

WATSCO, INC.
CORPORATE GOVERNANCE GUIDELINES

Introduction. The Board of Directors (the “Board”) of Watsco, Inc. (the “Company”) has adopted these corporate governance guidelines to promote the effective functioning of the Board and its committees, to promote the interests of shareholders, and to ensure a common set of expectations as to how the Board, its various committees, individual directors and management should perform their functions. These guidelines should be interpreted in the context of all applicable laws, the Company’s charter documents, and other governing documents.

Size of the Board. The authorized number of directors will be determined from time to time by resolution of the Board. The Board shall consist of at least three (3) and no more than nine (9) members.

Selection of Directors. The Nominating & Governance Committee is responsible for identifying, screening, and recommending candidates to the Board. The Board is responsible for nominating candidates for election at the next meeting of shareholders and for filling vacancies that occur between annual meetings of shareholders based on the recommendation of the Nominating & Governance Committee.

Board Membership Criteria. The Nominating & Governance Committee is responsible for determining the appropriate skills and characteristics required of directors. The Nominating & Governance Committee shall consider the following criteria in making its recommendations to the Board:

- Judgment, diversity, character, and knowledge useful to the oversight of the Company’s business,
- Business or other relevant experience, including business-building skills and financial expertise,
- Chemistry with other Board members that will be effective, collegial, and responsive to the needs of the Company.

Director Tenure. Directors may be re-elected at the end of each term and the Board does not believe it should establish term limits because directors who have developed increasing insight into the Company and its operations over time provide an increasing contribution to the Board as a whole. To ensure the Board continues to generate new ideas and to operate effectively, the Nominating & Governance Committee shall evaluate performance and take steps as necessary regarding continuing director tenure.

General Responsibility. The fundamental responsibility of the directors is to exercise their business judgment to act in what they reasonably believe to be the best interests of the Company and its shareholders. It is the duty of the Board to oversee management’s performance to ensure that the Company operates in an effective, efficient, and ethical manner in order to produce value for the Company’s shareholders. The Board also evaluates the Company’s overall business strategy.

Additionally, the Board has responsibility for risk oversight, with reviews of certain areas being conducted by the relevant board committees. The Company encounters a range of risks, including legal, financial, operational, compliance, international, strategic, cybersecurity, reputational, and environmental, social and governance risks. Within these broad categories, specific social risks

include human capital management, which includes talent acquisition, development and retention, health and wellness, safety, and succession. Other specific risks include cybersecurity threats, the competitive landscape in which the Company operates, and any impact of disruptive events, such as environmental issues, natural disasters, and pandemics. To manage these risks and other risks, the Company has implemented an annual Enterprise Risk Assessment process to identify, assess, manage, report, and monitor risks that may affect the Company's ability to achieve its objectives and strategy, of which the Audit Committee has oversight responsibility.

Audit Committee Oversight. The Audit Committee of the Board evaluates the integrity of the Company's accounting and financial reporting systems, including the audit of the Company's annual consolidated financial statements by the independent auditors, and that appropriate disclosure controls and procedures and systems of internal control are in place. The Audit Committee reports to the Board on a regular basis and the Board, upon the recommendation of the Audit Committee, takes the actions that are necessary to ensure the integrity of the Company's accounting and financial reporting systems and that such controls are in place.

Compensation Committee Oversight. At least annually, the Compensation Committee will evaluate the performance of the chief executive officer (CEO) and any officer related to the CEO. It will determine compensation plans and arrangements of the CEO, and any officer related to the CEO, and will review the compensation plans and arrangements of all Named Executive Officers ("NEOs").

Transactions with Board Members. All members of the Board must inform the Audit Committee of transactions between them (directly or indirectly) and the Company. The Audit Committee will review and approve related party transactions subject to a policy promulgated by the Audit Committee.

Evaluation of Corporate Governance. The Nominating & Governance Committee will annually review and evaluate the effectiveness of the governance practices under which the Board operates and make changes to these practices as needed.

Expectations for Directors. The Board has developed a number of specific expectations of directors to promote the efficient and effective conduct of the Board's business. It is understood that the independent directors are not full-time employees of the Company.

Commitment and Attendance. All directors should make every effort to attend meetings of the Shareholders, Board, and the Committees of which they are members. Attendance by teleconference or telephone may be used to facilitate a director's attendance.

Participation in Meetings. Each director should be sufficiently familiar with the business of the Company, including its financial statements and significant business risks, to ensure active and effective participation as a Board member or as a member of the Committee(s) on which he or she serves. Directors should also review the materials in advance of the meetings of the Board and its Committees to be prepared to discuss meeting topics. Directors are also expected to make themselves available outside of board meetings for advice and consultation.

Loyalty and Ethics. In their roles as directors, all directors owe a duty of loyalty to the Company. This duty of loyalty mandates that the best interests of the Company take precedence over any interest possessed by a director. The Company has adopted a Code of Conduct for Executives (the "Executive Code"). Certain portions of the Executive Code deal with activities of directors,

particularly with respect to potential conflicts of interest, the taking of corporate opportunities for personal use and transactions in the securities of the Company.

Confidentiality. Board and committee discussions shall be confidential. Each director shall maintain the confidentiality of information received in connection with his or her service as a director.

Number of Independent Directors on Board. A majority of the Board shall be independent, as defined in the Appendix.

Determination of Director Independence. The Nominating & Governance Committee annually reviews the status of each director and determines whether directors meet independence requirements. To assist the committee in making determinations of director independence, the Board has adopted a definition of director independence, which is included at the end of these guidelines.

Director Compensation. Non-employee directors may receive compensation for their board service. Employee directors do not receive compensation for their board service. Director compensation shall be awarded at the discretion of the Board of Directors.

Board and Committee Meetings. There are four regularly scheduled Board meetings each year; additional meetings may be held as needed. The Chairman presents an agenda at the beginning of each meeting; additional agenda items may be added as needed. Committees prepare their own calendar of meetings and agendas. Materials for Board and committee meetings are distributed in advance to the extent reasonably possible.

Committees. The Board has four standing committees: Nominating & Governance, Audit, Compensation, and Strategy. Only independent directors may serve on the Audit and Compensation committees.

Lead Independent Director. The Board has determined that the Lead Independent Director should have the following duties and responsibilities:

- (a) advise the Chairman as to an appropriate schedule of Board meetings,
- (b) review and provide the Chairman with input regarding the agendas for the Board meetings,
- (c) preside at all Board meetings at which the Chairman is not present, including regularly scheduled mandatory executive sessions of the independent directors, and apprise the Chairman of the issues considered,
- (d) be available for direct communication with the Company's shareholders,
- (e) call meetings of the independent directors when necessary or appropriate, and
- (f) perform such other duties as the Board may from time to time determine necessary.

Executive Sessions. The independent directors meet in executive session at least annually. The Lead Independent Director presides over executive sessions of the independent directors.

Director Access to Management. All directors shall be free to contact the CEO at any time to discuss any aspect of the Company's business and shall also have access to other members of the Company's senior management. Such members of senior management who are not Board members, as well as the leadership of the Company's subsidiaries, may be invited to attend Board and committee meetings to participate and to provide a greater understanding of the Company's activities.

Director Access to Independent Advisors. The Audit Committee confers with the Board regarding the retention of, and meets regularly with, the Company's independent registered public accounting firm (“independent auditors”), and is responsible for the appointment, compensation, retention, and oversight of the work of the Company's independent auditors and approves any significant audit or non-audit work by the Company's independent auditors. The Chairperson of each committee has the sole authority to retain consultants or other experts to provide them advice.

Director Orientation. The Company provides an orientation program for new directors including written materials, oral presentations, and meetings with senior members of management. The Chairman may also provide orientation and education for directors, either individually or in group settings, which relate to the company’s history, strategies, opportunities, and the like. Such discussions may be conducted at the Company or by travel in formal or informal settings (with or without spouses), as deemed appropriate.

Director Education. The Board believes that ongoing education is important for maintaining a current and effective Board. The Nominating & Governance Committee is responsible for recommending and monitoring board education for directors. Costs associated with approved director education will be reimbursed.

Evaluations. The Board evaluates its performance annually, led by the Nominating & Governance Committee. Each committee evaluates its performance annually and reviews the results of its evaluation with the full Board.

Management Succession. The Board will maintain succession planning policies and principles for CEO & President selection and performance review, as well as policies in the event of the CEO’s or President’s retirement or should something unexpectedly occur that prevents either person from fulfilling his duties.

Minimum Stock Ownership Requirement. To align the interests of our directors and NEOs with those of our shareholders, each director and NEO will be required to meet the following minimum stock ownership requirements:

- each director must own common stock or other equity of the Company stock with a value of at least \$100,000,
- the NEOs each must own common stock or other equity with a value of at least 5-times the individual’s base salary.

Our directors and NEOs have two years from the date they became directors or NEOs to comply with these ownership requirements. Compliance with the minimum stock ownership level will be determined on the date when the grace period set forth above expires, and annually on each December 31 thereafter, by multiplying the number of shares held by each director and NEO and the average closing price of those shares during the preceding month.

Adopted by the Board on March 9, 2026

Appendix

Guidelines for Determining Director Independence

A director will be considered independent only if the Nominating & Governance Committee has affirmatively determined that the director has no material relationship with the Company (either directly or as a partner, shareholder or officer of an organization that has a relationship with the Company) that would impair his or her independent judgment. The Board will broadly consider all relevant factors affecting independence at the time a director is proposed for election or re-election and on an annual basis thereafter. In the process of making such determinations, the Board will consider the nature, extent, and materiality of the director's relationships with the Company and the Board will apply the following guidelines:

A director will be deemed not to be independent if the Nominating & Governance Committee finds that:

- (a) the director is, or has been within the last three years, an employee of the Company or an immediate family member of such director is, or has been within the last three years, an executive officer of the Company,
- (b) the director or a director's immediate family member has received, during any twelve month period within the last three years, more than \$120,000 in direct compensation from the Company, other than director and committee fees, pension or other forms of deferred compensation that is for prior service and not contingent upon continued service, compensation for former service as an interim Chairman or CEO, or compensation received by an immediate family member for service as an employee below the level of executive officer,
- (c) (i) the director is a current partner or employee of a firm that is the Company's internal or external auditor, (ii) the director has an immediate family member who is a current partner of such a firm, (iii) the director has an immediate family member who is a current employee of such a firm and personally works on the Company's audit, or (iv) the director or an immediate family member was within the last three years a partner or employee of such a firm and personally worked on the Company's audit within that time,
- (d) the director or the director's immediate family member is employed as an executive officer by another entity whose compensation committee includes any executive officer of the Company,
- (e) the director is currently employed, or the director's immediate family member is currently employed, as an executive officer by an entity (other than a charity) that makes payments to, or receives payments from, the Company for property or services in an amount that exceeds, in a single fiscal year, the greater of \$1,000,000 or two percent of that entity's consolidated gross revenues, or
- (f) any of the situations described in (a), (b), (c), (d), or (e) above existed within the past three years.

The Company will disclose in its annual Proxy Statement any charitable contributions to any charitable organization in which a director serves as an executive officer, if within the preceding three years, any such contributions in a single fiscal year exceeded the greater of \$1,000,000 or two percent

of the charitable organization's consolidated gross revenues, and, in such case, the Board will consider the materiality of such contributions.

A Director will be deemed not to be independent if the Nominating & Governance Committee finds that a Director has material business arrangements with the Company that would jeopardize the Director's judgment.

The Audit Committee will review and approve all related party transactions as defined in the Company's Policy for Related Party Transactions. The Board, in consultation with the Audit Committee, will consider such other factors as it may deem necessary or appropriate to arrive at sound determinations as to the independence of each Director, and such factors may override the conclusions of independence or non-independence that would be reached simply by applying the guidelines. In such cases, the basis for independence determinations will be disclosed in the Company's Annual Proxy Statement.

The Board has adopted these guidelines for determining the independence of directors. The guidelines are consistent with Securities and Exchange Commission rules implementing the Sarbanes-Oxley Act of 2002 and with NYSE Listing Standards. The Nominating & Governance Committee has determined that a majority of the directors are independent and that all the directors serving on the Audit Committee and Compensation Committee are independent. The Company has elected to apply the exemption related to a controlled company provided by the NYSE that allows a company that has more than 50% of the voting power held by a group to be exempted from complying with rules requiring that only independent directors comprise our Nominating & Governance Committee.