

**CHARTER OF THE INNOVATION COMMITTEE  
OF THE BOARD OF DIRECTORS  
OF ALASKA AIR GROUP, INC.**

**Effective February 12, 2020**

**1. Purpose.**

The purpose of the Innovation Committee (the “Committee”) is to assist the Board of Directors (the “Board”) of Alaska Air Group, Inc. (the “Company”) in its oversight related to matters of innovation and related technology.

- (a) review and oversee the Company’s overall strategic plan for technical and commercial innovation;
- (b) review and identify specific technology and innovation matters that could have a significant impact on Company operations, performance, culture, or reputation.

**2. Membership.**

The Committee will be composed of at least three directors. The members of the Committee will be appointed by and serve at the discretion of the Board. The Chairperson of the Committee will be appointed by and serve at the discretion of the Board.

**3. Specific Responsibilities and Duties.**

The Board delegates to the Committee the express authority to:

- i. Review and advise on the Company’s strategy and approach to innovation, including how such innovation improves revenue, guest and employee experiences.
- ii. Ensure the Company applies an appropriate risk-based methodology in defining the innovation strategy and where investments are made.
- iii. Discuss and advise on the Company’s risk tolerance for adopting emerging or disruptive technology to ensure there is commercial viability.
- iv. Review allocation of resources – both financial and human capital for innovation and ensure they are adequate to execute the strategy.
- v. Review results from the measurement and tracking systems designed to monitor progress towards achieving the innovation strategy.
- vi. Discuss and advise on methods to foster a culture of innovation across the Company.
- vii. Review and discuss technology trends that could significantly affect the Company and the business in which it operates, including whether investments in technology partners is required to assist us in delivering our strategy
- viii. Review and reassess the adequacy of its charter and the performance of the Committee annually and recommend any proposed changes to the Board of Directors for approval, and publish the charter as required by applicable law.

- ix. Regularly report to the Board of Directors on the Committee's activities and make appropriate recommendations.

#### 4. Meetings.

The Committee will meet with such frequency, and at such times as its Chairperson, or a majority of the Committee, determines. The agenda of each meeting will be prepared by the Chairperson and circulated to each member. Unless the Committee or the Board adopts other procedures, the provisions of the Company's Bylaws applicable to meetings of Board committees will govern meetings of the Committee.

#### 5. Minutes.

Minutes of each meeting will be kept with the regular corporate records. The Committee will report to the Board regularly or whenever requested to do so by the Board.

#### 6. Reliance; Experts; Cooperation.

- (a) **Retention of Advisors and Consultants.** The Committee has the power, in its discretion, to retain at the Company's expense such advisors and experts as it deems necessary or appropriate to carry out its duties. If the Committee decides in its discretion to retain an advisor or consultant, the Board delegates to the Committee the sole authority to retain and terminate any such advisor or consultant and to approve the firm's fees and other retention terms.
- (b) **Investigations.** The Committee has the authority to conduct any investigation it deems necessary or appropriate to fulfilling its duties.
- (c) **Reliance Permitted.** In carrying out its duties, the Committee may act in reliance on the Company's management, independent public accountants, internal auditors and outside advisors and experts, as it deems necessary or appropriate.
- (d) **Cooperation.** The Committee shall have unrestricted access to the Company's employees, independent public accountants, internal auditors, and internal and outside counsel, and may require any employee of the Company or representative of the Company's outside counsel or independent public accountants to attend a meeting of the Committee or to meet with any members of the Committee or representative of the Committee's counsel, advisors or experts.