

PURPOSE AND SCOPE OF WORK

The mission of the Waste Management (WM) Internal Audit (IA) function is to provide independent, objective assurance and advisory services designed to optimize operational efficiency, control costs, and improve the underlying control infrastructure. We help WM accomplish its strategic objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

The scope of our work is to determine whether WM's risk management, control and governance processes are adequate and functioning to ensure:

- Operations and programs are executed consistently with established objectives
- Risks are appropriately identified and managed
- Control processes emphasize quality, efficiency and continuous improvement
- Resources are used efficiently-and effectively and are adequately protected
- The integrity of significant financial, managerial and operational information is maintained and managed appropriately
- Employees comply with WM policies, standards and procedures, as well as applicable laws and regulations

INDEPENDENCE

To provide for independence of the work performed by Internal Audit, the Chief Audit Executive (CAE) reports functionally to the Chairman of the Audit Committee and administratively to the Executive Vice President and Chief Financial Officer or designee. Also, the Audit Committee concurs in the appointment, replacement, reassignment or dismissal of the CAE.

All internal audit activities shall remain free of influence in appearance and fact to ensure maintenance of the independence and objectivity necessary in conducting its responsibilities.

AUTHORITY

The IA department is authorized to:

- Have full access to the Audit Committee
- Allocate resources, set frequencies, select subjects, determine scopes of work and apply the techniques required to accomplish audit objectives
- Have unrestricted access to all functions, records (including those in electronic format), property and personnel (including contractors, if permitted) with stringent regard for safekeeping and confidentiality
- Obtain assistance of WM personnel where audits are performed, as well as specialized services from within or outside WM
- Provide advisory services to management as deemed appropriate

The IA department is not authorized to:

- Perform operational duties for WM or its affiliates
- Initiate or approve accounting transactions external to the IA department

- Direct activities of any WM employee not employed by the IA department, except for employees who have been assigned to assist IA

RESPONSIBILITIES

Internal Audit. The scope of internal audit activities encompasses, but is not limited to, the examination and evaluation of the adequacy and effectiveness of the organization's governance, risk management, and internal controls as well as the quality of performance in carrying out assigned responsibilities to achieve the organization's stated goals and objectives.

This includes:

- Identifying and evaluating risk exposures relating to achievement of the organization's strategic objectives
- Evaluating the reliability and integrity of information and the means used to identify measure, classify and report such information
- Evaluating the systems established to ensure compliance with those policies, plans, procedures, laws and regulations which could have a significant impact on the organization
- Assist management in complying with provisions of the Sarbanes/Oxley Act of 2002
- Evaluating operations or programs to ascertain whether results are consistent with established objectives and goals and whether the operations or programs are carried out as planned
- Monitoring and evaluating governance processes and collaborating with the efforts conducted through other governance organizations within the company
- Monitoring and evaluating the effectiveness of the organization's risk management processes
- Performing advisory and advisory services related to governance, risk management and control as appropriate for the organization
Reporting periodically on the IA department's purpose, authority, responsibility and performance relative to its plan
- Evaluating specific operations at the request of the Board or management as appropriate
- Reporting regularly to the Audit Committee
- Maintaining a professional IA staff with sufficient knowledge, skills, experience and professional certifications to meet the requirements of this Charter

Management. Responsibilities of WM management are inclusive of, but not exclusive to:

- Participating in the annual strategic risk assessment
- Providing insight to the risks and challenges related to the strategic objectives of the company
- Providing the IA department with unrestricted access to all functions, records (including in electronic format), property and personnel (including contractors, if permitted) relative to the performance of their duties and responsibilities)
- Responding promptly to IA's requests and recommendations
- Implementing timely agreed upon corrective actions contained in audit reports
- Facilitating the dissemination of best practices to the applicable departments or areas

Audit Committee. The Audit Committee provides oversight to the activities of the Internal Audit department. This includes, but is not exclusive of the following:

- Reviewing and evaluating activities of the IA department;
- Fostering open communication among the external auditors, financial and senior management, IA and the Board of Directors;
- Meeting periodically with IA in separate executive sessions to discuss any matters the Audit Committee or IA determine should be discussed privately, and
- Providing guidance and oversight to IA, including review of the organization, plans and results of such activities

INTERNAL AUDIT PLAN

At least annually, the CAE will submit to senior management and the Board an IA plan for review and approval. The IA plan will consist of a work schedule as well as budget and resource requirements for the next fiscal/calendar year. The CAE will communicate the impact of resource limitations and significant interim changes to senior management and the Board. The IA plan will be developed based on a prioritization of the audit universe using a risk-based methodology, including input of senior management and the Board. The CAE will review and adjust the plan, as necessary, in response to changes in the organization's business, risks, operations, programs, systems and controls. Any significant deviation from the approved internal audit plan will be communicated to senior management and the Board through periodic activity reports.

REPORTING AND MONITORING

A written report will be prepared and issued by the CAE or designee following the conclusion of each IA engagement and will be distributed as appropriate. IA results also will be communicated to the Board. The IA report may include management's response and corrective action taken or to be taken regarding the specific findings and recommendations. Management's response, whether included within the original audit report or provided thereafter (i.e. within thirty days) by management of the audited area should include a timetable for anticipated completion of action to be taken and an explanation for any corrective action that will not be implemented. Internal audit will be responsible for appropriate follow-up on engagement findings and recommendations. All significant findings will remain in an open issues file until cleared. Open issues beyond 90 days of identified completion date will be escalated to appropriate senior management for assistance with responsible individual(s)' efforts to complete management actions and close issue.

The CAE will periodically report to senior management and the Board on the IA department's purpose, authority, and responsibility, as well as performance relative to its plan. Reporting will also include significant risk exposures and control issues, including fraud risks, governance issues, and other matters needed or requested by senior management and the Board.

CONTINUOUS IMPROVEMENT PROGRAM

The IA department will maintain a quality assurance and improvement program that covers all aspects of the IA department's activities. The program assesses the efficiency and effectiveness of the internal audit activity and identifies opportunities for improvement.

Signature on file

Chief Audit Executive

Signature on file

Chairman of the Board of Directors

Signature on file

Chief Executive Officer

Signature on file

Executive Vice President and Chief Financial Officer

Signature on file

Audit Committee Chairman

Dated: May 2, 2018