

Charter of the Governance and Nominating Committee of the Board of Directors of Alaska Air Group, Inc.

As Adopted February 12, 2003
And Amended June 2, 2004

1. Purpose. The Committee is appointed by the Board of Directors (the "Board") to (a) assist the Board in identifying individuals qualified to become Board members and Board committee members; (b) make recommendation to the Board of director nominees at each annual meeting of stockholders; (c) make recommendations for the Board committee appointments; (d) develop and recommend to the Board corporate governance principles applicable to the Company; and (e) take such other actions within the scope of this Charter as the Committee deems necessary or appropriate.

2. Membership. The Committee will be composed of three or more directors. All members of the Committee will be independent directors (as determined by the Board) under the independence requirements of the New York Stock Exchange and applicable law. The members of the Committee will be appointed by and serve at the discretion of the Board.

3. Committee Chairman. The Chairman of the Governance and Nominating Committee shall be as appointed by the Board from time to time. The Chairman shall preside over meetings of the Committee. The Chairman shall also serve as Lead Director with respect to non-management board member duties. The Lead Director's responsibilities shall be (a) to preside over periodic meetings of non-management directors conducted pursuant to the Corporate Governance Guidelines; (b) to lead the non-management directors' annual evaluation of the Chief Executive Officer; and (c) such other duties as described in the Corporate Governance Guidelines.

4. Specific Responsibilities and Duties. The Board delegates to the Committee responsibility to review and make recommendations to the Board as to:

- a. **Board Composition.** Evaluate the size and composition of the Board, develop criteria for Board membership, and evaluate the independence of existing and prospective directors.
- b. **Board Compensation.** Recommend for approval by the Board of Directors changes in board compensation and insurance.
- c. **Candidates.** Seek and evaluate qualified individuals to become directors.
- d. **Committees.** Evaluate the nature, structure and composition of other Board committees.
- e. **Governance Guidelines.** Develop, monitor and reassess from time to time the Corporate Governance Guidelines of the Company.
- f. **Annual Review.** Take such steps as the Committee deems necessary or appropriate with respect to assessments of the performance of the Board, each other Board committee, and itself, annually.
- g. **Review Charter.** Review and reassess the adequacy of this Charter annually.
- h. **Other Actions.** Take such other actions as may be requested or required by the Board from time to time.
- i. **Reports.** Report to the Board and other Board committees with respect to any of the foregoing matters.

5. Search Firm. The Board delegates to the Committee the express authority to decide whether to retain a search firm to assist the Committee in identifying, screening and attracting director candidates. If the Committee decides in its discretion to retain such a firm, the Board delegates to the Committee the sole authority to retain and terminate any such firm and to approve the search firm's fees and other retention terms.

6. Meetings. The Committee will meet with such frequency, and at such times, as its Chairperson, or a majority of the Committee, determines. A special meeting of the Committee may be called by the Chairperson and will be called promptly upon the request of any two Committee members. The agenda of each meeting will be prepared at the direction of the Chairperson and circulated to each member prior to the meeting date. 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.

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

8. Subcommittees. The Committee has the power to appoint subcommittees, but no subcommittee will have any final decision-making authority on behalf of the Board.

9. Reliance; Experts; Cooperation.

- a. **Retention of Counsel and Advisors.** The Committee has the power, in its discretion, to retain at the Company's expense such counsel, advisors and experts as it deems necessary or appropriate to carry out its duties.
- b. **Reliance Permitted.** The Committee will act in reliance on management, the Company's independent public accountants, internal auditors, and advisors and experts, as it deems necessary or appropriate to enable it to carry out its duties.
- c. **Investigations.** The Committee has the power, in its discretion, to conduct any investigation it deems necessary or appropriate to enable it to carry out its duties.
- d. **Required Participation of Employees.** 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.

Committee Members

Bruce Kennedy, Chairman
Jessie K. Knight, Jr., Member
R. Marc Langland, Member
J. Kenneth Thompson, Member