



**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 (the "Board") of Waste Management, Inc. (the "Company") to discharge the Board's responsibilities relating to executive compensation, management succession and development, and oversight of employee health, welfare and benefit programs. 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, 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 (the "Exchange Act"), 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, and each member of the Committee shall be designated by the Board after receiving the recommendations of the Nominating and Governance Committee. Any members of the Committee may be removed or replaced by an affirmative vote of the majority of the Board.

The Board shall also designate a chair of the Committee (the "Chair"), based on the recommendation of the Nominating and Governance Committee, who shall be responsible for preparing the agenda in conjunction with Company management, presiding over meetings, and coordinating reports to the Board. If a Chair has not been designated by the Board or is not present at a meeting, the Committee may designate an interim Chair for such meeting by majority vote of the Committee members then in attendance.

Each member of the Committee must be a person the Board has determined to be an "independent director" and is otherwise qualified to serve on the Committee 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 "non-employee directors" within the meaning of Rule 16b-3 under the 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 have the following authority and responsibilities:

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 align with a philosophy of how compensation is to be positioned relative to a defined peer group of companies, which shall be reviewed and modified (if necessary) annually by the Committee. The Committee shall report such philosophy and policies to the Board and see that appropriate disclosure regarding these matters is made to the stockholders.
2. Review, modify (if necessary) and approve compensation, severance arrangements, change in control agreements, employment agreements, benefits and post-employment retirement benefits, if any (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 Chair, acting as a subcommittee of the Committee, may approve (a) adjustments to compensation (including the granting of equity awards), severance arrangements, benefits and perquisites for the existing Executive Officers and Senior Leadership Team and (b) the terms of offers of employment (including the granting of equity awards) to new Executive Officers and Senior Leadership Team members; provided, in each case, that the material terms of any such adjustments and offers will be reported to the Committee at its next regularly scheduled meeting.
3. Review, modify (if necessary) 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 chair of the Board, in conjunction with the Chair, 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 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, results and payments (including with respect to both financial and non-financial performance measures) for the Executive Officers and Senior Leadership Team and report such actions to the Board.
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, restricted stock 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 at its next regularly scheduled meeting.
7. Review periodically, but no less than annually, (a) a report on talent development of senior management and succession plans and (b) the formalized process that governs management development and succession planning.

8. Review periodically, but no less than annually, a report on employee health, welfare and benefit programs.
9. Review non-employee director compensation and benefits annually and make recommendations to the Board.
10. Prepare the report of the Committee as may be required by the rules of the SEC 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.
11. The Committee shall also review all other compensation-related disclosures and voting proposals in the annual proxy statement and advise the Board as necessary, including stockholder proposals and proposals with respect to the advisory vote on executive compensation ("say-on-pay") and how frequently the Company should conduct the say-on-pay advisory vote. Further, the Committee shall review the results of compensation-related voting proposals in the annual proxy statement and consider any implications of such voting results on the Company's compensation programs.
12. Make recommendations to the Board with respect to stock ownership guidelines for the directors, Executive Officers and Senior Leadership Team and other designated management personnel and monitor compliance with such guidelines.
13. Review and approve the Company's clawback policy or policies related to recovery of incentive compensation paid and any amendments thereto, and oversee the administration of such policy or policies.
14. Establish such processes and procedures as it deems appropriate for assessing the appropriate level of risk in the Company's compensation programs and annually review and discuss with management the Company's compensation policies and practices as applied to employees generally to assess whether any risks arising from such policies and practices are reasonably likely to have a material adverse effect on the Company.
15. Review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Nominating and Governance Committee for approval.
16. Make regular reports to the Board.
17. Regularly approve minutes of Committee meetings.
18. 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.
19. Perform any other activities consistent with this Charter, the Company's By-laws, or other applicable or governing law, as the Committee deems appropriate, and report such other activities to the Board at its next regularly scheduled meeting.

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.