

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 8-K**

**CURRENT REPORT  
Pursuant to Section 13 or 15(d)  
of the Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported) November 14, 2024**

**watsco**

**WATSCO, INC.**

(Exact name of registrant as specified in its charter)

**Florida**  
(State or other jurisdiction  
of incorporation)

**1-5581**  
(Commission  
File Number)

**59-0778222**  
(IRS Employer  
Identification No.)

**2665 South Bayshore Drive, Suite 901**  
**Miami, Florida**  
(Address of principal executive offices)

**33133**  
(Zip Code)

**Registrant's telephone number, including area code: (305) 714-4100**

**N/A**

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

**Securities registered pursuant to Section 12(b) of the Act:**

<b>Title of each class</b>	<b>Trading Symbols</b>	<b>Name of each exchange on which registered</b>
Common stock, \$0.50 par value	WSO	New York Stock Exchange
Class B common stock, \$0.50 par value	WSOB	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

**Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

On November 14, 2024, Watsco, Inc., a Florida corporation (the “Company”), entered into an amended and restated twenty-fifth amendment (the “A&R Amendment”) to that certain Employment Agreement and Incentive Plan, dated January 31, 1996, between the Company and the Company’s Chairman and CEO, Albert H. Nahmad (as amended, the “Employment Agreement”). Pursuant to the A&R Amendment, the maximum amount of Mr. Nahmad’s potential performance-based stock award for the year ending December 31, 2024, payable solely in the form of a restricted stock grant with cliff-vesting on October 15, 2032, has been increased from \$10.0 to \$20.0 million. The A&R Amendment effected no other changes to the Employment Agreement.

The foregoing description of the A&R Amendment is only a summary and is qualified in its entirety by reference to the full text of the A&R Amendment, a copy of which is filed as Exhibit 10.1 to this Current Report on Form 8-K and incorporated by reference in this Item 5.02.

**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits

<u>Exhibit Number</u>	<u>Description</u>
10.1+	<a href="#"><u>Amended and Restated Twenty-Fifth Amendment to Employment Agreement and Incentive Plan dated January 31, 1996 by and between Watsco, Inc. and Albert H. Nahmad.</u></a>
104	Cover Page Interactive Date File (embedded within the Inline XBRL document)

+ Management contract or compensatory plan arrangement.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, hereunto duly authorized.

**WATSCO, INC.**

Dated: November 15, 2024

By: /s/ Ana M. Menendez  
Ana M. Menendez,  
Chief Financial Officer

**AMENDED AND RESTATED  
TWENTY-FIFTH AMENDMENT  
TO  
EMPLOYMENT AGREEMENT**

This Amended and Restated Twenty-Fifth Amendment to Employment Agreement is made and entered into on November 14, 2024, effective as of the 1st day of January 2024, by and between **WATSCO, INC.**, a Florida corporation (the “Company”), and **ALBERT H. NAHMAD** (the “Employee”), and amends and restates in its entirety that certain Twenty-Fifth Amendment to Employment Agreement, made and entered into effective as of the 1st day of January 2024, by and between the Company and the Employee.

**RECITALS**

**WHEREAS**, the Company and the Employee entered into an Employment Agreement effective as of January 31, 1996 (the “Employment Agreement”) pursuant to which the Employee renders certain services to the Company; and

**WHEREAS**, the Compensation Committee of the Company’s Board of Directors amended the Employment Agreement effective as of January 1, for each of 2001 through 2023;

**WHEREAS**, the Compensation Committee of the Company’s Board of Directors approved the Twenty-Fifth Amendment to the Employment Agreement on January 16, 2024;

**WHEREAS**, the Compensation Committee of the Company’s Board of Directors approved this Amended and Restated Twenty-Fifth Amendment to the Employment Agreement on August 13, 2024; and

**WHEREAS**, the Compensation Committee of the Company’s Board of Directors has determined that the Employee’s Base Salary will be \$600,000 for calendar year 2024; and

**WHEREAS**, the Compensation Committee of the Company’s Board of Directors has determined the Employee’s use of the Company’s airplane for personal purposes for up to ninety (90) hours during the calendar year 2024. The Company shall pay all fuel and operational costs incident thereto. The value of the Employee’s usage of the Company’s airplane shall be treated as compensation for tax purposes; and

**WHEREAS**, the Compensation Committee of the Company’s Board of Directors has set the targets for the long-term performance-based compensation payable in the form of restricted shares by the Company to the Employee for the year 2024;

**WHEREAS**, the long-term performance-based compensation payable by the Company to the Employee for the calendar year 2024 shall not exceed \$20 million.

**NOW, THEREFORE**, in consideration of the mutual promises and covenants set forth in this Twenty-fifth Amendment, and other good and valuable consideration, the parties to this Twenty-fifth Amendment agree as follows:

1. All capitalized terms in this Amended and Restated Twenty-fifth Amendment shall have the same meaning as in the Employment Agreement, unless otherwise specified.

2. The Employment Agreement is hereby amended by replacing “Exhibit A-1 - 2023 Performance Goals and Long-term Performance Based Compensation” with the attached “Exhibit A-1 - 2024 Performance Goals and Long-term Performance Based Compensation” thereto.

3. All other terms and conditions of the Employment Agreement shall remain the same.

**IN WITNESS WHEREOF**, the parties have caused this Amended and Restated Twenty-fifth Amendment to Employment Agreement to be duly executed as of November 14, 2024 and effective as of January 1, 2024.

**WATSCO, INC.**

By: /s/ Barry S. Logan  
Barry S. Logan, Executive Vice President

**EMPLOYEE**

By: /s/ Albert H. Nahmad  
Albert H. Nahmad

**EXHIBIT A-1**  
**2024 PERFORMANCE GOALS AND LONG-TERM PERFORMANCE BASED COMPENSATION**

***Overview***

Watsco's compensation program is grounded by the guiding principle that compensation should be highly dependent upon long-term shareholder returns. This key tenet of our compensation philosophy has driven the unique design of our program for many years and has enabled our executive leadership team to stay solidly focused on long-term performance. We have generated a compounded annual growth rate for total shareholder return of 19% over the last 34 years.

The most unique aspect of the program is the use of restricted stock that requires an executive to spend his or her entire career with the Company in order to vest. We believe granting restricted stock effectively balances strategic risk-taking and long-term performance, creates an ownership culture, and aligns the interests of high-performing leaders with the interests of our shareholders. Additionally, we believe these awards help build a sustainable future by ensuring that our executives make the right long-term business decisions that will survive well past their retirement.

We began granting restricted stock awards in 1997. All the restricted shares we have granted to our leaders throughout the Company vest upon reaching retirement age (usually 62 or older). Based on data provided by Equilar, the duration of our cliff-vesting period is solely unique to Watsco. Vesting may also occur at an even later date for those who extend their careers beyond age 62. This means that our key leaders will not know the value and cannot realize the value of their equity awards until they have spent their career with the Company. As it relates to our CEO, on a weighted-average basis, his restricted share awards will vest in approximately 4.0 years.

In formulating the amount of a potential award, the Compensation Committee believes that the 'present-value' of an award versus the 'face-value' of an award is considerably less due to the unusually long vesting periods and associated risks of forfeiture.

### ***Annual Performance-based Restricted Stock Award***

The formula for determining the CEO's Annual Performance-based Restricted Stock Award has been consistent, and for 2024 is as follows:

	<b>Amount of Restricted Stock Award</b>
<b>A. <u>Earnings Per Share (EPS)</u></b>	
For each \$.01 increase if growth is below 5%	\$ 43,500
For each \$.01 increase if growth is at or above 5%	\$ 65,000
<b>B. <u>Increase in Common Stock Price</u></b>	
If the closing price of a share of Common Stock on 12/31/24 does not exceed \$428.47	\$ 0
If the closing price of a share of Common Stock on 12/31/24 exceeds \$428.47 but does not equal or exceed \$514.16, for each \$0.01 increase in per share price of a share of Common Stock above \$428.47	\$ 1,200
If the closing price of a share of Common Stock on 12/31/24 equals or exceeds \$514.16, for each \$0.01 increase in per share price of a share of Common Stock above \$428.47	\$ 1,800

### ***Other Considerations***

The amount of Performance-Based Restricted Stock Award shall be subject to a cap of \$20 million.

The award shall be paid through the issuance of a number of restricted shares of Class B Common Stock of the Company (the "Shares") equal to the amount determined by dividing (x) the Performance-Based Restricted Stock Award Amount by (y) the closing price for the Class B Common Stock of the Company on the New York Stock Exchange as of the close of trading on December 31, 2024. The value of any fractional shares shall be paid in cash.

The restrictions on the Shares shall lapse on the first to occur of (i) October 15, 2032, (ii) termination of the Executive's employment with the Company by reason of Executive's disability or death, (iii) the Executive's termination of employment with the Company for Good Reason, (iv) the Company's termination of Executive's employment without Cause, or (v) the occurrence of a Change in Control of the Company ("Good Reason," "Cause," and "Change in Control" to be defined in a manner consistent with the most recent grant of Restricted Stock by the Company to the Executive).

The Performance-Based Restricted Stock Award is being made by the Compensation Committee as performance awards of restricted stock pursuant to the Company's 2021 Incentive Compensation Plan or any successor plan (the "Incentive Plan") and are subject to the limitations contained in Section 5 of the Incentive Plan.

Entered into on November 14, 2024 and Effective as of  
January 1, 2024

**COMPENSATION COMMITTEE**

By: /s/ Denise Dickins

\_\_\_\_\_  
Denise Dickins, Chair

**ACKNOWLEDGED AND ACCEPTED**

By: /s/ Albert H. Nahmad

\_\_\_\_\_  
Albert H. Nahmad