(December 2017)

Report of Organizational Actions Affecting Basis of Securities Department of the Treasury Internal Revenue Service

► See separate instructions.

OMB No. 1545-0123

Part I Reporting I	ssuer				
1 Issuer's name				2 Issuer's employer identification number (EIN)	
Southwest Airlines Co.				74-1563240	
3 Name of contact for add	ditional information	4 Telephon	e No. of contact	5 Email address of contact	
Investor Relations, HDQ-61	R		214.792.4415	InvestorRelations@wnco.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact			7 City, town, or post office, state, and ZIP code of contact		
P.O. Box 36611				Dallas, TX 75235	
8 Date of action 9 Classification and description					
September 4, 2024 10 CUSIP number	11 Serial number(convertible Senior Notes Due 12 Ticker symbol	e 2025 13 Account number(s)	
10 COSIF Humber	Ti Senai number(5)	12 Ficker Symbol	13 Account number(s)	
844741 BG2	N/A		LUV	N/A	
		ch additional		e back of form for additional questions.	
				against which shareholders' ownership is measured for	
the action ► See Att					
3					
				* * * * * * * * * * * * * * * * * * * *	
15 Describe the quantitat	ive effect of the ora:	anizational act	ion on the basis of the securit	y in the hands of a U.S. taxpayer as an adjustment per	
share or as a percenta	age of old basis > c	oo Attached F	Form 8937 Appendix A	y in the hands of a o.o. taxpayer as an adjustment per	
	<u> </u>	ee Attached i	om ossi Appendix A		
1					
			26		
				tion, such as the market values of securities and the	
valuation dates ► See	Attached Form 89	37 Appendix	A		
2					
3 					
				·	

Part	Ш	Organizational Action (continued)			
17 L		applicable Internal Revenue Code section(s) and subsection(s) upon which the t	ax treatment is based ▶	See Attached Form 8937
18 C	an an	y resulting loss be recognized? ► See Att	ached Form 8937 Appendix A		
			N.		
					5, 14
					3
19 F	rovide	any other information necessary to implem	nent the adjustment, such as the repo	rtable tax year ► See At	tached Form 8937 Appendix A
				· · · · · · · · · · · · · · · · · · ·	
			U.		
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	Unde	er penalties of parjury, Ideolare that I have exam	nined this return, including accompanying	schedules and statements	and to the best of my knowledge and
		f, it is true, correct, and complete. Declaration of	preparer (other than officer) is based on all	information of which prepar	er has any knowledge.
Sign		/ /// //// /XX		1 1	
Here	Cian	All A ANNO A		Date - 9 18 7	4
	Sign	ature •			
	D-i-	your name > Lyon Machiles		Title ► SVP Ca	ataller
	Print	your name ► MARTINEZ Print/Type preparer's name	Preparer's signature	Date	PTIN
Paid		Third Type preparer a flattie			Check III
Prep					self-employed
Use					Firm's EIN ▶
		Firm's address ▶			Phone no.
Send F	orm 8	937 (including accompanying statements) t	Department of the Treasury, Internated	al Revenue Service, Ogd	en, UT 84201-0054

Southwest Airlines Co.

Form 8937 Appendix A

On September 4, 2024 (the "Conversion Rate Adjustment Date"), an increase in the conversion rate of the 1.250% Convertible Senior Notes Due 2025 (the "Convertible Notes") was made in connection with the payment of certain cash dividends to each shareholder of common stock of Southwest Airlines Co. ("SWA"). The increase in the conversion rate of the Convertible Notes results in a deemed distribution under section 301 of the Internal Revenue Code of 1986, as amended (the "Code") by reason of sections 305(b)(2) and 305(c) of the Code. Section 6045B of the Code and the underlying Treasury Regulations (the "Regulations") provide that if a corporation issues a cash dividend with respect to stock that results in a conversion rate adjustment on a convertible debt instrument that is treated as a deemed distribution under section 305(b)(2) and (c) of the Code, an information return (above, Form 8937) must be filed with the Internal Revenue Service (the "IRS") describing, among other things, the action and the action's quantitative effect. As an alternative to filing this information return with the IRS, an issuer may post the information return to its public website.

The information contained in the attached Form 8937 and this Appendix A thereto is intended to satisfy the requirements of public reporting under Section 6045B of the Code and Sections 1.6045B-1(a)(3) and (b)(4) of the Regulations by SWA. The information contained in this notice is intended to provide only a general summary of certain U.S. federal income tax consequences of the conversion rate adjustment and is not intended to be a complete analysis or description of all potential U.S. federal income tax consequences of the conversion rate adjustment. Each holder of the Convertible Notes should consult his or her own tax advisors to determine the particular federal, state, local, or foreign income, reporting or other tax consequences of the conversion rate adjustment to such holder.

Line 14 Description of Owner instinued Action	On the Committee Bate Adirector and Date and
Line 14 – Description of Organizational Action	On the Conversion Rate Adjustment Date, each
	shareholder of common stock of SWA that was
	listed as a holder of record became entitled to a
	cash dividend with respect to its common stock.
	Pursuant to Section 7.04(d) of the first
	supplemental indenture dated as of May 1, 2020,
	the conversion rate on the Convertible Notes was
	increased on the Conversion Rate Adjustment
	Date to take into account such cash dividend.
	Such adjustment to the conversion ratio on the
	Conversion Rate Adjustment Date is treated as a
	deemed distribution of property to the holders of
	the Convertible Notes to which section 301 of the
	Code applies by reason of sections 305(b)(2) and
	305(c).

Line 15 – Quantitative Effect of Organizational Action	Because there was a cash dividend declared and paid with respect to common stock and a corresponding increase in the conversion rate on the Convertible Notes, such increase in conversion rate of the Convertible Notes constitutes a deemed distribution of common stock to the holders of the Convertible Notes to which section 301 applies. SWA expects that it will have sufficient current or accumulated earnings and profits to treat the deemed distribution of property to the holders of the Convertible Notes as a dividend for U.S. federal income tax purposes. The holders of the Convertible Notes are required to include the deemed distribution in gross income for U.S. federal income tax purposes and increase the basis of the Convertible Notes by the fair market value of the deemed distribution. Therefore, as a result of the increase in the conversion ratio of the Convertible Notes, each holder of a Convertible Note is required to include \$4.88 in gross income as a dividend per \$1,000 face amount of Convertible Notes by the same amount with respect to the conversion rate adjustment.
Line 16 – Calculation of the Change in Basis	Sample Calculation: A holder of a Convertible Note has \$1,000 basis in a \$1,000 Convertible Note. A holder of a Convertible Note will increase its basis in such Convertible Note by \$4.88 as a result of the inclusion of the dividend in gross income for U.S. federal income tax purposes with respect to the Conversion Rate Adjustment Date.
Line 17 – Code Sections Upon Which Tax Treatment is Based	Sections 305(b)(2), 305(c), 301(c), 316 and 301(d) of the Code
Line 18 – Recognition of any Resulting Loss	This is not a loss transaction.
Line 19 – Reportable Tax Year	The reportable tax year is 2024 for a taxpayer reporting taxable income on a calendar year basis.

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