

Southwest Airlines Co. Corporate Governance Guidelines

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The Board of Directors of Southwest Airlines Co. has adopted these Guidelines, based on the recommendation of its Nominating and Corporate Governance Committee, to further its goal of providing effective governance of the Company's business for the longterm benefit of the Company's Shareholders, Employees, and Customers. The Nominating and Corporate Governance Committee will review these Guidelines annually and will make recommendations to the Board for modifications as appropriate.

Qualifications of Directors

Members of the Board of Directors of Southwest Airlines Co. should possess the highest personal and professional ethics, integrity, and values. They must possess practical wisdom, mature judgment, and be committed to the best longterm interests of our Employees, Customers, and Shareholders. Directors must be willing to devote sufficient time to fulfill their responsibilities and be willing to serve on the Board for an extended period of time. A Director should offer his or her resignation in the event of any significant change in personal or professional circumstances that would impede the Director's ability to carry out the responsibilities of a Director. The Nominating and Corporate Governance Committee will take into consideration the nature and time involved in a Director's service on other boards in evaluating the suitability of that Director. Directors should advise the Chairman of the Board and the Chairman of the Nominating and Corporate Governance Committee in advance of accepting an invitation to serve on the board of directors, the audit committee, or the compensation committee of another publicly-traded company. In no event shall any non-Employee member of the Board serve on more than six public company boards, nor shall any Employee member of the

Board serve on more than three public company boards. Members of the Audit Committee should not serve on the Audit Committee of more than three public boards of directors.

The Company does not limit the number of terms for which a Director may serve; however, absent an affirmative recommendation to the contrary by the Nominating and Corporate Governance Committee with respect to any individual Director, Directors must retire no later than the first annual meeting of Shareholders following their 75th birthday. Directors who have served on the Board for an extended period of time are able to provide valuable insight into the operations and future success of the Company based on their past experience and understanding of the Company's history, Culture, and objectives. Therefore, the Board will take the value of such insight into account, as well as the results of the Board's self-review process described below, in determining individual Board member tenure.

In addition to the above, the Board will consider a number of factors in the nomination or appointment of new Board members, including finance, marketing, government, education, and other professional experience or knowledge relevant to the success of the Company in today's business environment. The Board will also take into consideration factors such as diversity and independence (for non-management Directors) in the appointment of future Board members. The Board evaluates each Director in the context of the Board as a whole, with the objective of recommending a group that can best serve the longterm interests of the Company's Employees, Customers, and Shareholders.

In the case of current Directors being considered for renomination, the Board should also consider the Director's past attendance at Board and committee meetings and participation in and contributions to such meetings and Board activities.

Board Meetings

The Board of Directors will hold at least six meetings each year. Additional meetings may be called in accordance with the Company's Bylaws. The Chairman of the Board, taking into consideration suggestions from the Presiding Director and other members of the Board, will set the agenda for each Board meeting, and will distribute the agenda, along with any other relevant materials, in advance to each Director. If appropriate, the Chairman of the Board and CEO will determine the individual Employees or advisors who need to attend or present material at each meeting. The Board acknowledges that certain items to be discussed at Board meetings are of an extremely sensitive nature and that the distribution of materials on these matters prior to Board meetings may not be appropriate.

Director Responsibilities

The fundamental responsibility of members of the Company's Board of Directors is to promote the best interests of the Company and its Shareholders by overseeing the management of the Company's business. In doing so, Board members have two basic legal obligations to the Company and its Shareholders: (a) the duty of care, which requires that Board members exercise appropriate diligence in making decisions and in overseeing management; and (b) the duty of loyalty, which generally requires that Board members make decisions based on the best interests of the Company's Shareholders and without regard to any personal interest.

Directors are expected to attend all meetings of the Board and committees of which they are a member, and to review all meeting materials provided to them in advance of meetings. Directors must maintain confidentiality of the Company's non-public information and abide by applicable laws.

In addition to the general oversight of management, the Board is expected to perform a number of specific functions including the selection and evaluation of the CEO, with the CEO's compensation determined by the Compensation Committee, together with the other independent members of the Board (as directed by the Board and to the extent consistent with any applicable plan documents or law). The Board shall annually review a succession plan for the CEO and the CEO's direct reports, based upon recommendations from the Compensation Committee.

The Board shall also (i) oversee the selection, evaluation, development, and compensation of senior management; (ii) assess major risks facing the Company and review options to mitigate such risks; (iii) review, approve, and monitor significant financial and business strategies and major corporate actions; and (iv) oversee the processes to maintain the utmost integrity and proper management of the Company.

The Board of Directors may exercise its authority through Board committees in accordance with the Company's Bylaws.

Independence of Directors

A majority of the members of the Board must be "independent," within the meaning of the rules of the New York Stock Exchange. Only independent Directors may serve on the Company's Audit, Compensation, and Nominating and Corporate Governance Committees.

The Company will not make any personal loans or extensions of credit to Directors or executive officers, other than consumer loans or credit card services on terms offered to the general public.

Size of Board and Selection Process

In accordance with the Company's Bylaws, the number of Directors shall be determined from time to time by resolution of the Board of Directors. Directors are elected at each annual meeting of Shareholders to hold office until the next succeeding annual meeting of Shareholders and until their successors shall have been elected and qualified or until their earlier death, retirement, resignation, or removal for cause.

The Board shall annually propose a slate of nominees to the Shareholders for election to the Board, based on the recommendations of the Nominating and Corporate Governance Committee. The Board also has the authority to fill Board vacancies that occur between annual meetings of Shareholders.

Resignation Policy

Any notice of resignation by a Director must be given in writing concurrently to both the Chairman of the Board and the Corporate Secretary. Any such resignation shall take effect at the time specified in the notice or, if not so specified, immediately upon receipt.

Board Committees

In accordance with the requirements of the New York Stock Exchange, the Board shall have at least three committees to assist it in fulfilling its responsibilities: an Audit Committee, a Compensation Committee, and a Nominating and Corporate Governance Committee.

Each of these committees is required to have a charter that sets forth, among other items, the committee's purposes and responsibilities. The committee charters must be reviewed annually and must be posted on Southwest's website. They will also be mailed to Shareholders on written request.

Except as otherwise required by law, these Corporate Governance Guidelines, or by committee charter, each committee may determine the procedural rules for meeting and conducting its business; provided that each committee shall meet on a regular basis. The Company shall provide the committees with the staff support and resources necessary for the committees to discharge their respective responsibilities.

Executive Sessions; Communications with Non-Management Directors

The non-management Directors (within the meaning of the rules of the New York Stock Exchange) will meet regularly in executive sessions without the presence of management. These executive sessions may include such topics as may be determined by the non-management Directors. To the extent that, at any time, the non-management Directors include Directors who are not independent (within the meaning of the rules of the New York Stock Exchange), the independent Directors will also meet at least annually in an executive session that includes only independent Directors. The Board shall elect a Presiding Director, whose duties shall include presiding over such executive sessions. In addition, the Presiding Director's duties shall include:

- consulting with the Chairman of the Board concerning the Board's agenda;
- coordinating the activities of the non-management and independent Directors and the agenda for executive sessions;
- communicating feedback to the CEO following executive sessions;
- facilitating communications between the Board and the CEO;
- assisting the Nominating and Corporate Governance Committee with its oversight of the annual evaluation of the Board and its committees and communicating results of individual Director assessments to individual Board members;
- consulting with the Nominating and Corporate Governance Committee with respect to recommendations for the assignment of Board members to the Board's committees; and

- communicating (along with the Chair of the Compensation Committee) the results of the Board's evaluation of the CEO.

In performing his or her duties and responsibilities, the Presiding Director is expected to consult with the Chairs of the appropriate Board committees and solicit their participation in order to avoid diluting or conflicting with the authority or responsibilities of such committee Chairs.

Shareholders and other interested parties may communicate directly with the Presiding Director or any or all of the non-management or other members of the Board by writing to such Director(s), c/o Southwest Airlines Co., Attn: Presiding Director, P.O. Box 36611, Dallas, Texas 75235. Any resulting response will be coordinated with management, and no individual Director will be responsible for communicating directly with a Shareholder.

Board Self-Evaluation

The Nominating and Corporate Governance Committee is responsible for overseeing an evaluation at least annually of the performance of the Board and the Board's committees and reporting its conclusions to the Board. The Nominating and Corporate Governance Committee will make appropriate recommendations to the Board following such evaluations, including areas in which the Board can better contribute to the governance and longterm success of the Company. The purpose of the self-evaluation is to improve the Board's and the committees' performance generally and not to target the performance of individual Directors. The Nominating and Corporate Governance Committee may use the results of its evaluation in determining the criteria for Directors to be considered to fill any vacancies on the Board or on its committees and for inclusion in the slate of Directors to be recommended by the Board at the Annual Meeting of Shareholders.

Ethics

The Board expects Southwest Directors, Officers, and Employees to act ethically at all times and to acknowledge their adherence to the policies comprising Southwest's Code of Ethics and the Company's Guidelines for Leaders.

Concerns relating to accounting, internal controls, auditing, or officer conduct shall be handled in accordance with procedures established by the Audit Committee.

Director and Senior Management Compensation

The Compensation Committee of the Board of Directors is responsible for reviewing the compensation and benefits for non-Employee Directors and recommending to the Board any appropriate changes thereto.

The Compensation Committee shall annually evaluate the CEO's salary, bonus, and other incentive and equity compensation together with the other independent members of the Board (as directed by the Board and to the extent consistent with any applicable plan documents or law). The committee shall also annually evaluate and approve the compensation structure for the

Company's officers, and shall evaluate the performance of each of the Company's other executive officers who are subject to §16(b) of the Securities Exchange Act of 1934, as amended, before approving their salary, bonus, and other incentive and equity-related compensation.

The Company's compensation structure should seek to promote and reward productivity and dedication to the overall success of the Company. Compensation decisions should take into account, among other factors, Company and individual performance and market conditions. The Compensation Committee shall have sole authority to retain and terminate any compensation consultant to be used to assist in the evaluation of Director, CEO, or executive officer compensation. The Compensation Committee shall have the right, in its sole discretion, to determine the nature and extent of its use of any information received from consultants.

Direct Stock Ownership

The Board believes that, in order to align the interests of Directors and Shareholders, Directors should have a financial stake in the Company. Each Director who has served on the Board for a minimum of at least two years should beneficially own a minimum of 1,000 shares of Southwest common stock. The Board will evaluate whether exceptions should be made for any Director on the basis of financial hardship.

Access to Management

The Board shall have access to any member of management.

Access to Independent Advisors

The Board and its committees shall have the right at any time to retain, at Company expense, independent outside financial, legal, or other advisors reasonably deemed necessary to the execution of their responsibilities.

Director Orientation and Continuing Education

The Chairman of the Board shall ensure that new members of the Board are provided with the necessary materials regarding the Company's operations and performance to understand the Company's business.

The Board of Directors will have ongoing contact with senior executive and other members of management, for example, through yearly Board retreats, visits to Company facilities, and management participation in Board meetings. The Board shall receive an annual presentation by management of the Company's long-term strategic plan. In addition, the Board shall receive periodic briefings from the Company's independent auditors, its Finance executives, its General Counsel, and outside experts regarding, among other matters, changes in accounting regulations, NYSE listing requirements, and the laws applicable to the responsibilities of the Board. Board members are encouraged to attend Company events such as the Annual Awards Banquet and management visits to locations near their residence. Board members are also encouraged to take

advantage of materials and seminars provided by experts in the fields of accounting and the law, to the extent applicable to their responsibilities as Board members. Members of the Board are provided flight benefits to enable them to monitor the Company's service levels and to interact with Employees and Customers. Directors may also visit other facilities of the Company as they desire. Board members will be provided with copies of press releases, analyst reports, and other news reports regarding the Company and its prospects.

Public Communications

Management speaks for the Company and is responsible for communications with the press, analysts, regulators, and other constituencies on behalf of the Company. From time to time members of the Board may be requested to communicate with one or more of those constituencies. Such communication will be coordinated with the Company's Corporate Communications department.

Other Practices

The Company will not reprice stock options for any reason. As is the historical practice of the Board of Directors, with respect to any market value option grants authorized by the Board of Directors or its Compensation Committee, the exercise price of such options shall be no less than the market price on the date of grant.

All Shareholder proxies, ballots, and voting materials that identify the votes of specific Shareholders will be confidential and not disclosed to the Company, unless (a) required by law, (b) a Shareholder requests disclosure of a Shareholder's vote or seeks information from management, or (c) there is a proxy contest.

As adopted by the Board of Directors of Southwest Airlines Co. on May 18, 2011.