

WATSCO, INC.
POLICY FOR RELATED PARTY TRANSACTIONS

Transactions subject to this policy shall include any transaction, arrangement, or relationship (including any indebtedness) that the Company or any of its subsidiaries has with a Related Person. A Related Person includes directors (or nominees) and named executive officers of the Company, and any immediate family member.

The following transactions are exempt from this policy:

- Payment of compensation to a Related Person for service to the Company in the capacity that gave rise to the person's status as a "Related Person," and
- Purchases of products from the Company in the ordinary course of business at the same prices and terms offered to other employees.

Approval or Ratification of Related Person Transactions

The Audit Committee (the "Committee") is to approve any Related Person transaction subject to this policy before commencement of the transaction; provided, however, that if transaction is identified after it commences, it shall still be brought to the Committee for ratification.

If the Company becomes aware of a transaction that has not previously been approved:

- If it is pending or ongoing, it will be submitted to the Committee promptly and the Committee will consider the transaction in light of the standards of approval listed below. Based on this evaluation, the Committee will consider all options, including approval, ratification, amendment, denial, or termination of the Related Person transaction, and
- If the transaction is completed, the Committee will evaluate the transaction in accordance with the same standards to determine whether rescission of the transaction is appropriate and feasible.

The Committee hereby delegates authority to the Chairperson to approve any Related Person transaction or take any other action that the Committee would be authorized to take if a transaction arises, or first becomes known, between Committee meetings. The Chairperson may take any such action or, in his or her discretion, require that the matter be brought before the full Committee. Any action taken by the Chairperson shall be reported to the Committee at its next regularly scheduled meeting.

Standards for Approval of Transactions

The Committee will analyze the following factors, among others, in determining whether to approve a transaction:

- Whether the terms are fair,
- Whether the transaction is material and is beneficial to the Company,
- The role the Related Person has played,
- The structure of the transaction, and
- The interests of all Related Persons in the transaction.

Approval Process

The Committee may, in its sole discretion, approve, suspend, or deny any Related Person transaction. Approval of a Related Person transaction may be conditioned upon the Company and the Related Person taking any actions, or any other actions that the Committees deems appropriate.

The Committee may request information about the transactions from time to time and may appoint a Company representative to monitor various aspects of the transaction. The Related Person shall cooperate with the Committee during the course of implementation of this policy.

Adopted by the Board on March 9, 2026