

# Southwest Airlines Co.

## Code of Ethics

### Introduction

The Employees of Southwest Airlines deliver Legendary Customer Service, with Spirit and LUV, leavened with Common Sense and Good Judgment while keeping Safety paramount. We work hard, and we treat our Customers and each other the way we would like to be treated.

To ensure prosperity and job security for our People, we must remain profitable. It is our responsibility to provide a sound return to our Shareholders. One of our primary competitive advantages is our Low Costs enabling us profitably to charge Low Fares.

We place a high value on honesty, integrity, and personal responsibility. This Code applies to all Southwest Employees and its Board of Directors. In addition, other entities and individuals who perform services for Southwest (“business associates”) may be subject to this Code by contract or agreement. This Code does not cover all Southwest policies or all laws. If a law conflicts with this Code, we follow the law. If a local custom or practice conflicts with this Code, we follow this Code. This Code clarifies Southwest’s rights and expectations as an employer, but does not add to or subtract from Employee rights or in any way create any contractual employment rights for Employees.

This Code of Ethics is adopted in order to comply with the Sarbanes-Oxley Act of 2002, the regulations promulgated thereunder, and New York Stock Exchange Listing Requirements.

### Compliance with Laws, Rules, and Regulations

Southwest Employees, members of its Board of Directors, and business associates are expected to obey and respect the law, both in letter and in spirit, including compliance with the following:

**Confidential Information; Insider Trading.** All non-public information about Southwest should be considered confidential information; such non-public information is a valuable Company asset. To use non-public information for personal financial benefit or to “tip” others who might make an investment decision on the basis of this information is not only unethical but also illegal.

It is the responsibility of all Southwest Airlines Employees, Board members, and business associates to protect the interests and privacy of Southwest’s Customers and Coworkers. You may not inappropriately discuss, solicit, disclose, or use for your personal benefit information in Company records, files, or databases, such as Rapid Rewards Member information, Passenger Name Records (reservations), refund or credit card transactions, Employee/Customer correspondence, personnel files, or work schedules.

**Competition and Fair Dealing.** We seek to outperform our competitors fairly and honestly. We seek competitive advantage through low costs, low fares, and superior Customer Service, never through unethical or illegal business practices. Our advertising and other communications with our Customers are simple, direct, and straightforward, as well as compliant with the law. We are required to comply with antitrust laws and similar laws governing competition. As part of our compliance procedures, we make our own decisions concerning pricing, markets, routes, and Customers to be served. It is strictly prohibited to enter into agreements with our competitors or suppliers that have even the appearance of impropriety.

**Payments to Government Personnel.** It is strictly prohibited to make illegal payments to government officials of any country. The promise, offer, or delivery to an official or Employee of the federal, state, or local government of a gift, favor, or other gratuity in violation of applicable law violates Company policy and may also be a criminal offense. Federal law prohibits giving anything of value, directly or indirectly, to officials of foreign governments or foreign political candidates in order to obtain or retain business.

Any questions about the foregoing should be raised promptly with the General Counsel Department.

### **Conflicts of Interest**

A conflict of interest arises when an individual's personal interest, or that of a family member or friend, interferes in any way – or even appears to interfere - with what is in the best interest of Southwest Airlines. All Employees and members of the Board must, at all times, conduct their activities, both business and personal, in such a manner that there is no conflict of interest with their duties to Southwest Airlines. Detailed provisions regarding conflicts of interest in hiring, employment of relatives, selection of Suppliers, and Supplier benefits are contained in Southwest's Guidelines for Leaders and its Procurement Guidelines, which are separate from this Code, but which are incorporated by reference into this Code.

Situations involving conflicts of interest may not always be clear cut. If you have a question, you should follow the Compliance Procedures set forth below.

### **Corporate Opportunities**

We each owe a duty to Southwest to further its legitimate interests whenever we can do so. Employees and members of the Board of Directors may not take for themselves personally opportunities that are discovered through the use of Company property, information, or position. This means you may not use Southwest property or information, or your position with Southwest, to put your personal gain ahead of the Company's interests.

### **Safeguarding Company Property**

Each of us has the responsibility to safeguard the assets of Southwest Airlines. We must use and maintain Company assets with care and respect while guarding against waste and abuse. Employees, members of the Board, and business associates must protect from unauthorized disclosure or misuse all non-public information received about the Company, including, for example, technology, competitive position, strategy, unreleased financial results, and Customer information. Disclosure of proprietary technical data developed, licensed, or purchased by the Company is strictly prohibited unless prior written authorization is obtained from an authorized individual. Persons subject to this Code must also take actions necessary to safeguard all passwords and identification codes to prevent unauthorized access to Southwest's information systems. Licensed or internally developed software may not be reproduced for personal use unless permitted by the terms of the license.

We must also safeguard Southwest's intangible assets, including information, intellectual property, and innovative ideas. Intellectual property rights, including patents, trademarks, copyrights, trade secrets, and know-how must be treated and managed with the same degree of care as any other valuable asset.

### **Recordkeeping**

Southwest's financial, accounting, and other reports and records must accurately and fairly reflect the Company's transactions in reasonable detail and in accordance with generally accepted accounting principles, applicable government regulations, and the Company's system of internal controls. Information must be recorded honestly and accurately and in a timely manner, which requires the attention and cooperation of all Employees and Board members. For example, only the true and actual number of hours worked may be reported, expense reports must be documented and recorded accurately, and no Employee, member of the Board, or business associate may authorize payment knowing that any part of the payment will be used for any purpose other than what is described in documents supporting the payment.

### **Waivers of this Code**

Any waiver of this Code for Executive Officers or members of the Board of Directors may be made only by the Board of Directors and will be promptly disclosed in accordance with applicable law or stock exchange regulation.

### **Compliance Procedures**

Each Employee and member of the Board is responsible for his or her own compliance with the Code of Ethics. Questions of interpretation should be directed to an Employee's local Leader or Department Head or to any Officer of the Company.

If you suspect or have any concerns about any possible violation of this Code or of any other Southwest internal policy or any law or regulation, your first action should be to address the

matter with your supervisor. If that is not possible for some reason or if this action does not resolve the matter, it is your responsibility to report the matter to Southwest's General Counsel. Additional information regarding reporting of suspected violations is included in the Southwest Airlines Co. Guidelines for Reporting Concerns about Code of Ethics Violations and Southwest's Compliance with Laws and Accounting Practices. We do not allow retaliation for reports of misconduct by others made in good faith by Employees. Employees are expected to cooperate in internal investigations of violations of this Code. Employees who violate this Code will be subject to discipline, which may include termination of employment.

As adopted by the Board of Directors of Southwest Airlines Co. on September 18, 2008.