

## COMFORT SYSTEMS USA, INC.

### AUDIT COMMITTEE CHARTER

1. Purpose. The purpose of the Audit Committee (the “Committee”) shall be to (a) appoint, oversee and replace, if necessary, the independent auditor, (b) assist the Board of Director's (the “Board”) oversight of (i) the preparation of the Company's financial statements, (ii) the Company's compliance with legal and regulatory requirements, (iii) the independent auditor's qualifications and independence, and (iv) the performance of the Company's internal audit function and independent auditor; and (c) prepare the report the rules of Securities and Exchange Commission require be included in the Company's annual proxy statement.

2. Composition of the Audit Committee. The Committee shall consist of not less than three Board members appointed by the Board on the recommendation of the Nominating and Corporate Governance Committee. Committee members may be removed by the Board in its discretion. The Board shall select the Chairman of the Committee. Each member of the Committee shall satisfy the independence requirements of the Sarbanes-Oxley Act of 2002 and the New York Stock Exchange as such requirements are interpreted by the Board in its business judgment, and the Board shall annually review the Committee's compliance with such requirements. Members of the Committee shall be versed in reading and understanding financial statements. No member of the Committee may sit on more than two separate audit committees.

3. Meetings of the Audit Committee. The Committee shall hold regularly scheduled meetings and such special meetings as circumstances dictate. It shall meet separately, at least quarterly, with management, with the internal auditors (or other personnel responsible for the internal audit function), and with the independent auditor to discuss results of examinations, or discuss any matters that the Committee or any of these persons or firms believe should be discussed privately. Action may be taken by the Committee upon the affirmative vote of a majority of the members. Any two members or the Chairman of the Committee may call a meeting of the Committee upon due notice to each other member at least forty-eight hours prior to the meeting. Action may be taken by the Committee without a meeting if all of the members of the Committee indicate their approval thereof in writing. The Committee shall report regularly to the Board.

4. Responsibilities of the Audit Committee. The function of the Committee is oversight. While the Committee has the responsibilities set forth in this audit committee charter, it is not the responsibility of the Committee to plan or conduct audits, to determine that the Company's financial statements are complete and accurate and are in accordance with generally accepted accounting principles, or to assure compliance with laws, regulations or any internal rules or policies of the Company. This is the responsibility of management. The independent auditor is responsible for performing independent audits of the Company's consolidated financial statements in accordance with generally accepted auditing standards and for issuing reports thereon. The Committee has direct and sole responsibility for the appointment, compensation,

oversight and replacement, if necessary, of the independent auditor, including the resolution of disagreements between management and the auditor regarding financial reporting. Each member of the Committee shall be entitled to rely on (i) the integrity of those persons and organizations within and outside the Company that it receives information from and (ii) the accuracy of the financial and other information provided to the Committee by such persons or organizations absent actual knowledge to the contrary (which shall be promptly reported to the Board).

5. Duties and Proceedings of the Audit Committee. The Committee shall assist the Board in fulfilling its oversight responsibilities by accomplishing the following:

5.1. Oversight of Independent Auditor.

(a) Annually evaluate, determine the selection of, and if necessary, determine the replacement of or rotation of, the independent auditor.

(b) Approve or pre-approve all auditing services (including comfort letters and statutory audits) and all permitted non-audit services by the auditor.

(c) Review, evaluate and discuss formal reports, at least annually, from the independent auditor regarding the auditor's independence, including a delineation of all relationships between the auditor and the Company; and recommend to the Board actions to satisfy the Board of the independence of the auditor.

(d) Establish hiring policies for employees or former employees of the independent auditors.

(e) At least annually, receive a report, orally or in writing, from the independent auditor detailing the firm's internal quality control procedures and any material issues raised by independent auditor's internal quality control review, peer review or any governmental or other professional inquiry performed within the past five years and any remedial actions implemented by the firm.

5.2. Oversight of Audit Process and Company's Legal Compliance Program.

(a) Review with internal auditors and independent auditor the overall scope and plans for audits, including authority and organizational reporting lines and adequacy of staffing and compensation. Review with internal auditors and independent auditor any difficulties with audits and management's response.

(b) Review and discuss with management, internal auditors and independent auditor the Company's system of internal control, its

financial and critical accounting practices, and policies relating to risk assessment and management.

(c) Receive and review reports of the independent auditor discussing 1) all critical accounting policies and practices used in the preparation of the Company's financial statements, 2) all alternative treatments of financial information within generally accepted accounting principles ("GAAP") that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditor, and 3) other material written communications between the independent auditor and management, such as any management letter or schedule of unadjusted differences.

(d) Discuss with management and independent auditor any changes in the Company's critical accounting principles and the effects of alternative GAAP methods, off-balance sheet structures and regulatory and accounting initiatives.

(e) Review and discuss with management and the independent auditor the annual and quarterly financial statements and MD&A of the Company prior to the filing of the Company's Annual Report on Form 10-K and Quarterly Reports on Form 10-Q. Discuss results of the annual audit and quarterly review and any other matters required to be communicated to the committee by the independent auditor under generally accepted auditing standards. Discuss with management and independent auditor their judgment about the quality of accounting principles, the reasonableness of significant judgments, including a description of any transactions as to which the management obtained Statement on Auditing Standards No. 50 letters, and the clarity of disclosures in the financial statements, including the Company's disclosures of critical accounting policies and other disclosures under "Management's Discussion and Analysis of Financial Conditions and Results of Operations."

(f) Review, or establish standards for the type of information and the type of presentation of such information to be included in, earnings press releases and earnings guidance provided to analysts and rating agencies.

(g) Review material pending legal proceedings involving the Company and other contingent liabilities.

(h) Receive from the Chief Executive Officer and the Chief Financial Officer a report of all significant deficiencies and material weaknesses in the design or operation of internal controls, and any fraud

that involves management or other employees who have a significant role in the Company's internal controls.

(i) Discuss with independent auditor the matters required to be communicated to audit committees in accordance with Statement on Auditing Standards No. 61.

(j) Establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous submissions by employees of concerns regarding questionable accounting or accounting matters.

(k) Review the budget, plan, changes in plan, activities, organizational structure, and qualifications of the internal audit department, including the procedure for assuring the implementation of accepted recommendations made by the independent and internal auditors.

(l) Review the performance, and recommend to the Board, the appointment and replacement of the director of internal audit.

(m) Review significant reports prepared by the internal audit department, together with management's response and follow-up to these reports.

### 5.3. Other Responsibilities.

(a) Review the adequacy of this audit committee charter annually and submit the charter to Board for approval.

(b) Prepare a report for inclusion in the Company's annual proxy statement as required by the rules of the Securities and Exchange Commission.

(c) Put in place an appropriate control process for reviewing and approving the Company's internal transactions and accounting.

(d) Report to the Board on a regular basis.

(e) Annually perform, or participate in, an evaluation of the performance of the Committee, the results of which shall be presented to the Board.

(f) Direct the Company to prepare and provide to the New York Stock Exchange such written affirmations regarding the membership and operation of the Committee as the rules of the New York Stock Exchange require, including such written affirmations required after the

annual meeting of the shareholders of the Company and after a change in the composition of the Committee.

(g) Perform any other activities consistent with the Charter, By-laws and governing law as the Board or the Committee shall deem appropriate, including holding meetings with the Company's investment bankers and financial analysts.

6. Authority and Resources of the Audit Committee. The Committee has the authority to retain legal, accounting or other experts that it determines to be necessary to carry out its duties. It also has authority to determine compensation for such advisors as well as for the independent auditor. The Committee may determine appropriate funding needs for its own ordinary administrative expenses that are necessary and appropriate to carrying out its duties.

*(effective May 2005)*

### **COMPENSATION COMMITTEE CHARTER**

1. Organization and Governance of the Committee. The Compensation Committee (the "Committee") of the Company shall be composed of at least three directors, each of whom shall satisfy the independence requirements of the New York Stock Exchange and who shall be appointed by the Nominating and Corporate Governance Committee of the Board. The Board shall select the Chairman of the Committee. Members of the Committee may be removed at the Board's discretion. In addition, each member of the Committee shall qualify as an "outside director" within the meaning of Section 162(m) of the Internal Revenue Code and shall be a "non-employee director" within the meaning of Rule 16b-3 under the Securities Exchange Act of 1934, as amended.

In order to fulfill its role, the Committee shall be organized and governed in the following manner:

- Action may be taken by the Committee upon the affirmative vote of a majority of the members;
- Any two members or the Chairman of the Committee may call a meeting of the Committee upon due notice to each other member at least forty-eight hours prior to the meeting;
- Action may be taken by the Committee without a meeting if all of the members of the Committee indicate their approval thereof in writing; and
- The Committee shall have the authority to delegate to subcommittees of the Committee any of the responsibilities of the full Committee.

2. Statement of Purpose and Responsibilities. The Committee has direct responsibility to perform the following duties:

- Assist the Board in developing and evaluating potential candidates for executive positions (including the Chief Executive Officer) and oversee the development of executive succession plans.
- Review and approve corporate goals and objectives relevant to Chief Executive Officer and other executive officer compensation, evaluate the Chief Executive Officer's and other executive officers' performance in light of those goals and objectives and, either as a committee or together with the other independent directors (as directed by the Board), determine and approve the Chief Executive Officer's and other executive officers' compensation level based on this evaluation;
- Make recommendations to the Board regarding compensation, if any, of the Board;
- Make recommendations to the Board regarding the adoption of new employee incentive compensation plans and equity-based plans and administer the Company's existing incentive compensation plans and equity-based plans;
- Produce a compensation committee report on executive compensation for inclusion in the Company's annual proxy statement in accordance with the proxy rules;
- Review and assess the adequacy of this charter and submit any changes to the Board for approval;
- Report its actions and any recommendations to the Board on a periodic basis;
- Annually perform, or participate in, an evaluation of the performance of the Committee, the results of which shall be presented to the Board; and
- Review such other matters as the Board or the Committee shall deem appropriate.

3. Powers of the Compensation Committee. In order to fulfill its role, the Committee shall have the power to:

- Adopt, administer, amend or terminate compensation plans applicable to any class of employees of the Company and/or any subsidiary of the Company; provided that no adoption, amendment or termination of any compensation plan under which stock may be issued, or in which a member of the Board may be a participant shall be effective unless the same shall be approved by the Board and, to the extent required by law, by the stockholders; provided, further, that no adoption, amendment or termination of any compensation plan may be made that violates this or any other committee charter of the Company; and

- When it is determined by the Committee that a consulting firm (or other expert) is to assist in the assessment of the Chief Executive Officer or other senior executive officer compensation, the Committee shall have the sole authority to retain and terminate such firm or experts and have the authority to approve the consulting firm or other expert's fee and other retention terms. The Committee shall also have the authority to retain legal, accounting or other experts that it determines to be necessary to carry out its duties and to determine compensation for such advisors.

*(effective May 2005)*

### **FINANCE COMMITTEE CHARTER**

**VOTED:** That the duties of the Finance Committee of the Board of Directors shall be as follows:

1. To discuss with and give guidance to the management of the Company on all matters pertaining to the Company's capital structure.
2. To discuss with and give guidance to the management of the Company with respect to the Company's cash flow initiatives and priorities.
3. To evaluate transactions relating to indebtedness on behalf of the Board of Directors and to make strategy recommendations to management and the Board of Directors with respect to such indebtedness.
4. To evaluate the equity structure of the Company and to oversee all matters pertaining to such structure.
5. To administer any stock repurchase plan that the Board of Directors may authorize from time to time.

*(effective March 16, 2001)*

### **EQUITY PLANS COMMITTEE CHARTER**

**VOTED:** That the duties, responsibilities and powers of the Equity Plans Committee of this Board of Directors acting as representatives of the Company's shareholders, are to make and approve any issuances or awards pursuant to the Company's stock plans, including but not limited to the 1997 Long-Term Incentive Plan, the 1997 Non-Employee Director's Stock Plan and the 2000 Equity Incentive Plan, and to exercise all of the powers of the Board of

Directors with respect to the grant of awards and the issuance of shares under such plans.

## **GOVERNANCE AND NOMINATING COMMITTEE CHARTER**

1. Organization and Governance of the Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee (the “Committee”) of the Company shall be composed of at least three directors who shall satisfy the independence requirements of the New York Stock Exchange. In order to fulfill its role, the Committee shall be organized and governed in the following manner:

- Committee members will be appointed and removed by the Board;
- The Board shall select the Chairman of the Committee;
- Action may be taken by the Committee upon the affirmative vote of a majority of the members;
- Any two members or the Chairman of the Committee may call a meeting of the Committee upon due notice to each other member at least forty-eight hours prior to the meeting;
- Action may be taken by the Committee without a meeting if all of the members of the Committee indicate their approval thereof in writing; and
- The Committee may delegate its authority to a subcommittee.

2. Statement of Purpose. The purposes of the Committee are (i) to identify individuals qualified to become members of the Board, (ii) to select, or to recommend that the Board select, the director nominees for the next annual meeting of shareholders, (iii) to develop and recommend to the Board a set of corporate governance principles applicable to the Company and (iv) to oversee the evaluation of the Board and its dealings with management and appropriate committees of the Board.

3. Goals and Responsibilities of the Committee. The responsibilities of the Committee shall include the following:

- Identify individuals qualified to become Board members, consistent with criteria approved by the Board, receive nominations for such qualified individuals and review recommendations put forward by the Chief Executive Officer, select, or recommend that the Board select, the director nominees for the next annual meeting of shareholders, taking into account each candidate's ability, judgment and experience and the overall diversity and composition of the Board;

- Establish a policy under which stockholders of the Company may recommend a candidate to the Committee for consideration for nomination as a director;
- Recommend to the Board qualified individuals to serve as committee members on the various Board committees. The Committee shall review and recommend committee slates annually and shall recommend additional committee members to fill vacancies as needed;
- Clearly articulate to each director what is expected, including reference to the Company's corporate governance principles and directors' basic duties and responsibilities with respect to attendance at Board meetings and advance review of meeting materials;
- Develop and recommend to the full Board a set of corporate governance principles applicable to the Company. Such principles shall address the following subjects: (i) director qualification standards, (ii) director responsibilities, (iii) director access to management and, as necessary and appropriate, independent advisors, (iv) director compensation, (v) director orientation and continuing education, (vi) management succession and (vii) annual performance evaluation of the Board. The Committee shall review the principles on an annual basis, or more frequently if appropriate, and recommend changes as necessary;
- Review the Company's practices and policies with respect to directors, including retirement policies and compensation for non-employee directors, the size of the Board, the ratio of employee directors to non-employee directors, the meeting frequency of the Board and the structure of Board meetings and make recommendations to the Board with respect thereto;
- Review the functions, duties and composition of the committees of the Board and make recommendations to the Board with respect thereto;
- In concert with the Board, review the Company policies with respect to significant issues of corporate public responsibility, including contributions;
- Recommend to the Board or to the appropriate committee thereto processes for annual evaluations of the performance of the Board, the Chairman of the Board, the Chief Executive Officer and appropriate committees of the Board;
- Consider and report to the Board any questions of possible conflicts of interest of Board members;
- Provide for new director orientation and continuing education for existing directors on a periodic basis;
- Oversee the maintenance and presentation to the Board of management's plans for succession to senior management positions in the Company;

- Review and assess the adequacy of this charter and submit any changes to the Board for approval;
- Report its actions and any recommendations to the Board on a periodic basis; and
- Annually perform, or participate in, an evaluation of the performance of the Committee, the results of which shall be presented to the Board.

4. Powers of the Committee on Directors and Corporate Governance. In order to fulfill its role, the Committee shall have the sole authority to retain and terminate a search firm to assist in the identification of director candidates, and have the authority to approve the search firm's fees and other retention terms. The Committee shall also have the authority to retain legal, accounting or other experts that it determines to be necessary to carry out its duties and to determine compensation for such advisors.

*(effective May 2005)*