

☐ Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

| OMB APPROVAL                                 |           |
|--|-----------|
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| 1. Name and Address of Reporting Person*<br><u>SPRAGUE JOSEPH A</u><br><br>(Last) (First) (Middle)<br><u>C/O ALASKA AIRLINES, INC.</u><br><u>19300 INTERNATIONAL BLVD</u><br><br>(Street)<br><u>SEATTLE</u> <u>WA</u> <u>98188</u><br><br>(City) (State) (Zip) | 2. Issuer Name and Ticker or Trading Symbol<br><u>ALASKA AIR GROUP, INC.</u> [ <u>ALK</u> ]<br><br>3. Date of Earliest Transaction (Month/Day/Year)<br><u>02/11/2023</u><br><br>4. If Amendment, Date of Original Filed (Month/Day/Year) | 5. Relationship of Reporting Person(s) to Issuer<br>(Check all applicable)<br><br>Director 10% Owner<br><input checked="" type="checkbox"/> Officer (give title below) Other (specify below)<br><u>PRESIDENT, HORIZON AIR</u><br><br>6. Individual or Joint/Group Filing (Check Applicable Line)<br><br><input checked="" type="checkbox"/> Form filed by One Reporting Person<br>Form filed by More than One Reporting Person |
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Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) |   | 4. Securities Acquired (A) or Disposed Of (D) (Instr. 3, 4 and 5) |                  |                    | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|------------------|--------------------|---|--|---|
|                                 |                                      |  | Code                           | V | Amount  | (A) or (D)       | Price              |   |  |   |
| COMMON STOCK                    | 02/11/2023                           |  | M                              |   | 420   | A                | \$0 <sup>(1)</sup> | 15,438  | D  |   |
| COMMON STOCK                    | 02/11/2023                           |  | F                              |   | 103   | D <sup>(2)</sup> | \$49.58            | 15,335  | D  |   |
| COMMON STOCK                    | 02/13/2023                           |  | A                              |   | 420   | A <sup>(3)</sup> | \$0                | 15,755  | D  |   |
| COMMON STOCK                    | 02/13/2023                           |  | F                              |   | 103   | D <sup>(4)</sup> | \$50.16            | 15,652  | D  |   |
| COMMON STOCK <sup>(5)</sup>     |                                      |  |                                |   |   |                  |                    | 7,049   | I  | ESOP TRUST  |

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) |   | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) |     | 6. Date Exercisable and Expiration Date (Month/Day/Year) |                 | 7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4) |                            | 8. Price of Derivative Security (Instr. 5) | 9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4) | 10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 11. Nature of Indirect Beneficial Ownership (Instr. 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|-----|--|-----------------|---|----------------------------|--|--|---|--|
|  |  |                                      |  | Code                           | V | (A)  | (D) | Date Exercisable   | Expiration Date | Title   | Amount or Number of Shares |  |  |   |  |
| RESTRICTED STOCK UNITS                     | \$0.0 <sup>(1)</sup>                                   | 02/11/2023                           |  | M                              |   |  | 420 | 02/11/2023   | 02/11/2030      | COMMON STOCK  | 420                        | \$0  | 0  | D   |  |

Explanation of Responses:

1. Restricted Stock Units (RSUs) convert into common stock on a one-for-one basis.
2. The shares withheld were an exempt disposition to the Issuer under Rule 16b-3(e) to satisfy tax withholding obligations arising out of the vesting of RSUs and settled with shares by the reporting person.
3. The acquisition resulted from the vesting of Performance Stock Units (PSUs) pursuant to the attainment of certain performance goals over a three-year period ending December 31, 2022, in accordance with the terms of a PSU award agreement granted on February 11, 2020, under the Issuer's 2016 Performance Incentive Plan and per approval by the Board's Compensation Committee on February 13, 2023.
4. The shares withheld were an exempt disposition to the Issuer under Rule 16b-3(e) to satisfy tax withholding obligations arising out of the vesting of PSUs and settled with shares by the reporting person.
5. Common Shares held in the Alaska Air Group Inc. Employee Stock Ownership 401(k) Plan Trust, as of 12/31/2022.

Remarks:

/s/ Howard Kuppler, by power of attorney 02/14/2023

\*\* Signature of Reporting Person Date

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

\* If the form is filed by more than one reporting person, see Instruction 4 (b)(v).

\*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

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