

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is made and entered into by and between the **TRANSPORT WORKERS UNION OF AMERICA LOCAL 556, AFL-CIO** (“TWU Local 556”), **MS. ANGELLA FARNAN** (“Ms. Farnan”), and **SOUTHWEST AIRLINES CO.** (the “Company” or “Southwest”), (collectively the “Parties”).

WHEREAS, TWU Local 556 and Southwest are parties to a pending lawsuit in the United States District Court for the District of Colorado, Case No. 1:25-cv-01195-TPO;

WHEREAS, the parties wish to resolve the matter without the further expense of litigation;

WHEREAS, the parties have agreed to resolve Case No. 1:25-cv-01195-TPO.

In consideration of the mutual promises and obligations of this Agreement, the Parties agree and covenant as follows:

1. Denver-based Flight Attendants (hereinafter “Flight Attendants”) will continue to be able to use their sick leave for all the purposes listed under Colorado’s Healthy Families and Workplace Act (“HFWA”), which include: (1) a mental or physical illness, injury, or health condition that prevents work, including diagnosis or preventive care; (2) domestic abuse, sexual assault, or criminal harassment leading to health, relocation, legal, or other services needs; (3) a family member experiencing a condition described in category (1) or (2); or (4) in a public health emergency (PHE), a public official closed the workplace, or the school or place of care of the employee’s child.
2. Colorado Protected Absence Hours may also be used (A) to care for a family member whose school or place of care has been closed due to inclement weather, loss of power, loss of heating, loss of water, or other unexpected occurrence or event that results in closure; (B) where the employee needs to evacuate the employee's place of residence due to inclement weather, loss of power, loss of heating, loss of water, or other unexpected occurrence; and/or (C) when the employee needs to grieve, attend funeral services or a memorial, or deal with financial and legal matters that arise after the death of a family member.
3. A “family member” for whom Colorado Protected Absence Hours may be used includes any person for whom the employee is responsible for providing or arranging health- or safety-related care.
4. No use of Colorado Protected Absence Hours may cause the employee to accrue any attendance points, nor may such use be counted as an absence which may lead to or result in discipline, discharge, demotion or suspension.

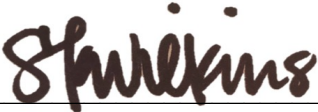
5. Except as otherwise indicated herein, normal sick leave reporting requirements still apply. Current sick leave allotments remain the same, but Flight Attendants will continue to have a bank of Colorado Protected Absence Hours they may use to protect a covered absence from the normal attendance policy. Colorado Protected Absence Hours are **not** a separate “bank” of paid time, but merely reflect how much paid sick leave will be “protected” from normal attendance policies. For example, if a Flight Attendant has 100 hours of normal paid sick leave and 24 Protected Absence Hours, then call out sick for a 3-day trip, their remaining balance would be 0 Protected Absence Hours and their normal sick bank will be reduced by the amount of Trips For Pay paid.
6. Flight Attendants must have adequate time available in both their contractual paid sick leave bank, and their Colorado Protected Absence Hour bank to cover the absence(s) as available sick hours will be deducted accordingly. Colorado Protected Absence Hours will be accrued based on actual hours worked each month.
7. A Flight Attendant’s Colorado Protected Absence Hour Bank will be reduced only where the Flight Attendant timely (as defined below in Paragraph 8) files a request form seeking to use Colorado Protected Absence Hours.
8. Flight Attendants will have the option to apply Colorado Protected Absence Hours when they are absent from work for reasons covered in Colorado. Forms must be submitted prior to or on the next scheduled pairing or within seven (7) working days, (exclusive of Saturdays, Sundays, and Holidays), after the ending of the last day of absence, whichever is earlier. If the Flight Attendant does not submit this form and declines Protected Absence Hours, the regular attendance policy in the Flight Attendant CBA will apply. This means the Flight Attendant will be subject to normal rules regarding pay, attendance points, and discipline.
9. No documentation supplemental to the employee certification on the Request for Use of Colorado State Sick Leave form may be required for protected leaves of durations shorter than four consecutive days on which the employee was scheduled to work, outside of those circumstances involving a Sick Leave Emergency. For time periods involving a Sick Leave Emergency, those policies and procedures will apply as to Requests for Use of Colorado State Sick Leave arising from the illness or need of the Flight Attendant him/herself. Policies and procedures regarding Sick Leave Emergencies will not apply to Requests for Use of Colorado State Sick Leave arising from the illness or need of a family member.
10. The protections of this Agreement and eligibility for Colorado Protected Absence Hours pertain to all employees including those in probationary status, from the inception of their employment.
11. Flight Attendants granted relief from flight status for purposes of official Union business pursuant to CBA Art. 15(11) or 27(4) will continue to accrue Colorado Protected Absence Hours during their relief from flight status.

12. The rate of accrual of Colorado Protected Absence Hours is one (1) hour per thirty (30) hours worked. The maximum number of Colorado Protected Absence Hours accrued at any given time is forty-eight (48) hours. Up to forty-eight (48) hours of Colorado Protected Absence Hours that an employee accrues in a year but does not use carries forward to, and may be used in, a subsequent year. No employee may use more than forty-eight (48) Colorado Protected Absence Hours in a calendar year.
13. No later than seven business (7) days after the execution of this Agreement, the Company shall amend the associated leave request forms for Colorado Protected Absence Hours to state the two sentences immediately following this sentence in this Paragraph 13. "Up to forty-eight (48) hours of Colorado Protected Absence Hours that an employee accrues in a year but does not use carries forward to, and may be used in, a subsequent year. No employee may use more than forty-eight (48) Colorado Protected Absence Hours in a calendar year."
14. Leaves taken under Colorado's Paid Family and Medical Leave Insurance Act FAMILI ("FAMILI"), C.R.S. § 8-13.3-501, et. seq and approved by the division of family and medical leave insurance do not run concurrently with Colorado Protected Absence Hours discussed in this Agreement. Employees are not required to use or exhaust any accrued vacation leave, sick leave, or other paid time off prior to or while receiving FAMILI leave, but may individually choose to do so.
15. This Agreement confers the leave rights recited herein independent of any statutory requirement.
16. The Parties agree that, without waiving any available remedies, rights of redress or the choice of forum, this Agreement, including the guarantees and limitations with respect to the HFWA therein, will be enforceable through the Board of Adjustment, grievance and arbitration procedures of the parties' CBA, regardless of whether or not the subject employees are deemed, held or believed to be subject to the coverage of the HFWA.
17. TWU Local 556 agrees that it will elect a single forum to hear its claims regarding each alleged violations of the HFWA or this Agreement, such that it will not be able to adjudicate, or appeal, claims in both the Board of Adjustment process and in a court and/or government agency. It is further agreed that if a member of TWU Local 556 elects to adjudicate, or appeal, a claim regarding any alleged violations of the HFWA in a court and/or government agency, the member will not have the right to adjudicate, or appeal, said claim though the Board of Adjustment process.
18. The Parties agree that Defendant's Counterclaim will be voluntarily dismissed with prejudice.
19. Promptly after execution of this Agreement, the Parties will execute and file a stipulation of dismissal with prejudice pursuant to Fed. R. Civ. P 41 which stipulation will recite the dismissal of all claims and counterclaims pled in this litigation, each party to bear their own attorney fees and costs.

20. This Agreement constitutes the entire Agreement between the Parties regarding the subject matter contained herein. No term, provision or condition of this Agreement may be modified in any respect except by a writing signed by each of the Parties.
21. The failure of any Party to enforce or require timely compliance with any term or provision of this Agreement shall not be deemed to be a waiver or relinquishment of rights or obligations arising hereunder, nor shall this failure preclude the enforcement of any term or provision or avoid the liability for any breach of this Agreement.
22. The Parties agree that this Agreement will be construed without regard to any presumption or other rule requiring construction against the party causing this Agreement to be drafted. If any provision of this Agreement is found to be invalid, void, or unenforceable, the remainder of the Agreement shall remain in full force and effect and shall in no way be affected, impaired, or invalidated.
23. This Agreement may be executed in counterparts, and each counterpart shall constitute an original. Electronic and/or facsimile copies shall be considered originals for all purposes, including enforcement.

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24. Ms. Angella Farnan has had an opportunity to consult with and to be advised by legal counsel of her choice, fully understands the terms of this Agreement, and enters into this Agreement freely, voluntarily, and intending to be legally bound. Because Ms. Farnan has had the opportunity to consult with competent legal counsel of her own choosing, has carefully read the Agreement, which was mutually negotiated, and has been fully and fairly advised as to its terms, any rule of law or decision that would require interpretation of any claimed ambiguities in this Agreement against the Party that drafted it has no application and is expressly waived.

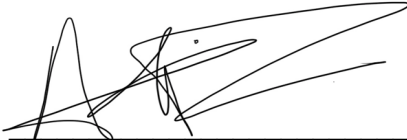


TRANSPORT WORKERS UNION LOCAL 556, AFL-CIO

BY: Ms. Sam Wilkins

TITLE: 1st Vice President

EXECUTED: September, 12 2025

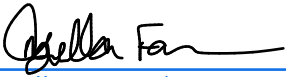


TRANSPORT WORKERS UNION LOCAL 556, AFL-CIO

BY: Mr. Xander Ricker

TITLE: Denver Domicile Executive Board Member

EXECUTED: September, 12 2025



Angella Farnan (Sep 12, 2025 11:49:11 MDT)

MS. ANGELLA FARNAN

EXECUTED: September, 12, 2025



SOUTHWEST AIRLINES CO.

BY: Chris Maberry

TITLE: Lead Counsel

EXECUTED: September, 11 2025

Cc: Counsel for Transport Workers Union Local 556, AFL-CIO, Andrew Turner, Esq., Mark Richard, Esq. and Holly Oliva-Van Horsten, Esq.