
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

March 18, 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>

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

(b) Departure of Director or Certain Officers

On February 17, 2021, Gary L. Beck, announced his intention to retire from his positions as executive vice president and chief operating officer (“COO”) of Alaska Airlines, Inc., a wholly-owned subsidiary of Alaska Air Group, Inc. (the “Company”), and as a member of the Company’s management executive committee effective April 3, 2021. Mr. Beck will remain employed through February 12, 2022 as Special Advisor to Benito “Ben” Minicucci, whom the Company announced will become the CEO of the Company and Alaska Airlines on March 31, 2021.. Mr. Beck has served as a pilot and in numerous executive capacities in the airline industry over 47 years and has been in his current position at Alaska Airlines since 2019.

(c) Appointment of Certain Officers and Compensatory Arrangements of Certain Officers

On March 18, 2021, the Company’s Board of Directors elected Ms. Constance von Muehlen to succeed Mr. Beck as executive vice president and COO of Alaska Airlines effective April 3, 2021. As the Company’s principal operating officer, Ms. von Muehlen will serve on the management executive committee. A copy of the press release announcing this election is attached as Exhibit 99.1 and is incorporated by reference.

Ms. von Muehlen, age 53, has served as Alaska Airlines’ senior vice president of maintenance and engineering since January 2019. In 2018, she served as chief operating officer at Horizon Air Industries, Inc. Ms. von Muehlen also previously served as Alaska Airlines’ managing director of airframe, engine and component maintenance (2012-2017). Before joining Alaska Airlines in 2011, she spent 20 years in aviation maintenance leadership roles at Pratt and Whitney and Air Canada. She also served tours of duty as a Blackhawk helicopter pilot in Germany, Iraq, Turkey and South Korea as a captain in the U.S. Army.

There are no arrangements or understandings between Ms. von Muehlen and any other person pursuant to which she was appointed to serve as executive vice president and COO. There are no family relationships between Ms. von Muehlen and any director or executive officer of the Company, and she has no direct or indirect material interest in any “related party” transaction required to be disclosed pursuant to Item 404(a) of Regulation S-K.

Compensation Arrangement with Ms. von Muehlen

On March 17, 2021, in connection with Ms. von Muehlen’s election as executive vice president and COO, the compensation and leadership development committee (“Committee”) of the Company’s board of directors approved an increase in her annual base salary from \$300,000 to \$400,000 and in her target annual cash incentive opportunity from 65% of base salary to 85% of base salary.

The Committee also approved and granted Ms. von Muehlen a long-term incentive award under the Company’s 2016 Performance Incentive Plan at a target value of \$1 million (as opposed to the target equity value of 100% of her base salary for the equity award she was granted in February 2020). One-half of the award is made up of performance stock units (“PSUs”), 25% is in the form of restricted stock units (“RSUs”), and 25% is in the form of incentive stock options. The RSUs cliff vest on the third anniversary of the grant, the PSUs vest based on the results of goals set for a three-year performance period, and the options vest at the rate of 25% per year over a four-year term.

Ms. von Muehlen may not realize the full value of her COO compensation package during any period in which executive compensation limitations under the CARES Act apply. The Company will continue to monitor and administer its executive compensation program in accordance with CARES Act requirements.

ITEM 7.01. Regulation FD Disclosure

On March 22, 2021, the Company issued a press release announcing the retirement of Gary Beck and the succession of Constance von Muehlen as Alaska Airlines’ executive vice president and COO effective April 3, 2021. The press release is furnished as Exhibit 99.1.

ITEM 8.01. Other Items

Payroll Support Program Funding

On March 19, 2021, Alaska Airlines and Horizon Air Industries, Inc. accepted the second partial disbursement for funds through an extension of the Payroll Support Program (PSP) of the CARES Act. Of the \$266 million in funds received,

approximately \$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 154,647 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.

364-day Senior Secured Term Loan Extension

On March 16, 2021, the Company extended the maturity of the 364-day Senior Secured Term Loan agreement (the Loan Agreement) into 2022, which was previously due to expire on March 25, 2021. Upon extension of the Loan Agreement, the Company increased the outstanding balance from \$371 million to \$425 million.

ITEM 9.01 Financial Statements and Other Exhibits

[Exhibit 99.1](#)

Press Release dated March 22, 2021

104

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: March 22, 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

March 22, 2021

Contact:

Media Relations

(206) 304-0008

newsroom@alaskaair.com

ALASKA AIRLINES APPOINTS CONSTANCE VON MUEHLEN

AS CHIEF OPERATING OFFICER

von Muehlen is a 30-year aviation veteran with deep safety, compliance and operating experience

Today, Alaska Air Group announced the appointment of Constance von Muehlen as Chief Operating Officer of Alaska Airlines, effective April 3, 2021. Upon assuming this role, von Muehlen will join Alaska's Executive Committee and report to Ben Minicucci, who becomes Chief Executive Officer on March 31, 2021. She succeeds current COO, Gary Beck, who has announced his retirement following an impressive 47-year career in aviation.

A 30-year aviation veteran who received her leadership training flying Black Hawk helicopters as a Captain in the U.S. Army, von Muehlen brings a proven track record of safety and operational excellence to the role. As COO, von Muehlen will oversee the day-to-day operations on the ground and in the air for Alaska Airlines, focusing on delivering on Alaska's commitment to genuine, caring service that ensures a safe, reliable, hassle-free and welcoming experience for all guests. She will also serve as board chair of McGee Air Services, where she will oversee operations at Alaska's ground services subsidiary.

"Constance is a deeply trusted leader who brings out the best in people. She unlocks the potential of each individual to drive a solution-oriented team approach," said Minicucci. "Constance has an impressive ability to manage complexity, simplify systems and see around corners to meet the future demands of our business. As we welcome guests back to the skies following the COVID-19 crisis, I can't think of a better person to oversee our recovery."

Most recently, von Muehlen served as senior vice president of maintenance and engineering where she led all safety, compliance and operational performance of the airline's mainline Boeing and Airbus fleet. Prior to that, von Muehlen served as Horizon Air's chief operating

officer, where she oversaw the customer service, inflight, pilot, maintenance and system operations control teams.

Before joining the airline in 2011 as Director of Engine Maintenance, von Muehlen spent 20 years in aviation maintenance, including her role as general manager of Pratt and Whitney Canada's service center in Saint-Hubert, Quebec, and as director of airframe maintenance at Air Canada. She holds a bachelor's degree from Johns Hopkins University and a certificate in Executive Leadership Training from the Darden School at the University of Virginia. She also completed an executive MBA at the Foster School of Business at the University of Washington.

Upon assuming this role, von Muehlen will make Alaska Airlines history by becoming the company's first female COO. Learn more about von Muehlen's approach to leadership on [Alaska's Blog](#).

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](#) and [blog.alaskaair.com](#). Alaska Airlines and Horizon Air are subsidiaries of Alaska Air Group (NYSE: ALK).