

# Alaska Air Group

2022 Annual Stockholder Meeting Questions and Answers  
May 5, 2022

**1. Does the company plan to resume the payment of quarterly dividends?**

Patty Bedient: Alaska has a strong history of returning value to our owners. We are, however, precluded from issuing dividends or repurchasing ALK stock, through September 22, 2022, under the restrictions attached to our CARES Act funding. Longer term, we are committed to outperforming industry margins and re-implementing shareholder return if our financial condition allows. No decisions have been made, but the conversation will continue with our Board as we get closer to the Fall.

**2. What is your plan to reduce greenhouse emissions and how are you prepared to comply with the SEC proposed requirements around ESG reporting?**

Diana Birkett Rakow: Last year, we announced our five-part path to net zero carbon emissions by 2040. This path includes operating as efficiently as possible and using more electric vehicles at our airports. It also includes bringing up to 145 efficient Boeing 737 MAX aircraft into our fleet, each of which is 22% more fuel-efficient than the aircraft they replace. But the biggest change in our carbon footprint will come from using Sustainable Aviation Fuel or SAF. We're proud to use SAF today from Neste, to work with SkyNRG Americas to advance production capability in the Pacific Northwest, and look forward to using more SAF, alongside airline partners in the oneworld alliance, through new offtake agreements with producers Aemetis and Gevo.

We have been preparing for the SEC new reporting requirements and plan to deliver on it starting next year.

**3. Why does the company need so many directors on the board?**

Patty Bedient: We continuously review board composition to ensure we have a diverse group of qualified directors. Our governance guidelines allow for up to 15 directors, with the ideal size under normal circumstances being approximately 11 directors. We have directors who will be exiting under our age and tenure guidelines over the next several years and have used our discretion to flex up to facilitate a smooth transition between incoming and outgoing members.

**4. Why did Alaska Airlines go "all in" with Boeing given that aircraft manufacturer's outdated fleet models and abysmal record on passenger safety and transparency? Why isn't the company keeping any airbus aircraft?**

Ben Minicucci: The Boeing MAX aircraft is absolutely the future of our airline as we move toward a single, mainline fleet that's more efficient, profitable and environmentally friendly, and that will enhance the guest experience and support the company's growth. We have every confidence that

Boeing has made the required changes and necessary improvements to the 737 MAX to meet the high safety standards we and regulators expect.

**5. Would the board support a merger between Alaska Airlines and Horizon Air?**

Patty Bedient: At this time, it best serves Air Group's regional capacity and operational needs and to keep Horizon and Alaska separate entities.

**6. Can you please comment on steps Alaska is taking to get a deal done with your pilots and discuss the spring operational issues?**

Ben Minicucci: That is a primary focus for me and our leadership team -- to get a pilot deal -- and I want to let you all know that is squarely in our sights. Our pilots are phenomenal people who fly our airplanes safe and well, and we want to recognize their contributions with a great pilot deal and a contract that's way better than what they have today. And that has to be balanced with our business model to make sure that we have a strong future ahead.

Constance von Muehlen: Operational disruptions in April were caused specifically by a shortage of trained pilots relative to what we planned for when we built the schedule in January. We realized we need a sharper and more holistic look at capacity planning across every work group.

The good news is we have about 200 pilots now in school and a robust pipeline and we are optimizing our processes, including a new centralized staffing model to make sure we have people in place to work our schedule.

**7. Why does the Alaska C-Suite deserve merger protection, but not your frontline employees?**

Ray Conner: We have mechanisms in place to ensure continuity of employment for our frontline employees and executives alike. Our frontline employees have merger protections in their collective bargaining agreements and under U.S. labor laws. Consistent with the practice at other airlines, our executives are covered by "double trigger" change of control agreements that anticipate continued employment with the acquiring company for a specified period of time. Our proxy statement contains detailed information about the potential outcomes for our named executive officers if a change of control occurs.