

ALASKA AIR GROUP, INC.  
Form 4  
February 11, 2016

**FORM 4**

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

OMB APPROVAL

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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 OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
PEDERSEN BRANDON

2. Issuer Name and Ticker or Trading Symbol  
ALASKA AIR GROUP, INC.  
[ALK]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)  
19300 INTERNATIONAL BLVD  
(Street)

3. Date of Earliest Transaction (Month/Day/Year)  
02/09/2016

\_\_\_\_ Director  
\_\_\_\_ Officer (give title below) \_\_\_\_\_ 10% Owner  
\_\_\_\_ Other (specify below)  
EXEC VP/FINANCE & CFO

SEATTLE, WA 98188

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

(City) (State) (Zip)

**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 (D) Price  |   |  |   |
| RESTRICTED STOCK UNIT           | 02/09/2016                           |  | A                              | 3,050<br>(2) A \$ 0   | 19,860  | D  |   |
| COMMON STOCK                    | 02/09/2016                           |  | A <sup>(3)</sup>               | 9,750 A \$ 0  | 28,874  | D  |   |
| COMMON STOCK                    | 02/09/2016                           |  | F <sup>(4)</sup>               | 3,240 D \$ 65.63  | 25,634  | D  |   |

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

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number.

**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 Underlying Security (Instr. 3 and 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|
| EMPLOYEE STOCK OPTION (RT TO BUY)          | \$ 65.63   | 02/09/2016                           |  | A                              | 7,310   | 02/09/2017 <sup>(1)</sup> 02/09/2026                     | COMMON STOCK  |

## Reporting Owners

| Reporting Owner Name / Address                                    | Relationships |           |                       |       |
|---|---------------|-----------|-----------------------|-------|
|   | Director      | 10% Owner | Officer               | Other |
| PEDERSEN BRANDON<br>19300 INTERNATIONAL BLVD<br>SEATTLE, WA 98188 |               |           | EXEC VP/FINANCE & CFO |       |

## Signatures

/S/ JEANNE E. GAMMON, ATTORNEY IN FACT FOR BRANDON S. PEDERSEN 02/11/2016

\*\*Signature of Reporting Person Date

## Explanation of Responses:

- \* 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).
- (1) OPTIONS VEST IN 25% INCREMENTS OVER FOUR YEARS (02/09/2017, 02/09/2018, 02/09/2019 AND 02/09/2020).
- (2) STOCK UNITS AWARDED UNDER THE ALASKA AIR GROUP, INC. 2008 PERFORMANCE INCENTIVE PLAN ON 02/09/2016 WILL CLIFF VEST ON 02/09/2019. UNITS ARE SUBJECT TO FORFEITURE.  
ALK COMMON SHARES ISSUED UPON ATTAINING PERFORMANCE GOALS SET FOR A THREE-YEAR PERIOD ENDING 12/31/2015, IN ACCORDANCE WITH THE TERMS OF PERFORMANCE STOCK UNITS GRANTED ON 02/11/2013 UNDR THE
- (3) ISSUER'S 2008 PERFORMANCE INCENTIVE PLAN; PER APPROVAL BY THE BOARD'S COMPENSATION AND LEADERSHIP DEVELOPMENT COMMITTEE ON 02/09/2016.
- (4) COMMON SHARES FORFEITED TO COVER PAYROLL TAXES UPON VESTING OF PERFORMANCE STOCK UNITS ON 02/09/2016. AMOUNT PROVIDED IN COLUMN 4 REPRESENTS THE FMV OF THE SHARES ON THE DATE OF FORFEITURE.

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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