

September 24, 2024

Dear Fellow Southwest Shareholders,

We are writing to you today on behalf of Elliott Investment Management, L.P. (“Elliott”) regarding your investment in Southwest Airlines Co. (“Southwest” or the “Company”).

The purpose of today’s letter is to a) inform you of our intent to formally call a special meeting in the coming weeks and b) make you aware of certain defensive actions that Southwest’s leaders are taking, apparently in an attempt to disenfranchise shareholders and evade accountability for their poor performance. This letter will lay out the steps you need to take prior to a potential record date of **October 7** to ensure that you can vote your shares.

We Intend to Call a Special Meeting at Southwest in the Coming Weeks

Since becoming large investors in Southwest, it has been our goal to collaborate with the Company to restore accountability and best-in-class financial performance.

Unfortunately, Southwest’s management and Board have chosen a go-it-alone path with the goal of obstructing a leadership change that is urgently needed. This path has featured a chaotic series of defensive actions, including a “poison pill,” a hastily recruited new director, a half-baked announcement of changes to the Company’s product, and the sudden declaration that nearly half of the Board intends to resign in November. Executive Chairman Gary Kelly has also said that he intends to resign, but not until next May.

Now we are seeing reports that Southwest executives are warning employees of “difficult decisions” ahead that could adversely affect workers, which are supposedly being made in response to demands from Elliott Management.

Let us be clear: Whatever “difficult decisions” management has decided must be made, they are the product of a failed management team that has delivered years of deteriorating performance and is now taking any action – no matter how short-sighted – that they believe will preserve their own jobs. **Elliott has had no say in any of these actions.** From the very beginning of this campaign, our asks have been simple, clear and consistent:

- 1) **Enhance the Board of Directors**: The Board should be reconstituted with new, truly independent directors from outside of Southwest who have best-in-class expertise in airlines, customer experience and technology.
- 2) **Upgrade Leadership**: Southwest must bring in new leadership from outside of the Company to improve operational execution and lead the evolution of Southwest’s strategy.

- 3) **Undertake a Comprehensive Business Review**: Southwest should form a new management and Board-level committee to evaluate all available opportunities to rapidly restore the Company's performance to best-in-class standards.

In other words, we believe that competent new leaders, working through a deliberate and thoughtful process, should chart the course forward for Southwest. We do **not** support the Company's current course, which is being charted in a haphazard manner by a group of executives in full self-preservation mode. Trusting these executives to implement "transformative" strategic changes and make "difficult decisions," when they have proven incapable of competently running the airline, represents a long-term risk to the business and its culture. We have seen time and again that when underperforming management teams try to implement measures without proper governance or the right expertise, companies fail to address their strategic challenges and often make matters worse.

The urgency of management and Board change at Southwest could not be clearer. In the coming weeks, we will be formally requesting a special meeting to provide you with a choice between the new directors that we have put forward – who we believe possess the qualifications and skills to guide Southwest to a brighter future – or a Board that lacks relevant expertise and has pre-committed itself to supporting failed CEO Bob Jordan.

Southwest Shareholders Need to Call Back All Their Shares Prior to October 7

In the event of a special meeting, it is very important that you, as a fellow Southwest shareholder, have the opportunity to vote *all* of your shares.

To be entitled to vote at the special meeting, shareholders must have the right to vote their shares as of the record date for the meeting, which will be set by Southwest's Board.

Southwest has provided several potential record dates to banks and brokers in anticipation of Elliott calling a special meeting. The use of these so-called "false record dates" can be a defensive strategy used to disenfranchise shareholders by not allowing investors the opportunity to get their shares into a voteable position prior to the record date.

These "false record dates" will enable Southwest to set its actual record date for a very short time after the special meeting is called – possibly the very same day. This maneuver would leave some Southwest shareholders unable to vote their full share position at the special meeting.

Because we intend to request that Southwest call a special meeting in the coming weeks, **we strongly urge all Southwest shareholders – especially shareholders who engage in share lending or authorize their brokers to engage in share lending – to work with their banks and brokers as soon as possible to confirm that they are able to vote all their Southwest shares by no later than October 7** (the next "false record date" set by Southwest). If any of your shares are currently on loan, you can instruct your

broker to recall any loaned shares to ensure you are “long” for your entire eligible position. Shareholders should be ready for whatever record date is set by the Southwest Board.

An Urgent Case for Change

Given the reckless and chaotic actions that Southwest’s leaders keep taking in an attempt to preserve their jobs – and the resulting risk to the Company and its constituents – the need for change is urgent, and **our request for a special meeting may come as soon as next week.**

Any shareholders who have questions about what they need to do should contact our proxy solicitor, Okapi Partners, by calling toll-free (877) 629-6357 or by emailing info@okapipartners.com.

Sincerely,



John Pike
Partner



Bobby Xu
Portfolio Manager