



Corporate Compliance Policy

Standards and Procedures Regarding Business Practices

COMFORT SYSTEMS USA, INC.

Corporate Compliance Policy: Standards and Procedures Regarding Business Practices

PART I. Introduction

It is the policy of Comfort Systems USA, Inc. to comply fully with the laws and regulations to which it is subject and to conduct business in an ethical manner. The Board of Directors of the Company has established the following code of ethics, or policy, standards and procedures (the “Policy”) to assure that Comfort Systems USA, Inc. and its subsidiaries and affiliates (collectively, the “Company”) operate in an environment of honesty and integrity and continue to maintain appropriate moral, ethical and legal standards. The Policy provides guidelines of conduct for directors, employees (including all officers) and agents of the Company not only for preventing and detecting criminal conduct but also for preventing and detecting conduct inconsistent with the Company’s moral and ethical standards.

The Board of Directors has given the Audit Committee of the Board of Directors responsibility for oversight of and compliance with the Policy. The Audit Committee has established a Compliance Committee which reports regularly to the Audit Committee and which oversees monitoring and enforcement procedures under its direction. The monitoring procedures include a simple, anonymous procedure for directors, employees and others to report possible violations of the standards of conduct without fear of retribution. When established reporting procedures are not adequate or a director or employee believes that inadequate corrective action has been taken, directors or employees may contact members of the Compliance Committee and the Audit Committee. Enforcement mechanisms will include corrective action appropriate under the circumstances of individuals who commit violations and of individuals who fail to detect violations or fail to respond appropriately to a violation.

This statement is not a description of all applicable laws or statutes, but rather is intended to set forth a course of conduct designed to ensure the Company and its subsidiaries do not engage in any activity that violates law or appropriate ethical standards. Although the standards and procedures outlined do not cover every situation, they should provide a framework for defining appropriate standards of conduct of all directors, employees and agents to whom they are applicable. Although it is the Policy of the Company that every director and employee should be familiar with the legal and regulatory requirements applicable to such person’s area of responsibility and to know enough to determine when to seek advice from appropriate personnel, directors and employees are not expected to become expert in every legal and regulatory requirement. If there is ever a question, directors or employees should contact, as appropriate, their supervisor, any of the Compliance Committee members or the Company’s Office of the General Counsel for guidance.

PART II. Standards of Conduct

1. Financial Reporting and Other Business Records

As a public company, we are also committed to carrying out all continuing disclosure obligations in a full, fair, accurate, timely and understandable manner. The Company has established and maintains a high standard of accuracy and completeness in its financial records. Those records serve as the basis for managing the Company's business, for measuring and fulfilling the Company's obligations to customers, stockholders, employees and others, and for compliance with tax and financial reporting requirements.

It is the Policy of the Company to comply with the recording requirements of applicable law and established financial standards and generally accepted accounting principles. In particular, the practices of the Company shall comply with the following requirements:

- (a) All items of income and expense and all assets and liabilities are entered on the financial records of the Company and are accurately and adequately described as appropriate for legitimate business purposes and as required by law, and in accordance with generally accepted accounting principles and practices.
- (b) Reports submitted to governmental authorities are accurately made in all respects. In addition, the Company will make available to authorized governmental agencies information as necessary for such agencies to make appropriate determinations with respect to matters under their jurisdictions.

Each Subsidiary, Operating Unit and Department will meet required recordkeeping obligations. No record will be falsified, intentionally destroyed (other than pursuant to the Company's normal document retention and destruction policies) or otherwise tampered with in order to gain a real or perceived advantage for the Company. Nothing herein is intended to prevent the purging of unnecessary materials or the preservation of accurate records documenting the reasons for certain actions that might subsequently be questioned.

Special Ethical Obligations For Employees With Financial Reporting Responsibilities

Depending on their position with the Company; employees, officers or directors may be called upon to provide information to assure that the Company's public reports are complete, fair and understandable. The Company expects all of its personnel to take this responsibility very seriously and to provide prompt and accurate answers to inquiries related to the Company's public disclosure requirements.

Accounting and financial personnel bear a special responsibility for promoting integrity throughout the organization, with responsibilities to shareholders both inside and outside of the Company. The Chief Executive Officer, unit presidents and all accounting and financial personnel have a special role both to adhere to these principles themselves and also to ensure that a culture exists throughout the company as a whole that ensures the fair and timely reporting of the Company's financial results and condition.

Because of this special role, the Chief Executive Officer, unit presidents and all accounting and financial personnel are bound by the following Financial Officer Code of Ethics, and by accepting this Code of Conduct, each agrees that he or she will:

- Act with honesty and integrity, avoiding actual or apparent conflicts of interest in personal and professional relationships.
- Provide information that is accurate, complete, objective, relevant, timely and understandable to ensure full, fair, accurate, timely, and understandable disclosure in reports and documents that the Company files with, or submits to, government agencies and in other public communications.
- Comply with rules and regulations of federal, state, provincial and local governments, and other appropriate private and public regulatory agencies.
- Act in good faith, responsibly, with due care, competence and diligence, without misrepresenting material facts or allowing one's independent judgment to be subordinated.
- Respect the confidentiality of information acquired in the course of one's work except when authorized or otherwise legally obligated to disclose. Confidential information acquired in the course of one's work will not be used for personal advantage.
- Share knowledge and maintain skills important and relevant to shareholder's needs.
- Proactively promote and be an example of ethical behavior as a responsible partner among peers, in the work environment and the community.
- Achieve responsible use of and control over all assets and resources employed or entrusted.

Employees, officers and directors should promptly report to the Compliance Officer and/or the Chairman of the Audit Committee any conduct that the individual believes to be a violation of law or business ethics or of any provision of the Code, including any transaction or relationship that reasonably could be expected to give rise to such a conflict. Violations, including failures to report potential violations by others, will be viewed as a severe disciplinary matter that may result in personnel action, including termination of employment.

Continuing Disclosure Obligations and Accuracy of Business Records

In order to support all our disclosure obligations, we note that it is our policy to record and report our factual information honestly and accurately. Failure to do so is a grave offense and will subject an individual to severe discipline by the Company, as well as possible criminal and civil penalties.

Investors count on the Company to provide accurate information about our businesses and to make responsible business decisions based on reliable records. Every individual involved in creating, transmitting or entering information into the Company's financial and operational records is responsible for doing so fully, fairly, accurately and timely, and with appropriate supporting documentation. No employee, officer, director [or agent] may make any entry that intentionally hides or disguises the true nature of any transaction. For example, no individual may understate or overstate known liabilities and assets, record false sales or record them early, defer or accelerate the proper period for recording items that should be expensed, falsify quality or safety results, or process and submit false or inaccurate invoices.

Compliance with established accounting procedures, the Company's system of internal controls, and generally accepted accounting principles is necessary at all times. In order to achieve such compliance, the Company's records, books and documents must accurately reflect the transactions and provide a full account of the Company's assets, liabilities, revenues and expenses. Knowingly entering inaccurate or fraudulent information into the Company's accounting system is unacceptable and may be illegal. Any individual that has knowledge that an entry or process is false and material are expected to consult the Compliance Officer. In addition, it is the responsibility of each member of the Company to give their cooperation to the Company's authorized internal and external auditors.

When billing others for the Company's goods or services, the Company has an obligation to exercise diligence, care, and integrity. The Company is committed to maintaining the accuracy of every invoice it processes and submits. Each employee who is involved in submitting charges, preparing claims, billing, and documenting services is expected to monitor compliance with applicable rules and maintain the highest standards of personal, professional, and institutional responsibility. By the same token, each employee who is involved with processing and documenting claims for payment made to the Company by outside vendors or contractors is similarly expected to maintain the highest standards of professionalism and ethics. Any false, inaccurate, or questionable practices relating to billing others or to processing claims made by others for payment should be reported immediately to a supervisor or Compliance Coordinator or, if necessary, to the Controller or Compliance Officer.

Every individual should also be aware that almost all business records of the Company may become subject to public disclosure in the course of litigation or governmental investigation. Records are also often obtained by outside parties or the media. Employees should therefore attempt to be as clear, concise, truthful and accurate as possible when recording any information. They must refrain from making legal

conclusions or commenting on legal positions taken by the Company or others. They must also avoid exaggeration, colorful language, and derogatory characterizations of people and their motives. The Company will not tolerate any conduct that creates an inaccurate impression of the Company's business operations.

2. Improper Payments: Bribes and Kickbacks

Illegal payments in the nature of "kickbacks" or "bribes" intended to induce or reward favorable decisions or actions are not to be used in connection with any of the Company's business.

- (a) No director, employee or agent of the Company shall, in violation of any applicable law, offer or make, directly or indirectly, through any other person or firm, any payment of anything of value (in the form of compensation, gift, contribution or otherwise) to:
 - (i) any person or firm employed by or acting for or on behalf of any customer, whether private or governmental, for the purpose of inducing or rewarding favorable action by the customer in any commercial transaction; or
 - (ii) any person or firm employed by or acting for or on behalf of any governmental agency for the purpose of inducing or rewarding any action or the withholding of any action by such agency in any governmental matter.
- (b) All payments by the Company to consultants, agents, or representatives must be made by check or bank wire, and must be supported by written documentation in sufficient detail to identify the work or services performed on behalf of the Company. Each agent, consultant, or representative must agree to comply with all applicable laws in acting on the Company's behalf. Any proposed consulting agency or representative agreement should be approved by an appropriate corporate officer prior to the creation of any obligation to make payments thereunder.

For purposes hereof, the terms "consultants", "agents", or "representatives" shall include any independent contractor retained by the Company to assist in procuring business-facilitating performance of obligations, or acting as liaison under contracts for the performance of other services. Medical professionals, lawyers and accountants are included within the meaning of such terms.

The standards are not intended to prohibit the giving of ordinary and reasonable business entertainment or gifts not of excessive value, provided such gifts are occasional, customary in local business relationships, and do not violate law as applied in that location. When customer organizations, governmental agencies, or others have published policies intended to provide guidance with respect to acceptance of entertainment, gifts or

other business courtesies by their employees, such policies shall be respected. Corporate officers should exercise sound discretion and control in authorizing entertainment or gifts within this Paragraph. Nothing stated herein should be construed in any way as encouragement to make or receive such entertainment or gifts.

3. Corporate Opportunities

Directors and employees are prohibited from (a) taking for himself or herself personally (or for the benefit of friends and family members) business opportunities of the Company, (b) using Company assets, property, information or position for personal gain, and (c) competing with the Company. A director or employee owes a duty to the Company to advance its legitimate interests when the opportunity to do so arises.

4. Fair Dealing

Directors and employees should endeavor to deal fairly with the Company's customers, suppliers, partners, service providers, competitors, directors, employees and anyone else with whom he or she has contact in the course of performing his or her job. You should not take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair-dealing practices.

5. Conflicts of Interest

Directors and employees should avoid all potential conflicts of interest or situations that give the appearance of such conflict of interest. A conflict of interest occurs when the private interest of a director or employee (or an immediate family or household member or someone with whom you have an intimate relationship) interferes, in any way -- or even appears to interfere -- with the duties performed by such director or employee or with the interests of the Company as a whole. A conflict situation can arise when a director or employee receives improper personal benefits as a result of his or her position in the Company or takes actions or has interests that may make it difficult to perform his or her work objectively and effectively. Loans to, or guarantees of obligations of, employees or their family members are of special concern and require additional approvals per the Company's operating policies, and loans by the Company to, or guarantees by the Company of obligations of, directors or officers, or their family members, are expressly prohibited, except in instances where the Audit Committee has approved such loan or guarantee.

It is the Company's Policy that conflicts of interest should not be allowed to exist or remain in place in those instances where the actions or activities of an individual on behalf of the Company also involve (a) the obtaining of a personal gain or advantage by such individual, (b) an adverse effect upon the interests of the Company, or (c) the obtaining by a competitor of an improper or illegal gain or advantage to the detriment of the Company. The following are examples of some potential conflict of interest situations:

- (a) Holding a financial interest in, or engaging in activities on a consulting basis, or otherwise, with a firm which provides services, supplies or equipment to the Company, or with a firm which is in competition with the Company, or is engaged in activities in which the Company may have an interest. (This does not apply to personal investments of less than 2% in the securities or shares of corporations or institutions traded on a major national securities exchange or market).
- (b) Speculating or dealing in services, equipment or supplies which are purchased by the Company if the individual's decision to engage in such activity is based substantially on information available to the individual because of such individual's position with the Company, or if the individual stands to gain financially due to his position with the Company, or where such speculations or dealings would be contrary to the Company's best interests.
- (c) Borrowing money from suppliers or contractors. (This does not apply to transactions with banks or commercial lending institutions which do not involve concessions to the individual because of such individual's position with the Company or to an arrangement made available to employees as a benefit via the human resources department).
- (d) Accepting favors or gifts or entertainment which others may perceive to be substantial enough to influence such individual's selection of goods or services for the Company, or to influence such individual's judgment in otherwise representing the Company. Acceptance of perishable or other occasional gifts of a reasonable value (i.e. less than \$100) or meals or reasonable personal entertainment is not improper, but care must be exercised to be sure that continuation of such matters does not gradually build up into an embarrassing obligation. In any event, each employee must assure that his or her immediate superior is aware of and approves of any such gift. In the case of gifts that are of substantial nature, these should be returned to the donor with the explanation that the Company's Policy prohibits acceptance, or, when appropriate, a gift may be donated to a suitable charity. The Company will bear the expense of returning such gifts.
- (e) Acquisition by purchase or lease of real estate in which it is known that the Company might have an interest, or which may appreciate in value because of the Company's possible interest in nearby property. Directors and employees should not acquire any financial interest in a business when the acquisition of such business is or reasonably could be under consideration by the Company.

All conflict of interest questions should be disclosed to the appropriate management, the Compliance Committee or the Company's Office of the General Counsel pursuant to the procedures outlined in the Policy. Corrective action generally will focus on minimizing or eliminating the conflict of interest between the individual and the Company. Directors and executive officers must seek determinations and prior

authorizations or approvals of potential conflicts of interests exclusively from the Compliance Committee.

6. Safeguarding of Company Interests

Each director and employee is expected to safeguard the Company's funds and assets with at least the same care he or she would use with respect to his or her own assets. Theft, carelessness and waste have a direct impact on the Company's profitability and are prohibited. Directors and employees are expected to exert due care for company property, including information entrusted to them, and to ensure the efficient use of such property. Property purchased with Company funds, unless accounted for as compensation, is to be used for legitimate Company purposes. Any suspected incident of fraud or theft should be reported for investigation immediately.

The obligation to protect Company assets includes the Company's proprietary information. Proprietary information includes intellectual property such as trade secrets, patents, trademarks, and copyrights, as well as business and marketing plans, engineering and manufacturing ideas, designs, databases, records and any non-public financial data or reports. Unauthorized use or distribution of this information is prohibited and could also be illegal and result in civil or criminal penalties.

Submission of false time reports, requisitions, purchase orders and expense reimbursement forms will be considered fraud and will be subject to severe discipline, and may, at the recommendation of the Compliance Committee, result in criminal prosecution. Seeking reimbursement of expenses that are not bona fide business expenses will not be tolerated, and all reimbursement forms should state the business purpose of the expenses incurred.

7. Political Activity, Improper Charitable Contributions

Each director and employee is encouraged to participate actively in the political affairs of his or her community, state and country, and to stay informed on public issues and on the positions and qualifications of candidates for public office. The Company does not seek to limit the activities in which directors and employees may participate on their own time or the gifts or contributions they make with their own funds. However, no payment, gift or contribution may be made or authorized to be made with Company funds or resources to any candidate for public office, campaign, funds, political party or organization, unless such payment, gift or contribution is expressly permitted by state and federal law. Any such actions must be cleared in advance by the Company's Office of the General Counsel. With the exception of payments required or authorized by law to be made to public officials, such as tax payments or payments for licenses or permits, no payment, gift or contribution may be made, either with the Company funds or the personal funds of any Company director or employee, to any official or employee of any federal, state or local government for the purpose of influencing such official's or employee's conduct, action or decision in any matter.

Similarly, although the Company promotes and supports many community and national charitable organizations and activities, no payment, gift or contribution should ever be made or authorized to be made with Company funds or resources to any charity where the purpose of such payment, gift or contribution is to improperly influence or obtain business.

8. Antitrust

It is the Company's Policy to strictly comply with the federal and state antitrust laws in order to promote free and fair competition. The antitrust laws in the United States are founded on the belief that the public interest is best served by vigorous competition — competition free from collusive agreements among competitors. The antitrust laws aid in the preservation of the country's economic, political, and social institutions, and the management of this Company firmly believes in the philosophy underlying those laws. Thus, while the realization of profits through all lawful and proper means is the Company's objective, the Company's and its subsidiaries' efforts in that regard must be conducted in accordance with the law. Specifically, this means that participation in agreements or understandings, which violate the antitrust laws, is contrary to Company Policy.

More specifically, Company Policy requires that prices to be charged by the Company must be determined solely by the Company. In independently determining Company prices, it is proper to take into account all relevant factors, including costs, market conditions, and prevailing competitive prices — to the extent the Company can determine these in the marketplace. However, there can be no understanding, oral or written, with any competitor concerning price, pricing policies, or pricing formulas, or concerning discounts or related terms. To avoid the possibility of misunderstanding or misinterpretation, Company Policy prohibits any consultation or discussion with competitors relating to amounts which the Company or any competitor charges or intends to charge.

Similarly, Company Policy prohibits consultation or discussion with competitors with respect to any other terms or conditions of sale, as well as with respect to selection of markets, territories, bids, or customers. Any agreement or understanding with a competitor to divide markets is prohibited. This includes an agreement allocating shares of a market among competitors, dividing sales territories, or dividing product lines or customers. Company Policy also prohibits any agreement with competitors to boycott or refuse to deal with, or sell to, a particular person or persons. These agreements need not be written or even oral; any understanding reached with a competitor (directly or indirectly) on such matters is prohibited.

Trade Associations and Relations with Industry Members

Trade associations are not illegal under the antitrust laws. They are, however, usually composed of competitors, and the conduct of the Company, any of its subsidiaries, and of the Company's representatives relating to associations must, accordingly, conform to the

following standards: 1.) the Company and its subsidiaries will not consider membership in any trade association unless membership is open on reasonable and nondiscriminatory terms to all competing members of the industry purported to be represented by the association; 2.) the Company and its subsidiaries will not consider membership in any association unless its purposes are stated in writing in its charter or articles of organization and unless all of those purposes are consistent with state and federal antitrust laws; and 3.) the Company and its subsidiaries will not consider membership in any trade association unless the association and its committees hold only formally-scheduled meetings. Company representatives must maintain records of their participation in all association meetings. In the event the subject matter of any business considered at a trade association meeting is directly or indirectly inconsistent with the antitrust laws or Company Policy, Company representatives must object and refuse to participate further. If the subject matter does not change, Company representatives must immediately withdraw from the meeting and notify the Office of the General Counsel.

Acquisitions

Civil antitrust laws proscribe acquisitions of companies in a similar line of business where the effect of such acquisition would be to substantially lessen competition and where such acquisition does not have other positive effects on competition or consumers which outweigh any anticompetitive effects. The Company has an active acquisition program, which seeks to enhance the Company's ability to provide value to its various customers, employees and stockholders and which seeks to augment the Company's ability to compete in the evolving market that it serves. In evaluating potential acquisition candidates, the Company's directors and employees must consider the potential competitive costs and benefits and where there is any likelihood that competition may be lessened in one or more markets, such directors and employees should consult with the Office of the General Counsel, and outside counsel where appropriate, to determine whether and how to proceed with such transaction in compliance with state and federal antitrust laws.

In addition, the Hart-Scott-Rodino Act requires that acquisitions, which meet certain size thresholds, must be reported in advance to the Federal Trade Commission and the Department of Justice. The Company must comply with such requirements and each acquisition, which the Company makes, must be reviewed to determine whether such reporting is necessary. Specifically, Company directors and employees involved in each acquisition must confirm either with the Office of the General Counsel or outside counsel representing the Company in such acquisition that no report is necessary or that notification as to the termination of any required waiting period has been received.

9. Insider Trading, Confidentiality and Transactions in Company Stock

Federal and state securities laws and rules contain restrictions designed to prevent the improper use of inside information by directors and officers, as well as by other persons who may have access to inside information. Whenever a director, employee or other insider has information regarding the Company or, through the course of their work, any

other company, that has not been made public and that a reasonable investor would consider important in making an investment decision concerning the stock of the Company or any other company, it is highly inappropriate and in most cases illegal for him or her, or such person's family members (or any person with whom he or she has shared the inside information, commonly referred to as a "tippee"), as well as for the Company, to buy or sell shares in the Company or any other company until the information has been released to and digested by the investing public.

It is Company Policy to release to the public as promptly as circumstances permit any news or information that might materially affect the value of its stock or influence investment decisions. However, on occasion, premature public disclosure may be detrimental to the Company and its shareholders. Until material information has been released to and digested by the public, insiders should refrain from buying or selling and from advising others to buy or sell. No confidential Company information should ever be disclosed except in official Company releases.

In general, the most appropriate time for directors, officers and their families to buy or sell Company stock is after the public has absorbed all material information. Many of the Company's senior executives and their immediate family members are specifically subject to the Company's "open window" requirements which are designed to facilitate compliance with these laws and designed to protect the Company from unnecessary liability.

In addition to technical legal requirements, directors, officers and other insiders must be guided by a sense of fairness to other stockholders of the Company and to the investing public. If there is any question, the Office of the General Counsel should be consulted.

Material and Nonpublic Information

All information that an investor would consider important in deciding whether to buy, sell, or hold securities is considered material. Examples of some types of material information are:

- financial results for the quarter or the year
- financial forecasts
- possible mergers, acquisitions, joint ventures and other purchases and sales of companies and investments in companies
- obtaining or losing important contracts
- important service or product developments
- major personnel changes
- major litigation developments
- dividend plans or policies
- pending changes to the Company's capital structure

Information that is likely to affect the price of securities is almost always material.

Information is considered to be nonpublic unless it has been effectively disclosed to the public. Examples of effective disclosure include public filings with the Securities and Exchange Commission, company press releases, and company meetings with members of the press and the public. The information must not only be publicly disclosed; there must also be adequate time for the market as a whole to digest the information. At least 48 hours of general availability may be required for information to be considered public.

Remember, if your securities transactions (or the transactions of another) become the subject of scrutiny, they will be viewed after-the-fact with the benefit of hindsight. As a result, before engaging in any transaction (or talking with others about the Company) you should carefully consider how regulators and others might view your transaction (or the information you shared) in hindsight.

If you have any questions you should seek the advice of the Office of the General Counsel before trading in the stock of the Company or any other company.

Special Rules for Directors and Certain Employees

Directors and certain employees routinely possess material nonpublic information and are subject to special requirements. These employees include the Chief Executive Officer, the Chief Operating Officer, the Chief Financial Officer, the Controller, General Counsel and all corporate Vice Presidents and the Internal Auditor and others who will be notified from time to time by the Office of the General Counsel of their status. Directors, these employees and their immediate families are subject to a corporate “trading window” and they should only buy or sell Company securities during the trading window. A description of the trading window and related rules is given to such employees upon their employment, and in the case of directors upon their election, and is also available upon request.

10. Confidentiality

You may be entrusted with the Company’s confidential business information. Directors and employees are required to safeguard and use such information only for Company purposes. Confidential information includes all non-public information that might be of use to competitors, or harmful to the Company or its customers, if disclosed. Directors and employees are expected to maintain the confidentiality of any and all such information entrusted to you by the Company or our customers, except when disclosure is expressly authorized in writing by the Company or is required or permitted by law. Examples of confidential business information include, but are not limited to: the Company’s trade secrets, business trends, detailed sales, cost, and profit figures, new product or marketing plans, research and development ideas or information, manufacturing processes, and information about potential acquisitions, divestitures and investments. Failure to observe this duty of confidentiality may compromise our competitive advantage over competitors and may additionally result in a violation of securities, antitrust or employment laws. It may also violate agreements providing for the

protection of such confidential information. Directors and employees should not discuss confidential Company information outside the Company, even with their own family.

Directors and employees may also possess sensitive, privileged information about our customers, suppliers or partners. These customers, suppliers or partners properly expect that this information will be kept confidential. The Company takes very seriously any violation of a customer's confidentiality and will not tolerate such conduct. Discussing a customer, or providing any information about customers to anyone other than the authorized personnel or employees who need the information will have serious consequences. As with all confidential information, directors and employees should not discuss customer information outside the Company, even with their family.

Nothing in this Policy limits, restricts or in any other way affects any employee communicating with any governmental agency or entity, or communicating with any official or staff person of a governmental agency or entity, concerning matters relevant to the governmental agency or entity. In addition, no employee will be held criminally or civilly liable under any Federal or State trade secret law for disclosing a trade secret in confidence to a government official or to an attorney solely for the purpose of reporting or investigating a suspected violation of law, or for disclosing a trade secret in a complaint or other document filed in a lawsuit or other proceeding, so long as such filing is made under seal.

11. Health, Safety and Environmental Requirements

The Company and each of its subsidiaries is subject to the requirements of numerous federal, state and local laws, regulations and rules which promote the protection of health and safety and the environment. Examples of federal statutes which may apply to our business include the Occupational Safety and Health Act, the Resource Conservation and Recovery Act, the Comprehensive Environmental Response, Compensation, and Liability Act, the Clean Air Act, the Water Pollution Control Act and the Safe Drinking Water Act. It is the Company's Policy to comply with both the letter and purpose of all health, safety and environmental laws and regulations. Although every employee is not expected to be expert in every health and safety or environmental requirement, employees are expected to understand those requirements that apply to their area of responsibility and to seek advice whenever they face an issue raising possible health and safety or environmental concerns.

12. Refrigerants, Storage and Disposition

Because of the nature of the Company's business, employees of the Company commonly handle, use and recover refrigeration chemicals (e.g., freon) and related items, which are subject to federal and state regulations. It is the Policy of the Company that each of its operating subsidiaries implement a program to strictly monitor and record the use of such chemicals, to account for every unit which is handled by the Company and its

personnel, and to regularly audit, maintain controls and review compliance with such programs.

13. Professional Conduct

The Company takes seriously its commitment to equal opportunity in employment and providing a safe work environment that is free from unlawful discrimination and harassment. The Company also promotes and maintains an alcohol- and drug-free workplace. The Company holds all of its directors, employees (including all officers) and agents to the highest standards of professional conduct and legal compliance and treats extremely seriously any instances of criminal conduct.

Any instance of unlawful discrimination or harassment; possession, use, or being under the influence of alcohol or any controlled substance in the workplace or on Company business; or criminal conduct of any nature is a violation of Company Policy and will be subject to disciplinary action, up to and including termination of employment.

Further information about the Company's employment policies can be found in the Company's applicable employee handbooks, and compliance with all Company employment policies—whether reflected in a Company handbook or not—is hereby expressly incorporated under this Policy.

14. Compliance with Other Legal and Regulatory Requirements

The Company, through its subsidiaries, joint ventures and affiliates, is in the business of providing a wide range of services in many different states. These services generally may be provided only pursuant to appropriate federal, state and local licenses, permits and accreditation and are subject to numerous laws, rules and regulations. The Company is subject to federal and state labor statutes and discrimination laws, securities laws and regulations, state corporation or partnership laws, consumer protection laws, tax laws and general and professional liability laws. It is the Policy of the Company to conduct its business in compliance with all regulatory requirements.

PART III. Compliance and Enforcement Procedures

All directors and employees of the Company should be familiar with and must comply with the Policy. Conduct that violates or does not comply with this Policy is outside of the scope of employment for Company employees. Any director or employee who fails to comply with the Policy will be subject to appropriate corrective action. Because of the significant legal and ethical consequences of non-compliance with the Policy, the Compliance Committee will take enforcement action with respect to not only those who violate the Policy but also those who fail to detect violations or fail to respond appropriately to a violation. Corrective action should be appropriate under the circumstances. Such corrective action may include notations in the evaluation of the employee, removal of an employee with a propensity to disregard or otherwise violate the standards of the Policy from a position of responsibility, and, in some circumstances, discharge.

Compliance Committee

Overall responsibility for overseeing compliance with the Policy rests with the Audit Committee of the Board of Directors which has delegated responsibility for day-to-day compliance to a Compliance Committee consisting of the General Counsel, Senior Counsel, Corporate Controller, Chief Accounting Officer, Director of Internal Audit, a Regional Vice President and the Chief Financial Officer, and with such deletions and additions from time to time as the Chief Executive Officer may approve. The Committee will meet at least annually to review compliance and enforcement procedures, communications and monitoring activity, and will meet as necessary to review any reports of suspected violations of the Policy and take consistent corrective and other action to enforce the Policy and prevent further offenses. In instances related to the Committee's enforcement role, the Committee shall meet with only those members necessary to evaluate and recommend enforcement actions.

Review and Familiarity with the Policy

Each Company officer and department head should communicate with his or her employees on a regular basis regarding the Policy, and should be available to new or newly promoted employees as needed to provide guidance as the circumstances may require. Members of the Compliance Committee, and with respect to their specific functions, the Company's accounting, human resources, and legal personnel, are available for guidance to employees with respect to matters requiring consideration under the Policy. Any employee who finds himself or herself with questions is encouraged to consult with a supervisor, appropriate Company officer, the Office of the General Counsel or the Compliance Committee for assistance.

Certificate of Compliance

After adoption of the Policy, every management level employee in the Company will be required to review a copy of the Policy and sign a certificate of review and intent to comply with respect to it. In the future, upon employment or promotion in or to any management level position, each individual will be required to carefully review the Policy and to sign a certificate of review and intent to comply within 30 days. The Policy and related certificate will be administered through the human resources function as part of the employment process. The completion of a certificate is a condition of employment as a manager at the Company and a form of certificate is attached.

Changes and Additions to the Policy

The Policy will be reviewed and updated from time to time as the Company's experience with implementing the Policy identifies new areas that need to be addressed or improvements that are needed to facilitate the operation of the Policy. Each Company officer and department head is responsible for understanding and communicating such changes to their employees. The goal of all of the communication and guidance procedures should be to provide employees with sufficient familiarity and sensitivity to the legal and ethical issues so that they have a good sense of where the boundaries lie and are able to seek assistance as required.

Waivers

This Policy applies to all directors and employees, including all of the Company's officers. There shall be no substantive amendment or waiver of any part of the Plan affecting the directors, senior financial officers, or executives officers, except by a vote of the Board of Directors or a designated committee, which will ascertain whether an amendment or waiver is appropriate and ensure that the amendment or waiver is accompanied by appropriate controls designed to protect the Company. Any such amendments or waivers will be publicly disclosed in accordance with the requirements of the New York Stock Exchange and applicable securities laws.

Annual Review and Reports

Not less frequently than annually, each Company officer and department head should review the Policy personally and with his or her direct reports and other employees who because of their responsibilities may need to be familiar with all or some portion of the Policy. Each such individual is responsible to report to the Company's Office of the General Counsel on his or her compliance with the Policy. All reports that contain exceptions will be reviewed by the Compliance Committee and the results thereof, together with any corrective actions taken, will be reported to the Audit Committee of the Board of Directors.

Confidential Communications

Every Company director and employee is also responsible for taking timely action in response to any matter that arises under the Policy. The Company does not tolerate acts of retaliation against any director or employee who makes a good faith report of known or suspected acts of misconduct or other violations of this Policy. All directors and employees of the Company have the commitment of the Company and of the Audit Committee of the Company's Board of Directors that they will be protected from retaliation. However, the Company reserves the right to discipline anyone who knowingly makes a false accusation, provides false information to the company or has acted improperly.

Enforcement

The Company has engaged an independent third party, Comfort Systems EthicsPoint, to provide an easy method for directors and employees who feel that they have matters that should be reported. Reports can be provided at www.ComfortSystemsUSA.EthicsPoint.com, or by telephone at 1-844-689-1741. The Company will ensure prompt and consistent action against violations of this Policy. Any report received by Comfort Systems EthicsPoint will be reported to the appropriate member of the Company's Compliance Committee, the relevant company officer based on the type of problem reported, and in the case of complaints or fraud or financial reporting impropriety, directly to the independent director who serves as Chairperson of the Audit Committee of the Company's Board of Directors. In addition, to assist and encourage prompt reporting of suspected violations without fear of retribution, directors and employees may report suspected violations to any member of the Compliance Committee on an anonymous basis. The telephone number and address of the General Counsel is Comfort Systems USA, Inc., 675 Bering Drive, Suite 400, Houston, Texas, 77057, 713-830-9600, and the General Counsel has been directed by the Board of Directors to review and forward all correspondence to each member of the Compliance Committee. The Compliance Committee will investigate and take appropriate enforcement and other corrective action. Directors and employees may also report suspected violations to any officer or supervising manager who then in turn will be responsible for taking timely action to notify the Compliance Committee, make appropriate investigations and take remedial action as warranted under the provisions of the Policy. Finally, when other established reporting procedures are not adequate or if a director or employee believes that inadequate corrective action has been taken, the director or employee may contact members of the Audit Committee directly by forwarding a sealed communication addressed to the committee, its Chairperson, or any of its individual members c/o Comfort Systems USA, Inc., Office of the General Counsel, 675 Bering Drive, Suite 400, Houston, Texas, 77057. Such communications should be marked confidential and will only be opened by a member of the Audit Committee.

Actions prohibited by this Policy involving directors or executive officers must be reported to the Audit Committee. After receiving a report of an alleged prohibited action, the Audit Committee must promptly take all appropriate actions necessary to investigate. If, after investigating a report of an alleged prohibited action by a director or executive

officer, the Audit Committee determines that a violation of this Policy has occurred, the Audit Committee will report such determination to the full Board of Directors. Upon receipt of a determination that there has been a violation of this Policy, the Board of Directors or the General Counsel will take such preventative or disciplinary action as it deems appropriate, including, but not limited to, reassignment, demotion, dismissal and, in the event of criminal conduct or other serious violations of the law, notification of appropriate governmental authorities.

I acknowledge that I have read and agreed to abide by the Corporate Compliance Policy of Comfort Systems USA, Inc.

By: _____
(Signature)

Name: _____

Date: _____

Subsidiary

Name: _____