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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT PURSUANT  
TO SECTION 13 OR 15(D) OF THE  
SECURITIES EXCHANGE ACT OF 1934

January 15, 2021  
(Date of earliest event reported)

**ALASKA AIR GROUP, INC.**  
(Exact Name of Registrant as Specified in Its Charter)

Delaware  
(State or Other Jurisdiction of Incorporation)

1-8957  
(Commission File Number)

91-1292054  
(IRS Employer Identification No.)

19300 International Boulevard  
(Address of Principal Executive Offices)

Seattle

Washington

98188  
(Zip Code)

(206) 392-5040  
(Registrant's Telephone Number, Including Area Code)  
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Ticker Symbol	Name of each exchange on which registered
Common stock, \$0.01 par value	ALK	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR 230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR 240.12b-2).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

This document is also available on our website at <http://investor.alaskaair.com>.

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## **ITEM 1.01 Entry into a Material Definitive Agreement**

### **Payroll Support Program Extension**

On January 15, 2021, Alaska Air Group, Inc. (Alaska) and its subsidiaries Alaska Airlines, Inc. and Horizon Air Industries, Inc. finalized agreements with the U.S. Department of the Treasury (the Treasury) and accepted partial disbursement of funds through an extension of the Payroll Support Program (PSP) of the Coronavirus Aid, Relief and Economic Security (CARES) Act, made available under the Consolidated Appropriations Act, 2021.

Under the PSP and the extension agreements entered into, Alaska Airlines and Horizon Air will receive a total of \$533 million to be used exclusively toward continuing to pay employee salaries, wages and benefits. Alaska Airlines and Horizon Air received \$266 million on January 15, 2021, with the remainder expected to be received sometime in February 2021. Of the funds received, \$50 million takes the form of a senior term loan with a 10-year term, bearing an interest rate of 1% in years 1–5, and SOFR + 2% in years 6–10. The loan is prepayable at par at any time. As additional taxpayer protection required under the PSP, we granted the Treasury Department 95,532 warrants to purchase Alaska Air Group (ALK) common stock at a strike price of \$52.25, based on the closing price on December 24, 2020. The warrants are non-voting, freely transferable, and may be settled as net shares or in cash at Alaska's option.

As a condition to receiving an extension of PSP funds, Alaska Airlines and Horizon Air agreed to refrain from conducting involuntary furloughs or reducing employee rates of pay or benefits through March 31, 2021, and to limit executive compensation through October 1, 2022. Alaska Air Group agreed to continue suspension of dividends and share repurchases until March 31, 2022.

### **Treasury Loan Agreement**

In the third quarter of 2020, the Company finalized a Loan and Guarantee Agreement (the Loan Agreement) with the Treasury to obtain up to \$1.3 billion via a secured term loan facility. The Loan Agreement was subsequently increased by the Treasury in October 2020 to \$1.9 billion. Upon execution of the Loan Agreement, the Company borrowed an initial amount of \$135 million.

On January 15, 2021, the Company entered into a letter agreement further amending the Loan Agreement providing for an extension of the deadline pursuant to which the Company may, at its option, borrow additional amounts in subsequent borrowings, from March 26, 2021 to May 28, 2021.

## **ITEM 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant**

The information described under Item 1.01 above "Entry into a Material Definitive Agreement" is incorporated herein by reference.

## **ITEM 5.02 Departure of Directors or Certain Officers; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

On January 20, 2021, the Board of Directors of Alaska Air Group, Inc. (the "Company") appointed Daniel K. Elwell to the Company's and its airline subsidiaries' boards of directors, effective immediately. He was also appointed to the Audit and Innovation Committees of the Company's Board of Directors.

Mr. Elwell will participate in the current director compensation arrangements applicable to non-employee directors. Under the terms of those arrangements, Mr. Elwell received a prorated annual cash retainer of \$21,990 for service on the Company's board for the period from his appointment until the Company's next annual meeting of stockholders. In addition, under the Company's 2016 Performance Incentive Plan, Mr. Elwell received a grant of Alaska Air Group, Inc. common shares, determined by dividing the grant value \$29,320 by the closing price of the Company's common stock on January 20, 2021. In connection with Mr. Elwell's appointment, the number of seats on the Company's and its airline subsidiaries' boards of directors was increased by actions of each board from 13 to 14.

## **ITEM 7.01. Regulation FD Disclosure**

On January 20, 2021, the Company issued a press release announcing the appointment of Daniel K. Elwell to the Company's board of directors. The press release is furnished as Exhibit 99.1.

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**ITEM 9.01 Financial Statements and Other Exhibits**

(d) Exhibits.

[Exhibit 99.1](#)

Alaska Air Group Press Release

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Cover Page Interactive Data File - embedded within the Inline XBRL Document

**Signatures**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ALASKA AIR GROUP, INC.

Registrant

Date: January 21, 2021

/s/ KYLE B. LEVINE

Kyle B. Levine

Senior Vice President, Legal, General Counsel and Corporate Secretary

/s/ CHRISTOPHER M. BERRY

Christopher M. Berry

Vice President, Finance and Controller

Jan. 21, 2021

**Contact:**

Media Relations  
(206) 304-0008

[newsroom@alaskaair.com](mailto:newsroom@alaskaair.com)

## **Alaska Air Group board of directors appoints Daniel Elwell as newest member**

SEATTLE — Alaska Air Group announced today the appointment of Daniel Elwell to the company's board of directors, effective immediately. Elwell will also join the boards of directors of the company's airline subsidiaries Alaska Airlines, Inc. and Horizon Air Industries, Inc.

Elwell served as Deputy and Acting Administrator of the Federal Aviation Administration from June 2017 to November 2020, where he was responsible for the safety and efficiency of the largest aerospace system in the world, which operates more than 50,000 flights a day. Elwell also had oversight of the FAA's multibillion-dollar NextGen air traffic control modernization program to accelerate the shift from ground-based radar to state-of-the-art satellite technology with operational, community and environmental benefits.

"We are thrilled to have someone with Dan's expertise and background in the airline and aviation industry join our board," said Brad Tilden, Alaska Air Group Chair and CEO. "He has been a pilot, public servant and innovator to advance aviation safety in our country – a value we hold dear. At a both critical and exciting time in our industry, Dan clearly understands the challenges and opportunities ahead, and we welcome his trusted perspective and ideas."

Elwell will have a seat on the board's audit and innovation committees. His appointment increases the number of independent directors from 11 to 12. The total board is comprised of 14 members, with the other two positions filled by Tilden and Alaska Airlines President Ben Minicucci.

Prior to his appointment as Deputy and Acting Director of the FAA, Elwell was Senior Advisor on Aviation to former U.S. Secretary of Transportation Elaine L. Chao. Elwell also previously served at the FAA as the Assistant Administrator for Policy, Planning and Environment from 2006-2008. Earlier in his career, he served as a legislative fellow for the late Sen. Ted Stevens (R-Alaska).

From 2013-2015, as Senior Vice President for Safety, Security and Operations at Airlines for America (A4A), Elwell was responsible for leading the advancement of commercial aviation safety and security excellence for major U.S. air carriers. Prior to A4A, Elwell was Vice President of the Aerospace Industries Association (AIA) from 2008-2013 where he represented civil aerospace manufacturers and led policy development and advocacy for the civil aerospace manufacturing interests.

Elwell was a commercial pilot for 16 years with American Airlines, flying DC-10, MD-80, and Boeing 757 and 767 aircraft. While maintaining his proficiency as an MD-80 captain, he served as Managing Director for International and Government Affairs at American Airlines. Elwell earned his pilot wings at Williams Air Force Base in Arizona after graduating from the U.S. Air Force Academy with a Bachelor of Science degree in International Affairs. As a lieutenant colonel, he retired from military service as a Command Pilot with more than 6,000 hours combined civilian and military flight time in the U.S. Air Force and U.S. Air Force Reserve, including combat service during Operation Desert Storm.

### **About Alaska Airlines**

Alaska Airlines and its regional partners serve more than 115 destinations across the United States and North America. The airline provides essential air service for our guests along with moving crucial cargo shipments, while emphasizing Next-Level Care. Alaska is known for low fares, award-winning customer service and sustainability efforts. Guests can earn and redeem miles on flights to more than 800 destinations worldwide with Alaska and its Global Partners. On March 31, 2021, Alaska will officially become a member of the **oneworld** global alliance. Learn more about Alaska at [newsroom.alaskaair.com](https://newsroom.alaskaair.com) and [blog.alaskaair.com](https://blog.alaskaair.com). Alaska Airlines and Horizon Air are subsidiaries of Alaska Air Group (NYSE: ALK).