co-op’s 2020 Growth Agenda. This general strategy update concluded after a discussion of approaches to highlight the

Co-op's societal commitments among a broader community. Also, discussed was the importance of demonstrating the return of 2019 investments on the 2020 plan.

After the close of the Strategy Update additional management representatives, Vivienne Long, Nate Nielsen, Matt Thurston and Ken Voller joined the meeting. Management proceeded to provide detail reports on strategic priorities including our Climate Change agenda, Membership Next, Recommerce and Cycle, resulting in discussion between Board and Management. The Board engaged in a lengthy discussion including timeframes and milestones.

Committee Reports:

As in the normal course, the Nomination & Governance, Compensation and Audit & Finance Committee Chairs provided committee reports on matters discussed during those meetings.

The Board went into executive session. All management was excused. The Board meeting was adjourned at 4:05 p.m.