

SUMMARY OF MINUTES
Regular Meeting
of the Board of Directors
of February 5, 2007

The meeting was attended by Board Chair, Doug Walker and directors Bill Britt, Ivar Chhina, Anne Farrell, Tom Harville, Sally Jewell, Chuck Katz, Angel Rodriguez, Mike Smith, and Cheryl Scott. Corporate officers and employees attending the meeting were: Catherine Walker, Brad Johnson, Matt Hyde, Brian Unmacht, and Danette Capello.

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

- The meeting started with an executive session.
- The minutes of the regular board meeting of November 20, 2006, were approved as submitted.
- Sally Jewell provided the Board with the President's Report. She began with a summary of her recent and continuing discussions with Secretary of the Interior Dirk Kempthorne about capital improvements in National Parks and the positive efforts and effects in this area, including raising awareness across the U.S. of the status of National Parks. Ms. Jewell continued the President's Report with a 2006 "Year in Review", highlighting performance relative to the Company's Strategic Plan.
- Ms. Jewell fielded questions from the Board on her report and a discussion was held on the Company's East Coast strategy.
- Brad Johnson presented a summary of the 2006 financial results to the Board, including management's recommendations for the distribution of the Company's profits generated in 2006. Tom Harville noted that the Audit & Finance Committee met with the auditors on February 2, 2007, and that the Committee recommended the approval of the proposed distribution.
- Michael Collins and Kevin Hagen joined the meeting to give the Board an update on the Company's Corporate and Social Responsibility (CSR) initiatives. Mr. Collins noted that the Company's first annual Stewardship Report will be published in March. Mr. Hagen presented information on the Company's work over the last year in several key areas, including: climate change and energy; green buildings; responsible paper sourcing; waste management; products and packaging; factory compliance; active stewardship; and employee engagement. The Board discussed the CSR communication plan, collaboration with strategic partners on CSR initiatives, and appropriate measurement of success.
- Michelle Clements joined the meeting to present an overview of 2006 Xcels plan results and proposed changes to the plan for 2007.
- Brad Johnson presented the Board with the final 2007 budget, highlighting a couple of changes from the preliminary budget approved by the Board in November 2006, which the board approved.
- Matt Hyde introduced Tom Vogl and Michelle Eten to give an update on the work of the Membership Enhancement Team.
- Tom Harville presented the report of the Audit and Finance Committee, and its meetings of February 2 and February 5, 2007. The Committee spent significant time with Jefferson Wells reviewing completed and in-process audits, as well as the in-process risk assessment for 2007-2008.
- Bill Britt presented the report of the Nominating and Governance Committee. There will be two new directors joining the Board in March, and the Committee discussed orientation of these new directors. Mr. Britt continued with an update on candidate interviews. The Committee also discussed Board committees, with proposed assignments to be recommended to the Board Chair.
- Chuck Katz gave the report of the Compensation Committee. The Committee reviewed and approved recommendations for the goals for the 2007 – 2009 Long-Term Incentive Plan.
- The meeting concluded with an executive session and was adjourned at 4:40 p.m.