

WASTE MANAGEMENT, INC.

MANAGEMENT DEVELOPMENT AND COMPENSATION COMMITTEE CHARTER

PURPOSE

The Management Development and Compensation Committee (the “Committee”) is appointed by the Board of Directors to discharge the Board’s responsibilities relating to executive compensation and benefits and management succession and development. The Committee shall have and may exercise all the powers and authority of the Board with respect to the specific responsibilities and authority assigned to the Committee in this Charter or hereafter assigned to the Committee by the Board of Directors, except as may be otherwise provided by law. The Committee has overall responsibility for evaluating and approving executive compensation philosophy, policies, plans and programs for the Company’s “executive officers,” as determined in accordance with the Securities Exchange Act of 1934, as amended, and the Company’s senior leadership team (the “Executive Officers and Senior Leadership Team.”)

COMMITTEE MEMBERSHIP AND STRUCTURE

The Committee shall consist of not less than three members of the Board of Directors designated by the Board after receiving the recommendations of the Nominating and Governance Committee. Any members of the Committee may be replaced by the Board of Directors. The Board of Directors shall also designate a chairman of the Committee (the “Chairman”), based on the recommendation of the Nominating and Governance Committee, who shall be responsible for preparing the agenda in conjunction with management, presiding over meetings, and coordinating reports to the Board. Each member of the Committee must be a person the Board has determined to be an “independent director” in accordance with the Securities and Exchange Commission (SEC) and the New York Stock Exchange (NYSE) listing standards, and the Company’s Corporate Governance Guidelines. At least two members of the Committee shall also qualify as “outside directors” within the meaning of Internal Revenue Code Section 162(m) and as “non-employee directors” within the meaning of Rule 16b-3 under the Securities Exchange Act.

The Committee may form and delegate authority to subcommittees as it deems appropriate. To the extent permitted by applicable law, the Committee may also delegate to one or more executive officers of the Company the authority, within guidelines established by the Committee, to approve equity compensation awards under established equity compensation plans of the Company to employees other than the Executive Officers and Senior Leadership Team. The Committee may also delegate any non-discretionary administrative authority under Company compensation and benefit plans consistent with any limitations specified in the applicable plans.

RESPONSIBILITIES

The Committee shall:

1. Establish a philosophy and policies governing all compensation and benefits programs for the Executive Officers and Senior Leadership Team, including base salary, annual and long-term incentives, employment agreements, change in control and non-change in control severance agreements, and other executive benefits and perquisites. The policies shall include a philosophy of how compensation is to be positioned relative to a defined peer group of companies. The Committee shall report such philosophy and policies to the Board of Directors and see that appropriate disclosure regarding these matters is made to the shareholders.
2. Approve compensation, severance arrangements, benefits (excluding any benefits and programs offered to employees generally) and perquisites made available to the Company's Executive Officers and Senior Leadership Team. In the interim between meetings of the Committee, the Chairman of the Committee, acting as a subcommittee of the Committee, may approve adjustments to such compensation, severance arrangements, benefits and perquisites for the Executive Officers and Senior Leadership Team of the Company. The Chairman may approve the terms of offers of employment (including the granting of equity awards) to new Executive Officers and Senior Leadership Team members of the Company, provided further that the material terms of such adjustments and offers are reported to the Committee at their next regularly scheduled meeting. Action by the Chairman as a single-member subcommittee will not meet the requirements for performance-based compensation under the regulations under Section 162(m) or be the basis for an exemption under Rule 16b-3.
3. Review and approve corporate goals and objectives relevant to the compensation of the Chief Executive Officer, conduct an evaluation of the Chief Executive Officer's performance in light of those goals and objectives and determine the Chief Executive Officer's compensation based on this evaluation. The Chairman of the Board, in conjunction with the Chairman of the Committee, will be the liaison to the Chief Executive Officer on compensation and evaluation issues with respect to the Chief Executive Officer.
4. Recommend to the Board of Directors for their approval the establishment (and modification and termination where appropriate) of stock and cash incentive plans and programs for the Executive Officers and Senior Leadership Team.
5. Approve annual and other bonuses and long-term and short-term incentive compensation targets and payments for the Executive Officers and Senior Leadership Team, and report such actions to the Board of Directors.

6. Approve the grant of equity awards under the Company's equity incentive plans, which may include, but is not limited to, the grant of performance units, alternate rights, stock appreciation rights, stock options or other awards under any incentive compensation plan or program of the Company. The Committee shall report all such grants to the Board of Directors at their next meeting.
7. Review periodically, but no less than annually, 1) a report on development of senior management personnel and succession plans; and 2) the formalized process that governs long-term management development and succession.
8. Review non-employee director compensation and benefits annually and make recommendations to the Board.
9. Prepare the report of the Committee as may be required by the rules of the Securities and Exchange Commission to be included in the Company's annual proxy statement. Additionally, the Committee shall review the compensation discussion and analysis, compensation tables, and disclosure of payouts pursuant to employment agreements and in the event of a change in control in the annual proxy statement. The Committee shall also review and recommend for approval by the Board (a) the Company's annual proxy proposal with respect to the advisory vote on executive compensation ("say-on-pay") and (b) how frequently the Company should conduct the say-on-pay advisory vote (taking into account the results of prior stockholder votes on the frequency of say-on-pay), as each of the foregoing may be required by the rules of the Securities and Exchange Commission. Further, the Committee shall review the results of say-on-pay resolutions and consider any implications of such voting results on the Company's compensation programs.
10. To make recommendations to the Board with respect to, and monitor compliance by the CEO and senior management with, the Company's stock ownership guidelines.
11. Oversee and make recommendations to the Board with respect to the Company's compensation clawback policies and procedures.
12. Establish such processes and procedures as it deems appropriate for assessing the appropriate level of risk in the Company's compensation programs.
13. Review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Nominating and Governance Committee for approval.
14. Make regular reports to the Board.
15. Regularly approve minutes of Committee meetings.

16. Annually review the Committee's performance relative to this Charter and report the evaluation results to the Nominating and Governance Committee and the Board of Directors.

The Committee may, in its sole discretion, retain or obtain the advice of a compensation consultant, independent legal counsel or other adviser. The Committee shall be directly responsible for the appointment, termination, compensation and other retention terms and oversight of the work of any compensation consultant, independent legal counsel or other adviser retained by the Committee. The Company will provide appropriate funding, as determined by the Committee, for payment of reasonable compensation to a compensation consultant, independent legal counsel or any other adviser retained by the Committee. Prior to selecting or receiving advice from a compensation consultant, legal counsel or other adviser to the Committee (other than in-house counsel or a consultant, legal counsel or other adviser whose role is limited to certain activities specified in NYSE listing standards), the Committee shall take into consideration such factors relevant to the independence from Management of such consultant, legal counsel or other adviser as are identified from time to time in the rules and regulations of the SEC and NYSE listing standards. Subject to the previous sentence, the Committee is not precluded from obtaining advice and assistance from consultants, legal counsel or other advisers of its choosing, including ones that are not independent. The Committee shall have unrestricted access to Management.

The Committee will meet as often as the Chair shall determine to be necessary or appropriate but at least two times during each year. The Committee will meet regularly in executive session. Reports of meetings of the Committee shall be made to the Board of Directors at its next regularly scheduled meeting following the Committee meeting, accompanied by any recommendations approved by the Committee that require Board approval.