

SUMMARY OF MINUTES
Regular Meeting
of the Board of Directors
February 4, 2008

The meeting was called to order by Chair, Doug Walker at 10:30 a.m. Other directors present were Ivar Chhina, Brenda Davis, John Hamlin, Joanne Harrell, Tom Harville, Anne Farrell, Sally Jewell, Chuck Katz, Jesse King, Ed Schmults, and Cheryl Scott. Corporate officers attending the meeting were: Brad Johnson, Brian Unmacht, Catherine Walker and Matt Hyde. Assistant Secretary Danette Capello was also in attendance.

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

- The meeting started with an executive session with independent directors only.
- The minutes of the regular Board meeting of November 19, 2007, were approved.
- Sally Jewell provided the President's Report, which included a "Year in Review" report for 2007, touching on the subjects of: Corporate Social Responsibility and Sustainability, Stewardship, Employee Excellence, Diversity and Inclusion, Market Driven, and Investments in Our Future.
- Brian Unmacht, Senior VP of Sales, Service, & Logistics, gave an update on the opening of the Bedford, PA Distribution Center, as well as an overview of the diversity and inclusion efforts going on at that location.
- Brad Johnson, Senior VP and CFO, led a discussion about the location of REI's data center. REI management will begin planning for the relocation of the data center in 2009.
- Brad Johnson also provided the Financial Report, detailing both final results for the 2007 fiscal year and the 2008 year-to-date performance.
- On the recommendation of the Audit & Finance Committee, the Board approved the distribution of the patronage dividend, and the contribution to the employees Retirement and Profit Sharing Plan.
- Mark Lester, Director of Strategic and Financial Planning, presented the proposed 2008 budget. After discussing several risk scenarios and the Company's options for dealing with each of them, the Board approved the final 2008 budget as presented.
- Michael Collins, VP of Public Affairs, updated the Board on The REI Foundation, and discussed its mission, objectives, and strategic initiatives. Brad Johnson presented information on funding options to increase the size of the Foundation's corpus.
- Ivar Chhina, Chair of the Audit & Finance Committee, provided the report of the Committee. The Committee reviewed the work done by the Company's internal audit firm, Jefferson Wells, and its external audit firm, Grant Thornton.
- Anne Farrell, Chair of the Nominating and Governance Committee, provided the report of the Committee. The Committee interviewed a potential Board candidate and will pursue other candidates identified by the Committee's search consultant, The Forest Group. She also noted that the Board's bi-annual evaluation will be conducted by consultant George Corcoran during February and March.
- Joanne Harrell, Chair of the Compensation Committee, provided the report of the Committee. The Committee reviewed a retail pay study and the results of the 2007 Xcels employee incentive plan. It also approved management's proposed changes for the 2008 Xcels Plan.
- The meeting concluded with an executive session of all directors and the general counsel, and was adjourned at 5:30 p.m.