

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Quarterly Period Ended June 30, 2019

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission file number 1-12154

Waste Management, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

73-1309529
(I.R.S. Employer
Identification No.)

1001 Fannin Street
Houston, Texas 77002
(Address of principal executive offices)

(713) 512-6200
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, \$0.01 par value	WM	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer
Non-accelerated filer Smaller reporting company
Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

The number of shares of Common Stock, \$0.01 par value, of the registrant outstanding at July 22, 2019 was 424,232,181 (excluding treasury shares of 206,050,280).

PART I.

Item 1. *Financial Statements.*

WASTE MANAGEMENT, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(In Millions, Except Share and Par Value Amounts)

	June 30, 2019 (Unaudited)	December 31, 2018
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 2,250	\$ 61
Accounts receivable, net of allowance for doubtful accounts of \$28 and \$29, respectively	2,017	1,931
Other receivables	243	344
Parts and supplies	104	102
Other assets	222	207
Total current assets	4,836	2,645
Property and equipment, net of accumulated depreciation and amortization of \$18,619 and \$18,264, respectively	12,665	11,942
Goodwill	6,512	6,430
Other intangible assets, net	547	572
Restricted trust and escrow accounts	354	296
Investments in unconsolidated entities	333	406
Other assets	739	359
Total assets	<u>\$ 25,986</u>	<u>\$ 22,650</u>
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	\$ 908	\$ 1,037
Accrued liabilities	1,296	1,117
Deferred revenues	526	522
Current portion of long-term debt	116	432
Total current liabilities	2,846	3,108
Long-term debt, less current portion	12,623	9,594
Deferred income taxes	1,289	1,291
Landfill and environmental remediation liabilities	1,900	1,828
Other liabilities	861	553
Total liabilities	19,519	16,374
Commitments and contingencies		
Equity:		
Waste Management, Inc. stockholders' equity:		
Common stock, \$0.01 par value; 1,500,000,000 shares authorized; 630,282,461 shares issued	6	6
Additional paid-in capital	4,962	4,993
Retained earnings	10,088	9,797
Accumulated other comprehensive income (loss)	(22)	(87)
Treasury stock at cost, 206,481,746 and 206,299,352 shares, respectively	(8,568)	(8,434)
Total Waste Management, Inc. stockholders' equity	6,466	6,275
Noncontrolling interests	1	1
Total equity	6,467	6,276
Total liabilities and equity	<u>\$ 25,986</u>	<u>\$ 22,650</u>

See Notes to Condensed Consolidated Financial Statements.

WASTE MANAGEMENT, INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In Millions, Except per Share Amounts)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Operating revenues	\$ 3,946	\$ 3,739	\$ 7,642	\$ 7,250
Costs and expenses:				
Operating	2,443	2,313	4,741	4,497
Selling, general and administrative	391	365	800	738
Depreciation and amortization	409	384	775	731
Restructuring	—	1	2	3
(Gain) loss from divestitures, asset impairments and unusual items, net	7	(39)	7	(42)
	<u>3,250</u>	<u>3,024</u>	<u>6,325</u>	<u>5,927</u>
Income from operations	696	715	1,317	1,323
Other income (expense):				
Interest expense, net	(100)	(93)	(196)	(184)
Loss on early extinguishment of debt	(84)	—	(84)	—
Equity in net losses of unconsolidated entities	(16)	(13)	(25)	(20)
Other, net	1	—	(53)	1
	<u>(199)</u>	<u>(106)</u>	<u>(358)</u>	<u>(203)</u>
Income before income taxes	497	609	959	1,120
Income tax expense	115	110	230	226
Consolidated net income	382	499	729	894
Less: Net income (loss) attributable to noncontrolling interests	1	—	1	(1)
Net income attributable to Waste Management, Inc.	<u>\$ 381</u>	<u>\$ 499</u>	<u>\$ 728</u>	<u>\$ 895</u>
Basic earnings per common share	<u>\$ 0.90</u>	<u>\$ 1.16</u>	<u>\$ 1.71</u>	<u>\$ 2.07</u>
Diluted earnings per common share	<u>\$ 0.89</u>	<u>\$ 1.15</u>	<u>\$ 1.70</u>	<u>\$ 2.06</u>

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Millions)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Consolidated net income	\$ 382	\$ 499	\$ 729	\$ 894
Other comprehensive income (loss), net of tax:				
Derivative instruments, net	2	2	4	4
Available-for-sale securities, net	4	—	9	(1)
Foreign currency translation adjustments	25	(23)	53	(55)
Post-retirement benefit obligations, net	—	—	(1)	—
Other comprehensive income (loss), net of tax	<u>31</u>	<u>(21)</u>	<u>65</u>	<u>(52)</u>
Comprehensive income	413	478	794	842
Less: Comprehensive income (loss) attributable to noncontrolling interests	1	—	1	(1)
Comprehensive income attributable to Waste Management, Inc.	<u>\$ 412</u>	<u>\$ 478</u>	<u>\$ 793</u>	<u>\$ 843</u>

See Notes to Condensed Consolidated Financial Statements.

WASTE MANAGEMENT, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Millions)
(Unaudited)

	Six Months Ended June 30,	
	2019	2018
Cash flows from operating activities:		
Consolidated net income	\$ 729	\$ 894
Adjustments to reconcile consolidated net income to net cash provided by operating activities:		
Depreciation and amortization	775	731
Deferred income tax expense (benefit)	(12)	(21)
Interest accretion on landfill liabilities	47	47
Provision for bad debts	19	22
Equity-based compensation expense	43	41
Net gain on disposal of assets	(5)	(10)
(Gain) loss from divestitures, asset impairments and other, net	78	(42)
Equity in net losses of unconsolidated entities, net of dividends	25	20
Loss on early extinguishment of debt	84	—
Change in operating assets and liabilities, net of effects of acquisitions and divestitures:		
Receivables	19	202
Other current assets	(5)	(9)
Other assets	4	(2)
Accounts payable and accrued liabilities	127	31
Deferred revenues and other liabilities	(28)	(120)
Net cash provided by operating activities	<u>1,900</u>	<u>1,784</u>
Cash flows from investing activities:		
Acquisitions of businesses, net of cash acquired	(440)	(263)
Capital expenditures	(1,049)	(836)
Proceeds from divestitures of businesses and other assets (net of cash divested)	20	96
Other, net	(96)	(7)
Net cash used in investing activities	<u>(1,565)</u>	<u>(1,010)</u>
Cash flows from financing activities:		
New borrowings	3,971	83
Debt repayments	(385)	(196)
Premiums paid on early extinguishment of debt	(84)	—
Net commercial paper borrowings (repayments)	(1,001)	443
Common stock repurchase program	(248)	(550)
Cash dividends	(440)	(406)
Exercise of common stock options	45	33
Tax payments associated with equity-based compensation transactions	(30)	(28)
Other, net	(6)	(26)
Net cash provided by (used in) financing activities	<u>1,822</u>	<u>(647)</u>
Effect of exchange rate changes on cash, cash equivalents and restricted cash and cash equivalents	2	(1)
Increase (decrease) in cash, cash equivalents and restricted cash and cash equivalents	2,159	126
Cash, cash equivalents and restricted cash and cash equivalents at beginning of period	183	293
Cash, cash equivalents and restricted cash and cash equivalents at end of period	<u>\$ 2,342</u>	<u>\$ 419</u>
Reconciliation of cash, cash equivalents and restricted cash and cash equivalents at end of period:		
Cash and cash equivalents	\$ 2,250	\$ 47
Restricted cash and cash equivalents included in other current assets	18	70
Restricted cash and cash equivalents included in restricted trust and escrow accounts	74	302
Cash, cash equivalents and restricted cash and cash equivalents at end of period	<u>\$ 2,342</u>	<u>\$ 419</u>

See Notes to Condensed Consolidated Financial Statements.

WASTE MANAGEMENT, INC.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(In Millions, Except Shares in Thousands)
(Unaudited)

	Waste Management, Inc. Stockholders' Equity								
	Total	Common Stock		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock		Noncontrolling Interests
		Shares	Amounts				Shares	Amounts	
Three Months Ended June 30:									
2019									
Balance, March 31, 2019	\$ 6,417	630,282	\$ 6	\$ 4,978	\$ 9,924	\$ (53)	(205,556)	\$ (8,440)	\$ 2
Consolidated net income	382	—	—	—	381	—	—	—	1
Other comprehensive income (loss), net of tax	31	—	—	—	—	31	—	—	—
Cash dividends declared of \$0.5125 per common share	(217)	—	—	—	(217)	—	—	—	—
Equity-based compensation transactions, net	36	—	—	20	—	—	387	16	—
Common stock repurchase program	(180)	—	—	(36)	—	—	(1,314)	(144)	—
Other, net	(2)	—	—	—	—	—	1	—	(2)
Balance, June 30, 2019	<u>\$ 6,467</u>	<u>630,282</u>	<u>\$ 6</u>	<u>\$ 4,962</u>	<u>\$ 10,088</u>	<u>\$ (22)</u>	<u>(206,482)</u>	<u>\$ (8,568)</u>	<u>\$ 1</u>
2018									
Balance, March 31, 2018	\$ 6,065	630,282	\$ 6	\$ 4,916	\$ 8,867	\$ (28)	(198,511)	\$ (7,717)	\$ 21
Consolidated net income	499	—	—	—	499	—	—	—	—
Other comprehensive income (loss), net of tax	(21)	—	—	—	—	(21)	—	—	—
Cash dividends declared of \$0.465 per common share	(200)	—	—	—	(200)	—	—	—	—
Equity-based compensation transactions, net	24	—	—	19	—	—	141	5	—
Common stock repurchase program	(292)	—	—	—	—	—	(3,537)	(292)	—
Divestiture of noncontrolling interest	(19)	—	—	—	—	—	—	—	(19)
Other, net	—	—	—	—	—	—	1	—	—
Balance, June 30, 2018	<u>\$ 6,056</u>	<u>630,282</u>	<u>\$ 6</u>	<u>\$ 4,935</u>	<u>\$ 9,166</u>	<u>\$ (49)</u>	<u>(201,906)</u>	<u>\$ (8,004)</u>	<u>\$ 2</u>

See Notes to Condensed Consolidated Financial Statements.

WASTE MANAGEMENT, INC.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY – (Continued)
(In Millions, Except Shares in Thousands)
(Unaudited)

	Waste Management, Inc. Stockholders' Equity								
	Total	Common Stock		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock		Noncontrolling Interests
		Shares	Amounts				Shares	Amounts	
Six Months Ended June 30:									
2019									
Balance, December 31, 2018	\$ 6,276	630,282	\$ 6	\$ 4,993	\$ 9,797	\$ (87)	(206,299)	\$ (8,434)	\$ 1
Consolidated net income	729	—	—	—	728	—	—	—	1
Other comprehensive income (loss), net of tax	65	—	—	—	—	65	—	—	—
Cash dividends declared of \$1.025 per common share	(440)	—	—	—	(440)	—	—	—	—
Equity-based compensation transactions, net	82	—	—	5	3	—	1,808	74	—
Common stock repurchase program	(244)	—	—	(36)	—	—	(1,993)	(208)	—
Other, net	(1)	—	—	—	—	—	2	—	(1)
Balance, June 30, 2019	<u>\$ 6,467</u>	<u>630,282</u>	<u>\$ 6</u>	<u>\$ 4,962</u>	<u>\$ 10,088</u>	<u>\$ (22)</u>	<u>(206,482)</u>	<u>\$ (8,568)</u>	<u>\$ 1</u>
2018									
Balance, December 31, 2017	\$ 6,042	630,282	\$ 6	\$ 4,933	\$ 8,588	\$ 8	(196,964)	\$ (7,516)	\$ 23
Adoption of new accounting standards	80	—	—	—	85	(5)	—	—	—
Consolidated net income	894	—	—	—	895	—	—	—	(1)
Other comprehensive income (loss), net of tax	(52)	—	—	—	—	(52)	—	—	—
Cash dividends declared of \$0.93 per common share	(406)	—	—	—	(406)	—	—	—	—
Equity-based compensation transactions, net	68	—	—	2	4	—	1,624	62	—
Common stock repurchase program	(550)	—	—	—	—	—	(6,568)	(550)	—
Divestiture of noncontrolling interest	(19)	—	—	—	—	—	—	—	(19)
Other, net	(1)	—	—	—	—	—	2	—	(1)
Balance, June 30, 2018	<u>\$ 6,056</u>	<u>630,282</u>	<u>\$ 6</u>	<u>\$ 4,935</u>	<u>\$ 9,166</u>	<u>\$ (49)</u>	<u>(201,906)</u>	<u>\$ (8,004)</u>	<u>\$ 2</u>

See Notes to Condensed Consolidated Financial Statements.

WASTE MANAGEMENT, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

1. Basis of Presentation

The financial statements presented in this report represent the consolidation of Waste Management, Inc., a Delaware corporation; its wholly-owned and majority-owned subsidiaries; and certain variable interest entities for which Waste Management, Inc. or its subsidiaries are the primary beneficiaries as described in Note 14. Waste Management, Inc. is a holding company and all operations are conducted by its subsidiaries. When the terms “the Company,” “we,” “us” or “our” are used in this document, those terms refer to Waste Management, Inc., its consolidated subsidiaries and consolidated variable interest entities. When we use the term “WM,” we are referring only to Waste Management, Inc., the parent holding company.

We are North America’s leading provider of comprehensive waste management environmental services. We partner with our residential, commercial, industrial and municipal customers and the communities we serve to manage and reduce waste at each stage from collection to disposal, while recovering valuable resources and creating clean, renewable energy. Our “Solid Waste” business is operated and managed locally by our subsidiaries that focus on distinct geographic areas and provide collection, transfer, disposal, and recycling and resource recovery services. Through our subsidiaries, we are also a leading developer, operator and owner of landfill gas-to-energy facilities in the United States (“U.S.”).

We evaluate, oversee and manage the financial performance of our Solid Waste business subsidiaries through our 17 Areas. We also provide additional services that are not managed through our Solid Waste business, which are presented in this report as “Other.” Additional information related to our segments is included in Note 8.

The Condensed Consolidated Financial Statements as of June 30, 2019 and for the three and six months ended June 30, 2019 and 2018 are unaudited. In the opinion of management, these financial statements include all adjustments, which, unless otherwise disclosed, are of a normal recurring nature, necessary for a fair presentation of the financial position, results of operations, comprehensive income, cash flows, and changes in equity for the periods presented. The results for interim periods are not necessarily indicative of results for the entire year. The financial statements presented herein should be read in conjunction with the financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2018.

In preparing our financial statements, we make numerous estimates and assumptions that affect the accounting for and recognition and disclosure of assets, liabilities, equity, revenues and expenses. We must make these estimates and assumptions because certain information that we use is dependent on future events, cannot be calculated with precision from available data or simply cannot be calculated. In some cases, these estimates are difficult to determine, and we must exercise significant judgment. In preparing our financial statements, the most difficult, subjective and complex estimates and the assumptions that present the greatest amount of uncertainty relate to our accounting for landfills, environmental remediation liabilities, long-lived asset impairments and reserves associated with our insured and self-insured claims. Actual results could differ materially from the estimates and assumptions that we use in the preparation of our financial statements.

Revenue Recognition

We generally recognize revenue as services are performed or products are delivered. For example, revenue typically is recognized as waste is collected, tons are received at our landfills or transfer stations, or recycling commodities are collected or delivered as product. We bill for certain services prior to performance. Such services include, among others, certain commercial and residential contracts and equipment rentals. These advance billings are included in deferred revenues and recognized as revenue in the period service is provided. Substantially all our deferred revenues during the reported periods are realized as revenues within one to three months when the related services are performed.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Contract Acquisition Costs

Our incremental direct costs of obtaining a contract, which consist primarily of sales incentives, are generally deferred and amortized to selling, general and administrative expense over the estimated life of the relevant customer relationship, ranging from 5 to 13 years. Contract acquisition costs that are paid to the customer are deferred and amortized as a reduction in revenue over the contract life. Our contract acquisition costs are classified as current or noncurrent based on the timing of when we expect to recognize amortization and are included in other assets in our Condensed Consolidated Balance Sheet.

As of June 30, 2019 and December 31, 2018, we had \$149 million and \$145 million, respectively, of deferred contract costs, of which \$113 million and \$109 million, respectively, was related to deferred sales incentives. During the three and six months ended June 30, 2019, we amortized \$6 million and \$11 million of sales incentives to selling, general and administrative expense, and \$5 million and \$11 million of other contract acquisition costs as a reduction in revenue, respectively. During the three and six months ended June 30, 2018, we amortized \$5 million and \$11 million of sales incentives to selling, general and administrative expense, and \$9 million and \$19 million of other contract acquisition costs as a reduction in revenue, respectively.

Adoption of New Accounting Standard

Leases — In February 2016, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2016-02 associated with lease accounting. There were further amendments, including practical expedients, with the issuance of ASU 2018-01 in January 2018, ASU 2018-11 in July 2018 and ASU 2018-20 in December 2018. On January 1, 2019, we adopted these ASUs using the optional transition method which allows entities to continue to apply historical accounting guidance in the comparative periods presented in the year of adoption. Accordingly, our financial statements for the reported periods after January 1, 2019 are presented under this amended guidance, while prior period amounts are not adjusted and continue to be reported in accordance with historical accounting guidance.

We elected to apply the following package of practical expedients on a consistent basis permitting entities not to reassess: (i) whether any expired or existing contracts are or contain a lease; (ii) lease classification for any expired or existing leases and (iii) whether initial direct costs for any expired or existing leases qualify for capitalization under the amended guidance. In addition, we applied (i) the practical expedient for land easements, which allows the Company to not apply the lease standard to certain existing land easements at transition and (ii) the practical expedient to include both the lease and non-lease components as a single component and account for it as a lease.

The impact of adopting the amended guidance primarily relates to the recognition of lease assets and lease liabilities on the balance sheet for all leases previously classified as operating leases. We recognized \$385 million of right-of-use assets and \$385 million of related lease liabilities as of January 1, 2019 for our contracts that are classified as operating leases. Leases with an initial term of 12 months, which are not expected to be renewed beyond one year, are not recorded on the balance sheet and are recognized as lease expense on a straight-line basis over the lease term. Our accounting for financing leases, which were formerly referred to as capital leases, remained substantially unchanged. There were no other material impacts on our consolidated financial statements. See Note 4 for additional information and disclosures related to our adoption of this amended guidance.

New Accounting Standard Pending Adoption

Financial Instrument Credit Losses — In June 2016, the FASB issued ASU 2016-13 associated with the measurement of credit losses on financial instruments. The amended guidance replaces the current incurred loss impairment methodology of recognizing credit losses when a loss is probable, with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to assess credit loss estimates.

WASTE MANAGEMENT, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

The amended guidance is effective for the Company on January 1, 2020. We are assessing the provisions of this amended guidance and evaluating the impact on our consolidated financial statements.

Reclassifications

When necessary, reclassifications have been made to our prior period financial information to conform to the current year presentation and are not material to our consolidated financial statements.

2. Landfill and Environmental Remediation Liabilities

Liabilities for landfill and environmental remediation costs are presented in the table below (in millions):

	June 30, 2019			December 31, 2018		
	Landfill	Environmental Remediation	Total	Landfill	Environmental Remediation	Total
Current (in accrued liabilities)	\$ 125	\$ 26	\$ 151	\$ 143	\$ 26	\$ 169
Long-term	1,685	215	1,900	1,617	211	1,828
	<u>\$ 1,810</u>	<u>\$ 241</u>	<u>\$ 2,051</u>	<u>\$ 1,760</u>	<u>\$ 237</u>	<u>\$ 1,997</u>

The changes to landfill and environmental remediation liabilities for the six months ended June 30, 2019 are reflected in the table below (in millions):

	Landfill	Environmental Remediation
December 31, 2018	\$ 1,760	\$ 237
Obligations incurred and capitalized	36	—
Obligations settled	(41)	(9)
Interest accretion	47	3
Revisions in estimates and interest rate assumptions (a)	3	10
Acquisitions, divestitures and other adjustments	5	—
June 30, 2019	<u>\$ 1,810</u>	<u>\$ 241</u>

(a) The amount reported for our environmental remediation liabilities includes an increase of \$8 million due to a decrease in the risk-free discount rate used to measure our liabilities from 2.75% at December 31, 2018 to 2.0% at June 30, 2019.

At several of our landfills, we provide financial assurance by depositing cash into restricted trust funds or escrow accounts for purposes of settling our final capping, closure, post-closure and environmental remediation obligations. Generally, these trust funds are established to comply with statutory requirements and operating agreements. See Note 14 for additional information related to these trusts.

WASTE MANAGEMENT, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

3. Debt

The following table summarizes the major components of debt as of each balance sheet date (in millions) and provides the maturities and interest rate ranges of each major category as of June 30, 2019:

	June 30, 2019	December 31, 2018
\$2.75 billion revolving credit facility (weighted average interest rate of 3.1% as of December 31, 2018)	\$ —	\$ 11
Commercial paper program (weighted average interest rate of 2.9% as of December 31, 2018)	—	990
Senior notes, maturing through 2049, interest rates ranging from 2.4% to 7.75% (weighted average interest rate of 3.9% as of June 30, 2019 and 4.3% as of December 31, 2018)	9,965	6,222
Tax-exempt bonds, maturing through 2048, fixed and variable interest rates ranging from 1.35% to 4.3% (weighted average interest rate of 2.4% as of June 30, 2019 and 2.35% as of December 31, 2018)	2,294	2,388
Financing leases and other, maturing through 2056, interest rates up to 9%	563	467
Debt issuance costs, discounts and other	(83)	(52)
	12,739	10,026
Current portion of long-term debt	116	432
	<u>\$ 12,623</u>	<u>\$ 9,594</u>

Debt Classification

As of June 30, 2019, we had \$1.2 billion of debt maturing within the next 12 months, including (i) \$600 million of 4.75% senior notes that mature in June 2020; (ii) \$524 million of tax-exempt bonds with term interest rate periods that expire within the next 12 months, which is prior to their scheduled maturities, and (iii) \$116 million of other debt with scheduled maturities within the next 12 months, including \$42 million of tax-exempt bonds. As of June 30, 2019, we have classified \$1.1 billion of debt maturing in the next 12 months as long-term because we have the intent and ability to refinance these borrowings on a long-term basis as supported by the forecasted available capacity under our \$2.75 billion long-term U.S. and Canadian revolving credit facility (“\$2.75 billion revolving credit facility”), as discussed below. The remaining \$116 million is classified as current obligations.

As of June 30, 2019, we also have \$268 million of variable-rate tax-exempt bonds that are supported by letters of credit under our \$2.75 billion revolving credit facility. The interest rates on our variable-rate tax-exempt bonds are generally reset on either a daily or weekly basis through a remarketing process. All recent tax-exempt bond remarketings have successfully placed Company bonds with investors at market-driven rates and we currently expect future remarketings to be successful. However, if the remarketing agent is unable to remarket our bonds, the remarketing agent can put the bonds to us. In the event of a failed remarketing, we have the availability under our \$2.75 billion revolving credit facility to fund these bonds until they are remarketed successfully. Accordingly, we have also classified these borrowings as long-term in our Condensed Consolidated Balance Sheet as of June 30, 2019.

Access to and Utilization of Credit Facilities and Commercial Paper Program

\$2.75 Billion Revolving Credit Facility — Our \$2.75 billion revolving credit facility provides us with credit capacity to be used for either cash borrowings or to support letters of credit or commercial paper. The rates we pay for outstanding U.S. or Canadian loans are generally based on LIBOR or CDOR, respectively, plus a spread depending on the Company’s debt rating assigned by Moody’s Investors Service and Standard and Poor’s. As of June 30, 2019, we had no borrowings outstanding under this facility. We had \$512 million of letters of credit issued and no outstanding borrowings under our commercial paper program, both supported by this facility, leaving unused and available credit capacity of \$2.2 billion as

WASTE MANAGEMENT, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

of June 30, 2019. WM Holdings, a wholly-owned subsidiary of WM, guarantees all of the obligations under the \$2.75 billion revolving credit facility.

Commercial Paper Program — We have a commercial paper program that enables us to borrow funds for up to 397 days at competitive interest rates. The rates we pay for outstanding borrowings are based on the term of the notes. The commercial paper program is fully supported by our \$2.75 billion revolving credit facility. As of June 30, 2019, we had no outstanding borrowings under our commercial paper program.

Other Letter of Credit Facilities — As of June 30, 2019, we utilized \$542 million of other letter of credit facilities, which are both committed and uncommitted, with terms maturing through December 2020.

Debt Borrowings and Repayments

\$2.75 Billion Revolving Credit Facility — During the six months ended June 30, 2019, we repaid C\$15 million, or \$11 million, of Canadian borrowings under our \$2.75 billion revolving credit facility with available cash.

Senior Notes — In May 2019, WM issued \$4.0 billion of senior notes consisting of:

- \$750 million of 2.95% senior notes due June 15, 2024;
- \$750 million of 3.20% senior notes due June 15, 2026;
- \$1.0 billion of 3.45% senior notes due June 15, 2029;
- \$500 million of 4.00% senior notes due July 15, 2039; and
- \$1.0 billion of 4.15% senior notes due July 15, 2049.

The net proceeds from these debt issuances were \$3.97 billion. Concurrently, we used \$344 million of the net proceeds from the newly issued senior notes to retire \$257 million of certain high-coupon senior notes. The cash paid includes the principal amount of the debt retired, \$84 million of related premiums, which are classified as loss on early extinguishment of debt in our Condensed Consolidated Statement of Operations, and \$3 million of accrued interest. The principal amount of senior notes redeemed within each series was as follows:

- \$304 million of WM Holdings 7.10% senior notes due 2026, of which \$56 million were tendered;
- \$395 million of WM 7.00% senior notes due 2028, of which \$64 million were tendered;
- \$139 million of WM 7.375% senior notes due 2029, of which \$58 million were tendered;
- \$210 million of WM 7.75% senior notes due 2032, of which \$57 million were tendered; and
- \$274 million of WM 6.125% senior notes due 2039, of which \$22 million were tendered.

We used a portion of the proceeds to repay our commercial paper borrowings as discussed further below. We intend to use the remaining net proceeds to pay a portion of the consideration related to our pending acquisition of Advanced Disposal Services, Inc. (“Advanced Disposal”), pursuant to an Agreement and Plan of Merger (the “Merger Agreement”) which is discussed further in Note 9, and for general corporate purposes. The newly-issued senior notes due 2024, 2026, 2029 and 2039 include a special mandatory redemption feature, which provides that if the acquisition of Advanced Disposal is not completed on or prior to July 14, 2020, or if, prior to such date, the Merger Agreement is terminated for any reason, we will be required to redeem all of the outstanding notes equal to 101% of the aggregate principal amounts of such notes, plus accrued but unpaid interest on the principal amount of such notes.

Commercial Paper Program — During the six months ended June 30, 2019, we made net cash repayments of \$1.0 billion (net of the related discount on issuance). During the first quarter of 2019, we had net cash borrowings of \$357 million (net of the related discount on issuance), which were primarily used to support our acquisition of Petro Waste Environmental LP (“Petro Waste”), which is discussed further in Note 9, and for general corporate purposes. In the second quarter of 2019, we repaid the outstanding balance with proceeds from the May 2019 issuance of senior notes discussed above.

WASTE MANAGEMENT, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Tax-Exempt Bonds — During the six months ended June 30, 2019, we repaid \$94 million of our tax-exempt bonds with available cash.

Financing Leases and Other — The change during the six months ended June 30, 2019, is due to an increase of \$119 million primarily related to non-cash financing arrangements offset, in part, by \$23 million of net cash repayments of debt at maturity.

4. Leases

Our operating lease activities primarily consist of leases for real estate, landfills and operating equipment. Our financing lease activities primarily consist of leases for operating equipment, railcars and landfill assets. Leases with an initial term of 12 months or less, which are not expected to be renewed beyond one year, are not recorded on the balance sheet and are recognized as lease expense on a straight-line basis over the lease term. Most leases include one or more options to renew, with renewal terms generally ranging from one to 10 years. The exercise of lease renewal options is at our sole discretion. Certain leases also include options to purchase the leased property. The depreciable life of assets and leasehold improvements is limited by the expected lease term, unless there is a transfer of title or purchase option reasonably certain of exercise. Certain of our lease agreements include rental payments based on usage and other lease agreements include rental payments adjusted periodically for inflation; these payments are treated as variable lease payments. Our lease agreements do not contain any material residual value guarantees or material restrictive covenants.

When the implicit interest rate is not readily available for our operating leases, we discount future cash flows of the remaining lease payments using the current interest rate that would be paid to borrow on collateralized debt over a similar term, or incremental borrowing rate, at the commencement date.

Supplemental balance sheet information for our leases is as follows (in millions):

Leases	Classification	June 30, 2019
Assets		
Long-term:		
Operating	Other assets	\$ 378
Financing	Property and equipment, net of accumulated depreciation and amortization	349
Total lease assets		<u>\$ 727</u>
Liabilities		
Current:		
Operating	Accrued liabilities	\$ 89
Financing	Current portion of long-term debt	33
Long-term:		
Operating	Other liabilities	300
Financing	Long-term debt, less current portion	296
Total lease liabilities		<u>\$ 718</u>

WASTE MANAGEMENT, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Our operating lease expense for the three and six months ended June 30, 2019 was \$31 million and \$59 million, respectively, and is included in operating and selling, general and administrative expenses in our Condensed Consolidated Statement of Operations. Our financing lease expense for the three and six months ended June 30, 2019 was \$11 million and \$25 million, respectively, and is included in depreciation and amortization expense and interest expense, net in our Condensed Consolidated Statement of Operations.

Minimum contractual obligations for our leases (undiscounted) as of June 30, 2019 are as follows (in millions):

	<u>Operating</u>	<u>Financing</u>
2019 (excluding six months ended June 30, 2019)	\$ 45	\$ 22
2020	87	42
2021	55	40
2022	45	39
2023	37	38
Thereafter	268	235
Total lease payments	<u>\$ 537</u>	<u>\$ 416</u>
Less: interest	(148)	(87)
Discounted lease liabilities	<u>\$ 389</u>	<u>\$ 329</u>

As of June 30, 2019, we entered into leases, primarily for real estate, that have not yet commenced with future lease payments of \$167 million that are not reflected in the table above. These leases will commence through 2020 with non-cancelable lease terms up to 15 years.

Cash paid for our operating and financing leases was \$44 million and \$17 million, respectively, for the six months ended June 30, 2019. Right-of-use assets obtained in exchange for lease obligations for our operating and financing leases were \$32 million and \$110 million, respectively, for the six months ended June 30, 2019.

As of June 30, 2019, the weighted average remaining lease terms of our operating and financing leases were 16 years and 15 years, respectively. The weighted average discount rates used to determine the lease liabilities as of June 30, 2019 for our operating and financing leases were 3.79% and 4.16%, respectively.

5. Income Taxes

Our income tax expense was \$115 million and \$230 million for the three and six months ended June 30, 2019, respectively, compared to \$110 million and \$226 million for the three and six months ended June 30, 2018, respectively. Our effective income tax rate was 23.3% and 24.0% for the three and six months ended June 30, 2019, respectively, compared with 18.1% and 20.2% for the three and six months ended June 30, 2018, respectively. We evaluate our effective income tax rate at each interim period and adjust it as facts and circumstances warrant. The increase in our effective income tax rate when comparing the three and six months ended June 30, 2019 with the prior year periods is due to a \$33 million income tax benefit related to the settlement of various tax audits during 2018 and a \$52 million impairment charge in the first quarter of 2019 which was not deductible for tax purposes.

The differences between federal income taxes computed at the federal statutory rate and reported income taxes for the three and six months ended June 30, 2019 were primarily due to the unfavorable impact of state and local income taxes offset, in part, by the favorable impact of federal tax credits and excess tax benefits related to equity-based compensation. The six months ended June 30, 2019 was also unfavorably impacted by an impairment as discussed below.

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

The differences between federal income taxes computed at the federal statutory rate and reported income taxes for the three and six months ended June 30, 2018 were primarily due to the favorable impact of tax audit settlements and federal tax credits offset, in part, by the unfavorable impact of state and local income taxes. The six months ended June 30, 2018 was also favorably impacted by excess tax benefits related to equity-based compensation.

Investments Qualifying for Federal Tax Credits — We have significant financial interests in entities established to invest in and manage low-income housing properties and a refined coal facility. We support the operations of these entities in exchange for a pro-rata share of the tax credits they generate. The low-income housing investments and the coal facility's refinement processes qualify for federal tax credits that we expect to realize through 2030 under Sections 42 and 45D, and through the end of 2019 under Section 45, respectively, of the Internal Revenue Code. We account for our investments in these entities using the equity method of accounting, recognizing our share of each entity's results of operations and other reductions in the value of our investments in equity in net losses of unconsolidated entities, in our Condensed Consolidated Statements of Operations.

During the three and six months ended June 30, 2019, we recognized \$12 million and \$21 million of net losses and a reduction in our income tax expense of \$18 million and \$33 million, respectively, primarily due to tax credits realized from these investments. In addition, during the three and six months ended June 30, 2019, we recognized interest expense of \$2 million and \$4 million, respectively, associated with our investments in low-income housing properties.

During the three and six months ended June 30, 2018, we recognized \$6 million and \$12 million of net losses and a reduction in our income tax expense of \$12 million and \$22 million, respectively, primarily due to tax credits realized from these investments. Interest expense associated with our investments in low-income housing properties was not material for the three and six months ended June 30, 2018.

See Note 14 for additional information related to these unconsolidated variable interest entities.

Tax Audit Settlements — We are currently under audit by the IRS and various state and local taxing authorities and our audits are in various stages of completion. In June 2018, we settled various tax audits, which resulted in a reduction in our income tax expense of \$33 million.

Equity-Based Compensation — During the three and six months ended June 30, 2019, we recognized a reduction in income tax expense of \$5 million and \$17 million, respectively, for excess tax benefits related to the vesting or exercise of equity-based compensation awards compared with \$1 million and \$12 million, respectively, for the comparable prior year periods.

Tax Implications of Impairment — We recognized a \$52 million impairment charge in the first quarter of 2019 which was not deductible for tax purposes. See Note 10 for additional information.

WASTE MANAGEMENT, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

6. Earnings Per Share

Basic and diluted earnings per share were computed using the following common share data (shares in millions):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Number of common shares outstanding at end of period	423.8	428.4	423.8	428.4
Effect of using weighted average common shares outstanding	1.0	1.5	0.8	3.2
Weighted average basic common shares outstanding	424.8	429.9	424.6	431.6
Dilutive effect of equity-based compensation awards and other contingently issuable shares	2.7	2.4	2.6	2.5
Weighted average diluted common shares outstanding	427.5	432.3	427.2	434.1
Potentially issuable shares	7.2	8.0	7.2	8.0
Number of anti-dilutive potentially issuable shares excluded from diluted common shares outstanding	1.1	1.9	1.9	1.9

7. Commitments and Contingencies

Financial Instruments — We have obtained letters of credit, surety bonds and insurance policies and have established trust funds and issued financial guarantees to support tax-exempt bonds, contracts, performance of landfill final capping, closure and post-closure requirements, environmental remediation and other obligations. Letters of credit generally are supported by our \$2.75 billion revolving credit facility and other credit facilities established for that purpose. These facilities are discussed further in Note 3. Surety bonds and insurance policies are supported by (i) a diverse group of third-party surety and insurance companies; (ii) an entity in which we have a noncontrolling financial interest or (iii) a wholly-owned insurance captive, the sole business of which is to issue surety bonds and/or insurance policies on our behalf.

Management does not expect that any claims against or draws on these instruments would have a material adverse effect on our financial condition, results of operations or cash flows. We have not experienced any unmanageable difficulty in obtaining the required financial assurance instruments for our current operations. In an ongoing effort to mitigate risks of future cost increases and reductions in available capacity, we continue to evaluate various options to access cost-effective sources of financial assurance.

Insurance — We carry insurance coverage for protection of our assets and operations from certain risks including general liability, automobile liability, workers' compensation, real and personal property, directors' and officers' liability, pollution legal liability and other coverages we believe are customary to the industry. Our exposure to loss for insurance claims is generally limited to the per incident deductible under the related insurance policy. Our exposure could increase if our insurers are unable to meet their commitments on a timely basis.

We have retained a significant portion of the risks related to our general liability, automobile liability and workers' compensation claims programs. "General liability" refers to the self-insured portion of specific third-party claims made against us that may be covered under our commercial General Liability Insurance Policy. For our self-insured portions, the exposure for unpaid claims and associated expenses, including incurred but not reported losses, is based on an actuarial valuation or internal estimates. The accruals for these liabilities could be revised if future occurrences or loss development significantly differ from such valuations and estimates. We use a wholly-owned insurance captive to insure the deductibles for our general liability, automobile liability and workers' compensation claims programs.

We do not expect the impact of any known casualty, property, environmental or other contingency to have a material impact on our financial condition, results of operations or cash flows.

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Guarantees — In the ordinary course of our business, WM and WM Holdings enter into guarantee agreements associated with their subsidiaries' operations. Additionally, WM and WM Holdings have each guaranteed all of the senior debt of the other entity. No additional liabilities have been recorded for these intercompany guarantees because all of the underlying obligations are reflected in our Condensed Consolidated Balance Sheets. See Note 15 for additional information.

As of June 30, 2019, we have guaranteed the obligations and certain performance requirements of third parties in connection with both consolidated and unconsolidated entities, including (i) guarantees to cover certain market value losses for approximately 850 homeowners' properties adjacent to or near 18 of our landfills and (ii) guarantees totaling \$73 million for performance obligations of our Wheelabrator business, divested in 2014. In February 2019, Wheelabrator was acquired by a third party, at which time we agreed to continue to provide such guarantees through July 2019. We have also agreed to indemnify certain third-party purchasers against liabilities associated with divested operations prior to such sale. Additionally, under certain of our acquisition agreements, we have provided for additional consideration to be paid to the sellers if established financial targets or other market conditions are achieved post-closing, and we have recognized liabilities for these contingent obligations based on an estimate of the fair value of these contingencies at the time of acquisition. We do not believe that these contingent obligations will have a material adverse effect on the Company's financial condition, results of operations or cash flows, and we do not expect the financial impact of operational and financial performance guarantees to materially exceed the recorded fair value.

Environmental Matters — A significant portion of our operating costs and capital expenditures could be characterized as costs of environmental protection. The nature of our operations, particularly with respect to the construction, operation and maintenance of our landfills, subjects us to an array of laws and regulations relating to the protection of the environment. Under current laws and regulations, we may have liabilities for environmental damage caused by our operations, or for damage caused by conditions that existed before we acquired a site. In addition to remediation activity required by state or local authorities, such liabilities include potentially responsible party ("PRP") investigations. The costs associated with these liabilities can include settlements, certain legal and consultant fees, as well as incremental internal and external costs directly associated with site investigation and clean-up.

Estimating our degree of responsibility for remediation is inherently difficult. We recognize and accrue for an estimated remediation liability when we determine that such liability is both probable and reasonably estimable. Determining the method and ultimate cost of remediation requires that a number of assumptions be made. There can sometimes be a range of reasonable estimates of the costs associated with the likely site remediation alternatives identified in the environmental impact investigation. In these cases, we use the amount within the range that is our best estimate. If no amount within a range appears to be a better estimate than any other, we use the amount that is the low end of such range. If we used the high ends of such ranges, our aggregate potential liability would be approximately \$145 million higher than the \$241 million recorded in the Condensed Consolidated Balance Sheet as of June 30, 2019. Our ultimate responsibility may differ materially from current estimates. It is possible that technological, regulatory or enforcement developments, the results of environmental studies, the inability to identify other PRPs, the inability of other PRPs to contribute to the settlements of such liabilities, or other factors could require us to record additional liabilities. Our ongoing review of our remediation liabilities, in light of relevant internal and external facts and circumstances, could result in revisions to our accruals that could cause upward or downward adjustments to our balance sheet and income from operations. These adjustments could be material in any given period.

As of June 30, 2019, we have been notified by the government that we are a PRP in connection with 75 locations listed on the Environmental Protection Agency's ("EPA's") Superfund National Priorities List ("NPL"). Of the 75 sites at which claims have been made against us, 15 are sites we own. Each of the NPL sites we own was initially developed by others as a landfill disposal facility. At each of these facilities, we are working in conjunction with the government to evaluate or remediate identified site problems, and we have either agreed with other legally liable parties on an arrangement for sharing the costs of remediation or are working toward a cost-sharing agreement. We generally expect to receive any amounts due from other participating parties at or near the time that we make the remedial expenditures. The other 60 NPL

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sites, which we do not own, are at various procedural stages under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, known as CERCLA or Superfund.

The majority of proceedings involving NPL sites that we do not own are based on allegations that certain of our subsidiaries (or their predecessors) transported hazardous substances to the sites, often prior to our acquisition of these subsidiaries. CERCLA generally provides for liability for those parties owning, operating, transporting to or disposing at the sites. Proceedings arising under Superfund typically involve numerous waste generators and other waste transportation and disposal companies and seek to allocate or recover costs associated with site investigation and remediation, which costs could be substantial and could have a material adverse effect on our consolidated financial statements. At some of the sites at which we have been identified as a PRP, our liability is well defined as a consequence of a governmental decision and an agreement among liable parties as to the share each will pay for implementing that remedy. At other sites, where no remedy has been selected or the liable parties have been unable to agree on an appropriate allocation, our future costs are uncertain.

On October 11, 2017, the EPA issued its Record of Decision (“ROD”) with respect to the previously proposed remediation plan for the San Jacinto waste pits in Harris County, Texas. McGinnes Industrial Maintenance Corporation (“MIMC”), an indirect wholly-owned subsidiary of WM, operated some of the waste pits from 1965 to 1966 and has been named as a site PRP. In 1998, WM acquired the stock of the parent entity of MIMC. MIMC has been working with the EPA and other named PRPs as the process of addressing the site proceeds. On April 9, 2018, MIMC and International Paper Company entered into an Administrative Order on Consent agreement with the EPA to develop a remedial design for the EPA’s selected remedy for the site. Allocation of responsibility among the PRPs for the selected remedy has not been established. As of June 30, 2019 and December 31, 2018, the recorded liability for MIMC’s estimated potential share of the EPA’s selected remedy and related costs was \$56 million and \$55 million, respectively. MIMC’s ultimate liability could be materially different from current estimates.

Item 103 of the SEC’s Regulation S-K requires disclosure of certain environmental matters when a governmental authority is a party to the proceedings, or such proceedings are known to be contemplated, unless we reasonably believe that the matter will result in no monetary sanctions, or in monetary sanctions, exclusive of interest and costs, of less than \$100,000. The following matters are disclosed in accordance with that requirement. We do not currently believe that the eventual outcome of any such matters, individually or in the aggregate, could have a material adverse effect on the Company’s business, financial condition, results of operations or cash flows.

On July 10, 2013, the EPA issued a Notice of Violation (“NOV”) to Waste Management of Wisconsin, Inc., an indirect wholly-owned subsidiary of WM, alleging violations of the Resource Conservation Recovery Act concerning acceptance of certain waste that was not permitted to be disposed of at the Metro Recycling & Disposal Facility in Franklin, Wisconsin. The parties are exchanging information and working to resolve the NOV.

The Hawaii Department of Health and the EPA have asserted civil penalty claims against Waste Management of Hawaii, Inc. (“WMHI”), an indirect wholly-owned subsidiary of WM, based on stormwater discharges at the Waimanalo Gulch Sanitary Landfill following two major rainstorms in December 2010 and January 2011 and alleged violations of stormwater permit requirements prior to and after the storms. WMHI operates the landfill for the City and County of Honolulu. On July 3, 2019, this matter was resolved through a consent decree, and WMHI subsequently made payment of \$300,000.

From time to time, we are also named as defendants in personal injury and property damage lawsuits, including purported class actions, on the basis of having owned, operated or transported waste to a disposal facility that is alleged to have contaminated the environment or, in certain cases, on the basis of having conducted environmental remediation activities at sites. Some of the lawsuits may seek to have us pay the costs of monitoring of allegedly affected sites and health care examinations of allegedly affected persons for a substantial period of time even where no actual damage is proven. While we believe we have meritorious defenses to these lawsuits, the ultimate resolution is often substantially

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uncertain due to the difficulty of determining the cause, extent and impact of alleged contamination (which may have occurred over a long period of time), the potential for successive groups of complainants to emerge, the diversity of the individual plaintiffs' circumstances, and the potential contribution or indemnification obligations of co-defendants or other third parties, among other factors. Additionally, we often enter into agreements with landowners imposing obligations on us to meet certain regulatory or contractual conditions upon site closure or upon termination of the agreements. Compliance with these agreements inherently involves subjective determinations and may result in disputes, including litigation.

Litigation — As a large company with operations across the U.S. and Canada, we are subject to various proceedings, lawsuits, disputes and claims arising in the ordinary course of our business. Many of these actions raise complex factual and legal issues and are subject to uncertainties. Actions that have been filed against us, and that may be filed against us in the future, include personal injury, property damage, commercial, customer, and employment-related claims, including purported state and national class action lawsuits related to: alleged environmental contamination, including releases of hazardous material and odors; sales and marketing practices, customer service agreements and prices and fees; and federal and state wage and hour and other laws. The plaintiffs in some actions seek unspecified damages or injunctive relief, or both. These actions are in various procedural stages, and some are covered, in part, by insurance. We currently do not believe that the eventual outcome of any such actions will have a material adverse effect on the Company's business, financial condition, results of operations or cash flows.

WM's charter and bylaws provide that WM shall indemnify against all liabilities and expenses, and upon request shall advance expenses to any person, who is subject to a pending or threatened proceeding because such person is or was a director or officer of the Company. Such indemnification is required to the maximum extent permitted under Delaware law. Accordingly, the director or officer must execute an undertaking to reimburse the Company for any fees advanced if it is later determined that the director or officer was not permitted to have such fees advanced under Delaware law. Additionally, the Company has direct contractual obligations to provide indemnification to each of the members of WM's Board of Directors and each of WM's executive officers. The Company may incur substantial expenses in connection with the fulfillment of its advancement of costs and indemnification obligations in connection with actions or proceedings that may be brought against its former or current officers, directors and employees.

Multiemployer Defined Benefit Pension Plans — About 20% of our workforce is covered by collective bargaining agreements with various local unions across the U.S. and Canada. As a result of some of these agreements, certain of our subsidiaries are participating employers in a number of trustee-managed multiemployer defined benefit pension plans ("Multiemployer Pension Plans") for the covered employees. In connection with our ongoing renegotiation of various collective bargaining agreements, we may discuss and negotiate for the complete or partial withdrawal from one or more of these Multiemployer Pension Plans. A complete or partial withdrawal from a Multiemployer Pension Plan may also occur if employees covered by a collective bargaining agreement vote to decertify a union from continuing to represent them. Any other circumstance resulting in a decline in Company contributions to a Multiemployer Pension Plan through a reduction in the labor force, whether through attrition over time or through a business event (such as the discontinuation or nonrenewal of a customer contract, the decertification of a union, or relocation, reduction or discontinuance of certain operations) may also trigger a complete or partial withdrawal from one or more of these pension plans.

We do not believe that any future liability relating to our past or current participation in, or withdrawals from, the Multiemployer Pension Plans to which we contribute will have a material adverse effect on our business, financial condition or liquidity. However, liability for future withdrawals could have a material adverse effect on our results of operations or cash flows for a particular reporting period, depending on the number of employees withdrawn and the financial condition of the Multiemployer Pension Plan(s) at the time of such withdrawal(s).

Tax Matters — We participate in the IRS's Compliance Assurance Process, which means we work with the IRS throughout the year towards resolving any material issues prior to the filing of our annual tax return. Any unresolved issues as of the tax return filing date are subject to routine examination procedures. We are currently in the examination phase of IRS audits for the 2017 through 2019 tax years and expect these audits to be completed within the next 21 months. We are

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also currently undergoing audits by various state and local jurisdictions for tax years that date back to 2013. Additionally, we are under audit by the Canada Revenue Agency for the 2014 tax year. We maintain a liability for uncertain tax positions, the balance of which management believes is adequate. Results of audit assessments by taxing authorities are not currently expected to have a material adverse effect on our financial condition, results of operations or cash flows.

8. Segment and Related Information

We evaluate, oversee and manage the financial performance of our Solid Waste business subsidiaries through our 17 Areas. The 17 Areas constitute our operating segments and we have evaluated the aggregation criteria and concluded that, based on the similarities between our Areas, including the fact that our Solid Waste business is homogenous across geographies with the same services offered across the Areas, aggregation of our Areas is appropriate for purposes of presenting our reportable segments. Accordingly, we have aggregated our 17 Areas into three tiers that we believe have similar economic characteristics and future prospects based in large part on a review of the Areas' income from operations margins. The economic variations experienced by our Areas are attributable to a variety of factors, including regulatory environment of the Area; economic environment of the Area, including level of commercial and industrial activity; population density; service offering mix and disposal logistics, with no one factor being singularly determinative of an Area's current or future economic performance.

Tier 1 is comprised of our operations across the Southern U.S., with the exception of Southern California and the Florida peninsula, and also includes the New England states, the tri-state area of Michigan, Indiana and Ohio, and Western Canada. Tier 2 includes Southern California, Eastern Canada, Wisconsin and Minnesota. Tier 3 encompasses all the remaining operations including the Pacific Northwest and Northern California, the Mid-Atlantic region of the U.S., the Florida peninsula, Illinois and Missouri.

The operating segments not evaluated and overseen through the 17 Areas are presented herein as "Other" as these operating segments do not meet the criteria to be aggregated with other operating segments and do not meet the quantitative criteria to be separately reported.

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Summarized financial information concerning our reportable segments is shown in the following table (in millions):

	Gross Operating Revenues	Intercompany Operating Revenues	Net Operating Revenues	Income from Operations
Three Months Ended June 30:				
2019				
Solid Waste:				
Tier 1	\$ 1,608	\$ (298)	\$ 1,310	\$ 432
Tier 2	703	(134)	569	148
Tier 3	1,888	(371)	1,517	341
Solid Waste	4,199	(803)	3,396	921
Other (a)	580	(30)	550	(60)
	4,779	(833)	3,946	861
Corporate and Other	—	—	—	(165)
Total	<u>\$ 4,779</u>	<u>\$ (833)</u>	<u>\$ 3,946</u>	<u>\$ 696</u>
2018				
Solid Waste:				
Tier 1	\$ 1,485	\$ (269)	\$ 1,216	\$ 395
Tier 2	663	(123)	540	141
Tier 3	1,776	(350)	1,426	295
Solid Waste	3,924	(742)	3,182	831
Other (a)	613	(56)	557	13
	4,537	(798)	3,739	844
Corporate and Other	—	—	—	(129)
Total	<u>\$ 4,537</u>	<u>\$ (798)</u>	<u>\$ 3,739</u>	<u>\$ 715</u>

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

	Gross Operating Revenues	Intercompany Operating Revenues	Net Operating Revenues	Income from Operations
Six Months Ended June 30:				
2019				
Solid Waste:				
Tier 1	\$ 3,094	\$ (569)	\$ 2,525	\$ 826
Tier 2	1,346	(255)	1,091	284
Tier 3	3,624	(705)	2,919	654
Solid Waste	8,064	(1,529)	6,535	1,764
Other (a)	1,168	(61)	1,107	(88)
	9,232	(1,590)	7,642	1,676
Corporate and Other	—	—	—	(359)
Total	<u>\$ 9,232</u>	<u>\$ (1,590)</u>	<u>\$ 7,642</u>	<u>\$ 1,317</u>
2018				
Solid Waste:				
Tier 1	\$ 2,858	\$ (510)	\$ 2,348	\$ 760
Tier 2	1,276	(234)	1,042	263
Tier 3	3,409	(659)	2,750	586
Solid Waste	7,543	(1,403)	6,140	1,609
Other (a)	1,220	(110)	1,110	(10)
	8,763	(1,513)	7,250	1,599
Corporate and Other	—	—	—	(276)
Total	<u>\$ 8,763</u>	<u>\$ (1,513)</u>	<u>\$ 7,250</u>	<u>\$ 1,323</u>

- (a) “Other” includes (i) our Strategic Business Solutions (“WMSBS”) organization; (ii) those elements of our landfill gas-to-energy operations and third-party subcontract and administration revenues managed by our Energy and Environmental Services (“EES”) and WM Renewable Energy organizations that are not included in the operations of our reportable segments; (iii) our recycling brokerage services and (iv) certain other expanded service offerings and solutions. In addition, our “Other” segment reflects the results of non-operating entities that provide financial assurance and self-insurance support for our Solid Waste business, net of intercompany activity.

WASTE MANAGEMENT, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

The mix of operating revenues from our major lines of business are as follows (in millions):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Commercial	\$ 1,052	\$ 986	\$ 2,078	\$ 1,941
Residential	655	632	1,295	1,246
Industrial	744	708	1,424	1,345
Other	122	115	231	216
Total collection	2,573	2,441	5,028	4,748
Landfill	1,023	915	1,887	1,720
Transfer	474	437	886	812
Recycling	264	305	555	617
Other (a)	445	439	876	866
Intercompany (b)	(833)	(798)	(1,590)	(1,513)
Total	<u>\$ 3,946</u>	<u>\$ 3,739</u>	<u>\$ 7,642</u>	<u>\$ 7,250</u>

- (a) The “Other” line of business includes (i) our WMSBS organization; (ii) our landfill gas-to-energy operations; (iii) certain services within our EES organization, including our construction and remediation services and our services associated with the disposal of fly ash and (iv) certain other expanded service offerings and solutions. In addition, our “Other” line of business reflects the results of non-operating entities that provide financial assurance and self-insurance support for our Solid Waste business, net of intercompany activity.
- (b) Intercompany revenues between lines of business are eliminated in the Condensed Consolidated Financial Statements included within this report.

Fluctuations in our operating results may be caused by many factors, including period-to-period changes in the relative contribution of revenue by each line of business, changes in commodity prices and general economic conditions. In addition, our revenues and income from operations typically reflect seasonal patterns. Our operating revenues tend to be somewhat higher in summer months, primarily due to the higher construction and demolition waste volumes. The volumes of industrial and residential waste in certain regions where we operate also tend to increase during the summer months. Our second and third quarter revenues and results of operations typically reflect these seasonal trends.

Service disruptions caused by severe storms, extended periods of inclement weather or climate extremes resulting from climate change can significantly affect the operating results of the Areas affected. On the other hand, certain destructive weather and climate conditions, such as wildfires in the Western U.S. and hurricanes that most often impact our operations in the Southern and Eastern U.S. during the second half of the year, can increase our revenues in the Areas affected. While weather-related and other event driven special projects can boost revenues through additional work for a limited time, as a result of significant start-up costs and other factors, such revenue can generate earnings at comparatively lower margins.

9. Acquisitions

Pending Acquisition

On April 14, 2019, we entered into the Merger Agreement to acquire all outstanding shares of Advanced Disposal for \$33.15 per share in cash, representing a total enterprise value of \$4.9 billion when including approximately \$1.9 billion of Advanced Disposal’s net debt. Advanced Disposal’s solid waste network includes 95 collection operations, 73 transfer stations, 41 owned or operated landfills and 22 owned or operated recycling facilities. The transaction is expected to close during the first quarter of 2020, subject to the satisfaction of customary closing conditions, including regulatory approvals. On June 28, 2019, Advanced Disposal announced that 85.9% of the outstanding shares of its common stock entitled to vote were voted in favor of the proposal to adopt the Merger Agreement at a special meeting of stockholders held that day.

WASTE MANAGEMENT, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Acquisition

Petro Waste — On March 8, 2019, Waste Management Energy Services Holdings, LLC, an indirect wholly-owned subsidiary of WM, acquired Petro Waste. The acquired business provides comprehensive oilfield environmental services and solid waste disposal facilities in the Permian Basin and The Eagle Ford Shale. The acquisition is intended to expand our offerings and enhance the quality of solid waste disposal services for oil and gas exploration and production operations in Texas. Our purchase price is expected to be primarily allocated to seven landfills, which are included in our property and equipment. The allocation of purchase price for Petro Waste is preliminary and is subject to standard post-closing adjustments. The acquisition was funded with borrowings under our commercial paper program. For the three and six months ended June 30, 2019, the impact of the acquisition was not material to our consolidated financial statements.

10. Asset Impairments and Unusual Items

(Gain) Loss from Divestitures, Asset Impairments and Unusual Items, Net

During the six months ended June 30, 2018, we sold certain ancillary operations resulting in net gains of \$42 million.

Other, Net

During the first quarter of 2019, we recognized a \$52 million impairment charge related to our minority-owned investment in a waste conversion technology business. We wrote down our investment to its estimated fair value as the result of recent third-party investor's transactions in these securities. The fair value of our investment was not readily determinable; thus, we determined the fair value utilizing a combination of quoted price inputs for the equity in our investment (Level 2) and certain management assumptions pertaining to investment value (Level 3).

11. Accumulated Other Comprehensive Income (Loss)

The changes in the balances of each component of accumulated other comprehensive income (loss), net of tax, which is included as a component of Waste Management, Inc. stockholders' equity, are as follows (in millions, with amounts in parentheses representing decreases to accumulated other comprehensive income):

	<u>Derivative Instruments</u>	<u>Available- for-Sale Securities</u>	<u>Foreign Currency Translation Adjustments</u>	<u>Post- Retirement Benefit Obligations</u>	<u>Total</u>
Balance, December 31, 2018	\$ (32)	\$ 23	\$ (76)	\$ (2)	\$ (87)
Other comprehensive income (loss) before reclassifications, net of tax expense (benefit) of \$0, \$2, \$0 and \$0, respectively	—	9	53	—	62
Amounts reclassified from accumulated other comprehensive (income) loss, net of tax (expense) benefit of \$1, \$0, \$0 and \$0, respectively	4	—	—	(1)	3
Net current period other comprehensive income (loss)	4	9	53	(1)	65
Balance, June 30, 2019	<u>\$ (28)</u>	<u>\$ 32</u>	<u>\$ (23)</u>	<u>\$ (3)</u>	<u>\$ (22)</u>

We had no active derivatives outstanding during the reported period. Amounts reclassified out of accumulated other comprehensive income (loss) associated with our previously terminated cash flow hedges were not material for the periods presented.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

12. Common Stock Repurchase Program

The Company repurchases shares of its common stock as part of capital allocation programs authorized by our Board of Directors. In January 2019, we paid \$4 million in cash for share repurchases executed in December 2018. In addition, during the first quarter of 2019, we repurchased 0.7 million shares of our common stock in open market transactions in compliance with Rule 10b5-1 and Rule 10b-18 of the Exchange Act. Cash paid for these share repurchases was \$64 million, inclusive of per-share commissions, which represents a weighted average price per share of \$94.35. These repurchases were made under our prior \$1.25 billion Board of Directors authorization announced in December 2017.

We announced in December 2018 that the Board of Directors authorized up to \$1.5 billion in future share repurchases, which superseded and replaced remaining authority under any prior Board of Directors authorization for share repurchases after the completion of our open market repurchases noted above. As a result of the pending acquisition of Advanced Disposal discussed in Note 9, we decided to limit 2019 share repurchases to an amount sufficient to offset dilution impacts from our stock-based compensation plans. In May 2019, we entered into an accelerated share repurchase (“ASR”) agreement to repurchase \$180 million of our common stock. At the beginning of the repurchase period, we delivered \$180 million cash and received 1.3 million shares based on a stock price of \$109.59. The final number of shares to be repurchased and the final average price per share under the ASR agreement will depend on the volume-weighted average price of our stock, less a discount, during the term of the agreement. Purchases under the ASR agreement are expected to be completed by September 2019.

As of June 30, 2019, the Company has authorization for \$1.3 billion of future share repurchases. Any future share repurchases pursuant to this authorization of our Board of Directors will be made at the discretion of management and will depend on factors similar to those considered by the Board of Directors in making dividend declarations, including our net earnings, financial condition, cash required for future business plans, growth and acquisitions and other factors the Board of Directors may deem relevant. As a result of the pending acquisition discussed in Note 9, we do not expect additional share repurchases in 2019.

WASTE MANAGEMENT, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

13. Fair Value Measurements

Assets and Liabilities Accounted for at Fair Value

Our assets and liabilities that are measured at fair value on a recurring basis include the following (in millions):

	June 30, 2019	December 31, 2018
Fair Value Measurements Using:		
Quoted prices in active markets (Level 1):		
Money market funds (a)	\$ 2,249	\$ 70
	<u>2,249</u>	<u>70</u>
Significant other observable inputs (Level 2):		
Available-for-sale securities (b)	382	288
	<u>382</u>	<u>288</u>
Significant unobservable inputs (Level 3):		
Redeemable preferred stock (c)	46	66
	<u>46</u>	<u>66</u>
Total Assets	<u>\$ 2,677</u>	<u>\$ 424</u>

- (a) The increase in 2019 is primarily due to proceeds from our May 2019 issuance of senior notes, a portion of which we intend to use to support the pending acquisition of Advanced Disposal and other business needs, and are invested in high-yield secure and stable funds. This increase is partially offset by changes in our investments portfolio associated with a wholly-owned insurance captive from money market funds to available-for-sale securities.
- (b) The increase in 2019 is primarily attributable to changes in our investments portfolio, as discussed above. Our available-for-sale securities generally mature over the next ten years.
- (c) When available, Level 3 investments have been measured based on third-party investors' recent or pending transactions in these securities, which are considered the best evidence of fair value. When this evidence is not available, we use other valuation techniques as appropriate and available. These valuation methodologies may include transactions in similar instruments, discounted cash flow techniques, third-party appraisals or industry multiples and public company comparable transactions. In the first quarter of 2019, we redeemed our preferred stock received in conjunction with the 2014 sale of our Puerto Rico operations for \$17 million. At the time of redemption, the value of redeemable preferred stock was \$20 million, resulting in a \$3 million loss on investment.

Fair Value of Debt

As of June 30, 2019 and December 31, 2018, the carrying value of our debt was \$12.7 billion and \$10.0 billion, respectively. The estimated fair value of our debt was approximately \$13.6 billion and \$10.1 billion as of June 30, 2019 and December 31, 2018, respectively. The increase in the fair value of our debt when comparing June 30, 2019 with December 31, 2018 is due to \$2.6 billion of net borrowings (inclusive of net commercial paper repayments) which are discussed further in Note 3.

Although we have determined the estimated fair value amounts using available market information and commonly accepted valuation methodologies, considerable judgment is required in interpreting market data to develop the estimates of fair value. Accordingly, our estimates are not necessarily indicative of the amounts that we, or holders of the instruments, could realize in a current market exchange. The use of different assumptions or estimation methodologies could have a material effect on the estimated fair values. The fair value estimates are based on Level 2 inputs of the fair value hierarchy

WASTE MANAGEMENT, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

available as of June 30, 2019 and December 31, 2018. These amounts have not been revalued since those dates, and current estimates of fair value could differ significantly from the amounts presented.

14. Variable Interest Entities

Following is a description of our financial interests in unconsolidated and consolidated variable interest entities that we consider significant:

Low-Income Housing Properties and Refined Coal Facility Investments

We do not consolidate our investments in entities established to manage low-income housing properties and a refined coal facility because we are not the primary beneficiary of these entities as we do not have the power to individually direct the activities of these entities. Accordingly, we account for these investments under the equity method of accounting. Our aggregate investment balance in these entities was \$172 million and \$189 million as of June 30, 2019 and December 31, 2018, respectively. The debt balance related to our investments in low-income housing properties was \$147 million and \$151 million as of June 30, 2019 and December 31, 2018, respectively. Additional information related to these investments is discussed in Note 5.

Trust Funds for Final Capping, Closure, Post-Closure or Environmental Remediation Obligations

Unconsolidated Variable Interest Entities — Trust funds that are established for both the benefit of the Company and the host community in which we operate are not consolidated because we are not the primary beneficiary of these entities as we either do not have the (i) power to direct the significant activities of the trusts or (ii) power over the trusts' significant activities is shared. Our interests in these trusts are accounted for as investments in unconsolidated entities and receivables. These amounts are recorded in other receivables, investments in unconsolidated entities and long-term other assets in our Condensed Consolidated Balance Sheets, as appropriate. We also reflect our share of the unrealized gains and losses on available-for-sale securities held by these trusts as a component of our accumulated other comprehensive income (loss). Our investments and receivables related to these trusts had an aggregate carrying value of \$98 million and \$92 million as of June 30, 2019 and December 31, 2018, respectively.

Consolidated Variable Interest Entities — Trust funds for which we are the sole beneficiary are consolidated because we are the primary beneficiary. These trust funds are recorded in restricted trust and escrow accounts in our Condensed Consolidated Balance Sheets. Unrealized gains and losses on available-for-sale securities held by these trusts are recorded as a component of our accumulated other comprehensive income (loss). These trusts had a fair value of \$107 million and \$103 million as of June 30, 2019 and December 31, 2018, respectively.

WASTE MANAGEMENT, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

15. Condensed Consolidating Financial Statements

WM Holdings has fully and unconditionally guaranteed all of WM's senior indebtedness. WM has fully and unconditionally guaranteed all of WM Holdings' senior indebtedness. None of WM's other subsidiaries have guaranteed any of WM's or WM Holdings' debt. As a result of these guarantee arrangements, we are required to present the following condensed consolidating financial information (in millions):

CONDENSED CONSOLIDATING BALANCE SHEETS

June 30, 2019
(Unaudited)

	WM	WM Holdings	Non-Guarantor Subsidiaries	Eliminations	Consolidated
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 2,200	\$ —	\$ 50	\$ —	\$ 2,250
Other current assets	94	6	2,578	(92)	2,586
	<u>2,294</u>	<u>6</u>	<u>2,628</u>	<u>(92)</u>	<u>4,836</u>
Property and equipment, net	—	—	12,665	—	12,665
Investments in affiliates	25,646	26,150	—	(51,796)	—
Advances to affiliates	—	—	17,651	(17,651)	—
Other assets	5	10	8,470	—	8,485
Total assets	<u>\$ 27,945</u>	<u>\$ 26,166</u>	<u>\$ 41,414</u>	<u>\$ (69,539)</u>	<u>\$ 25,986</u>
LIABILITIES AND EQUITY					
Current liabilities:					
Current portion of long-term debt	\$ —	\$ —	\$ 116	\$ —	\$ 116
Accounts payable and other current liabilities	92	9	2,721	(92)	2,730
	<u>92</u>	<u>9</u>	<u>2,837</u>	<u>(92)</u>	<u>2,846</u>
Long-term debt, less current portion	10,412	248	1,963	—	12,623
Due to affiliates	17,680	265	6,709	(24,654)	—
Other liabilities	4	—	4,046	—	4,050
Total liabilities	<u>28,188</u>	<u>522</u>	<u>15,555</u>	<u>(24,746)</u>	<u>19,519</u>
Equity:					
Stockholders' equity	6,466	25,644	26,152	(51,796)	6,466
Advances to affiliates	(6,709)	—	(294)	7,003	—
Noncontrolling interests	—	—	1	—	1
	<u>(243)</u>	<u>25,644</u>	<u>25,859</u>	<u>(44,793)</u>	<u>6,467</u>
Total liabilities and equity	<u>\$ 27,945</u>	<u>\$ 26,166</u>	<u>\$ 41,414</u>	<u>\$ (69,539)</u>	<u>\$ 25,986</u>

WASTE MANAGEMENT, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

CONDENSED CONSOLIDATING BALANCE SHEETS (Continued)

December 31, 2018

	WM	WM Holdings	Non-Guarantor Subsidiaries	Eliminations	Consolidated
ASSETS					
Current assets:					
Cash and cash equivalents	\$ —	\$ —	\$ 61	\$ —	\$ 61
Other current assets	2	5	2,577	—	2,584
	<u>2</u>	<u>5</u>	<u>2,638</u>	<u>—</u>	<u>2,645</u>
Property and equipment, net	—	—	11,942	—	11,942
Investments in affiliates	24,676	25,097	—	(49,773)	—
Advances to affiliates	—	—	17,258	(17,258)	—
Other assets	8	31	8,024	—	8,063
Total assets	<u>\$ 24,686</u>	<u>\$ 25,133</u>	<u>\$ 39,862</u>	<u>\$ (67,031)</u>	<u>\$ 22,650</u>
LIABILITIES AND EQUITY					
Current liabilities:					
Current portion of long-term debt	\$ 258	\$ —	\$ 174	\$ —	\$ 432
Accounts payable and other current liabilities	82	9	2,585	—	2,676
	<u>340</u>	<u>9</u>	<u>2,759</u>	<u>—</u>	<u>3,108</u>
Long-term debt, less current portion	7,377	304	1,913	—	9,594
Due to affiliates	17,398	146	6,709	(24,253)	—
Other liabilities	5	—	3,667	—	3,672
Total liabilities	<u>25,120</u>	<u>459</u>	<u>15,048</u>	<u>(24,253)</u>	<u>16,374</u>
Equity:					
Stockholders' equity	6,275	24,674	25,099	(49,773)	6,275
Advances to affiliates	(6,709)	—	(286)	6,995	—
Noncontrolling interests	—	—	1	—	1
	<u>(434)</u>	<u>24,674</u>	<u>24,814</u>	<u>(42,778)</u>	<u>6,276</u>
Total liabilities and equity	<u>\$ 24,686</u>	<u>\$ 25,133</u>	<u>\$ 39,862</u>	<u>\$ (67,031)</u>	<u>\$ 22,650</u>

WASTE MANAGEMENT, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

CONDENSED CONSOLIDATING STATEMENTS OF OPERATIONS

Three Months Ended June 30, 2019
(Unaudited)

	WM	WM Holdings	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Operating revenues	\$ —	\$ —	\$ 3,992	\$ (46)	\$ 3,946
Costs and expenses	46	—	3,250	(46)	3,250
Income from operations	(46)	—	742	—	696
Other income (expense):					
Interest expense, net	(86)	(5)	(9)	—	(100)
Loss on early extinguishment of debt	(70)	(14)	—	—	(84)
Equity in earnings of subsidiaries, net of tax	530	545	—	(1,075)	—
Other, net	—	(1)	(14)	—	(15)
	374	525	(23)	(1,075)	(199)
Income before income taxes	328	525	719	(1,075)	497
Income tax expense (benefit)	(53)	(5)	173	—	115
Consolidated net income	381	530	546	(1,075)	382
Less: Net income (loss) attributable to noncontrolling interests	—	—	1	—	1
Net income attributable to Waste Management, Inc.	<u>\$ 381</u>	<u>\$ 530</u>	<u>\$ 545</u>	<u>\$ (1,075)</u>	<u>\$ 381</u>

Three Months Ended June 30, 2018
(Unaudited)

	WM	WM Holdings	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Operating revenues	\$ —	\$ —	\$ 3,783	\$ (44)	\$ 3,739
Costs and expenses	44	—	3,024	(44)	3,024
Income from operations	(44)	—	759	—	715
Other income (expense):					
Interest expense, net	(78)	(4)	(11)	—	(93)
Equity in earnings of subsidiaries, net of tax	588	591	—	(1,179)	—
Other, net	—	—	(13)	—	(13)
	510	587	(24)	(1,179)	(106)
Income before income taxes	466	587	735	(1,179)	609
Income tax expense (benefit)	(33)	(1)	144	—	110
Consolidated net income	499	588	591	(1,179)	499
Less: Net income (loss) attributable to noncontrolling interests	—	—	—	—	—
Net income attributable to Waste Management, Inc.	<u>\$ 499</u>	<u>\$ 588</u>	<u>\$ 591</u>	<u>\$ (1,179)</u>	<u>\$ 499</u>

WASTE MANAGEMENT, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

CONDENSED CONSOLIDATING STATEMENTS OF OPERATIONS (Continued)

Six Months Ended June 30, 2019
(Unaudited)

	WM	WM Holdings	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Operating revenues	\$ —	\$ —	\$ 7,734	\$ (92)	\$ 7,642
Costs and expenses	92	—	6,325	(92)	6,325
Income from operations	(92)	—	1,409	—	1,317
Other income (expense):					
Interest expense, net	(166)	(10)	(20)	—	(196)
Loss on early extinguishment of debt	(70)	(14)	—	—	(84)
Equity in earnings of subsidiaries, net of tax	970	992	—	(1,962)	—
Other, net	—	(4)	(74)	—	(78)
	734	964	(94)	(1,962)	(358)
Income before income taxes	642	964	1,315	(1,962)	959
Income tax expense (benefit)	(86)	(6)	322	—	230
Consolidated net income	728	970	993	(1,962)	729
Less: Net income (loss) attributable to noncontrolling interests	—	—	1	—	1
Net income attributable to Waste Management, Inc.	\$ 728	\$ 970	\$ 992	\$ (1,962)	\$ 728

Six Months Ended June 30, 2018
(Unaudited)

	WM	WM Holdings	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Operating revenues	\$ —	\$ —	\$ 7,338	\$ (88)	\$ 7,250
Costs and expenses	88	—	5,927	(88)	5,927
Income from operations	(88)	—	1,411	—	1,323
Other income (expense):					
Interest expense, net	(154)	(9)	(21)	—	(184)
Equity in earnings of subsidiaries, net of tax	1,073	1,080	—	(2,153)	—
Other, net	—	—	(19)	—	(19)
	919	1,071	(40)	(2,153)	(203)
Income before income taxes	831	1,071	1,371	(2,153)	1,120
Income tax expense (benefit)	(64)	(2)	292	—	226
Consolidated net income	895	1,073	1,079	(2,153)	894
Less: Net income (loss) attributable to noncontrolling interests	—	—	(1)	—	(1)
Net income attributable to Waste Management, Inc.	\$ 895	\$ 1,073	\$ 1,080	\$ (2,153)	\$ 895

WASTE MANAGEMENT, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

CONDENSED CONSOLIDATING STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited)

	<u>WM</u>	<u>WM Holdings</u>	<u>Non-Guarantor Subsidiaries</u>	<u>Eliminations</u>	<u>Consolidated</u>
Three Months Ended June 30:					
2019					
Comprehensive income	\$ 383	\$ 530	\$ 575	\$ (1,075)	\$ 413
Less: Comprehensive income (loss) attributable to noncontrolling interests	—	—	1	—	1
Comprehensive income attributable to Waste Management, Inc.	<u>\$ 383</u>	<u>\$ 530</u>	<u>\$ 574</u>	<u>\$ (1,075)</u>	<u>\$ 412</u>
2018					
Comprehensive income	\$ 501	\$ 588	\$ 568	\$ (1,179)	\$ 478
Less: Comprehensive income (loss) attributable to noncontrolling interests	—	—	—	—	—
Comprehensive income attributable to Waste Management, Inc.	<u>\$ 501</u>	<u>\$ 588</u>	<u>\$ 568</u>	<u>\$ (1,179)</u>	<u>\$ 478</u>
Six Months Ended June 30:					
2019					
Comprehensive income	\$ 732	\$ 970	\$ 1,054	\$ (1,962)	\$ 794
Less: Comprehensive income (loss) attributable to noncontrolling interests	—	—	1	—	1
Comprehensive income attributable to Waste Management, Inc.	<u>\$ 732</u>	<u>\$ 970</u>	<u>\$ 1,053</u>	<u>\$ (1,962)</u>	<u>\$ 793</u>
2018					
Comprehensive income	\$ 899	\$ 1,073	\$ 1,023	\$ (2,153)	\$ 842
Less: Comprehensive income (loss) attributable to noncontrolling interests	—	—	(1)	—	(1)
Comprehensive income attributable to Waste Management, Inc.	<u>\$ 899</u>	<u>\$ 1,073</u>	<u>\$ 1,024</u>	<u>\$ (2,153)</u>	<u>\$ 843</u>

WASTE MANAGEMENT, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

CONDENSED CONSOLIDATING STATEMENTS OF CASH FLOWS

Six Months Ended June 30, 2019
(Unaudited)

	WM(a)	WM Holdings(a)	Non-Guarantor Subsidiaries(a)	Eliminations	Consolidated
Cash flows provided by (used in):					
Operating activities	\$ —	\$ —	\$ 1,900	\$ —	\$ 1,900
Investing activities	—	—	(1,565)	—	(1,565)
Financing activities	—	—	1,822	—	1,822
Effect of exchange rate changes on cash, cash equivalents and restricted cash and cash equivalents	—	—	2	—	2
Intercompany activity	2,200	—	(2,200)	—	—
Increase (decrease) in cash, cash equivalents and restricted cash and cash equivalents	2,200	—	(41)	—	2,159
Cash, cash equivalents and restricted cash and cash equivalents at beginning of period	—	—	183	—	183
Cash, cash equivalents and restricted cash and cash equivalents at end of period	<u>\$ 2,200</u>	<u>\$ —</u>	<u>\$ 142</u>	<u>\$ —</u>	<u>\$ 2,342</u>

Six Months Ended June 30, 2018
(Unaudited)

	WM(a)	WM Holdings(a)	Non-Guarantor Subsidiaries(a)	Eliminations	Consolidated
Cash flows provided by (used in):					
Operating activities	\$ —	\$ —	\$ 1,784	\$ —	\$ 1,784
Investing activities	—	—	(1,010)	—	(1,010)
Financing activities	—	—	(647)	—	(647)
Effect of exchange rate changes on cash, cash equivalents and restricted cash and cash equivalents	—	—	(1)	—	(1)
Intercompany activity	—	—	—	—	—
Increase (decrease) in cash, cash equivalents and restricted cash and cash equivalents	—	—	126	—	126
Cash, cash equivalents and restricted cash and cash equivalents at beginning of period	—	—	293	—	293
Cash, cash equivalents and restricted cash and cash equivalents at end of period	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 419</u>	<u>\$ —</u>	<u>\$ 419</u>

- (a) Cash receipts and payments of WM and WM Holdings are transacted by Non-Guarantor Subsidiaries. Cash, cash equivalents and restricted cash and cash equivalents of WM as of June 30, 2019 include remaining proceeds from our May 2019 issuance of senior notes which are discussed further in Notes 3 and 13.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following discussion should be read in conjunction with the Condensed Consolidated Financial Statements and notes thereto included under Item 1 and our Consolidated Financial Statements and notes thereto and related Management's Discussion and Analysis of Financial Condition and Results of Operations included in our Annual Report on Form 10-K for the year ended December 31, 2018.

This Quarterly Report on Form 10-Q contains certain forward-looking statements that are made subject to the safe harbor protections provided by the Private Securities Litigation Reform Act of 1995. Forward-looking statements are often identified by the words, "will," "may," "should," "continue," "anticipate," "believe," "expect," "plan," "forecast," "project," "estimate," "intend," and words of a similar nature and include estimates or projections of financial and other data; comments on expectations relating to future periods; plans or objectives for the future; and statements of opinion, view or belief about current and future events, circumstances or performance. You should view these statements with caution. They are based on the facts and circumstances known to us as of the date the statements are made. These forward-looking statements are subject to risks and uncertainties that could cause actual results to be materially different from those set forth in such forward-looking statements, including but not limited to, increased competition; pricing actions; failure to implement our optimization, growth, and cost savings initiatives and overall business strategy; failure to identify acquisition targets and negotiate attractive terms; failure to consummate or integrate the acquisition of Advanced Disposal Services, Inc. or other acquisitions; failure to obtain the results anticipated from the acquisition of Advanced Disposal Services, Inc. or other acquisitions; environmental and other regulations; commodity price fluctuations; international trade restrictions; disposal alternatives and waste diversion; declining waste volumes; failure to develop and protect new technology; failure of technology to perform as expected; preventing, detecting and addressing cybersecurity incidents; significant environmental or other incidents resulting in liabilities and brand damage; weakness in economic conditions; failure to obtain and maintain necessary permits; labor disruptions; impairment charges; negative outcomes of litigation or governmental proceedings; and other risks discussed in our filings with the SEC, including Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2018, as updated by our subsequent quarterly reports on Form 10-Q. We assume no obligation to update any forward-looking statement, including financial estimates and forecasts, whether as a result of future events, circumstances or developments or otherwise.

Overview

Waste Management, Inc. is a holding company listed on the New York Stock Exchange under the symbol "WM" and all operations are conducted by its subsidiaries. We are North America's leading provider of comprehensive waste management environmental services. We partner with our residential, commercial, industrial and municipal customers and the communities we serve to manage and reduce waste at each stage from collection to disposal, while recovering valuable resources and creating clean, renewable energy. We own or operate the largest network of landfills in North America. In order to make disposal more practical for larger urban markets, where the distance to landfills is typically farther, we manage transfer stations that consolidate, compact and transport waste efficiently and economically. We also use waste to create energy, recovering the gas produced naturally as waste decomposes in landfills and using the gas in generators to make electricity. Additionally, we are a leading recycler in North America, handling materials that include paper, cardboard, glass, plastic and metal. Our "Solid Waste" business is operated and managed locally by our subsidiaries that focus on distinct geographic areas and provides collection, transfer, disposal, and recycling and resource recovery services. Through our subsidiaries, we are also a leading developer, operator and owner of landfill gas-to-energy facilities in the U.S.

Our Solid Waste operating revenues are primarily generated from fees charged for our collection, transfer, disposal, and recycling and resource recovery services, and from sales of commodities by our recycling and landfill gas-to-energy operations. Revenues from our collection operations are influenced by factors such as collection frequency, type of collection equipment furnished, type and volume or weight of the waste collected, distance to the disposal facility or material recovery facility and our disposal costs. Revenues from our landfill operations consist of tipping fees, which are generally based on the type and weight or volume of waste being disposed of at our disposal facilities. Fees charged at transfer stations are generally based on the weight or volume of waste deposited, taking into account our cost of loading, transporting and disposing of the solid waste at a disposal site. Recycling revenues generally consist of tipping fees and

the sale of recycling commodities to third parties. The fees we charge for our services generally include our environmental fee, fuel surcharge and regulatory recovery fee which are intended to pass through to customers direct and indirect costs incurred. We also provide additional services that are not managed through our Solid Waste business, described under *Results of Operations* below.

Strategy

Our fundamental strategy has not changed; we remain dedicated to providing long-term value to our stockholders by successfully executing our core strategy of focused differentiation and continuous improvement. We are enabling a people-first, technology-led focus, that leverages and sustains the strongest asset network in the industry to drive best-in-class customer experience and growth. Our strategic planning processes appropriately consider that the future of our business and the industry can be influenced by changes in economic conditions, the competitive landscape, the regulatory environment, asset and resource availability and technology. We believe that focused differentiation, which is driven by capitalizing on our unique and extensive network of assets, will deliver profitable growth and position us to leverage competitive advantages. Simultaneously, we believe the combination of cost control, process improvement and operational efficiency will deliver on the Company's strategy of continuous improvement and yield an attractive total cost structure and enhanced service quality. While we will continue to monitor emerging diversion technologies that may generate additional value and related market dynamics, our current attention will be on improving existing diversion technologies, such as our recycling operations. We believe that execution of our strategy will deliver shareholder value and leadership in a dynamic industry.

Business Environment

The waste industry is a comparatively mature and stable industry. However, customers increasingly expect more of their waste materials to be recovered and those waste streams are becoming more complex. In addition, many state and local governments mandate diversion, recycling and waste reduction at the source and prohibit the disposal of certain types of waste at landfills. Due to this, we monitor these developments to adapt our services offerings. As companies, individuals and communities look for ways to be more sustainable, we are promoting our comprehensive services that go beyond our core business of collecting and disposing of waste in order to meet their needs.

Despite some industry consolidation in recent years, we encounter intense competition from governmental, quasi-governmental and private service providers based on pricing, service quality, customer experience and breadth of service offerings. We also encounter competition for acquisitions and growth opportunities. Our industry is directly affected by changes in general economic factors, as increases and decreases in consumer spending, business expansions and construction starts generally correlate to volumes of waste generated and our revenues. Negative economic conditions, in addition to competitor actions, can make it more challenging to negotiate, renew or expand service contracts with acceptable margins and customers may reduce their service needs. General economic factors and the market for consumer goods, in addition to regulatory developments, can also significantly impact commodity prices for recyclable materials we sell. Our operating expenses are directly impacted by volume levels; as volume levels shift, due to economic and other factors, we must manage our network capacity and cost structure accordingly.

The generally favorable macro-economic environment, including steady spending by consumers and businesses and construction starts, has benefited our volume growth and gross margins in recent quarters. We have experienced significant volume growth with existing customers, particularly in our commercial collection business. The volume growth is the result of proactive efforts taken to work with our customers as their needs expand to identify service upgrade opportunities. Our landfill volumes during the first half of 2019 have been favorably impacted by clean-up efforts from natural disasters in California, event-driven projects in our special waste business and growth in our municipal solid waste business. Additionally, our continued focus on developing a sustainable recycling business model that meets customers' environmental needs by passing through the increasing cost of processing and higher contamination rates led to improved operating results in the second quarter of 2019.

Current Quarter Financial Results

During the second quarter of 2019, we continued to produce strong operating results from our collection and disposal business, driven by favorable market conditions and our continued focus on delivering an outstanding customer experience and continuous improvement. The Company continued its commitment to supporting both organic and inorganic growth during the second quarter of 2019, allocating \$578 million of available cash to capital expenditures and \$48 million to the acquisition of solid waste businesses. We also allocated \$397 million to our shareholders during the second quarter of 2019 through dividends and common stock repurchases.

Key elements of our financial results for the current quarter include:

- Revenues of \$3,946 million, compared with \$3,739 million in the prior year period, an increase of \$207 million, or 5.5%. The increase is primarily attributable to (i) higher volumes from favorable market conditions and strong landfill volume growth and (ii) increased yield in our collection and disposal business, partially offset by lower market prices for recycling commodities;
- Operating expenses of \$2,443 million, compared with \$2,313 million in the prior year period, remained flat as a percentage of revenues at 61.9% in both periods. The \$130 million increase is primarily attributable to higher volumes and cost inflation in the current year period, partially offset by decreased cost of goods sold primarily due to lower market prices for recycling commodities and our cost containment initiatives;
- Selling, general and administrative expenses were \$391 million, or 9.9% of revenues, compared with \$365 million, or 9.8% of revenues, in the prior year period. The increase of \$26 million is primarily attributable to higher costs associated with planned investments in technology, increased acquisition-related costs and higher incentive compensation;
- Income from operations was \$696 million, or 17.6% of revenues, compared with \$715 million, or 19.1% of revenues, in the prior year period. The year-over-year comparison has been affected by net gains of \$39 million recognized in 2018 when we sold certain ancillary operations. After considering the impact of the net gains, the current year period growth was driven by strong performance in our collection and disposal business;
- Net income attributable to Waste Management, Inc. was \$381 million, or \$0.89 per diluted share, compared with \$499 million, or \$1.15 per diluted share, in the prior year period. The current year period was impacted by a pre-tax loss of \$84 million associated with the early extinguishment of \$257 million of certain high-coupon senior notes through a cash tender offer. The prior year period was favorably impacted by the net gains associated with the sale of certain ancillary operations and the settlement of various tax audits, which resulted in a reduction in our income tax expense;
- Net cash provided by operating activities was \$1,010 million compared with \$975 million in the prior year period; and
- Free cash flow was \$440 million compared with \$621 million in the prior year period. The decrease is primarily associated with increased capital expenditures in the current year period due to an intentional focus on accelerating certain fleet and landfill spending to support the Company's strong collection and disposal growth and higher proceeds from divestitures of businesses in the prior year period. Free cash flow is a non-GAAP measure of liquidity. Refer to *Free Cash Flow* below for our definition of free cash flow, additional information about our use of this measure, and a reconciliation to net cash provided by operating activities, which is the most comparable GAAP measure.

Results of Operations

Operating Revenues

We evaluate, oversee and manage the financial performance of our Solid Waste business subsidiaries through our 17 Areas. We also provide additional services that are not managed through our Solid Waste business, including operations managed by both our Strategic Business Solutions ("WMSBS") and Energy and Environmental Services ("EES")

organizations, recycling brokerage services, landfill gas-to-energy services and certain other expanded service offerings and solutions. These operations are presented in our “Other” segment in the table below. The following table summarizes revenues during each period (in millions):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Solid Waste	\$ 4,199	\$ 3,924	\$ 8,064	\$ 7,543
Other	580	613	1,168	1,220
Intercompany	(833)	(798)	(1,590)	(1,513)
Total	<u>\$ 3,946</u>	<u>\$ 3,739</u>	<u>\$ 7,642</u>	<u>\$ 7,250</u>

The mix of operating revenues from our major lines of business is reflected in the table below (in millions):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Commercial	\$ 1,052	\$ 986	\$ 2,078	\$ 1,941
Residential	655	632	1,295	1,246
Industrial	744	708	1,424	1,345
Other	122	115	231	216
Total collection	2,573	2,441	5,028	4,748
Landfill	1,023	915	1,887	1,720
Transfer	474	437	886	812
Recycling	264	305	555	617
Other (a)	445	439	876	866
Intercompany (b)	(833)	(798)	(1,590)	(1,513)
Total	<u>\$ 3,946</u>	<u>\$ 3,739</u>	<u>\$ 7,642</u>	<u>\$ 7,250</u>

- (a) The “Other” line of business includes (i) our WMSBS organization; (ii) our landfill gas-to-energy operations; (iii) certain services within our EES organization, including our construction and remediation services and our services associated with the disposal of fly ash and (iv) certain other expanded service offerings and solutions. In addition, our “Other” line of business reflects the results of non-operating entities that provide financial assurance and self-insurance support for our Solid Waste business, net of intercompany activity.
- (b) Intercompany revenues between lines of business are eliminated in the Condensed Consolidated Financial Statements included within this report.

The following table provides details associated with the period-to-period changes in revenues and average yield (dollars in millions):

	Period-to-Period Change for the Three Months Ended June 30, 2019 vs. 2018				Period-to-Period Change for the Six Months Ended June 30, 2019 vs. 2018			
	Amount	As a % of Related Business(a)	Amount	As a % of Total Company(b)	Amount	As a % of Related Business(a)	Amount	As a % of Total Company(b)
Collection and disposal	\$ 87	2.7 %			\$ 169	2.7 %		
Recycling commodities	(41)	(14.2)			(66)	(11.3)		
Fuel surcharges and mandated fees	2	1.1			7	2.3		
Total average yield (c)			\$ 48	1.3 %			\$ 110	1.5 %
Volume			146	4.0			263	3.7
Internal revenue growth			194	5.3			373	5.2
Acquisitions			59	1.6			116	1.6
Divestitures			(40)	(1.2)			(82)	(1.2)
Foreign currency translation			(6)	(0.2)			(15)	(0.2)
Total			\$ 207	5.5 %			\$ 392	5.4 %

- (a) Calculated by dividing the increase or decrease for the current year period by the prior year period's related business revenue adjusted to exclude the impacts of divestitures for the current year period.
- (b) Calculated by dividing the increase or decrease for the current year period by the prior year period's total Company revenue adjusted to exclude the impacts of divestitures for the current year period.
- (c) The amounts reported herein represent the changes in our revenue attributable to average yield for the total Company.

The following provides further details associated with our period-to-period change in revenues:

Average Yield

Collection and Disposal Average Yield — This measure reflects the effect on our revenue from the pricing activities of our collection, transfer and landfill lines of business, exclusive of volume changes. Revenue growth from collection and disposal average yield includes not only base rate changes and environmental and service fee increases, but also (i) certain average price changes related to the overall mix of services, which are due to the types of services provided; (ii) changes in average price from new and lost business and (iii) price decreases to retain customers.

The details of our revenue growth from collection and disposal average yield are as follows (dollars in millions):

	Period-to-Period Change for the Three Months Ended June 30, 2019 vs. 2018		Period-to-Period Change for the Six Months Ended June 30, 2019 vs. 2018	
	Amount	As a % of Related Business	Amount	As a % of Related Business
Commercial	\$ 22	2.3 %	\$ 42	2.3 %
Industrial	27	4.2	52	4.2
Residential	19	3.3	42	3.5
Total collection	68	3.0	136	3.1
Landfill	11	2.0	20	1.9
Transfer	8	3.4	13	3.1
Total collection and disposal	\$ 87	2.7 %	\$ 169	2.7 %

Our strategic pricing efforts focus on ensuring we overcome inflationary cost pressures and grow margins. This strategy has been most successful in our collection business. We are also experiencing solid growth in our landfill and transfer businesses, with our municipal solid waste business experiencing 3.6% and 3.5% average yield growth for the three and six months ended June 30, 2019, respectively, as compared with the prior year periods.

Recycling Commodities — Decreases in the market prices for recycling commodities resulted in revenue decline of \$41 million and \$66 million for the three and six months ended June 30, 2019, respectively, as compared with the prior year periods. We partially offset our revenue decline from market prices for recycling commodities by assessing fees to cover the higher costs of handling contaminated recycling materials. Average market prices for recycling commodities at the Company's facilities were 33% and 30% lower for the three and six months ended June 30, 2019, respectively, as compared with the prior year periods. We have seen a decreased demand from paper mills around the world which has driven prices to historical low averages. The cardboard packaging industry has been impacted by slower global demand, retail store closures and e-commerce packaging efficiency. We expect slower global demand to remain through 2019, which will continue to put downward pressure on average market prices for recycling commodities.

Fuel Surcharges and Mandated Fees — These fees, which are predominantly generated by our fuel surcharge program, were flat for the three months and increased for the six months ended June 30, 2019 as compared with the prior year periods. These revenues are based on and fluctuate in response to changes in the national average prices for diesel fuel. The mandated fees are primarily related to fees and taxes assessed by various state, county and municipal government agencies at our landfills and transfer stations. These fees also favorably contributed to our year-over-year revenue growth.

Volume

Our revenues from volumes increased \$146 million, or 4.0%, and \$263 million, or 3.7%, for the three and six months ended June 30, 2019, respectively, as compared with the prior year periods, excluding volumes from acquisitions and divestitures.

We experienced higher volumes due to favorable market conditions in our collection and disposal business and our focus on customer service and disciplined growth. We have experienced significant volume growth with existing customers, particularly in our commercial collection business. The volume growth is the result of proactive efforts taken to work with our customers as their needs expand to identify service upgrade opportunities. Our landfill volumes during the first half of 2019 have been favorably impacted by clean-up efforts from natural disasters in California, event-driven projects in our special waste business and growth in our municipal solid waste business. Additionally, a large contract executed in the second half of 2017 continues to favorably contribute to increased volume additions at our transfer stations in 2019. Furthermore, we experienced favorable volume growth from our WMSBS organization.

Operating Expenses

The following table summarizes the major components of our operating expenses (in millions of dollars and as a percentage of revenues):

	Three Months Ended June 30,				Six Months Ended June 30,			
	2019		2018		2019		2018	
Labor and related benefits	\$ 703	17.8 %	\$ 674	18.0 %	\$ 1,370	17.9 %	\$ 1,327	18.3 %
Transfer and disposal costs	300	7.6	282	7.5	563	7.4	539	7.4
Maintenance and repairs	344	8.7	312	8.4	667	8.7	614	8.5
Subcontractor costs	388	9.8	337	9.0	736	9.6	651	9.0
Cost of goods sold	142	3.6	189	5.1	312	4.1	380	5.2
Fuel	104	2.7	112	3.0	205	2.7	188	2.6
Disposal and franchise fees and taxes	164	4.2	155	4.2	307	4.0	289	4.0
Landfill operating costs	100	2.5	80	2.1	191	2.5	160	2.2
Risk management	71	1.8	53	1.4	135	1.8	105	1.4
Other	127	3.2	119	3.2	255	3.3	244	3.4
	<u>\$ 2,443</u>	<u>61.9 %</u>	<u>\$ 2,313</u>	<u>61.9 %</u>	<u>\$ 4,741</u>	<u>62.0 %</u>	<u>\$ 4,497</u>	<u>62.0 %</u>

The increase in volumes in the current year periods, as discussed above in *Operating Revenues*, affects the comparability of operating expenses primarily in transfer and disposal, subcontractor, and disposal and franchise fees and taxes for the periods presented. In addition, cost inflation affects the comparability of operating expenses.

Other significant items affecting the comparability of operating expenses for the reported periods include:

Labor and Related Benefits — The increase was driven by volume growth in our collection business as well as cost inflation noted above. These cost increases were offset, in part, by lower bonus costs related to a plan established in early 2018 targeted at improving employee retention and one less workday during the first quarter of 2019.

Maintenance and Repairs — The increase was largely driven by cost inflation noted above which primarily impacted labor, parts, third-party services, tires and building costs. In addition, for the three and six months ended June 30, 2019, these costs include a \$16 million non-cash charge to write off certain equipment costs related to our Other segment.

Cost of Goods Sold — The decrease was primarily driven by lower market prices for recycling commodities and lower costs due to the sale of certain ancillary operations in the second quarter of 2018.

Fuel — The increase during the six months ended June 30, 2019 was primarily driven by a \$28 million benefit from federal natural gas fuel credits received in the first quarter of 2018 that did not extend into 2019, partially offset by lower fuel costs.

Landfill Operating Costs — The increase was primarily due to higher leachate management costs driven largely by heavy snow and rain in certain parts of North America. For the three and six months ended June 30, 2019, these costs also include a \$7 million charge for the remeasurement of our environmental remediation obligations and recovery assets due to a decrease in U.S. treasury rates, which are used in determining the risk-free discount rate for these balances. See Note 2 to the Condensed Consolidated Financial Statements for additional information.

Risk Management — The increase was primarily the result of higher claims costs in our collection business.

Selling, General and Administrative Expenses

The following table summarizes the major components of our selling, general and administrative expenses (in millions of dollars and as a percentage of revenues):

	Three Months Ended June 30,				Six Months Ended June 30,			
	2019		2018		2019		2018	
Labor and related benefits	\$ 250	6.3 %	\$ 240	6.4 %	\$ 515	6.7 %	\$ 492	6.8 %
Professional fees	43	1.1	29	0.8	78	1.0	53	0.7
Provision for bad debts	10	0.3	10	0.3	19	0.3	21	0.3
Other	88	2.2	86	2.3	188	2.5	172	2.4
	<u>\$ 391</u>	<u>9.9 %</u>	<u>\$ 365</u>	<u>9.8 %</u>	<u>\$ 800</u>	<u>10.5 %</u>	<u>\$ 738</u>	<u>10.2 %</u>

Significant items affecting the comparison of our selling, general and administrative expenses between reported periods include:

Labor and Related Benefits — The increase was primarily due to higher incentive compensation in the current year periods.

Professional Fees — The increase was primarily driven by higher consulting fees, largely due to investments we are making in operating, customer facing and back-office technologies, in addition to acquisition-related costs.

Other — The increase was principally driven by higher litigation reserves in the first quarter of 2019.

Depreciation and Amortization Expenses

The following table summarizes the components of our depreciation and amortization expenses (in millions of dollars and as a percentage of revenues):

	Three Months Ended June 30,				Six Months Ended June 30,			
	2019		2018		2019		2018	
Depreciation of tangible property and equipment	\$ 221	5.6 %	\$ 212	5.7 %	\$ 434	5.7 %	\$ 416	5.7 %
Amortization of landfill airspace	161	4.1	146	3.9	288	3.7	266	3.7
Amortization of intangible assets	27	0.7	26	0.7	53	0.7	49	0.7
	<u>\$ 409</u>	<u>10.4 %</u>	<u>\$ 384</u>	<u>10.3 %</u>	<u>\$ 775</u>	<u>10.1 %</u>	<u>\$ 731</u>	<u>10.1 %</u>

The increase in depreciation of tangible property and equipment during the three and six months ended June 30, 2019, compared to the prior year periods, was primarily due to higher capital expenditures in the current year periods due to an intentional focus on accelerating certain fleet and landfill spending to support the Company's strong collection and disposal growth. The increase in amortization of landfill airspace during the three and six months ended June 30, 2019, compared to the prior year periods, was primarily driven by increased volumes.

(Gain) Loss from Divestitures, Asset Impairments and Unusual Items, Net

During the six months ended June 30, 2018, we sold certain ancillary operations resulting in net gains of \$42 million.

Income from Operations

The following table summarizes income from operations for our reportable segments (dollars in millions):

	Three Months Ended June 30,		Period-to-Period Change		Six Months Ended June 30,		Period-to-Period Change	
	2019	2018			2019	2018		
Solid Waste:								
Tier 1	\$ 432	\$ 395	\$ 37	9.4 %	\$ 826	\$ 760	\$ 66	8.7 %
Tier 2	148	141	7	5.0	284	263	21	8.0
Tier 3	341	295	46	15.6	654	586	68	11.6
Solid Waste	921	831	90	10.8	1,764	1,609	155	9.6
Other	(60)	13	(73)	*	(88)	(10)	(78)	*
Corporate and Other	(165)	(129)	(36)	27.9	(359)	(276)	(83)	30.1
Total	\$ 696	\$ 715	\$ (19)	(2.7)%	\$ 1,317	\$ 1,323	\$ (6)	(0.5)%
Percentage of revenues	17.6 %	19.1 %			17.2 %	18.2 %		

* Percentage change does not provide a meaningful comparison.

The significant items affecting income from operations for our segments during the three and six months ended June 30, 2019, as compared with the prior year periods, are summarized below:

- *Solid Waste* — Our collection and disposal business benefited from internal revenue growth. This increase in income from operations was offset, in part, by (i) higher operating costs, driven by increased volumes, cost inflation and leachate management costs and (ii) federal natural gas fuel credits received in the first quarter of 2018 that did not extend into 2019.
- *Other* — Lower earnings are a result of (i) net gains from divestitures of certain ancillary operations in the prior year periods; (ii) a \$16 million non-cash charge to write off certain equipment costs in the current year periods and (iii) increases in risk management costs as a result of higher claims costs in our collection business.
- *Corporate and Other* — Increased expenses are a result of (i) higher consulting fees, largely due to the investments we are making in operating, customer facing and back-office technologies; (ii) increased group insurance; (iii) additional litigation reserves; (iv) our preparation efforts in the Advanced Disposal Services, Inc. (“Advanced Disposal”) acquisition and (v) a \$7 million charge for the remeasurement of our environmental remediation obligations and recovery assets as discussed in Note 2 to the Condensed Consolidated Financial Statements. Additionally, we recognized higher incentive compensation costs in the first quarter of 2019.

Interest Expense, Net

Our interest expense, net was \$100 million and \$196 million during the three and six months ended June 30, 2019, respectively, compared to \$93 million and \$184 million during the three and six months ended June 30, 2018, respectively. The increases are due to \$2.6 billion of net borrowings (inclusive of net commercial paper repayments), primarily attributable to our issuance of new senior notes, partially offset by related increases in interest income as a result of higher cash and cash equivalents balances. These items are discussed further below in *Liquidity and Capital Resources*. Also contributing to the year-over-year increases were increased commercial paper borrowings during the first half of 2019 and interest expense related to a low-income housing investment.

Loss on Early Extinguishment of Debt

In May 2019, WM issued \$4.0 billion of senior notes, which are discussed further below in *Summary of Cash and Cash Equivalents, Restricted Trust and Escrow Accounts and Debt Obligations*. Concurrently, we used \$344 million of the net proceeds from the newly issued senior notes to retire \$257 million of certain high-coupon senior notes. The cash paid includes the principal amount of the debt retired, \$84 million of related premiums, which are classified as loss on early

extinguishment of debt in our Condensed Consolidated Statement of Operations, and \$3 million of accrued interest. The principal amount of senior notes redeemed within each series was as follows:

- \$304 million of WM Holdings 7.10% senior notes due 2026, of which \$56 million were tendered;
- \$395 million of WM 7.00% senior notes due 2028, of which \$64 million were tendered;
- \$139 million of WM 7.375% senior notes due 2029, of which \$58 million were tendered;
- \$210 million of WM 7.75% senior notes due 2032, of which \$57 million were tendered; and
- \$274 million of WM 6.125% senior notes due 2039, of which \$22 million were tendered.

Other, Net

During the first quarter of 2019, we recognized a \$52 million impairment charge related to our minority-owned investment in a waste conversion technology business. We wrote down our investment to its estimated fair value as the result of recent third-party investor's transactions in these securities. The fair value of our investment was not readily determinable; thus, we determined the fair value utilizing a combination of quoted price inputs for the equity in our investment (Level 2) and certain management assumptions pertaining to investment value (Level 3).

Income Tax Expense

Our income tax expense was \$115 million and \$230 million for the three and six months ended June 30, 2019, respectively, compared to \$110 million and \$226 million for the three and six months ended June 30, 2018, respectively. Our effective income tax rate was 23.3% and 24.0% for the three and six months ended June 30, 2019, respectively, compared to 18.1% and 20.2% for the three and six months ended June 30, 2018, respectively. The increase in our effective income tax rate when comparing the three and six months ended June 30, 2019 with the prior year periods is due to a \$33 million income tax benefit related to the settlement of various tax audits during 2018 and a \$52 million impairment charge in the first quarter of 2019 which was not deductible for tax purposes. See *Other, Net* above for additional information.

Liquidity and Capital Resources

The Company consistently generates cash flow from operations that meets and exceeds its working capital needs, the payments of its dividend and investment in the business through capital expenditures and acquisitions. We continually monitor our actual and forecasted cash flows, our liquidity and our capital resources, enabling us to plan for our present needs and fund unbudgeted business activities that may arise during the year as a result of changing business conditions or new opportunities. The Company believes that its investment grade credit ratings, large value of unencumbered assets and modest leverage enable it to obtain adequate financing to meet its ongoing capital, operating and other liquidity requirements.

Summary of Cash and Cash Equivalents, Restricted Trust and Escrow Accounts and Debt Obligations

The following is a summary of our cash and cash equivalents, restricted trust and escrow accounts and debt balances (in millions):

	June 30, 2019	December 31, 2018
Cash and cash equivalents	\$ 2,250	\$ 61
Restricted trust and escrow accounts:		
Insurance reserves	\$ 308	\$ 252
Final capping, closure, post-closure and environmental remediation funds	107	103
Other	9	11
Total restricted trust and escrow accounts (a)	\$ 424	\$ 366
Debt:		
Current portion	\$ 116	\$ 432
Long-term portion	12,623	9,594
Total debt	\$ 12,739	\$ 10,026

(a) Includes \$70 million as of June 30, 2019 and December 31, 2018 in other current assets in our Condensed Consolidated Balance Sheets.

Cash and cash equivalents — Cash and cash equivalents at June 30, 2019, include a portion of proceeds from the May 2019 issuance of \$4.0 billion of senior notes, which is discussed further below and in Note 3 to the Condensed Consolidated Financial Statements.

Debt — As of June 30, 2019, we had \$1.2 billion of debt maturing within the next 12 months, including (i) \$600 million of 4.75% senior notes that mature in June 2020; (ii) \$524 million of tax-exempt bonds with term interest rate periods that expire within the next 12 months, which is prior to their scheduled maturities, and (iii) \$116 million of other debt with scheduled maturities within the next 12 months, including \$42 million of tax-exempt bonds. As of June 30, 2019, we have classified \$1.1 billion of debt maturing in the next 12 months as long-term because we have the intent and ability to refinance these borrowings on a long-term basis as supported by the forecasted available capacity under our \$2.75 billion long-term U.S. and Canadian revolving credit facility (“\$2.75 billion revolving credit facility”). The remaining \$116 million is classified as current obligations.

In May 2019, WM issued \$4.0 billion of senior notes consisting of:

- \$750 million of 2.95% senior notes due June 15, 2024;
- \$750 million of 3.20% senior notes due June 15, 2026;
- \$1.0 billion of 3.45% senior notes due June 15, 2029;
- \$500 million of 4.00% senior notes due July 15, 2039; and
- \$1.0 billion of 4.15% senior notes due July 15, 2049.

The net proceeds from these debt issuances were \$3.97 billion. Concurrently, we used \$344 million of the net proceeds from the newly issued senior notes to retire \$257 million of certain high-coupon senior notes. The cash paid includes the principal amount of the debt retired, \$84 million of related premiums and \$3 million of accrued interest as discussed above in *Loss on Early Extinguishment of Debt*. We used a portion of the proceeds to repay our commercial paper borrowings. We intend to use the remaining net proceeds to pay a portion of the consideration related to our pending acquisition of Advanced Disposal, which is discussed in *Pending Acquisition* below, and for general corporate purposes.

See Note 3 to the Condensed Consolidated Financial Statements for more information related to the debt transactions.

Summary of Cash Flow Activity

The following is a summary of our cash flows (in millions):

	Six Months Ended	
	June 30,	
	2019	2018
Net cash provided by operating activities	\$ 1,900	\$ 1,784
Net cash used in investing activities	\$ (1,565)	\$ (1,010)
Net cash provided by (used in) financing activities	\$ 1,822	\$ (647)

Net Cash Provided by Operating Activities — Our operating cash flows increased by \$116 million for the six months ended June 30, 2019, as compared with the prior year period, as a result of (i) higher earnings primarily associated with our collection and disposal business in the current year period and (ii) net favorable changes in our operating assets and liabilities, net of effects of acquisitions and divestitures; offset slightly by higher tax and interest payments in the current year period.

Net Cash Used in Investing Activities — The most significant items included in our investing cash flows for the six months ended June 30, 2019 and 2018 are summarized below:

- *Acquisitions* — We spent \$440 million and \$263 million for acquisitions during the six months ended June 30, 2019 and 2018, respectively, related to our Solid Waste business. These amounts exclude cash used in financing and operating activities related to the timing of contingent consideration paid. Our acquisition spending in 2019 is primarily attributable to Petro Waste Environmental LP, which is discussed further in Note 9 to the Condensed Consolidated Financial Statements.
- *Capital Expenditures* — We used \$1,049 million and \$836 million for capital expenditures during the six months ended June 30, 2019 and 2018, respectively. The increase is primarily due to an intentional focus on accelerating certain fleet and landfill spending to support the Company's strong collection and disposal growth.
- *Other, Net* — We used \$96 million of cash for other investing activities during the six months ended June 30, 2019, which was primarily related to changes in our investments portfolio associated with a wholly-owned insurance captive from restricted cash and cash equivalents to available-for-sale securities. This was partially offset by cash proceeds from the redemption of our preferred stock received in conjunction with the 2014 sale of our Puerto Rico operations, which is discussed in Note 13 to the Condensed Consolidated Financial Statements.

Net Cash Provided by (Used in) Financing Activities — The most significant items affecting the comparison of our financing cash flows for the six months ended June 30, 2019 and 2018 are summarized below:

- *Debt Borrowings (Repayments)* — The following summarizes our cash borrowings and repayments of debt (excluding our commercial paper program discussed below) for the six months ended June 30 (in millions):

	2019	2018
<i>Borrowings:</i>		
Revolving credit facility (a)	\$ —	\$ 28
Canadian term loan and revolving credit facility	—	8
Senior notes	3,971	—
Other debt	—	47
	<u>\$ 3,971</u>	<u>\$ 83</u>
<i>Repayments:</i>		
Revolving credit facility (a)	\$ (11)	\$ (28)
Canadian term loan and revolving credit facility	—	(45)
Senior notes	(257)	—
Tax-exempt bonds	(94)	(42)
Other debt	(23)	(81)
	<u>\$ (385)</u>	<u>\$ (196)</u>
<i>Net cash borrowings (repayments)</i>	<u>\$ 3,586</u>	<u>\$ (113)</u>

(a) Our revolving credit facility was amended and restated in June 2018.

Refer to Note 3 to the Condensed Consolidated Financial Statements for additional information related to our debt borrowings and repayments.

- *Premiums Paid on Early Extinguishment of Debt* — During the six months ended June 30, 2019, we paid premiums of \$84 million to retire certain high-coupon senior notes. See Note 3 to the Condensed Consolidated Financial Statements for further discussion of this transaction.
- *Commercial Paper Program* — During the six months ended June 30, 2019 and 2018, we made net cash repayments of \$1,001 million and had net cash borrowings of \$443 million (net of the related discount on issuance), respectively, under our commercial paper program. We repaid the outstanding balance in the second quarter of 2019 with proceeds from the May 2019 issuance of senior notes discussed above. Borrowings incurred in 2019 were primarily to support acquisitions and for general corporate purposes.
- *Common Stock Repurchase Program* — During the six months ended June 30, 2019, we repurchased \$244 million of our common stock, which includes \$180 million related to the May 2019 accelerated share repurchase agreement and \$64 million in open market transactions. We also paid \$4 million related to share repurchases executed in December 2018. We expect these 2019 share repurchases to achieve the intended share count reduction to offset dilution from our stock-based compensation plans. During the six months ended June 30, 2018, we repurchased \$550 million of our common stock. See Note 12 to the Condensed Consolidated Financial Statements for additional information.

As a result of the pending acquisition of Advanced Disposal discussed in *Pending Acquisition* below, we do not expect additional share repurchases in 2019.

- *Cash Dividends* — For the periods presented, all dividends have been declared by our Board of Directors.

We paid cash dividends of \$440 million and \$406 million during the six months ended June 30, 2019 and 2018, respectively. The increase in dividend payments is primarily due to our quarterly per share dividend increasing from \$0.465 in 2018 to \$0.5125 in 2019 offset, in part, by a reduction in our common stock outstanding during 2019 as a result of our common stock repurchase program.

Free Cash Flow

As is our practice, we are presenting free cash flow, which is a non-GAAP measure of liquidity, in our disclosures because we use this measure in the evaluation and management of our business. We define free cash flow as net cash provided by operating activities, less capital expenditures, plus proceeds from divestitures of businesses and other assets (net of cash divested). We believe it is indicative of our ability to pay our quarterly dividends, repurchase common stock, fund acquisitions and other investments and, in the absence of refinancings, to repay our debt obligations. Free cash flow is not intended to replace net cash provided by operating activities, which is the most comparable GAAP measure. We believe free cash flow gives investors useful insight into how we view our liquidity, but the use of free cash flow as a liquidity measure has material limitations because it excludes certain expenditures that are required or that we have committed to, such as declared dividend payments and debt service requirements.

Our calculation of free cash flow and reconciliation to net cash provided by operating activities is shown in the table below (in millions), and may not be calculated the same as similarly-titled measures presented by other companies:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Net cash provided by operating activities	\$ 1,010	\$ 975	\$ 1,900	\$ 1,784
Capital expenditures	(578)	(436)	(1,049)	(836)
Proceeds from divestitures of businesses and other assets (net of cash divested)	8	82	20	96
Free cash flow	<u>\$ 440</u>	<u>\$ 621</u>	<u>\$ 871</u>	<u>\$ 1,044</u>

Pending Acquisition

On April 14, 2019, we entered into an Agreement and Plan of Merger (the “Merger Agreement”) to acquire all outstanding shares of Advanced Disposal for \$33.15 per share in cash, representing a total enterprise value of \$4.9 billion when including approximately \$1.9 billion of Advanced Disposal’s net debt. Advanced Disposal’s solid waste network includes 95 collection operations, 73 transfer stations, 41 owned or operated landfills and 22 owned or operated recycling facilities. The transaction is expected to close during the first quarter of 2020, subject to the satisfaction of customary closing conditions, including regulatory approvals. On June 28, 2019, Advanced Disposal announced that 85.9% of the outstanding shares of its common stock entitled to vote were voted in favor of the proposal to adopt the Merger Agreement at a special meeting of stockholders held that day.

Critical Accounting Estimates and Assumptions

In preparing our financial statements, we make numerous estimates and assumptions that affect the accounting for and recognition and disclosure of assets, liabilities, equity, revenues and expenses. We must make these estimates and assumptions because certain information that we use is dependent on future events, cannot be calculated with precision from available data or simply cannot be calculated. In some cases, these estimates are difficult to determine and we must exercise significant judgment. In preparing our financial statements, the most difficult, subjective and complex estimates and the assumptions that present the greatest amount of uncertainty relate to our accounting for landfills, environmental remediation liabilities, long-lived asset impairments and reserves associated with our insured and self-insured claims, as described in Item 7 of our Annual Report on Form 10-K for the year ended December 31, 2018. Actual results could differ materially from the estimates and assumptions that we use in the preparation of our financial statements.

Off-Balance Sheet Arrangements

We have financial interests in unconsolidated variable interest entities as discussed in Note 14 to the Condensed Consolidated Financial Statements. Additionally, we are party to guarantee arrangements with unconsolidated entities as discussed in the *Guarantees* section of Note 7 to the Condensed Consolidated Financial Statements. These arrangements have not materially affected our financial position, results of operations or liquidity during the six months ended

June 30, 2019, nor are they expected to have a material impact on our future financial position, results of operations or liquidity.

Seasonal Trends

Our operating revenues tend to be somewhat higher in summer months, primarily due to the higher construction and demolition waste volumes. The volumes of industrial and residential waste in certain regions where we operate also tend to increase during the summer months. Our second and third quarter revenues and results of operations typically reflect these seasonal trends.

Service disruptions caused by severe storms, extended periods of inclement weather or climate extremes resulting from climate change can significantly affect the operating results of the Areas affected. On the other hand, certain destructive weather and climate conditions, such as wildfires in the Western U.S. and hurricanes that most often impact our operations in the Southern and Eastern U.S. during the second half of the year, can increase our revenues in the Areas affected. While weather-related and other event driven special projects can boost revenues through additional work for a limited time, as a result of significant start-up costs and other factors, such revenue can generate earnings at comparatively lower margins.

Inflation

While inflationary increases in costs can affect our income from operations margins, we believe that inflation generally has not had, and in the near future is not expected to have, any material adverse effect on our results of operations. However, a portion of our collection revenues are generated under long-term agreements with price adjustments based on various indices intended to measure inflation. Additionally, management's estimates associated with inflation have had, and will continue to have, an impact on our accounting for landfill and environmental remediation liabilities.

Item 3. *Quantitative and Qualitative Disclosures About Market Risk.*

Information about market risks as of June 30, 2019 does not differ materially from that discussed under Item 7A in our Annual Report on Form 10-K for the year ended December 31, 2018.

Item 4. *Controls and Procedures.*

Effectiveness of Controls and Procedures

Our management, with the participation of our principal executive and financial officers, has evaluated the effectiveness of our disclosure controls and procedures in ensuring that the information required to be disclosed in reports that we file or submit under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, including ensuring that such information is accumulated and communicated to management (including the principal executive and financial officers) as appropriate to allow timely decisions regarding required disclosure. Based on such evaluation, our principal executive and financial officers have concluded that such disclosure controls and procedures were effective as of June 30, 2019 (the end of the period covered by this Quarterly Report on Form 10-Q).

Changes in Internal Control over Financial Reporting

Management, together with our CEO and CFO, evaluated the changes in our internal control over financial reporting during the quarter ended June 30, 2019. We determined that there were no changes in our internal control over financial reporting during the quarter ended June 30, 2019 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II.

Item 1. *Legal Proceedings.*

Information regarding our legal proceedings can be found under the *Environmental Matters* and *Litigation* sections of Note 7 to the Condensed Consolidated Financial Statements.

Item 1A. *Risk Factors.*

There have been no material changes to the risk factors previously disclosed in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2018 and in Part II, Item 1A of our Quarterly Report on Form 10-Q for the quarter ended March 31, 2019.

Item 2. *Unregistered Sales of Equity Securities and Use of Proceeds.*

The following table summarizes common stock repurchases made during the second quarter of 2019 (shares in millions):

Issuer Purchases of Equity Securities

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Maximum Dollar Value of Shares that May Yet be Purchased Under the Plans or Programs
April 1 — 30	—	\$ —	—	\$ 1.5 billion
May 1 — 31	1.3	\$ 109.59	1.3	\$ 1.3 billion
June 1 — 30	—	\$ —	—	\$ 1.3 billion
Total	<u>1.3</u>	<u>\$ 109.59</u>	<u>1.3</u>	

In May 2019, we entered into an accelerated share repurchase (“ASR”) agreement to repurchase \$180 million of our common stock. At the beginning of the repurchase period, we delivered \$180 million cash and received 1.3 million shares based on a stock price of \$109.59. The final number of shares to be repurchased and the final average price per share under the ASR agreement will depend on the volume-weighted average price of our stock, less a discount, during the term of the agreement. Purchases under the ASR agreement are expected to be completed by September 2019.

Item 4. *Mine Safety Disclosures.*

Information concerning mine safety and other regulatory matters required by Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act and Item 104 of Regulation S-K is included in Exhibit 95 to this quarterly report.

Item 6. Exhibits.

Exhibit No.	Description
2.1	Agreement and Plan of Merger dated April 14, 2019 by and among WM, Everglades Merger Sub Inc., and Advanced Disposal Services, Inc. [incorporated by reference to Exhibit 2.1 to Form 8-K filed April 15, 2019] (pursuant to Item 601(b)(2) of Regulation S-K, exhibits and schedules to the Agreement and Plan of Merger have been omitted and will be supplementally provided to the SEC upon request).
2.2	Voting Agreement dated April 14, 2019 by and between WM and Canada Pension Plan Investment Board [incorporated by reference to Exhibit 2.2 to Form 8-K filed April 15, 2019].
4.1*	Officers' Certificate delivered pursuant to Section 301 of the Indenture establishing the terms and form of the 2.950% Senior Notes due 2024.
4.2*	Officers' Certificate delivered pursuant to Section 301 of the Indenture establishing the terms and form of the 3.200% Senior Notes due 2026.
4.3*	Officers' Certificate delivered pursuant to Section 301 of the Indenture establishing the terms and form of the 3.450% Senior Notes due 2029.
4.4*	Officers' Certificate delivered pursuant to Section 301 of the Indenture establishing the terms and form of the 4.000% Senior Notes due 2039.
4.5*	Officers' Certificate delivered pursuant to Section 301 of the Indenture establishing the terms and form of the 4.150% Senior Notes due 2049.
4.6*	Guarantee Agreement by WM Holdings in favor of the holders of WM's 2.950% Senior Notes due 2024.
4.7*	Guarantee Agreement by WM Holdings in favor of the holders of WM's 3.200% Senior Notes due 2026.
4.8*	Guarantee Agreement by WM Holdings in favor of the holders of WM's 3.450% Senior Notes due 2029.
4.9*	Guarantee Agreement by WM Holdings in favor of the holders of WM's 4.000% Senior Notes due 2039.
4.10*	Guarantee Agreement by WM Holdings in favor of the holders of WM's 4.150% Senior Notes due 2049.
31.1*	Certification Pursuant to Rules 13a14(a) and 15d14(a) under the Securities Exchange Act of 1934, as amended, of James C. Fish, Jr., President and Chief Executive Officer.
31.2*	Certification Pursuant to Rules 13a14(a) and 15d14(a) under the Securities Exchange Act of 1934, as amended, of Devina A. Rankin, Senior Vice President and Chief Financial Officer.
32.1**	Certification Pursuant to 18 U.S.C. §1350 of James C. Fish, Jr., President and Chief Executive Officer.
32.2**	Certification Pursuant to 18 U.S.C. §1350 of Devina A. Rankin, Senior Vice President and Chief Financial Officer.
95*	Mine Safety Disclosures.
101.INS*	XBRL Instance Document – The Instance Document does not appear in the Interactive Data Files because its XBRL tags are embedded within the Inline XBRL document.
101.SCH*	XBRL Taxonomy Extension Schema Document.
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB*	XBRL Taxonomy Extension Labels Linkbase Document.
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document.

* Filed herewith.

** Furnished herewith.

WASTE MANAGEMENT, INC.
Officers' Certificate Delivered Pursuant to
Section 301 of the Indenture dated as of September 10, 1997

The undersigned, the Vice President and Treasurer, and the Vice President and Corporate Secretary of Waste Management, Inc. (the "Company"), hereby certify that:

1. This Certificate is delivered to The Bank of New York Mellon Trust Company, N.A. (the current successor to Texas Commerce Bank National Association), as trustee (the "Trustee"), pursuant to Sections 102 and 301 of the Indenture dated as of September 10, 1997 between the Company, formerly known as USA Waste Services, Inc., and the Trustee in connection with the Company Order dated May 22, 2019 (the "Order") for the authentication and delivery by the Trustee of \$750,000,000 aggregate principal amount of 2.950% Senior Notes due 2024 (the "Notes").

2. The undersigned have read Sections 102, 103, 301 and 303 of the Indenture and the definitions in the Indenture relating thereto.

3. The statements made herein are based either upon the personal knowledge of the persons making this Certificate or on information, data and reports furnished to such persons by the officers, counsel, department heads or employees of the Company who have knowledge of the facts involved.

4. The undersigned have examined the Order, and they have read the covenants, conditions and provisions of the Indenture relating thereto.

5. In the opinion of the persons making this Certificate, they have made such examination or investigation as is necessary to enable them to express an informed opinion as to whether or not all covenants and conditions provided for in the Indenture with respect to the Order have been complied with.

6. All covenants and conditions (including all conditions precedent) provided in the Indenture to the authentication and delivery by the Trustee of \$750,000,000 aggregate principal amount of the Notes have been complied with, and such Notes may be delivered in accordance with the Order as provided in the Indenture.

7. The terms of the Notes (including the Form of Note) as set forth in Annex A to this Officers' Certificate have been approved by officers of the Company as authorized by resolutions duly adopted on April 10, 2019 by the Board of Directors of the Company, copies of which are attached hereto as Annex B, are in full force and effect as of the date hereof.

[signature page follows]

IN WITNESS WHEREOF, the undersigned has hereunto executed this Officers' Certificate as of the date first written above.

/s/ David L. Reed

David L. Reed
Vice President and Treasurer

/s/ Courtney A. Tippy

Courtney A. Tippy
Vice President and Corporate Secretary

Annex A
Terms of the Notes

Pursuant to authority granted by the Board of Directors of the Company on April 10, 2019 and the Sole Director of Waste Management Holdings, Inc. on April 22, 2019 and May 8, 2019, the Company has approved the establishment, issuance, execution and delivery of a new series of Securities (as defined in the Indenture) to be issued under the Indenture dated as of September 10, 1997 (the "Indenture"), between the Company, formerly known as USA Waste Services, Inc., and The Bank of New York Mellon Trust Company, N.A. (the current successor to Texas Commerce Bank National Association), as trustee (the "Trustee"), the terms of which are set forth below. Capitalized terms used but not defined herein are used herein as defined in the Indenture.

- (1) The title of the series of Securities shall be "2.950% Senior Notes due 2024" (the "Notes").
 - (2) The Notes shall be general unsecured, senior obligations of the Company.
 - (3) The initial aggregate principal amount of the Notes that may be authenticated and delivered under the Indenture shall be \$750,000,000 (except for Notes authenticated and delivered upon registration of transfer of, or in exchange for, or in lieu of, other Notes pursuant to Section 304, 305, 306, 906 or 1107 of the Indenture); provided, however, that the authorized aggregate principal amount of such series may be increased before or after the issuance of any Notes of such series by a Board Resolution (or action pursuant to a Board Resolution) to such effect.
 - (4) The principal amount of each Note shall be payable on June 15, 2024.
 - (5) Each Note shall bear interest from May 22, 2019 at the fixed rate of 2.950% per annum; the Interest Payment Dates on which such interest shall be payable shall be June 15 and December 15, of each year, commencing December 15, 2019, until maturity unless such date falls on a day that is not a Business Day, in which case, such payment shall be made on the next day that is a Business Day. The Regular Record Date for the determination of Holders to whom interest is payable shall be June 1 or December 1, respectively, immediately preceding such date, as the case may be.
 - (6) If a "Change of Control Triggering Event" (as defined in the Notes) occurs, each Holder of the Notes may require the Company to purchase all or a portion of such Holder's Notes at a price equal to 101% of the principal amount, plus accrued interest, if any, to the date of purchase, on the terms and subject to the conditions set forth in the Notes.
 - (7) The Notes are to be issued as Registered Securities only. Each Note is to be issued as a book-entry note ("Book-Entry Note") but in certain circumstances may be represented by Notes in definitive form. The Book-Entry Notes shall be issued, in whole or in part, in the form of one or more Notes in global form as contemplated by Section 203 of the Indenture. The Depository with respect to the Book-Entry Notes shall be The Depository Trust Company, New York, New York.
 - (8) Payments of principal of, premium, if any, and interest due on the Notes representing Book-Entry Notes on any Interest Payment Date or at maturity will be made available to the Trustee by 11:00 a.m., New York City time, on such date, unless such date falls on a day which is not a Business Day, in which case such payments will be made available to the Trustee by 11:00 a.m., New York City time, on the next Business Day. As soon as possible thereafter, the Trustee will make such payments to the Depository.
 - (9) Before the Par Call Date, the Notes will be redeemable and repayable, at the option of the Company, at any time in whole, or from time to time in part, at a Redemption Price equal to the greater of (i) 100% of the principal amount of the Notes to be redeemed or (ii) the sum, as calculated by the Company, of the present values of the remaining scheduled payments of principal and interest thereon that would be due if the Notes matured on the Par Call Date (exclusive of interest accrued to the Redemption Date (as defined in the Notes) discounted to the Redemption Date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the applicable Treasury Yield (as defined in the Notes) plus 12.5 basis points; plus, in either case, accrued interest to the Redemption Date. On or after the Par Call Date, the Notes will be redeemable and repayable, at the option of the Company, at any time in whole, or from time to time in part, at a Redemption Price equal to 100% of the principal amount of the Notes to be redeemed plus accrued interest on the Notes to be redeemed to the Redemption Date. "Par Call Date" means May 15, 2024.
 - (10) The Company shall have no obligation to redeem, purchase or repay the Notes pursuant to any mandatory redemption (other than with respect to a Special Mandatory Redemption Event), sinking fund or analogous provisions or at the option of a Holder thereof.
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- (11) The Notes will be subject to defeasance and discharge as contemplated by Section 1302 of the Indenture and to covenant defeasance under Section 1303 of the Indenture.
 - (12) The Notes shall be entitled to the benefit of the covenants contained in Sections 1008 and 1009 of the Indenture.
 - (13) The Bank of New York Mellon Trust Company, N.A. shall serve initially as Security Registrar for the Notes.
 - (14) The Notes shall be substantially in the form of Exhibit A hereto.
 - (15) The Notes will be fully and unconditionally guaranteed on a senior basis by the Company's wholly owned subsidiary, Waste Management Holdings, Inc., pursuant to the terms and conditions of a Guarantee Agreement dated May 22, 2019 (the "Guarantee"). The amount of the Guarantee will be limited to the extent required under applicable fraudulent conveyance laws to cause the Guarantee to be enforceable. The terms and conditions of the Guarantee shall continue in full force and effect for the benefit of holders of the Notes until release thereof as set forth in Section 6 of the Guarantee.
 - (16) If the Company does not consummate the Merger on or prior to July 14, 2020, or if, on or prior to such date, the Merger Agreement is terminated for any reason (each, a "Special Mandatory Redemption Event"), then, in either case, the Company shall redeem all of the Outstanding Notes at a Redemption Price equal to 101% of the aggregate principal amount thereof, plus accrued and unpaid interest to, but excluding, the Redemption Date, on the terms and subject to the conditions set forth in the Notes. "Merger Agreement" means the Agreement and Plan of Merger dated April 14, 2019 by and among the Company, Everglades Merger Sub Inc. and Advanced Disposal Services, Inc., as such agreement may be amended or modified from time to time, and "Merger" means the merger contemplated by the Merger Agreement.
 - (17) The Notes shall be subject to the satisfaction and discharge provisions set forth in Section 401 of the Indenture, as such provisions are supplemented or modified by the terms and conditions set forth in the Notes in accordance with the Indenture.
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BOOK-ENTRY SECURITY

THIS SECURITY IS A BOOK-ENTRY SECURITY WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITORY OR A NOMINEE OF A DEPOSITORY. THIS SECURITY IS EXCHANGEABLE FOR SECURITIES REGISTERED IN THE NAME OF A PERSON OTHER THAN THE DEPOSITORY OR ITS NOMINEE ONLY IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE INDENTURE, AND NO TRANSFER OF THIS SECURITY (OTHER THAN A TRANSFER OF THIS SECURITY AS A WHOLE BY THE DEPOSITORY TO A NOMINEE OF THE DEPOSITORY OR BY A NOMINEE OF THE DEPOSITORY TO THE DEPOSITORY OR ANOTHER NOMINEE OF THE DEPOSITORY) MAY BE REGISTERED EXCEPT IN SUCH LIMITED CIRCUMSTANCES.

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE COMPANY (AS DEFINED BELOW) OR ITS AGENT FOR REGISTRATION FOR TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

RGN Principal Amount
U.S. \$ _____,
which may be decreased
by the Schedule of
Exchanges of Definitive
Security attached hereto

WASTE MANAGEMENT, INC.
2.950% SENIOR NOTES DUE 2024

CUSIP 94106L BF5

WASTE MANAGEMENT, INC., a Delaware corporation (the "Company," which term includes any successors under the Indenture hereinafter referred to), for value received, hereby promises to pay to CEDE & CO. or registered assigns, at the office or agency of the Company, the principal sum of _____ Million (\$ _____) U.S. dollars, or such lesser principal sum as is shown on the attached Schedule of Exchanges of Definitive Security, on June 15, 2024 in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts, and to pay interest at an annual rate of 2.950% payable on June 15 and December 15 of each year, to the person in whose name this Security is registered at the close of business on the record date for such interest, which shall be the preceding June 1 or December 1, respectively, payable commencing December 15, 2019, with interest accruing from May 22, 2019, or the most recent date to which interest has been paid.

Reference is made to the further provisions of this Security set forth on the reverse hereof. Such further provisions shall for all purposes have the same effect as though fully set forth at this place.

The statements in the legends set forth above are an integral part of the terms of this Security and by acceptance hereof the Holder of this Security agrees to be subject to, and bound by, the terms and provisions set forth in each such legend.

This Security is issued in respect of a series of Securities of an initial aggregate of U.S. \$750,000,000 in principal amount designated as the 2.950% Senior Notes due 2024 of the Company and is governed by the Indenture dated as of September 10, 1997, duly executed and delivered by the Company, formerly known as USA Waste Services, Inc., to The Bank of New York Mellon Trust Company, N.A. (the current successor to Texas Commerce Bank National Association) as trustee (the "Trustee"), as supplemented by Board Resolutions (as defined in the Indenture) (such Indenture and Board Resolutions, collectively, the "Indenture"). The terms of the Indenture are incorporated herein by reference. This Security shall in all respects be entitled to the same benefits as definitive Securities under the Indenture.

If and to the extent that any provision of the Indenture limits, qualifies or conflicts with any other provision of the Indenture that is required to be included in the Indenture or is deemed applicable to the Indenture by virtue of the provisions of the Trust Indenture Act of 1939, as amended, such required provision shall control.

The Company hereby irrevocably undertakes to the Holder hereof to exchange this Security in accordance with the terms of the Indenture without charge.

This Security shall not be valid or become obligatory for any purpose until the Certificate of Authentication hereon shall have been manually signed by the Trustee under the Indenture.

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed under its corporate seal.

Dated:

WASTE MANAGEMENT, INC.,
a Delaware corporation

By: _____
David L. Reed
Vice President and Treasurer

Attest:

By: _____
Courtney A. Tippy
Vice President and Corporate Secretary

CERTIFICATE OF AUTHENTICATION

This is one of the Securities of the series designated therein referred to in the within-mentioned Indenture.

Date of Authentication:

The Bank of New York Mellon Trust Company, N.A., as Trustee

By: _____
Authorized Officer

REVERSE OF BOOK-ENTRY SECURITY

WASTE MANAGEMENT, INC.

2.950% SENIOR NOTES DUE 2024

This Security is one of a duly authorized issue of unsecured debentures, notes or other evidences of indebtedness of the Company (the “Debt Securities”) of the series hereinafter specified, all issued or to be issued under and pursuant to the Indenture, to which Indenture reference is hereby made for a description of the rights, limitations of rights, obligations, duties and immunities thereunder of the Trustee, the Company and the Holders of the Debt Securities. The Debt Securities may be issued in one or more series, which different series may be issued in various aggregate principal amounts, may mature at different times, may bear interest (if any) at different rates, may be subject to different sinking, purchase or analogous funds (if any) and may otherwise vary as provided in the Indenture. This Security is one of a series designated as the 2.950% Senior Notes due 2024 of the Company, in initial aggregate principal amount of \$750,000,000 (the “Securities”).

1. *Interest.*

The Company promises to pay interest on the principal amount of this Security at the rate of 2.950% per annum.

The Company will pay interest semi-annually on June 15 and December 15 of each year (each an “Interest Payment Date”), commencing December 15, 2019. Interest on the Securities will accrue from the most recent date to which interest has been paid or, if no interest has been paid on the Securities, from May 22, 2019. Interest will be computed on the basis of a 360-day year consisting of twelve 30-day months. The Company shall pay interest (including post-petition interest in any proceeding under any applicable bankruptcy laws) on overdue installments of interest (without regard to any applicable grace period) and on overdue principal and premium, if any, from time to time on demand at the rate of 2.950% per annum, in each case to the extent lawful.

2. *Method of Payment.*

The Company shall pay interest on the Securities (except Defaulted Interest) to the persons who are the registered Holders at the close of business on the Regular Record Date immediately preceding the Interest Payment Date. Any such interest not so punctually paid or duly provided for (“Defaulted Interest”) may be paid to the persons who are registered Holders at the close of business on a Special Record Date for the payment of such Defaulted Interest, or in any other lawful manner not inconsistent with the requirements of any securities exchange on which such Securities may then be listed if such manner of payment shall be deemed practicable by the Trustee, as more fully provided in the Indenture. Except as provided below, the Company shall pay principal and interest in such coin or currency of the United States of America as at the time of payment shall be legal tender for payment of public and private debts (“U.S. Legal Tender”). Payments in respect of a Book-Entry Security (including principal, premium, if any, and interest) will be made by wire transfer of immediately available funds to the accounts specified by the Depository. Payments in respect of Securities in definitive form (including principal, premium, if any, and interest) will be made at the office or agency of the Company maintained for such purpose within the Borough of Manhattan, the City of New York, which initially will be at the corporate trust office of The Bank of New York Mellon, located at 101 Barclay Street, Floor 21W, New York, New York, 10286 or at the option of the Company, payment of interest may be made by check mailed to the Holders on the Regular Record Date or on the Special Record Date at their addresses set forth in the Security Register of Holders.

3. *Paying Agent and Registrar.*

Initially, The Bank of New York Mellon Trust Company, N.A. will act as Paying Agent and Registrar. The Company may change any Paying Agent, Registrar or co-Registrar at any time upon notice to the Trustee and the Holders. The Company or any of its Subsidiaries may, subject to certain exceptions, act as Paying Agent, Registrar or co-Registrar.

4. *Indenture.*

This Security is one of a duly authorized issue of Debt Securities of the Company issued and to be issued in one or more series under the Indenture.

Capitalized terms herein are used as defined in the Indenture unless otherwise defined herein. The terms of the Securities include those stated in the Indenture and all indentures supplemental thereto, those made part of the Indenture by reference to the Trust Indenture Act of 1939, as amended, as in effect on the date of the Indenture, and those terms stated in the Officers’ Certificate to the Trustee, duly authorized by resolutions of the Board of Directors of the Company on April 10, 2019 (the “Resolutions”) and the written consents of the Sole Director of Waste Management Holdings, Inc. on April 22, 2019 and May 8, 2019 (the “Consents”). The Securities are subject to all such terms, and Holders of Securities are referred to the Indenture, all indentures supplemental thereto, said Act, said Resolutions and said Consents and Officers’ Certificate for a statement of them. The Securities of this series are general unsecured obligations of the Company limited with an initial aggregate principal amount of \$750,000,000.

5. *Special Mandatory Redemption.*

If the Merger is not completed on or prior to July 14, 2020, or if, on or prior to such date, the Merger Agreement is terminated for any reason (each, a “Special Mandatory Redemption Event”), the Company shall redeem all of the Outstanding Securities in whole at a special mandatory Redemption Price (the “Special Mandatory Redemption Price”) equal to 101% of the aggregate principal amount of such Securities, plus accrued but unpaid interest on the principal amount of such Securities to, but not including, the Special Mandatory Redemption Date (as defined below).

Upon the occurrence of a Special Mandatory Redemption Event, the Company shall promptly (but in no event later than 5 Business Days following such Special Mandatory Redemption Event) notify the Trustee in writing of such event, and shall, no later than 5 Business Days following such notice to the Trustee, mail (or with respect to Securities in global form, to the extent permitted or required by applicable procedures or regulations of the Depository, send electronically) a notice of redemption to the registered address of each Holder of the Securities (such date of notification to the Holders, the “Special Mandatory Redemption Notice Date”) fixing the date of such mandatory redemption, which date will be no earlier than 3 Business Days and no later than 30 days from the Special Mandatory Redemption Notice Date (such date, the “Special Mandatory Redemption Date”), in each case, in accordance with Section 106 of the Indenture. The Company shall notify each Holder in accordance with Section 106 of the Indenture that all of such Outstanding Securities shall be redeemed at the Special Mandatory Redemption Price on the Special Mandatory Redemption Date automatically and without any further action by the Holders of such Securities. At or prior to 12:00 p.m. (New York City time) on the Business Day immediately preceding the Special Mandatory Redemption Date, the Company shall deposit with the Trustee funds sufficient to pay the Special Mandatory Redemption Price for such Securities. If such deposit is made as provided above, all of the Outstanding Securities will cease to bear interest on and after the Special Mandatory Redemption Date.

Upon the occurrence of the closing of the Merger, the foregoing provisions regarding the Special Mandatory Redemption Event will cease to apply.

For purposes of this Section 5, “Merger Agreement” means the Agreement and Plan of Merger dated April 14, 2019 by and among the Company, Everglades Merger Sub Inc. and Advanced Disposal Services, Inc., as such agreement may be amended or modified from time to time, and “Merger” means the merger contemplated by the Merger Agreement.

6. *Optional Redemption.*

Before the Par Call Date, the Securities will be redeemable and repayable, at the option of the Company, at any time in whole, or from time to time in part, at a Redemption Price (the “Make-Whole Price”) equal to the greater of: (i) 100% of the principal amount of the Securities to be redeemed; or (ii) the sum, as calculated by the Company, of the present values of the remaining scheduled payments of principal and interest on the Securities that would be due if such Securities matured on the Par Call Date (exclusive of interest accrued to the Redemption Date) discounted to the Redemption Date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the applicable Treasury Yield plus 12.5 basis points; plus, in either case, accrued interest to the Redemption Date.

On or after the Par Call Date, the Securities will be redeemable and repayable, at the option of the Company, at any time in whole, or from time to time in part, at a Redemption Price equal to 100% of the principal amount of the Securities to be redeemed plus accrued interest on the Securities to be redeemed to the Redemption Date.

Securities called for redemption become due on the Redemption Date. Notices of redemption will be mailed at least 10 but not more than 60 days before the Redemption Date to each holder of record of the Securities to be redeemed at its registered address. The notice of redemption for the Securities will state, among other things, the amount of Securities to be redeemed, the Redemption Date, the Redemption Price or, if not ascertainable, the manner of determining the Make-Whole Price and the place(s) that payment will be made upon presentation and surrender of Securities to be redeemed. Unless the Company defaults in payment of the Make-Whole Price, interest will cease to accrue on any Securities that have been called for redemption at the Redemption Date. If less than all the Securities are redeemed at any time, the Trustee will select the Securities to be redeemed on a pro rata basis or by any other method the Trustee deems fair and appropriate (or with respect to Securities in global form, by such method as the Depository may require).

For purposes of determining the Make-Whole Price, the following definitions are applicable:

“Treasury Yield” means, with respect to any Redemption Date applicable to the Securities, the rate per annum equal to the semi-annual equivalent yield to maturity (computed as of the third Business Day immediately preceding such Redemption Date) of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the applicable Comparable Treasury Price for such Redemption Date.

“Comparable Treasury Issue” means the United States Treasury security selected by an Independent Investment Banker as having a maturity comparable to the remaining term of the Securities, calculated as if the maturity date of such Securities were the Par Call Date (the “Remaining Life”), that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the Remaining Life of the Securities.

“Independent Investment Banker” means one of the Reference Treasury Dealers appointed by us to act as the Independent Investment Banker from time to time.

“Comparable Treasury Price” means, with respect to any Redemption Date, (i) the average of the Reference Treasury Dealer Quotations for the Redemption Date, after excluding the highest and lowest of all Reference Treasury Dealer Quotations obtained, or (ii) if the Independent Investment Banker obtains fewer than four such Reference Treasury Dealer Quotations, the average of all Reference Treasury Dealer Quotations.

“Par Call Date” means May 15, 2024.

“Reference Treasury Dealer” means (i) each of Credit Suisse Securities (USA) LLC, Deutsche Bank Securities Inc., Goldman Sachs & Co. LLC, J.P. Morgan Securities LLC and Mizuho Securities USA LLC (and their respective successors), unless any of them ceases to be a primary U.S. government securities dealer in New York City (a “Primary Treasury Dealer”), in which case the Company will substitute therefor another Primary Treasury Dealer, and (ii) any other Primary Treasury Dealer selected by the Company.

“Reference Treasury Dealer Quotations” means, with respect to each Reference Treasury Dealer and any Redemption Date for the Securities, an average, as determined by the Independent Investment Banker, of the bid and asked prices for the Comparable Treasury Issue for the Securities (expressed in each case as a percentage of its principal amount) quoted in writing to the Independent Investment Banker by such Reference Treasury Dealer at 5:00 p.m., New York City time, on the third Business Day preceding such Redemption Date.

Except as set forth in Section 5 and in this Section 6, the Securities will not be redeemable prior to their Stated Maturity and will not be entitled to the benefit of any sinking fund.

The Securities may be redeemed in part in a minimum principal amount of \$2,000, or any integral multiple of \$1,000 in excess thereof.

Any such redemption will also comply with Article Eleven of the Indenture.

7. *Change of Control Offer.*

If a Change of Control Triggering Event occurs, unless the Company has exercised its option to redeem the Securities as described in Section 6, or a Special Mandatory Redemption Event has occurred prior to such date as described in Section 5, the Company shall make an offer (a “Change of Control Offer”) to each Holder of the Securities to repurchase all or any part (equal to \$2,000 or an integral multiple of \$1,000 in excess thereof) of that Holder’s Securities on the terms set forth herein. In a Change of Control Offer, the Company shall offer payment in cash equal to 101% of the aggregate principal amount of Securities repurchased (a “Change of Control Payment”), plus accrued and unpaid interest, if any, on the Securities repurchased to the date of repurchase, subject to the right of holders of record on the applicable record date to receive interest due on the next Interest Payment Date.

Within 30 days following any Change of Control Triggering Event or, at the Company’s option, prior to any Change of Control, but after public announcement of the transaction that constitutes or may constitute the Change of Control, the Company shall mail a notice to Holders of the Securities describing the transaction that constitutes or may constitute the Change of Control Triggering Event and offering to repurchase such Securities on the date specified in the applicable notice, which date shall be no earlier than 30 days and no later than 60 days from the date such notice is mailed (a “Change of Control Payment Date”). The notice may, if mailed prior to the date of consummation of the Change of Control, state that the Change of Control Offer is conditioned on the Change of Control Triggering Event occurring on or prior to the applicable Change of Control Payment Date.

Upon the Change of Control Payment Date, the Company shall, to the extent lawful:

- accept for payment all Securities or portions of Securities properly tendered and not withdrawn pursuant to the Change of Control Offer;
- deposit with the Paying Agent an amount equal to the Change of Control Payment in respect of all Securities or portions of Securities properly tendered; and
- deliver or cause to be delivered to the Trustee the Securities properly accepted together with an Officers' Certificate stating the aggregate principal amount of Securities or portions of Securities being repurchased.

The Company need not make a Change of Control Offer upon the occurrence of a Change of Control Triggering Event if a third party makes such an offer in the manner, at the times and otherwise in compliance with the requirements for an offer made by the Company and the third party repurchases all Securities properly tendered and not withdrawn under its offer. In addition, the Company shall not repurchase any Securities if there has occurred and is continuing on the Change of Control Payment Date an Event of Default under the Indenture, other than a default in the payment of the Change of Control Payment upon a Change of Control Triggering Event.

The Company will comply with the applicable requirements of Rule 14e-1 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and any other securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with the repurchase of the Securities as a result of a Change of Control Triggering Event. To the extent that the provisions of any securities laws or regulations conflict with the Change of Control Offer provisions of this Security, the Company will comply with those securities laws and regulations and will not be deemed to have breached its obligations under the Change of Control Offer provisions of this Security by virtue of any such conflict.

For purposes of the Change of Control Offer provisions of the Securities, the following terms are applicable:

"Change of Control" means the occurrence of any of the following: (1) the direct or indirect sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or more series of related transactions, of all or substantially all of the Company's assets and the assets of its Subsidiaries, taken as a whole, to any person, other than the Company or one of its Subsidiaries; (2) the consummation of any transaction (including, without limitation, any merger or consolidation) the result of which is that any person becomes the beneficial owner (as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of more than 50% of the outstanding Voting Stock of the Company or other Voting Stock into which the Company's Voting Stock is reclassified, consolidated, exchanged or changed, measured by voting power rather than number of shares; (3) the Company consolidates with, or merges with or into, any person, or any person consolidates with, or merges with or into, the Company, in any such event pursuant to a transaction in which any of the outstanding Voting Stock of the Company or the Voting Stock of such other person is converted into or exchanged for cash, securities or other property, other than any such transaction where the shares of the Voting Stock of the Company outstanding immediately prior to such transaction constitute, or are converted into or exchanged for, a majority of the Voting Stock of the surviving person or any direct or indirect parent company of the surviving person, measured by voting power rather than number of shares, immediately after giving effect to such transaction; or (4) the adoption of a plan relating to the liquidation or dissolution of the Company.

Notwithstanding the preceding, a transaction will not be deemed to involve a Change of Control under clause (2) above if (i) the Company becomes a direct or indirect wholly-owned subsidiary of a holding company and (ii)(A) the direct or indirect holders of the Voting Stock of such holding company immediately following that transaction are substantially the same as the holders of Voting Stock of the Company immediately prior to that transaction or (B) immediately following that transaction no person (other than a holding company satisfying the requirements of this sentence) is the beneficial owner, directly or indirectly, of more than 50% of the Voting Stock of such holding company. The term "person," as used in this definition, has the meaning given thereto in Section 13(d)(3) of the Exchange Act.

"Change of Control Triggering Event" means the occurrence of both a Change of Control and a Rating Event.

"Fitch" means Fitch Inc. and its successors.

"Investment Grade Rating" means a rating equal to or higher than BBB- (or the equivalent) by Fitch, Baa3 (or the equivalent) by Moody's and BBB- (or the equivalent) by S&P, and the equivalent investment grade credit rating from any replacement Rating Agency or Rating Agencies selected by the Company.

"Moody's" means Moody's Investors Service, Inc. and its successors.

“Rating Agencies” means (1) each of Fitch, Moody’s and S&P and (2) if any of Fitch, Moody’s or S&P ceases to rate the Securities or fails to make a rating of the Securities publicly available for reasons outside of the Company’s control, a “nationally recognized statistical rating organization” within the meaning of Section 3(a)(62) of the Exchange Act selected by the Company (as certified by a resolution of our Board of Directors) as a replacement agency for Fitch, Moody’s or S&P, or all of them, as the case may be.

“Rating Event” means the rating on the Securities is lowered by at least two of the three Rating Agencies and the Securities are rated below an Investment Grade Rating by at least two of the three Rating Agencies, in any case on any day during the period (which period will be extended so long as the rating of the Securities is under publicly announced consideration for a possible downgrade by any of the rating agencies) commencing 60 days prior to the first public notice of the occurrence of a Change of Control or the Company’s intention to effect a Change of Control and ending 60 days following consummation of such Change of Control.

“S&P” means S&P Global Ratings, a division of S&P Global Inc., and its successors.

“Voting Stock” means, with respect to any specified “person” (as that term is used in Section 13(d)(3) of the Exchange Act) as of any date, the capital stock of such person that is at the time entitled to vote generally in the election of the board of directors of such person.

8. *Denominations; Transfer; Exchange.*

The Securities are issued in registered form, without coupons, in a minimum denomination of \$2,000 and integral multiples of \$1,000 in excess thereof. A Holder may register the transfer of, or exchange, Securities in accordance with the Indenture. The Securities Registrar may require a Holder, among other things, to furnish appropriate endorsements and transfer documents and to pay any taxes and fees required by law or permitted by the Indenture.

9. *Person Deemed Owners.*

The registered Holder of a Security may be treated as the owner of it for all purposes.

10. *Amendment; Supplement; Waiver.*

Subject to certain exceptions, the Indenture may be amended or supplemented, and any existing Event of Default or compliance with any provision may be waived, with the consent of the Holders of a majority in principal amount of the Outstanding Debt Securities of each series affected. Without consent of any Holder, the parties thereto may amend or supplement the Indenture or the Securities to, among other things, cure any ambiguity, defect or inconsistency, or make any other change that does not adversely affect the interests of any Holder of a Security in any material respect. Any such consent or waiver by the Holder of this Security (unless revoked as provided in the Indenture) shall be conclusive and binding upon such Holder and upon all future Holders and owners of this Security and any Securities which may be issued in exchange or substitution herefor, irrespective of whether or not any notation thereof is made upon this Security or such other Securities.

11. *Defaults and Remedies.*

If an Event of Default with respect to the Securities occurs and is continuing, then in every such case the Trustee or the Holders of not less than 25% in principal amount of the Securities then Outstanding may declare the principal amount of all the Securities to be due and payable immediately in the manner and with the effect provided in the Indenture. Notwithstanding the preceding sentence, however, if at any time after such a declaration of acceleration has been made and before judgment or decree for payment of the money due has been obtained by the Trustee as provided in the Indenture, the Holders of a majority in principal amount of the Outstanding Securities, by written notice to the Company and to the Trustee, may rescind and annul such declaration and its consequences if (1) the Company has paid or deposited with the Trustee a sum sufficient to pay (A) all overdue interest on all Securities, (B) the principal of (and premium, if any, on) any Securities which has become due otherwise than by such declaration of acceleration and any interest thereon at the rate prescribed therefor herein, (C) to the extent that payment of such interest is lawful, interest upon overdue interest at the rate prescribed therefor herein, and (D) all sums paid or advanced by the Trustee and the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel and (2) all Events of Default under the Indenture with respect to the Securities, other than the nonpayment of the principal of Securities which has become due solely by such declaration acceleration, shall have been cured or shall have been waived. No such rescission shall affect any subsequent Event of Default or shall impair any right consequent thereon. Holders of Securities may not enforce the Indenture or the Securities except as provided in the Indenture. The Trustee may require indemnity satisfactory to it before it enforces the Indenture or the Securities. Subject to certain limitations, Holders of a majority in aggregate principal amount of the Securities then outstanding may direct the Trustee in its exercise of any trust or power.

12. *Trustee Dealings with Company.*

The Trustee under the Indenture, in its individual or any other capacity, may make loans to, accept deposits from, and perform services for the Company and its Affiliates and any subsidiary of the Company's Affiliates, and may otherwise deal with the Company and its Affiliates as if it were not the Trustee.

13. *Authentication.*

This Security shall not be valid until the Trustee or authenticating agent signs the certificate of authentication on the other side of this Security.

14. *Abbreviations and Defined Terms.*

Customary abbreviations may be used in the name of a Holder of a Security or an assignee, such as: TEN COM (tenant in common), TEN ENT (tenants by the entireties), JT TEN (joint tenants with right of survivorship and not as tenants in common), CUST (Custodian), and U/G/M/A (Uniform Gifts to Minors Act).

15. *CUSIP Numbers.*

Pursuant to a recommendation promulgated by the Committee on Uniform Note Identification Procedures, the Company has caused CUSIP numbers to be printed on the Securities as a convenience to the Holders of the Securities. No representation is made as to the accuracy of such number as printed on the Securities and reliance may be placed only on the other identification numbers printed hereon.

16. *Absolute Obligation.*

No reference herein to the Indenture and no provision of this Security or the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of, premium, if any, and interest on this Security in the manner, at the respective times, at the rate and in the coin or currency herein prescribed.

17. *No Recourse.*

No recourse under or upon any obligation, covenant or agreement contained in the Indenture or in any Security, or because of any indebtedness evidenced thereby, shall be had against any incorporator, past, present or future stockholder, officer or director, as such of the Company or of any successor, either directly or through the Company or of any successor, either directly or through the Company or any successor, under any rule of law, statute or constitutional provision or by the enforcement of any assessment or by any legal or equitable proceeding or otherwise, all such liability being expressly waived and released by the acceptance of the Security by the Holder and as part of the consideration for the issue of the Security.

18. *Governing Law.*

This Security shall be construed in accordance with and governed by the laws of the State of New York.

19. *Guarantee.*

The Securities will be fully and unconditionally guaranteed on a senior basis by the Company's wholly owned subsidiary, Waste Management Holdings, Inc., pursuant to the terms and conditions of a Guarantee, dated as of May 22, 2019 (the "Guarantee"). The amount of the Guarantee will be limited to the extent required under applicable fraudulent conveyance laws to cause the Guarantee to be enforceable. The terms and conditions of the Guarantee shall continue in full force and effect for the benefit of holders of the Securities until release thereof as set forth in Section 6 of the Guarantee.

20. *Satisfaction and Discharge.*

The Securities will be subject to Section 401 of the Indenture; provided, however, that solely with respect to the Securities, the following sentence shall be added to the end of Section 401(1)(B) of the Indenture: "(provided that, upon any redemption that requires the payment of any make-whole or other premium, (x) the amount of cash that must be deposited shall be determined using an assumed applicable premium calculated as of the date of such deposit and (y) the Company shall deposit any deficit in trust on or prior to the Redemption Date as necessary to pay the applicable premium as determined by such date)".

Annex B
Resolutions of the Board of Directors
of Waste Management, Inc.

WHEREAS, there has been considered by the Board a draft of an Agreement and Plan of Merger, a summary of the principal terms of which has been previously provided to the Board, (the "Merger Agreement") by and among the Company, Everglades Merger Sub Inc., a Delaware corporation and wholly-owned indirect subsidiary of the Company ("Merger Sub") and Advanced Disposal Services, Inc., a Delaware corporation ("Advanced"), whereby, among other things, subject to the terms and conditions contained in, and as more fully described in, the Merger Agreement, Merger Sub will merge with and into Advanced (the "Merger"), with Advanced surviving the Merger as a wholly-owned indirect subsidiary of the Company (capitalized terms used but not defined herein shall have the meaning given such terms in the Merger Agreement);

[Provisions Unrelated to the Senior Notes Offering Have Been Withheld]

WHEREAS, the Board resolved in August 2018 to authorize the Company to prepare and file a new registration statement with the Securities and Exchange Commission (the "SEC") and to offer in one or more offerings an aggregate of \$3,000,000,000 of securities without further action by the Board (the "August 2018 Authorization");

WHEREAS, the Board desires to amend and restate the August 2018 Authorization to, among other things, provide for additional offerings of securities to finance the Merger Consideration;

WHEREAS, the Board desires to provide for potential offerings of debt securities denominated in Canadian dollars by the Company and/or its subsidiaries;

WHEREAS, the Company is party to that certain indenture, dated as of September 10, 1997 (as amended, restated or otherwise modified from time to time, the "Company Existing Indenture"), by and among the Company, The Bank of New York Mellon Trust Company, N.A., as successor trustee to Texas Commerce Bank National Association, and pursuant to the Company Existing Indenture, has issued, among other securities: (i) the Company's 7.00% Senior Notes due 2028 (the "2028 Notes"), (ii) the Company's 7.375% Senior Notes due 2029 (the "2029 Notes"), (iii) the Company's 7.75% Senior Notes due 2032 (the "2032 Notes"), and (iv) the Company's 6.125% Senior Notes due 2039 (the "2039 Notes");

WHEREAS Waste Management Holdings, Inc., a wholly-owned subsidiary of the Company ("WMHI"), is a party to that certain indenture, dated as of June 1, 1993, by and among WMHI, and The Fuji Bank and Trust Company, as trustee (as amended, restated or otherwise modified from time to time, the "WMHI Existing Indenture"), and has issued, pursuant to the WMHI Existing Indenture, its 7.10% Senior Notes due 2026 (the "2026 Notes," and together with the 2028 Notes, the 2029 Notes, the 2032 Notes and the 2039 Notes, the "Specified Existing Notes"); and

WHEREAS the Board desires to provide for the eventual redemption and/or refinancing of the Specified Existing Notes and deems it advisable to approve the Company' pursuit of tender offers and/or redemption transactions with respect to the Specified Existing Notes.

[Provisions Unrelated to the Senior Notes Offering Have Been Withheld]

3. Registration Statement; Securities Offerings.

NOW, THEREFORE, BE IT RESOLVED, that the Company is hereby authorized to prepare and file with the SEC a shelf registration statement on Form S-3 (the "New Registration Statement"), pursuant to the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder (the "Securities Act"), which New Registration Statement is anticipated to be filed with the SEC after the Company's earnings announcement for the three months ended March 31, 2019 and may provide for the registration of, among other things, unsecured senior or subordinated debentures, notes or other evidences of indebtedness of the Company (collectively "Registered Debt Securities"); common stock of the Company, par value \$0.01 ("Company Common Stock"); warrants to purchase shares of Company Common Stock; shares of preferred stock in such series with such designations, powers, preferences and relative and other special rights and qualifications, limitations and restrictions as the Board of Directors may from time to time authorize; guarantees of securities by WMHI; and any units consisting of one or more of the foregoing (the Registered Debt Securities, Company Common Stock, warrants, preferred stock, guarantees and units eligible to be sold pursuant to the New Registration Statement are collectively referred to herein as the "Registered Securities"), to be issued from time to time;

RESOLVED FURTHER, that each of the Authorized Officers be, and they hereby are, authorized, in their sole and absolute discretion, subject to any limitations set forth in these resolutions, to cause the Company to issue, offer and sell an aggregate of up to \$6,000,000,000 of Securities (as defined below) without further approval of the Board of Directors pursuant to the New Registration Statement or a Canadian Offering (as defined below), as applicable;

RESOLVED FURTHER, that authority to make new issuances of Registered Securities pursuant to the August 2018 Authorization shall be deemed rescinded and superseded hereby;

RESOLVED FURTHER, that the Authorized Officers and authorized employees (as established pursuant to these resolutions) be, and each of them hereby is, authorized, in the name and on behalf of the Company, to execute and cause to be filed with the SEC any and all amendments (including, without limitation, post-effective amendments) or supplements to the New Registration Statement and any prospectus included therein and any additional documents which such officer or employee may deem necessary or desirable with respect to the registration and offering of the Registered Securities, and such amendments, supplements, registration statements and documents to be in such form as the officer or employee executing the same may approve, as conclusively evidenced by his execution thereof;

RESOLVED FURTHER, that the Chief Legal Officer of the Company be, and he hereby is, designated and appointed the agent for service of process on the Company under the Securities Act in connection with the New Registration Statement and any and all amendments and supplements thereto, with all powers incident to such appointment;

RESOLVED FURTHER, that any of the Authorized Officers be, and each of them hereby is, authorized, at any time and from time to time, on behalf of the Company, (i) to determine, subject to the limits that shall be set by the Board, the number of shares of Company Common Stock, preferred stock or other equity securities to be offered and sold by the Company pursuant to the New Registration Statement, including any shares underlying warrants or convertible Debt Securities, (ii) to authorize the reserve and issuance of such shares and (iii) to take any and all action and to do or cause to be done any and all things which may appear to any of the Authorized Officers to be necessary or advisable in order to authorize, offer, issue, and sell such shares of Company Common Stock, pursuant to the New Registration Statement and the applicable purchase agreement, which action could be taken or which things could be done by the Board;

RESOLVED FURTHER, that the Company is authorized to offer, issue and sell, or cause any subsidiary of the Company to offer, issue and sell, debt securities denominated in Canadian dollars (the "Canadian Notes," together with any Canadian Notes Guarantees (as defined below) the "Canadian Securities," and together with the Registered Securities, the "Securities") in transactions exempt from registration under the Securities Act, on terms and conditions to be determined by the Authorized Officers from time to time (the "Canadian Offering");

RESOLVED FURTHER, that the Authorized Officers, and each of them, shall have full authority to authorize and approve the terms of the Canadian Offering (including, without limitation, the aggregate amount to be sold, the initial offering price, the prices at which such Canadian Securities will be sold to the applicable Initial Purchasers (as defined below) and such other terms as may be necessary) and the final terms of the purchase agreement relating to the Canadian Offering (the "Purchase Agreement"), any guarantors of such Canadian Notes (collectively, the "Canadian Notes Guarantors") and the initial purchasers in connection with the Canadian Offering (the "Initial Purchasers") and such other matters as the Authorized Officers, or any of them, shall determine to be necessary or advisable in connection with the issuance of the Canadian Securities and to carry out the purposes and intent of the foregoing resolutions;

RESOLVED FURTHER, that the Company is authorized to cause the Canadian Notes to be guaranteed on a senior secured basis (the "Canadian Notes Guarantees") by the Canadian Notes Guarantors if advisable in the judgment of any of the Authorized Officers;

RESOLVED FURTHER, that the preparation and use of a preliminary offering memorandum relating to the Canadian Offering (the "Preliminary Offering Memorandum") is hereby ratified, confirmed, authorized and approved, and that the Authorized Officers or any of them acting together or individually, and those other employees of the Company as any of them shall designate, are hereby authorized and directed in the name and on behalf of the Company to prepare a pricing supplement (the "Pricing Supplement") in connection with the Canadian Offering, and the final offering memorandum (the "Final Offering Memorandum") relating to the Canadian Offering, and any supplements or amendments thereto as any of the Authorized Officers deems necessary or appropriate in connection with the Canadian Offering, such approval to be conclusively evidenced by the distribution of such supplement or amendment by or on behalf of the Company to the Initial Purchasers;

RESOLVED FURTHER, that the Authorized Officers and authorized employees be and hereby are authorized and directed in the name and on behalf of the Company to take any and all action which they may deem necessary or advisable in order to effect the registration or qualification of all or part of the Registered Securities to be registered under the Securities Act, and any and all action for the Securities to be eligible for offer and sale under the securities or Blue Sky laws of the states of the United States of America or similar laws and regulations of other jurisdictions, including Canada, and in connection therewith, to execute, acknowledge, verify, deliver, file and publish all such applications, reports, issuer's covenants, resolutions, consents to service of process, or appointments of governmental officials for the purpose of receiving and accepting service of process on the laws, and to take any and all further action which they may deem necessary or advisable in order to maintain any such registration or qualification for as long as they deem the same to be in the best interest of the Company;

RESOLVED FURTHER, that the form of any additional resolutions required in connection with the appropriate qualification or registration of the Securities for offer and sale under such securities or Blue Sky laws, be and hereby is approved and adopted, provided the appropriate officers of the Company, on the advice of counsel, consider the adoption thereof necessary or advisable, in which case the Secretary or any Assistant Secretary of the Company is hereby directed to insert as an appendix hereto a copy of such resolutions, which shall thereupon be deemed to have been adopted by this Board of Directors with the same force and effect as if set out verbatim herein;

RESOLVED FURTHER, that any of the Authorized Officers or authorized employees be, and each of them hereby is, authorized to approve at any time and from time to time, the engagement of one or more investment banks to provide services in connection with any offering of Securities, one or more forms of underwriting or purchase agreement (and any related terms agreement) and agency agreement (and related purchase agreement) and any other agreement or agreements any of such persons may deem necessary or appropriate in connection with the arrangements for the purchase of any of the Securities, and that such persons be, and each of them hereby is, authorized to execute and deliver, in the name and on behalf of the Company, any such agreement or agreements in substantially the form approved by any of them, with such changes therein as the person executing the same may approve, as conclusively evidenced by the execution and delivery thereof, it being understood that, in the case of any terms agreement or purchase agreement referred to above, it shall not be necessary for any of the Authorized Officers to approve any individual agreement pursuant to which Securities are to be sold if the form thereof has previously been approved as provided in this resolution;

RESOLVED FURTHER, that any of the Authorized Officers may, at any time and from time to time, on behalf of the Company, authorize the issuance of one or more series of Securities under one or more indentures, within any limits that may be set by the Board, and in connection therewith establish, or, if all of the Securities of such series may not be originally issued at one time, to the extent deemed appropriate, prescribe the manner of determining, within any limitations established by any of the Authorized Officers and subject in either case to the limitations set forth in these resolutions, all of the terms of such Securities;

RESOLVED FURTHER, that, in connection with any such series of Securities (but without limiting the authority hereinafter in these resolutions conferred with respect to the issuance of Securities of a series which may not all be originally issued at one time), any of the Authorized Officers is authorized at any time or from time to time to determine the price or prices to be received by the Company in any offering or sale of Securities of such series, any public offering price or prices thereof, any discounts to be allowed or commissions to be paid to any agent, dealer, initial purchaser or underwriter and any other terms of offering or sale of Securities of such series and to sell Securities of such series in accordance with any applicable purchase agreement or other agreement(s);

RESOLVED FURTHER, that, in connection with the issuance of any Securities of any series which may not be originally issued at one time (except as may be inconsistent with any action taken by any of the Authorized Officers, as herein provided, in connection with such series), and of the Authorized Officers may delegate any of its authority pursuant to these resolutions to any officer of the Company;

RESOLVED FURTHER, that, in connection with the issuance and sale of any Securities, that the Company may use the proceeds therefrom: (1) to fund the transactions contemplated by the Merger Agreement (including the redemption of outstanding indebtedness of Advanced) (2) to repay or refinance existing indebtedness of the Company or (3) for general corporate purposes as determined by the Authorized Officers, or any of them;

RESOLVED FURTHER, that, in connection with any such series of Securities, any of the Authorized Officers is authorized to approve any amendment, modification or supplement to the Company's indentures and that any Authorized Officer be, and each of them hereby is, authorized to execute and deliver, in the name and on behalf of the Company, any such amendment, modification or supplement, substantially in the form approved by any Authorized Officer;

RESOLVED FURTHER, that the Company is authorized to (i) provide for the redemption or refinancing, in whole or in part, of the outstanding debt of Advanced in connection with the Merger, which may include one or more tender offers, consent solicitations or notices of redemption, as well as the payment of the applicable redemption prices (including premiums), plus accrued and unpaid interest, if any, to the date of redemption or purchase, as applicable, and (ii) provide for the redemption or refinancing, in whole or in part, of the Specified Existing Notes, which may include one or more tender offers, consent solicitations or notices of redemption, as well as the payment of the applicable redemption prices (including premiums), plus accrued and unpaid interest, if any, to the date of redemption or repurchase, as applicable (the actions in immediately preceding clauses (i) and (ii) being referred to as “Liability Management Transactions”), and the Authorized Officers and authorized employees be, and each of them hereby is, authorized in the name and on behalf of the Company, to prepare and execute such documents and agreements as may be necessary to effectuate such actions;

RESOLVED FURTHER, that the Authorized Officers be, and they hereby are, authorized, in their sole and absolute discretion, subject to any limitations set forth in these resolutions, to determine any and all terms and conditions of the Liability Management Transactions as the Authorized Officers may deem necessary, advisable or appropriate;

RESOLVED FURTHER, that the Authorized Officers be, and they hereby are, authorized, in their sole and absolute discretion, subject to any limitations set forth in these resolutions, to cause the Company to consummate the Liability Management Transactions without further approval of the Board and to prepare and transmit one or more notices of redemption, offers to purchase and/or consent solicitation statements and any and all other documents in connection with the Liability Management Transactions to be transmitted to holders of the applicable securities;

RESOLVED FURTHER, that the Authorized Officers and authorized employees be, and each of them hereby is, authorized, in the name and on behalf of the Company, to execute and deliver such other agreements (including indemnity agreements), documents, certificates, orders, requests and instruments as may be contemplated by the Company’s indentures or required by the trustee thereunder, the security registrar or any other agent of the Company under such indentures in connection therewith or as may be necessary or appropriate in connection with the issuance and sale of Securities thereunder;

RESOLVED FURTHER, that the Authorized Officers be, and each of them hereby is, authorized, subject to and in accordance with the Company’s indentures and any action taken by any of the Authorized Officers in connection therewith, from time to time to appoint or designate on behalf of the Company one or more trustees, security registrars, paying agents and transfer agents for each series of Securities, to rescind on behalf of the Company any such appointment or designation and to approve on behalf of the Company any change in the location of any office through which any such trustee, security registrar, paying agent or transfer agent acts, and in connection therewith to take such action and to make, execute and deliver, or cause to be made, executed and delivered, such agreements, instruments and other documents as any such officer may deem necessary or appropriate;

RESOLVED FURTHER, that the Authorized Officers and authorized employees be, and each of them hereby is, authorized, in the name and on behalf of the Company, to make application to such securities exchange or exchanges as the persons acting shall deem necessary or appropriate for the listing thereof of any of the Securities (including any Company Common Stock or preferred stock underlying any convertible Securities) and in connection therewith to appoint one or more listing agents and to prepare, or cause to be prepared, execute and file, or cause to be filed, an application or applications for such listing and any and all amendments thereto and any additional certificates, documents, letters and other instruments which any such officer or employee may deem necessary or desirable; that such officers or employees, or such other person as any such officer or employee may designate in writing, be, and each of them hereby is, authorized to appear before any official or officials or before any body of any such exchange, with authority to make such changes in such application, amendments, certificates, documents, letters and other instruments and to execute and deliver such agreements relative thereto, including, without limitation, listing agreements, fee agreements and indemnity agreements relating to the use of facsimile signatures as they, or any one of them, may deem necessary or appropriate in order to comply with the requirements of any such exchange or to effect such listing;

RESOLVED FURTHER, that the Authorized Officers and authorized employees be, and each of them hereby is, authorized, in the name and on behalf of the Company, to make application to the SEC for registration of any series of the Registered Securities under Section 12 or other applicable section of the Securities Exchange Act of 1934, and the Authorized Officers and authorized employees are hereby authorized to prepare or cause to be prepared, and to execute and file, or cause to be filed, with the SEC and any securities exchange an application or applications for such registration and any and all amendments thereto and any additional certificates, documents, letters and other instruments which any such officer or employee may deem necessary or desirable; and

RESOLVED FURTHER, that for purposes the resolutions in this Section 3, the term “Authorized Officers” shall be deemed to include, in addition to those officers identified above, the Chief Accounting Officer and the Treasurer of the Company and the term “authorized employees” shall mean either or both of the Vice President and General Counsel—Transactions and the Vice President and General Counsel—Securities & Governance of the Company.

[Provisions Unrelated to the Senior Notes Offering Have Been Withheld]

7. **Additional Actions.**

NOW, THEREFORE, BE IT RESOLVED, that the Authorized Officers be, and each of them with full power to act without the others hereby is, authorized and empowered, in accordance with the foregoing resolutions, in the name and on behalf of the Company, to prepare, execute and deliver any and all agreements, amendments, certificates, reports, applications, notices, instruments, schedules, statements, consents, letters or other documents with respect to the matters contemplated by the foregoing resolutions, to certify as having been adopted by the Board any form of resolution required by any law, regulation or agency necessary or appropriate to effectuate the purpose and intent of these resolutions or any of them, to make any filings pursuant to federal, state and foreign laws, to pay all charges fees, taxes and other expenses and to do or cause to be done any and all such other acts and things as, in the opinion of any such Authorized Officer, may be necessary, appropriate or desirable in order to comply with the applicable laws and regulations of any jurisdiction (domestic or foreign), to issue press releases and engage in other communications, or otherwise in order to enable the Company to fully and promptly carry out the purposes and intent of the foregoing resolutions and to permit the matters contemplated thereby to be lawfully consummated;

RESOLVED FURTHER, that the Authorized Officers be, and each of them with full power to act without the others hereby is, authorized and empowered to retain, in the name and on behalf of the Company, such financial advisors, legal counsel and such other advisors, consultants or experts necessary or appropriate to carry out the actions contemplated in these resolutions, and to secure any appropriate advice and opinions from such advisors, consultants or experts, and to pay all fees and expenses incurred by the Company in connection with the transactions contemplated by the Merger Agreement and any actions or matters necessary or appropriate to give effect to the foregoing, including, but not limited to, all fees and expenses necessary or appropriate to effectuate the purpose and intent of the foregoing resolutions or any of them and the Merger Agreement and the transactions contemplated thereby and such other agreements and documents as may be executed by any Authorized Officer pursuant to authorization granted in these resolutions or to carry out the transactions contemplated thereby;

RESOLVED FURTHER, that each Authorized Officer may authorize any other officer, employee or agent of, or counsel to, the Company or any of its subsidiaries to take any and all actions and to execute and deliver any and all certificates, documents, agreements and instruments referred to in these resolutions in place of or on behalf of such Authorized Officer, with full power as if such Authorized Officer were taking such action himself or herself;

RESOLVED FURTHER, that the officers of the Company be, and each of them hereby is, authorized to take, or cause to be taken, any and all action which any such officer may deem necessary or desirable in order to carry out the purpose and intent of the foregoing resolutions or in order to perform, or cause to be performed, the obligations of the Company under the Securities, the New Registration Statement and any indenture, purchase agreement, or other agreement referred to herein, and, in connection therewith, to make, execute and deliver, or cause to be made, executed and delivered, all agreements, undertakings, documents, certificates, orders, requests or instruments in the name and on behalf of the Company as each such officer may deem necessary or appropriate; and

RESOLVED FURTHER, that any or all actions heretofore or hereafter taken by any officer or officers of the Company or any of its subsidiaries to effectuate or evidence the purpose and intent of the foregoing resolutions be, and hereby are, approved, ratified and confirmed as the act and deed of the Company or such subsidiary.

WASTE MANAGEMENT, INC.
Officers' Certificate Delivered Pursuant to
Section 301 of the Indenture dated as of September 10, 1997

The undersigned, the Vice President and Treasurer, and the Vice President and Corporate Secretary of Waste Management, Inc. (the "Company"), hereby certify that:

1. This Certificate is delivered to The Bank of New York Mellon Trust Company, N.A. (the current successor to Texas Commerce Bank National Association), as trustee (the "Trustee"), pursuant to Sections 102 and 301 of the Indenture dated as of September 10, 1997 between the Company, formerly known as USA Waste Services, Inc., and the Trustee in connection with the Company Order dated May 22, 2019 (the "Order") for the authentication and delivery by the Trustee of \$750,000,000 aggregate principal amount of 3.200% Senior Notes due 2026 (the "Notes").

2. The undersigned have read Sections 102, 103, 301 and 303 of the Indenture and the definitions in the Indenture relating thereto.

3. The statements made herein are based either upon the personal knowledge of the persons making this Certificate or on information, data and reports furnished to such persons by the officers, counsel, department heads or employees of the Company who have knowledge of the facts involved.

4. The undersigned have examined the Order, and they have read the covenants, conditions and provisions of the Indenture relating thereto.

5. In the opinion of the persons making this Certificate, they have made such examination or investigation as is necessary to enable them to express an informed opinion as to whether or not all covenants and conditions provided for in the Indenture with respect to the Order have been complied with.

6. All covenants and conditions (including all conditions precedent) provided in the Indenture to the authentication and delivery by the Trustee of \$750,000,000 aggregate principal amount of the Notes have been complied with, and such Notes may be delivered in accordance with the Order as provided in the Indenture.

7. The terms of the Notes (including the Form of Note) as set forth in Annex A to this Officers' Certificate have been approved by officers of the Company as authorized by resolutions duly adopted on April 10, 2019 by the Board of Directors of the Company, copies of which are attached hereto as Annex B, are in full force and effect as of the date hereof.

[signature page follows]

IN WITNESS WHEREOF, the undersigned has hereunto executed this Officers' Certificate as of the date first written above.

/s/ David L. Reed

David L. Reed

Vice President and Treasurer

/s/ Courtney A. Tippy

Courtney A. Tippy

Vice President and Corporate Secretary

Annex A
Terms of the Notes

Pursuant to authority granted by the Board of Directors of the Company on April 10, 2019 and the Sole Director of Waste Management Holdings, Inc. on April 22, 2019 and May 8, 2019, the Company has approved the establishment, issuance, execution and delivery of a new series of Securities (as defined in the Indenture) to be issued under the Indenture dated as of September 10, 1997 (the "Indenture"), between the Company, formerly known as USA Waste Services, Inc., and The Bank of New York Mellon Trust Company, N.A. (the current successor to Texas Commerce Bank National Association), as trustee (the "Trustee"), the terms of which are set forth below. Capitalized terms used but not defined herein are used herein as defined in the Indenture.

- (1) The title of the series of Securities shall be "3.200% Senior Notes due 2026" (the "Notes").
 - (2) The Notes shall be general unsecured, senior obligations of the Company.
 - (3) The initial aggregate principal amount of the Notes that may be authenticated and delivered under the Indenture shall be \$750,000,000 (except for Notes authenticated and delivered upon registration of transfer of, or in exchange for, or in lieu of, other Notes pursuant to Section 304, 305, 306, 906 or 1107 of the Indenture); provided, however, that the authorized aggregate principal amount of such series may be increased before or after the issuance of any Notes of such series by a Board Resolution (or action pursuant to a Board Resolution) to such effect.
 - (4) The principal amount of each Note shall be payable on June 15, 2026.
 - (5) Each Note shall bear interest from May 22, 2019 at the fixed rate of 3.200% per annum; the Interest Payment Dates on which such interest shall be payable shall be June 15 and December 15, of each year, commencing December 15, 2019, until maturity unless such date falls on a day that is not a Business Day, in which case, such payment shall be made on the next day that is a Business Day. The Regular Record Date for the determination of Holders to whom interest is payable shall be June 1 or December 1, respectively, immediately preceding such date, as the case may be.
 - (6) If a "Change of Control Triggering Event" (as defined in the Notes) occurs, each Holder of the Notes may require the Company to purchase all or a portion of such Holder's Notes at a price equal to 101% of the principal amount, plus accrued interest, if any, to the date of purchase, on the terms and subject to the conditions set forth in the Notes.
 - (7) The Notes are to be issued as Registered Securities only. Each Note is to be issued as a book-entry note ("Book-Entry Note") but in certain circumstances may be represented by Notes in definitive form. The Book-Entry Notes shall be issued, in whole or in part, in the form of one or more Notes in global form as contemplated by Section 203 of the Indenture. The Depository with respect to the Book-Entry Notes shall be The Depository Trust Company, New York, New York.
 - (8) Payments of principal of, premium, if any, and interest due on the Notes representing Book-Entry Notes on any Interest Payment Date or at maturity will be made available to the Trustee by 11:00 a.m., New York City time, on such date, unless such date falls on a day which is not a Business Day, in which case such payments will be made available to the Trustee by 11:00 a.m., New York City time, on the next Business Day. As soon as possible thereafter, the Trustee will make such payments to the Depository.
 - (9) Before the Par Call Date, the Notes will be redeemable and repayable, at the option of the Company, at any time in whole, or from time to time in part, at a Redemption Price equal to the greater of (i) 100% of the principal amount of the Notes to be redeemed or (ii) the sum, as calculated by the Company, of the present values of the remaining scheduled payments of principal and interest thereon that would be due if the Notes matured on the Par Call Date (exclusive of interest accrued to the Redemption Date (as defined in the Notes) discounted to the Redemption Date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the applicable Treasury Yield (as defined in the Notes) plus 15 basis points; plus, in either case, accrued interest to the Redemption Date. On or after the Par Call Date, the Notes will be redeemable and repayable, at the option of the Company, at any time in whole, or from time to time in part, at a Redemption Price equal to 100% of the principal amount of the Notes to be redeemed plus accrued interest on the Notes to be redeemed to the Redemption Date. "Par Call Date" means April 15, 2026.
 - (10) The Company shall have no obligation to redeem, purchase or repay the Notes pursuant to any mandatory redemption (other than with respect to a Special Mandatory Redemption Event), sinking fund or analogous provisions or at the option of a Holder thereof.
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- (11) The Notes will be subject to defeasance and discharge as contemplated by Section 1302 of the Indenture and to covenant defeasance under Section 1303 of the Indenture.
 - (12) The Notes shall be entitled to the benefit of the covenants contained in Sections 1008 and 1009 of the Indenture.
 - (13) The Bank of New York Mellon Trust Company, N.A. shall serve initially as Security Registrar for the Notes.
 - (14) The Notes shall be substantially in the form of Exhibit A hereto.
 - (15) The Notes will be fully and unconditionally guaranteed on a senior basis by the Company's wholly owned subsidiary, Waste Management Holdings, Inc., pursuant to the terms and conditions of a Guarantee Agreement dated May 22, 2019 (the "Guarantee"). The amount of the Guarantee will be limited to the extent required under applicable fraudulent conveyance laws to cause the Guarantee to be enforceable. The terms and conditions of the Guarantee shall continue in full force and effect for the benefit of holders of the Notes until release thereof as set forth in Section 6 of the Guarantee.
 - (16) If the Company does not consummate the Merger on or prior to July 14, 2020, or if, on or prior to such date, the Merger Agreement is terminated for any reason (each, a "Special Mandatory Redemption Event"), then, in either case, the Company shall redeem all of the Outstanding Notes at a Redemption Price equal to 101% of the aggregate principal amount thereof, plus accrued and unpaid interest to, but excluding, the Redemption Date, on the terms and subject to the conditions set forth in the Notes. "Merger Agreement" means the Agreement and Plan of Merger dated April 14, 2019 by and among the Company, Everglades Merger Sub Inc. and Advanced Disposal Services, Inc., as such agreement may be amended or modified from time to time, and "Merger" means the merger contemplated by the Merger Agreement.
 - (17) The Notes shall be subject to the satisfaction and discharge provisions set forth in Section 401 of the Indenture, as such provisions are supplemented or modified by the terms and conditions set forth in the Notes in accordance with the Indenture.
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BOOK-ENTRY SECURITY

THIS SECURITY IS A BOOK-ENTRY SECURITY WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITORY OR A NOMINEE OF A DEPOSITORY. THIS SECURITY IS EXCHANGEABLE FOR SECURITIES REGISTERED IN THE NAME OF A PERSON OTHER THAN THE DEPOSITORY OR ITS NOMINEE ONLY IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE INDENTURE, AND NO TRANSFER OF THIS SECURITY (OTHER THAN A TRANSFER OF THIS SECURITY AS A WHOLE BY THE DEPOSITORY TO A NOMINEE OF THE DEPOSITORY OR BY A NOMINEE OF THE DEPOSITORY TO THE DEPOSITORY OR ANOTHER NOMINEE OF THE DEPOSITORY) MAY BE REGISTERED EXCEPT IN SUCH LIMITED CIRCUMSTANCES.

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE COMPANY (AS DEFINED BELOW) OR ITS AGENT FOR REGISTRATION FOR TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

RGN Principal Amount
U.S. \$ _____,
which may be decreased
by the Schedule of
Exchanges of Definitive
Security attached hereto

WASTE MANAGEMENT, INC.
3.200% SENIOR NOTES DUE 2026

CUSIP 94106L BH1

WASTE MANAGEMENT, INC., a Delaware corporation (the "Company," which term includes any successors under the Indenture hereinafter referred to), for value received, hereby promises to pay to CEDE & CO. or registered assigns, at the office or agency of the Company, the principal sum of _____ Million (\$ _____) U.S. dollars, or such lesser principal sum as is shown on the attached Schedule of Exchanges of Definitive Security, on June 15, 2026 in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts, and to pay interest at an annual rate of 3.200% payable on June 15 and December 15 of each year, to the person in whose name this Security is registered at the close of business on the record date for such interest, which shall be the preceding June 1 or December 1, respectively, payable commencing December 15, 2019, with interest accruing from May 22, 2019, or the most recent date to which interest has been paid.

Reference is made to the further provisions of this Security set forth on the reverse hereof. Such further provisions shall for all purposes have the same effect as though fully set forth at this place.

The statements in the legends set forth above are an integral part of the terms of this Security and by acceptance hereof the Holder of this Security agrees to be subject to, and bound by, the terms and provisions set forth in each such legend.

This Security is issued in respect of a series of Securities of an initial aggregate of U.S. \$750,000,000 in principal amount designated as the 3.200% Senior Notes due 2026 of the Company and is governed by the Indenture dated as of September 10, 1997, duly executed and delivered by the Company, formerly known as USA Waste Services, Inc., to The Bank of New York Mellon Trust Company, N.A. (the current successor to Texas Commerce Bank National Association) as trustee (the "Trustee"), as supplemented by Board Resolutions (as defined in the Indenture) (such Indenture and Board Resolutions, collectively, the "Indenture"). The terms of the Indenture are incorporated herein by reference. This Security shall in all respects be entitled to the same benefits as definitive Securities under the Indenture.

If and to the extent that any provision of the Indenture limits, qualifies or conflicts with any other provision of the Indenture that is required to be included in the Indenture or is deemed applicable to the Indenture by virtue of the provisions of the Trust Indenture Act of 1939, as amended, such required provision shall control.

The Company hereby irrevocably undertakes to the Holder hereof to exchange this Security in accordance with the terms of the Indenture without charge.

This Security shall not be valid or become obligatory for any purpose until the Certificate of Authentication hereon shall have been manually signed by the Trustee under the Indenture.

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed under its corporate seal.

Dated:

WASTE MANAGEMENT, INC., a Delaware corporation

By:

David L. Reed
Vice President and Treasurer

Attest:

By:

Courtney A. Tippy
Vice President and Corporate Secretary

CERTIFICATE OF AUTHENTICATION

This is one of the Securities of the series designated therein referred to in the within-mentioned Indenture.

Date of Authentication:

The Bank of New York Mellon Trust Company, N.A., as Trustee

By:

Authorized Officer

This Security is one of a duly authorized issue of unsecured debentures, notes or other evidences of indebtedness of the Company (the “Debt Securities”) of the series hereinafter specified, all issued or to be issued under and pursuant to the Indenture, to which Indenture reference is hereby made for a description of the rights, limitations of rights, obligations, duties and immunities thereunder of the Trustee, the Company and the Holders of the Debt Securities. The Debt Securities may be issued in one or more series, which different series may be issued in various aggregate principal amounts, may mature at different times, may bear interest (if any) at different rates, may be subject to different sinking, purchase or analogous funds (if any) and may otherwise vary as provided in the Indenture. This Security is one of a series designated as the 3.200% Senior Notes due 2026 of the Company, in initial aggregate principal amount of \$750,000,000 (the “Securities”).

1. *Interest.*

The Company promises to pay interest on the principal amount of this Security at the rate of 3.200% per annum.

The Company will pay interest semi-annually on June 15 and December 15 of each year (each an “Interest Payment Date”), commencing December 15, 2019. Interest on the Securities will accrue from the most recent date to which interest has been paid or, if no interest has been paid on the Securities, from May 22, 2019. Interest will be computed on the basis of a 360-day year consisting of twelve 30-day months. The Company shall pay interest (including post-petition interest in any proceeding under any applicable bankruptcy laws) on overdue installments of interest (without regard to any applicable grace period) and on overdue principal and premium, if any, from time to time on demand at the rate of 3.200% per annum, in each case to the extent lawful.

2. *Method of Payment.*

The Company shall pay interest on the Securities (except Defaulted Interest) to the persons who are the registered Holders at the close of business on the Regular Record Date immediately preceding the Interest Payment Date. Any such interest not so punctually paid or duly provided for (“Defaulted Interest”) may be paid to the persons who are registered Holders at the close of business on a Special Record Date for the payment of such Defaulted Interest, or in any other lawful manner not inconsistent with the requirements of any securities exchange on which such Securities may then be listed if such manner of payment shall be deemed practicable by the Trustee, as more fully provided in the Indenture. Except as provided below, the Company shall pay principal and interest in such coin or currency of the United States of America as at the time of payment shall be legal tender for payment of public and private debts (“U.S. Legal Tender”). Payments in respect of a Book-Entry Security (including principal, premium, if any, and interest) will be made by wire transfer of immediately available funds to the accounts specified by the Depository. Payments in respect of Securities in definitive form (including principal, premium, if any, and interest) will be made at the office or agency of the Company maintained for such purpose within the Borough of Manhattan, the City of New York, which initially will be at the corporate trust office of The Bank of New York Mellon, located at 101 Barclay Street, Floor 21W, New York, New York, 10286 or at the option of the Company, payment of interest may be made by check mailed to the Holders on the Regular Record Date or on the Special Record Date at their addresses set forth in the Security Register of Holders.

3. *Paying Agent and Registrar.*

Initially, The Bank of New York Mellon Trust Company, N.A. will act as Paying Agent and Registrar. The Company may change any Paying Agent, Registrar or co-Registrar at any time upon notice to the Trustee and the Holders. The Company or any of its Subsidiaries may, subject to certain exceptions, act as Paying Agent, Registrar or co-Registrar.

4. *Indenture.*

This Security is one of a duly authorized issue of Debt Securities of the Company issued and to be issued in one or more series under the Indenture.

Capitalized terms herein are used as defined in the Indenture unless otherwise defined herein. The terms of the Securities include those stated in the Indenture and all indentures supplemental thereto, those made part of the Indenture by reference to the Trust Indenture Act of 1939, as amended, as in effect on the date of the Indenture, and those terms stated in the Officers’ Certificate to the Trustee, duly authorized by resolutions of the Board of Directors of the Company on April 10, 2019 (the “Resolutions”) and the written consents of the Sole Director of Waste Management Holdings, Inc. on April 22, 2019 and May 8, 2019 (the “Consents”). The Securities are subject to all such terms, and Holders of Securities are referred to the Indenture, all indentures supplemental thereto, said Act, said Resolutions and said Consents and Officers’ Certificate for a statement of them. The Securities of this series are general unsecured obligations of the Company limited with an initial aggregate principal amount of \$750,000,000.

5. *Special Mandatory Redemption.*

If the Merger is not completed on or prior to July 14, 2020, or if, on or prior to such date, the Merger Agreement is terminated for any reason (each, a “Special Mandatory Redemption Event”), the Company shall redeem all of the Outstanding Securities in whole at a special mandatory Redemption Price (the “Special Mandatory Redemption Price”) equal to 101% of the aggregate principal amount of such Securities, plus accrued but unpaid interest on the principal amount of such Securities to, but not including, the Special Mandatory Redemption Date (as defined below).

Upon the occurrence of a Special Mandatory Redemption Event, the Company shall promptly (but in no event later than 5 Business Days following such Special Mandatory Redemption Event) notify the Trustee in writing of such event, and shall, no later than 5 Business Days following such notice to the Trustee, mail (or with respect to Securities in global form, to the extent permitted or required by applicable procedures or regulations of the Depository, send electronically) a notice of redemption to the registered address of each Holder of the Securities (such date of notification to the Holders, the “Special Mandatory Redemption Notice Date”) fixing the date of such mandatory redemption, which date will be no earlier than 3 Business Days and no later than 30 days from the Special Mandatory Redemption Notice Date (such date, the “Special Mandatory Redemption Date”), in each case, in accordance with Section 106 of the Indenture. The Company shall notify each Holder in accordance with Section 106 of the Indenture that all of such Outstanding Securities shall be redeemed at the Special Mandatory Redemption Price on the Special Mandatory Redemption Date automatically and without any further action by the Holders of such Securities. At or prior to 12:00 p.m. (New York City time) on the Business Day immediately preceding the Special Mandatory Redemption Date, the Company shall deposit with the Trustee funds sufficient to pay the Special Mandatory Redemption Price for such Securities. If such deposit is made as provided above, all of the Outstanding Securities will cease to bear interest on and after the Special Mandatory Redemption Date.

Upon the occurrence of the closing of the Merger, the foregoing provisions regarding the Special Mandatory Redemption Event will cease to apply.

For purposes of this Section 5, “Merger Agreement” means the Agreement and Plan of Merger dated April 14, 2019 by and among the Company, Everglades Merger Sub Inc. and Advanced Disposal Services, Inc., as such agreement may be amended or modified from time to time, and “Merger” means the merger contemplated by the Merger Agreement.

6. *Optional Redemption.*

Before the Par Call Date, the Securities will be redeemable and repayable, at the option of the Company, at any time in whole, or from time to time in part, at a Redemption Price (the “Make-Whole Price”) equal to the greater of: (i) 100% of the principal amount of the Securities to be redeemed; or (ii) the sum, as calculated by the Company, of the present values of the remaining scheduled payments of principal and interest on the Securities that would be due if such Securities matured on the Par Call Date (exclusive of interest accrued to the Redemption Date) discounted to the Redemption Date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the applicable Treasury Yield plus 15 basis points; plus, in either case, accrued interest to the Redemption Date.

On or after the Par Call Date, the Securities will be redeemable and repayable, at the option of the Company, at any time in whole, or from time to time in part, at a Redemption Price equal to 100% of the principal amount of the Securities to be redeemed plus accrued interest on the Securities to be redeemed to the Redemption Date.

Securities called for redemption become due on the Redemption Date. Notices of redemption will be mailed at least 10 but not more than 60 days before the Redemption Date to each holder of record of the Securities to be redeemed at its registered address. The notice of redemption for the Securities will state, among other things, the amount of Securities to be redeemed, the Redemption Date, the Redemption Price or, if not ascertainable, the manner of determining the Make-Whole Price and the place(s) that payment will be made upon presentation and surrender of Securities to be redeemed. Unless the Company defaults in payment of the Make-Whole Price, interest will cease to accrue on any Securities that have been called for redemption at the Redemption Date. If less than all the Securities are redeemed at any time, the Trustee will select the Securities to be redeemed on a pro rata basis or by any other method the Trustee deems fair and appropriate (or with respect to Securities in global form, by such method as the Depository may require).

For purposes of determining the Make-Whole Price, the following definitions are applicable:

“Treasury Yield” means, with respect to any Redemption Date applicable to the Securities, the rate per annum equal to the semi-annual equivalent yield to maturity (computed as of the third Business Day immediately preceding such Redemption Date) of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the applicable Comparable Treasury Price for such Redemption Date.

“Comparable Treasury Issue” means the United States Treasury security selected by an Independent Investment Banker as having a maturity comparable to the remaining term of the Securities, calculated as if the maturity date of such Securities were the Par Call Date (the “Remaining Life”), that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the Remaining Life of the Securities.

“Independent Investment Banker” means one of the Reference Treasury Dealers appointed by us to act as the Independent Investment Banker from time to time.

“Comparable Treasury Price” means, with respect to any Redemption Date, (i) the average of the Reference Treasury Dealer Quotations for the Redemption Date, after excluding the highest and lowest of all Reference Treasury Dealer Quotations obtained, or (ii) if the Independent Investment Banker obtains fewer than four such Reference Treasury Dealer Quotations, the average of all Reference Treasury Dealer Quotations.

“Par Call Date” means April 15, 2026.

“Reference Treasury Dealer” means (i) each of Credit Suisse Securities (USA) LLC, Deutsche Bank Securities Inc., Goldman Sachs & Co. LLC, J.P. Morgan Securities LLC and Mizuho Securities USA LLC (and their respective successors), unless any of them ceases to be a primary U.S. government securities dealer in New York City (a “Primary Treasury Dealer”), in which case the Company will substitute therefor another Primary Treasury Dealer, and (ii) any other Primary Treasury Dealer selected by the Company.

“Reference Treasury Dealer Quotations” means, with respect to each Reference Treasury Dealer and any Redemption Date for the Securities, an average, as determined by the Independent Investment Banker, of the bid and asked prices for the Comparable Treasury Issue for the Securities (expressed in each case as a percentage of its principal amount) quoted in writing to the Independent Investment Banker by such Reference Treasury Dealer at 5:00 p.m., New York City time, on the third Business Day preceding such Redemption Date.

Except as set forth in Section 5 and in this Section 6, the Securities will not be redeemable prior to their Stated Maturity and will not be entitled to the benefit of any sinking fund.

The Securities may be redeemed in part in a minimum principal amount of \$2,000, or any integral multiple of \$1,000 in excess thereof.

Any such redemption will also comply with Article Eleven of the Indenture.

7. *Change of Control Offer.*

If a Change of Control Triggering Event occurs, unless the Company has exercised its option to redeem the Securities as described in Section 6, or a Special Mandatory Redemption Event has occurred prior to such date as described in Section 5, the Company shall make an offer (a “Change of Control Offer”) to each Holder of the Securities to repurchase all or any part (equal to \$2,000 or an integral multiple of \$1,000 in excess thereof) of that Holder’s Securities on the terms set forth herein. In a Change of Control Offer, the Company shall offer payment in cash equal to 101% of the aggregate principal amount of Securities repurchased (a “Change of Control Payment”), plus accrued and unpaid interest, if any, on the Securities repurchased to the date of repurchase, subject to the right of holders of record on the applicable record date to receive interest due on the next Interest Payment Date.

Within 30 days following any Change of Control Triggering Event or, at the Company’s option, prior to any Change of Control, but after public announcement of the transaction that constitutes or may constitute the Change of Control, the Company shall mail a notice to Holders of the Securities describing the transaction that constitutes or may constitute the Change of Control Triggering Event and offering to repurchase such Securities on the date specified in the applicable notice, which date shall be no earlier than 30 days and no later than 60 days from the date such notice is mailed (a “Change of Control Payment Date”). The notice may, if mailed prior to the date of consummation of the Change of Control, state that the Change of Control Offer is conditioned on the Change of Control Triggering Event occurring on or prior to the applicable Change of Control Payment Date.

Upon the Change of Control Payment Date, the Company shall, to the extent lawful:

- accept for payment all Securities or portions of Securities properly tendered and not withdrawn pursuant to the Change of Control Offer;
- deposit with the Paying Agent an amount equal to the Change of Control Payment in respect of all Securities or portions of Securities properly tendered; and
- deliver or cause to be delivered to the Trustee the Securities properly accepted together with an Officers' Certificate stating the aggregate principal amount of Securities or portions of Securities being repurchased.

The Company need not make a Change of Control Offer upon the occurrence of a Change of Control Triggering Event if a third party makes such an offer in the manner, at the times and otherwise in compliance with the requirements for an offer made by the Company and the third party repurchases all Securities properly tendered and not withdrawn under its offer. In addition, the Company shall not repurchase any Securities if there has occurred and is continuing on the Change of Control Payment Date an Event of Default under the Indenture, other than a default in the payment of the Change of Control Payment upon a Change of Control Triggering Event.

The Company will comply with the applicable requirements of Rule 14e-1 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and any other securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with the repurchase of the Securities as a result of a Change of Control Triggering Event. To the extent that the provisions of any securities laws or regulations conflict with the Change of Control Offer provisions of this Security, the Company will comply with those securities laws and regulations and will not be deemed to have breached its obligations under the Change of Control Offer provisions of this Security by virtue of any such conflict.

For purposes of the Change of Control Offer provisions of the Securities, the following terms are applicable:

"Change of Control" means the occurrence of any of the following: (1) the direct or indirect sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or more series of related transactions, of all or substantially all of the Company's assets and the assets of its Subsidiaries, taken as a whole, to any person, other than the Company or one of its Subsidiaries; (2) the consummation of any transaction (including, without limitation, any merger or consolidation) the result of which is that any person becomes the beneficial owner (as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of more than 50% of the outstanding Voting Stock of the Company or other Voting Stock into which the Company's Voting Stock is reclassified, consolidated, exchanged or changed, measured by voting power rather than number of shares; (3) the Company consolidates with, or merges with or into, any person, or any person consolidates with, or merges with or into, the Company, in any such event pursuant to a transaction in which any of the outstanding Voting Stock of the Company or the Voting Stock of such other person is converted into or exchanged for cash, securities or other property, other than any such transaction where the shares of the Voting Stock of the Company outstanding immediately prior to such transaction constitute, or are converted into or exchanged for, a majority of the Voting Stock of the surviving person or any direct or indirect parent company of the surviving person, measured by voting power rather than number of shares, immediately after giving effect to such transaction; or (4) the adoption of a plan relating to the liquidation or dissolution of the Company.

Notwithstanding the preceding, a transaction will not be deemed to involve a Change of Control under clause (2) above if (i) the Company becomes a direct or indirect wholly-owned subsidiary of a holding company and (ii)(A) the direct or indirect holders of the Voting Stock of such holding company immediately following that transaction are substantially the same as the holders of Voting Stock of the Company immediately prior to that transaction or (B) immediately following that transaction no person (other than a holding company satisfying the requirements of this sentence) is the beneficial owner, directly or indirectly, of more than 50% of the Voting Stock of such holding company. The term "person," as used in this definition, has the meaning given thereto in Section 13(d)(3) of the Exchange Act.

"Change of Control Triggering Event" means the occurrence of both a Change of Control and a Rating Event.

"Fitch" means Fitch Inc. and its successors.

"Investment Grade Rating" means a rating equal to or higher than BBB- (or the equivalent) by Fitch, Baa3 (or the equivalent) by Moody's and BBB- (or the equivalent) by S&P, and the equivalent investment grade credit rating from any replacement Rating Agency or Rating Agencies selected by the Company.

“Moody’s” means Moody’s Investors Service, Inc. and its successors.

“Rating Agencies” means (1) each of Fitch, Moody’s and S&P and (2) if any of Fitch, Moody’s or S&P ceases to rate the Securities or fails to make a rating of the Securities publicly available for reasons outside of the Company’s control, a “nationally recognized statistical rating organization” within the meaning of Section 3(a)(62) of the Exchange Act selected by the Company (as certified by a resolution of our Board of Directors) as a replacement agency for Fitch, Moody’s or S&P, or all of them, as the case may be.

“Rating Event” means the rating on the Securities is lowered by at least two of the three Rating Agencies and the Securities are rated below an Investment Grade Rating by at least two of the three Rating Agencies, in any case on any day during the period (which period will be extended so long as the rating of the Securities is under publicly announced consideration for a possible downgrade by any of the rating agencies) commencing 60 days prior to the first public notice of the occurrence of a Change of Control or the Company’s intention to effect a Change of Control and ending 60 days following consummation of such Change of Control.

“S&P” means S&P Global Ratings, a division of S&P Global Inc., and its successors.

“Voting Stock” means, with respect to any specified “person” (as that term is used in Section 13(d)(3) of the Exchange Act) as of any date, the capital stock of such person that is at the time entitled to vote generally in the election of the board of directors of such person.

8. *Denominations; Transfer; Exchange.*

The Securities are issued in registered form, without coupons, in a minimum denomination of \$2,000 and integral multiples of \$1,000 in excess thereof. A Holder may register the transfer of, or exchange, Securities in accordance with the Indenture. The Securities Registrar may require a Holder, among other things, to furnish appropriate endorsements and transfer documents and to pay any taxes and fees required by law or permitted by the Indenture.

9. *Person Deemed Owners.*

The registered Holder of a Security may be treated as the owner of it for all purposes.

10. *Amendment; Supplement; Waiver.*

Subject to certain exceptions, the Indenture may be amended or supplemented, and any existing Event of Default or compliance with any provision may be waived, with the consent of the Holders of a majority in principal amount of the Outstanding Debt Securities of each series affected. Without consent of any Holder, the parties thereto may amend or supplement the Indenture or the Securities to, among other things, cure any ambiguity, defect or inconsistency, or make any other change that does not adversely affect the interests of any Holder of a Security in any material respect. Any such consent or waiver by the Holder of this Security (unless revoked as provided in the Indenture) shall be conclusive and binding upon such Holder and upon all future Holders and owners of this Security and any Securities which may be issued in exchange or substitution herefor, irrespective of whether or not any notation thereof is made upon this Security or such other Securities.

11. *Defaults and Remedies.*

If an Event of Default with respect to the Securities occurs and is continuing, then in every such case the Trustee or the Holders of not less than 25% in principal amount of the Securities then Outstanding may declare the principal amount of all the Securities to be due and payable immediately in the manner and with the effect provided in the Indenture. Notwithstanding the preceding sentence, however, if at any time after such a declaration of acceleration has been made and before judgment or decree for payment of the money due has been obtained by the Trustee as provided in the Indenture, the Holders of a majority in principal amount of the Outstanding Securities, by written notice to the Company and to the Trustee, may rescind and annul such declaration and its consequences if (1) the Company has paid or deposited with the Trustee a sum sufficient to pay (A) all overdue interest on all Securities, (B) the principal of (and premium, if any, on) any Securities which has become due otherwise than by such declaration of acceleration and any interest thereon at the rate prescribed therefor herein, (C) to the extent that payment of such interest is lawful, interest upon overdue interest at the rate prescribed therefor herein, and (D) all sums paid or advanced by the Trustee and the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel and (2) all Events of Default under the Indenture with respect to the Securities, other than the nonpayment of the principal of Securities which has become due solely by such declaration acceleration, shall have been cured or shall have been waived. No such rescission shall affect any subsequent Event of Default or shall impair any right consequent thereon. Holders of Securities may not enforce the Indenture or the Securities except as provided in the Indenture. The Trustee may require indemnity satisfactory to it before it enforces the Indenture or the Securities. Subject to certain limitations, Holders of a majority in aggregate principal amount of the Securities then outstanding may direct the Trustee in its exercise of any trust or power.

12. *Trustee Dealings with Company.*

The Trustee under the Indenture, in its individual or any other capacity, may make loans to, accept deposits from, and perform services for the Company and its Affiliates and any subsidiary of the Company's Affiliates, and may otherwise deal with the Company and its Affiliates as if it were not the Trustee.

13. *Authentication.*

This Security shall not be valid until the Trustee or authenticating agent signs the certificate of authentication on the other side of this Security.

14. *Abbreviations and Defined Terms.*

Customary abbreviations may be used in the name of a Holder of a Security or an assignee, such as: TEN COM (tenant in common), TEN ENT (tenants by the entireties), JT TEN (joint tenants with right of survivorship and not as tenants in common), CUST (Custodian), and U/G/M/A (Uniform Gifts to Minors Act).

15. *CUSIP Numbers.*

Pursuant to a recommendation promulgated by the Committee on Uniform Note Identification Procedures, the Company has caused CUSIP numbers to be printed on the Securities as a convenience to the Holders of the Securities. No representation is made as to the accuracy of such number as printed on the Securities and reliance may be placed only on the other identification numbers printed hereon.

16. *Absolute Obligation.*

No reference herein to the Indenture and no provision of this Security or the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of, premium, if any, and interest on this Security in the manner, at the respective times, at the rate and in the coin or currency herein prescribed.

17. *No Recourse.*

No recourse under or upon any obligation, covenant or agreement contained in the Indenture or in any Security, or because of any indebtedness evidenced thereby, shall be had against any incorporator, past, present or future stockholder, officer or director, as such of the Company or of any successor, either directly or through the Company or of any successor, either directly or through the Company or any successor, under any rule of law, statute or constitutional provision or by the enforcement of any assessment or by any legal or equitable proceeding or otherwise, all such liability being expressly waived and released by the acceptance of the Security by the Holder and as part of the consideration for the issue of the Security.

18. *Governing Law.*

This Security shall be construed in accordance with and governed by the laws of the State of New York.

19. *Guarantee.*

The Securities will be fully and unconditionally guaranteed on a senior basis by the Company's wholly owned subsidiary, Waste Management Holdings, Inc., pursuant to the terms and conditions of a Guarantee, dated as of May 22, 2019 (the "Guarantee"). The amount of the Guarantee will be limited to the extent required under applicable fraudulent conveyance laws to cause the Guarantee to be enforceable. The terms and conditions of the Guarantee shall continue in full force and effect for the benefit of holders of the Securities until release thereof as set forth in Section 6 of the Guarantee.

20. *Satisfaction and Discharge.*

The Securities will be subject to Section 401 of the Indenture; provided, however, that solely with respect to the Securities, the following sentence shall be added to the end of Section 401(1)(B) of the Indenture: "(provided that, upon any redemption that requires the payment of any make-whole or other premium, (x) the amount of cash that must be deposited shall be determined using an assumed applicable premium calculated as of the date of such deposit and (y) the Company shall deposit any deficit in trust on or prior to the Redemption Date as necessary to pay the applicable premium as determined by such date)".

Annex B
**Resolutions of the Board of Directors
of Waste Management, Inc.**

WHEREAS, there has been considered by the Board a draft of an Agreement and Plan of Merger, a summary of the principal terms of which has been previously provided to the Board, (the "Merger Agreement") by and among the Company, Everglades Merger Sub Inc., a Delaware corporation and wholly-owned indirect subsidiary of the Company ("Merger Sub") and Advanced Disposal Services, Inc., a Delaware corporation ("Advanced"), whereby, among other things, subject to the terms and conditions contained in, and as more fully described in, the Merger Agreement, Merger Sub will merge with and into Advanced (the "Merger"), with Advanced surviving the Merger as a wholly-owned indirect subsidiary of the Company (capitalized terms used but not defined herein shall have the meaning given such terms in the Merger Agreement);

[Provisions Unrelated to the Senior Notes Offering Have Been Withheld]

WHEREAS, the Board resolved in August 2018 to authorize the Company to prepare and file a new registration statement with the Securities and Exchange Commission (the "SEC") and to offer in one or more offerings an aggregate of \$3,000,000,000 of securities without further action by the Board (the "August 2018 Authorization");

WHEREAS, the Board desires to amend and restate the August 2018 Authorization to, among other things, provide for additional offerings of securities to finance the Merger Consideration;

WHEREAS, the Board desires to provide for potential offerings of debt securities denominated in Canadian dollars by the Company and/or its subsidiaries;

WHEREAS, the Company is party to that certain indenture, dated as of September 10, 1997 (as amended, restated or otherwise modified from time to time, the "Company Existing Indenture"), by and among the Company, The Bank of New York Mellon Trust Company, N.A., as successor trustee to Texas Commerce Bank National Association, and pursuant to the Company Existing Indenture, has issued, among other securities: (i) the Company's 7.00% Senior Notes due 2028 (the "2028 Notes"), (ii) the Company's 7.375% Senior Notes due 2029 (the "2029 Notes"), (iii) the Company's 7.75% Senior Notes due 2032 (the "2032 Notes"), and (iv) the Company's 6.125% Senior Notes due 2039 (the "2039 Notes");

WHEREAS Waste Management Holdings, Inc., a wholly-owned subsidiary of the Company ("WMHI"), is a party to that certain indenture, dated as of June 1, 1993, by and among WMHI, and The Fuji Bank and Trust Company, as trustee (as amended, restated or otherwise modified from time to time, the "WMHI Existing Indenture"), and has issued, pursuant to the WMHI Existing Indenture, its 7.10% Senior Notes due 2026 (the "2026 Notes," and together with the 2028 Notes, the 2029 Notes, the 2032 Notes and the 2039 Notes, the "Specified Existing Notes"); and

WHEREAS the Board desires to provide for the eventual redemption and/or refinancing of the Specified Existing Notes and deems it advisable to approve the Company' pursuit of tender offers and/or redemption transactions with respect to the Specified Existing Notes.

[Provisions Unrelated to the Senior Notes Offering Have Been Withheld]

3. Registration Statement; Securities Offerings.

NOW, THEREFORE, BE IT RESOLVED, that the Company is hereby authorized to prepare and file with the SEC a shelf registration statement on Form S-3 (the "New Registration Statement"), pursuant to the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder (the "Securities Act"), which New Registration Statement is anticipated to be filed with the SEC after the Company's earnings announcement for the three months ended March 31, 2019 and may provide for the registration of, among other things, unsecured senior or subordinated debentures, notes or other evidences of indebtedness of the Company (collectively "Registered Debt Securities"); common stock of the Company, par value \$0.01 ("Company Common Stock"); warrants to purchase shares of Company Common Stock; shares of preferred stock in such series with such designations, powers, preferences and relative and other special rights and qualifications, limitations and restrictions as the Board of Directors may from time to time authorize; guarantees of securities by WMHI; and any units consisting of one or more of the foregoing (the Registered Debt Securities, Company Common Stock, warrants, preferred stock, guarantees and units eligible to be sold pursuant to the New Registration Statement are collectively referred to herein as the "Registered Securities"), to be issued from time to time;

RESOLVED FURTHER, that each of the Authorized Officers be, and they hereby are, authorized, in their sole and absolute discretion, subject to any limitations set forth in these resolutions, to cause the Company to issue, offer and sell an aggregate of up to \$6,000,000,000 of Securities (as defined below) without further approval of the Board of Directors pursuant to the New Registration Statement or a Canadian Offering (as defined below), as applicable;

RESOLVED FURTHER, that authority to make new issuances of Registered Securities pursuant to the August 2018 Authorization shall be deemed rescinded and superseded hereby;

RESOLVED FURTHER, that the Authorized Officers and authorized employees (as established pursuant to these resolutions) be, and each of them hereby is, authorized, in the name and on behalf of the Company, to execute and cause to be filed with the SEC any and all amendments (including, without limitation, post-effective amendments) or supplements to the New Registration Statement and any prospectus included therein and any additional documents which such officer or employee may deem necessary or desirable with respect to the registration and offering of the Registered Securities, and such amendments, supplements, registration statements and documents to be in such form as the officer or employee executing the same may approve, as conclusively evidenced by his execution thereof;

RESOLVED FURTHER, that the Chief Legal Officer of the Company be, and he hereby is, designated and appointed the agent for service of process on the Company under the Securities Act in connection with the New Registration Statement and any and all amendments and supplements thereto, with all powers incident to such appointment;

RESOLVED FURTHER, that any of the Authorized Officers be, and each of them hereby is, authorized, at any time and from time to time, on behalf of the Company, (i) to determine, subject to the limits that shall be set by the Board, the number of shares of Company Common Stock, preferred stock or other equity securities to be offered and sold by the Company pursuant to the New Registration Statement, including any shares underlying warrants or convertible Debt Securities, (ii) to authorize the reserve and issuance of such shares and (iii) to take any and all action and to do or cause to be done any and all things which may appear to any of the Authorized Officers to be necessary or advisable in order to authorize, offer, issue, and sell such shares of Company Common Stock, pursuant to the New Registration Statement and the applicable purchase agreement, which action could be taken or which things could be done by the Board;

RESOLVED FURTHER, that the Company is authorized to offer, issue and sell, or cause any subsidiary of the Company to offer, issue and sell, debt securities denominated in Canadian dollars (the "Canadian Notes," together with any Canadian Notes Guarantees (as defined below) the "Canadian Securities," and together with the Registered Securities, the "Securities") in transactions exempt from registration under the Securities Act, on terms and conditions to be determined by the Authorized Officers from time to time (the "Canadian Offering");

RESOLVED FURTHER, that the Authorized Officers, and each of them, shall have full authority to authorize and approve the terms of the Canadian Offering (including, without limitation, the aggregate amount to be sold, the initial offering price, the prices at which such Canadian Securities will be sold to the applicable Initial Purchasers (as defined below) and such other terms as may be necessary) and the final terms of the purchase agreement relating to the Canadian Offering (the "Purchase Agreement"), any guarantors of such Canadian Notes (collectively, the "Canadian Notes Guarantors") and the initial purchasers in connection with the Canadian Offering (the "Initial Purchasers") and such other matters as the Authorized Officers, or any of them, shall determine to be necessary or advisable in connection with the issuance of the Canadian Securities and to carry out the purposes and intent of the foregoing resolutions;

RESOLVED FURTHER, that the Company is authorized to cause the Canadian Notes to be guaranteed on a senior secured basis (the "Canadian Notes Guarantees") by the Canadian Notes Guarantors if advisable in the judgment of any of the Authorized Officers;

RESOLVED FURTHER, that the preparation and use of a preliminary offering memorandum relating to the Canadian Offering (the "Preliminary Offering Memorandum") is hereby ratified, confirmed, authorized and approved, and that the Authorized Officers or any of them acting together or individually, and those other employees of the Company as any of them shall designate, are hereby authorized and directed in the name and on behalf of the Company to prepare a pricing supplement (the "Pricing Supplement") in connection with the Canadian Offering, and the final offering memorandum (the "Final Offering Memorandum") relating to the Canadian Offering, and any supplements or amendments thereto as any of the Authorized Officers deems necessary or appropriate in connection with the Canadian Offering, such approval to be conclusively evidenced by the distribution of such supplement or amendment by or on behalf of the Company to the Initial Purchasers;

RESOLVED FURTHER, that the Authorized Officers and authorized employees be and hereby are authorized and directed in the name and on behalf of the Company to take any and all action which they may deem necessary or advisable in order to effect the registration or qualification of all or part of the Registered Securities to be registered under the Securities Act, and any and all action for the Securities to be eligible for offer and sale under the securities or Blue Sky laws of the states of the United States of America or similar laws and regulations of other jurisdictions, including Canada, and in connection therewith, to execute, acknowledge, verify, deliver, file and publish all such applications, reports, issuer's covenants, resolutions, consents to service of process, or appointments of governmental officials for the purpose of receiving and accepting service of process on the laws, and to take any and all further action which they may deem necessary or advisable in order to maintain any such registration or qualification for as long as they deem the same to be in the best interest of the Company;

RESOLVED FURTHER, that the form of any additional resolutions required in connection with the appropriate qualification or registration of the Securities for offer and sale under such securities or Blue Sky laws, be and hereby is approved and adopted, provided the appropriate officers of the Company, on the advice of counsel, consider the adoption thereof necessary or advisable, in which case the Secretary or any Assistant Secretary of the Company is hereby directed to insert as an appendix hereto a copy of such resolutions, which shall thereupon be deemed to have been adopted by this Board of Directors with the same force and effect as if set out verbatim herein;

RESOLVED FURTHER, that any of the Authorized Officers or authorized employees be, and each of them hereby is, authorized to approve at any time and from time to time, the engagement of one or more investment banks to provide services in connection with any offering of Securities, one or more forms of underwriting or purchase agreement (and any related terms agreement) and agency agreement (and related purchase agreement) and any other agreement or agreements any of such persons may deem necessary or appropriate in connection with the arrangements for the purchase of any of the Securities, and that such persons be, and each of them hereby is, authorized to execute and deliver, in the name and on behalf of the Company, any such agreement or agreements in substantially the form approved by any of them, with such changes therein as the person executing the same may approve, as conclusively evidenced by the execution and delivery thereof, it being understood that, in the case of any terms agreement or purchase agreement referred to above, it shall not be necessary for any of the Authorized Officers to approve any individual agreement pursuant to which Securities are to be sold if the form thereof has previously been approved as provided in this resolution;

RESOLVED FURTHER, that any of the Authorized Officers may, at any time and from time to time, on behalf of the Company, authorize the issuance of one or more series of Securities under one or more indentures, within any limits that may be set by the Board, and in connection therewith establish, or, if all of the Securities of such series may not be originally issued at one time, to the extent deemed appropriate, prescribe the manner of determining, within any limitations established by any of the Authorized Officers and subject in either case to the limitations set forth in these resolutions, all of the terms of such Securities;

RESOLVED FURTHER, that, in connection with any such series of Securities (but without limiting the authority hereinafter in these resolutions conferred with respect to the issuance of Securities of a series which may not all be originally issued at one time), any of the Authorized Officers is authorized at any time or from time to time to determine the price or prices to be received by the Company in any offering or sale of Securities of such series, any public offering price or prices thereof, any discounts to be allowed or commissions to be paid to any agent, dealer, initial purchaser or underwriter and any other terms of offering or sale of Securities of such series and to sell Securities of such series in accordance with any applicable purchase agreement or other agreement(s);

RESOLVED FURTHER, that, in connection with the issuance of any Securities of any series which may not be originally issued at one time (except as may be inconsistent with any action taken by any of the Authorized Officers, as herein provided, in connection with such series), and of the Authorized Officers may delegate any of its authority pursuant to these resolutions to any officer of the Company;

RESOLVED FURTHER, that, in connection with the issuance and sale of any Securities, that the Company may use the proceeds therefrom: (1) to fund the transactions contemplated by the Merger Agreement (including the redemption of outstanding indebtedness of Advanced) (2) to repay or refinance existing indebtedness of the Company or (3) for general corporate purposes as determined by the Authorized Officers, or any of them;

RESOLVED FURTHER, that, in connection with any such series of Securities, any of the Authorized Officers is authorized to approve any amendment, modification or supplement to the Company's indentures and that any Authorized Officer be, and each of them hereby is, authorized to execute and deliver, in the name and on behalf of the Company, any such amendment, modification or supplement, substantially in the form approved by any Authorized Officer;

RESOLVED FURTHER, that the Company is authorized to (i) provide for the redemption or refinancing, in whole or in part, of the outstanding debt of Advanced in connection with the Merger, which may include one or more tender offers, consent solicitations or notices of redemption, as well as the payment of the applicable redemption prices (including premiums), plus accrued and unpaid interest, if any, to the date of redemption or purchase, as applicable, and (ii) provide for the redemption or refinancing, in whole or in part, of the Specified Existing Notes, which may include one or more tender offers, consent solicitations or notices of redemption, as well as the payment of the applicable redemption prices (including premiums), plus accrued and unpaid interest, if any, to the date of redemption or repurchase, as applicable (the actions in immediately preceding clauses (i) and (ii) being referred to as “Liability Management Transactions”), and the Authorized Officers and authorized employees be, and each of them hereby is, authorized in the name and on behalf of the Company, to prepare and execute such documents and agreements as may be necessary to effectuate such actions;

RESOLVED FURTHER, that the Authorized Officers be, and they hereby are, authorized, in their sole and absolute discretion, subject to any limitations set forth in these resolutions, to determine any and all terms and conditions of the Liability Management Transactions as the Authorized Officers may deem necessary, advisable or appropriate;

RESOLVED FURTHER, that the Authorized Officers be, and they hereby are, authorized, in their sole and absolute discretion, subject to any limitations set forth in these resolutions, to cause the Company to consummate the Liability Management Transactions without further approval of the Board and to prepare and transmit one or more notices of redemption, offers to purchase and/or consent solicitation statements and any and all other documents in connection with the Liability Management Transactions to be transmitted to holders of the applicable securities;

RESOLVED FURTHER, that the Authorized Officers and authorized employees be, and each of them hereby is, authorized, in the name and on behalf of the Company, to execute and deliver such other agreements (including indemnity agreements), documents, certificates, orders, requests and instruments as may be contemplated by the Company’s indentures or required by the trustee thereunder, the security registrar or any other agent of the Company under such indentures in connection therewith or as may be necessary or appropriate in connection with the issuance and sale of Securities thereunder;

RESOLVED FURTHER, that the Authorized Officers be, and each of them hereby is, authorized, subject to and in accordance with the Company’s indentures and any action taken by any of the Authorized Officers in connection therewith, from time to time to appoint or designate on behalf of the Company one or more trustees, security registrars, paying agents and transfer agents for each series of Securities, to rescind on behalf of the Company any such appointment or designation and to approve on behalf of the Company any change in the location of any office through which any such trustee, security registrar, paying agent or transfer agent acts, and in connection therewith to take such action and to make, execute and deliver, or cause to be made, executed and delivered, such agreements, instruments and other documents as any such officer may deem necessary or appropriate;

RESOLVED FURTHER, that the Authorized Officers and authorized employees be, and each of them hereby is, authorized, in the name and on behalf of the Company, to make application to such securities exchange or exchanges as the persons acting shall deem necessary or appropriate for the listing thereof of any of the Securities (including any Company Common Stock or preferred stock underlying any convertible Securities) and in connection therewith to appoint one or more listing agents and to prepare, or cause to be prepared, execute and file, or cause to be filed, an application or applications for such listing and any and all amendments thereto and any additional certificates, documents, letters and other instruments which any such officer or employee may deem necessary or desirable; that such officers or employees, or such other person as any such officer or employee may designate in writing, be, and each of them hereby is, authorized to appear before any official or officials or before any body of any such exchange, with authority to make such changes in such application, amendments, certificates, documents, letters and other instruments and to execute and deliver such agreements relative thereto, including, without limitation, listing agreements, fee agreements and indemnity agreements relating to the use of facsimile signatures as they, or any one of them, may deem necessary or appropriate in order to comply with the requirements of any such exchange or to effect such listing;

RESOLVED FURTHER, that the Authorized Officers and authorized employees be, and each of them hereby is, authorized, in the name and on behalf of the Company, to make application to the SEC for registration of any series of the Registered Securities under Section 12 or other applicable section of the Securities Exchange Act of 1934, and the Authorized Officers and authorized employees are hereby authorized to prepare or cause to be prepared, and to execute and file, or cause to be filed, with the SEC and any securities exchange an application or applications for such registration and any and all amendments thereto and any additional certificates, documents, letters and other instruments which any such officer or employee may deem necessary or desirable; and

RESOLVED FURTHER, that for purposes the resolutions in this Section 3, the term “Authorized Officers” shall be deemed to include, in addition to those officers identified above, the Chief Accounting Officer and the Treasurer of the Company and the term “authorized employees” shall mean either or both of the Vice President and General Counsel—Transactions and the Vice President and General Counsel—Securities & Governance of the Company.

[Provisions Unrelated to the Senior Notes Offering Have Been Withheld]

7. Additional Actions.

NOW, THEREFORE, BE IT RESOLVED, that the Authorized Officers be, and each of them with full power to act without the others hereby is, authorized and empowered, in accordance with the foregoing resolutions, in the name and on behalf of the Company, to prepare, execute and deliver any and all agreements, amendments, certificates, reports, applications, notices, instruments, schedules, statements, consents, letters or other documents with respect to the matters contemplated by the foregoing resolutions, to certify as having been adopted by the Board any form of resolution required by any law, regulation or agency necessary or appropriate to effectuate the purpose and intent of these resolutions or any of them, to make any filings pursuant to federal, state and foreign laws, to pay all charges fees, taxes and other expenses and to do or cause to be done any and all such other acts and things as, in the opinion of any such Authorized Officer, may be necessary, appropriate or desirable in order to comply with the applicable laws and regulations of any jurisdiction (domestic or foreign), to issue press releases and engage in other communications, or otherwise in order to enable the Company to fully and promptly carry out the purposes and intent of the foregoing resolutions and to permit the matters contemplated thereby to be lawfully consummated;

RESOLVED FURTHER, that the Authorized Officers be, and each of them with full power to act without the others hereby is, authorized and empowered to retain, in the name and on behalf of the Company, such financial advisors, legal counsel and such other advisors, consultants or experts necessary or appropriate to carry out the actions contemplated in these resolutions, and to secure any appropriate advice and opinions from such advisors, consultants or experts, and to pay all fees and expenses incurred by the Company in connection with the transactions contemplated by the Merger Agreement and any actions or matters necessary or appropriate to give effect to the forgoing, including, but not limited to, all fees and expenses necessary or appropriate to effectuate the purpose and intent of the foregoing resolutions or any of them and the Merger Agreement and the transactions contemplated thereby and such other agreements and documents as may be executed by any Authorized Officer pursuant to authorization granted in these resolutions or to carry out the transactions contemplated thereby;

RESOLVED FURTHER, that each Authorized Officer may authorize any other officer, employee or agent of, or counsel to, the Company or any of its subsidiaries to take any and all actions and to execute and deliver any and all certificates, documents, agreements and instruments referred to in these resolutions in place of or on behalf of such Authorized Officer, with full power as if such Authorized Officer were taking such action himself or herself;

RESOLVED FURTHER, that the officers of the Company be, and each of them hereby is, authorized to take, or cause to be taken, any and all action which any such officer may deem necessary or desirable in order to carry out the purpose and intent of the foregoing resolutions or in order to perform, or cause to be performed, the obligations of the Company under the Securities, the New Registration Statement and any indenture, purchase agreement, or other agreement referred to herein, and, in connection therewith, to make, execute and deliver, or cause to be made, executed and delivered, all agreements, undertakings, documents, certificates, orders, requests or instruments in the name and on behalf of the Company as each such officer may deem necessary or appropriate; and

RESOLVED FURTHER, that any or all actions heretofore or hereafter taken by any officer or officers of the Company or any of its subsidiaries to effectuate or evidence the purpose and intent of the foregoing resolutions be, and hereby are, approved, ratified and confirmed as the act and deed of the Company or such subsidiary.

WASTE MANAGEMENT, INC.
Officers' Certificate Delivered Pursuant to
Section 301 of the Indenture dated as of September 10, 1997

The undersigned, the Vice President and Treasurer, and the Vice President and Corporate Secretary of Waste Management, Inc. (the "Company"), hereby certify that:

1. This Certificate is delivered to The Bank of New York Mellon Trust Company, N.A. (the current successor to Texas Commerce Bank National Association), as trustee (the "Trustee"), pursuant to Sections 102 and 301 of the Indenture dated as of September 10, 1997 between the Company, formerly known as USA Waste Services, Inc., and the Trustee in connection with the Company Order dated May 22, 2019 (the "Order") for the authentication and delivery by the Trustee of \$1,000,000,000 aggregate principal amount of 3.450% Senior Notes due 2029 (the "Notes").
2. The undersigned have read Sections 102, 103, 301 and 303 of the Indenture and the definitions in the Indenture relating thereto.
3. The statements made herein are based either upon the personal knowledge of the persons making this Certificate or on information, data and reports furnished to such persons by the officers, counsel, department heads or employees of the Company who have knowledge of the facts involved.
4. The undersigned have examined the Order, and they have read the covenants, conditions and provisions of the Indenture relating thereto.
5. In the opinion of the persons making this Certificate, they have made such examination or investigation as is necessary to enable them to express an informed opinion as to whether or not all covenants and conditions provided for in the Indenture with respect to the Order have been complied with.
6. All covenants and conditions (including all conditions precedent) provided in the Indenture to the authentication and delivery by the Trustee of \$1,000,000,000 aggregate principal amount of the Notes have been complied with, and such Notes may be delivered in accordance with the Order as provided in the Indenture.
7. The terms of the Notes (including the Form of Note) as set forth in Annex A to this Officers' Certificate have been approved by officers of the Company as authorized by resolutions duly adopted on April 10, 2019 by the Board of Directors of the Company, copies of which are attached hereto as Annex B, are in full force and effect as of the date hereof.

[signature page follows]

IN WITNESS WHEREOF, the undersigned has hereunto executed this Officers' Certificate as of the date first written above.

/s/ David L. Reed

David L. Reed
Vice President and Treasurer

/s/ Courtney A. Tippy

Courtney A. Tippy
Vice President and Corporate Secretary

Annex A
Terms of the Notes

Pursuant to authority granted by the Board of Directors of the Company on April 10, 2019 and the Sole Director of Waste Management Holdings, Inc. on April 22, 2019 and May 8, 2019, the Company has approved the establishment, issuance, execution and delivery of a new series of Securities (as defined in the Indenture) to be issued under the Indenture dated as of September 10, 1997 (the "Indenture"), between the Company, formerly known as USA Waste Services, Inc., and The Bank of New York Mellon Trust Company, N.A. (the current successor to Texas Commerce Bank National Association), as trustee (the "Trustee"), the terms of which are set forth below. Capitalized terms used but not defined herein are used herein as defined in the Indenture.

- (1) The title of the series of Securities shall be "3.450% Senior Notes due 2029" (the "Notes").
 - (2) The Notes shall be general unsecured, senior obligations of the Company.
 - (3) The initial aggregate principal amount of the Notes that may be authenticated and delivered under the Indenture shall be \$1,000,000,000 (except for Notes authenticated and delivered upon registration of transfer of, or in exchange for, or in lieu of, other Notes pursuant to Section 304, 305, 306, 906 or 1107 of the Indenture); provided, however, that the authorized aggregate principal amount of such series may be increased before or after the issuance of any Notes of such series by a Board Resolution (or action pursuant to a Board Resolution) to such effect.
 - (4) The principal amount of each Note shall be payable on June 15, 2029.
 - (5) Each Note shall bear interest from May 22, 2019 at the fixed rate of 3.450% per annum; the Interest Payment Dates on which such interest shall be payable shall be June 15 and December 15, of each year, commencing December 15, 2019, until maturity unless such date falls on a day that is not a Business Day, in which case, such payment shall be made on the next day that is a Business Day. The Regular Record Date for the determination of Holders to whom interest is payable shall be June 1 or December 1, respectively, immediately preceding such date, as the case may be.
 - (6) If a "Change of Control Triggering Event" (as defined in the Notes) occurs, each Holder of the Notes may require the Company to purchase all or a portion of such Holder's Notes at a price equal to 101% of the principal amount, plus accrued interest, if any, to the date of purchase, on the terms and subject to the conditions set forth in the Notes.
 - (7) The Notes are to be issued as Registered Securities only. Each Note is to be issued as a book-entry note ("Book-Entry Note") but in certain circumstances may be represented by Notes in definitive form. The Book-Entry Notes shall be issued, in whole or in part, in the form of one or more Notes in global form as contemplated by Section 203 of the Indenture. The Depository with respect to the Book-Entry Notes shall be The Depository Trust Company, New York, New York.
 - (8) Payments of principal of, premium, if any, and interest due on the Notes representing Book-Entry Notes on any Interest Payment Date or at maturity will be made available to the Trustee by 11:00 a.m., New York City time, on such date, unless such date falls on a day which is not a Business Day, in which case such payments will be made available to the Trustee by 11:00 a.m., New York City time, on the next Business Day. As soon as possible thereafter, the Trustee will make such payments to the Depository.
 - (9) Before the Par Call Date, the Notes will be redeemable and repayable, at the option of the Company, at any time in whole, or from time to time in part, at a Redemption Price equal to the greater of (i) 100% of the principal amount of the Notes to be redeemed or (ii) the sum, as calculated by the Company, of the present values of the remaining scheduled payments of principal and interest thereon that would be due if the Notes matured on the Par Call Date (exclusive of interest accrued to the Redemption Date (as defined in the Notes) discounted to the Redemption Date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the applicable Treasury Yield (as defined in the Notes) plus 20 basis points; plus, in either case, accrued interest to the Redemption Date. On or after the Par Call Date, the Notes will be redeemable and repayable, at the option of the Company, at any time in whole, or from time to time in part, at a Redemption Price equal to 100% of the principal amount of the Notes to be redeemed plus accrued interest on the Notes to be redeemed to the Redemption Date. "Par Call Date" means March 15, 2029.
 - (10) The Company shall have no obligation to redeem, purchase or repay the Notes pursuant to any mandatory redemption (other than with respect to a Special Mandatory Redemption Event), sinking fund or analogous provisions or at the option of a Holder thereof.
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- (11) The Notes will be subject to defeasance and discharge as contemplated by Section 1302 of the Indenture and to covenant defeasance under Section 1303 of the Indenture.
 - (12) The Notes shall be entitled to the benefit of the covenants contained in Sections 1008 and 1009 of the Indenture.
 - (13) The Bank of New York Mellon Trust Company, N.A. shall serve initially as Security Registrar for the Notes.
 - (14) The Notes shall be substantially in the form of Exhibit A hereto.
 - (15) The Notes will be fully and unconditionally guaranteed on a senior basis by the Company's wholly owned subsidiary, Waste Management Holdings, Inc., pursuant to the terms and conditions of a Guarantee Agreement dated May 22, 2019 (the "Guarantee"). The amount of the Guarantee will be limited to the extent required under applicable fraudulent conveyance laws to cause the Guarantee to be enforceable. The terms and conditions of the Guarantee shall continue in full force and effect for the benefit of holders of the Notes until release thereof as set forth in Section 6 of the Guarantee.
 - (16) If the Company does not consummate the Merger on or prior to July 14, 2020, or if, on or prior to such date, the Merger Agreement is terminated for any reason (each, a "Special Mandatory Redemption Event"), then, in either case, the Company shall redeem all of the Outstanding Notes at a Redemption Price equal to 101% of the aggregate principal amount thereof, plus accrued and unpaid interest to, but excluding, the Redemption Date, on the terms and subject to the conditions set forth in the Notes. "Merger Agreement" means the Agreement and Plan of Merger dated April 14, 2019 by and among the Company, Everglades Merger Sub Inc. and Advanced Disposal Services, Inc., as such agreement may be amended or modified from time to time, and "Merger" means the merger contemplated by the Merger Agreement.
 - (17) The Notes shall be subject to the satisfaction and discharge provisions set forth in Section 401 of the Indenture, as such provisions are supplemented or modified by the terms and conditions set forth in the Notes in accordance with the Indenture.
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BOOK-ENTRY SECURITY

THIS SECURITY IS A BOOK-ENTRY SECURITY WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITORY OR A NOMINEE OF A DEPOSITORY. THIS SECURITY IS EXCHANGEABLE FOR SECURITIES REGISTERED IN THE NAME OF A PERSON OTHER THAN THE DEPOSITORY OR ITS NOMINEE ONLY IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE INDENTURE, AND NO TRANSFER OF THIS SECURITY (OTHER THAN A TRANSFER OF THIS SECURITY AS A WHOLE BY THE DEPOSITORY TO A NOMINEE OF THE DEPOSITORY OR BY A NOMINEE OF THE DEPOSITORY TO THE DEPOSITORY OR ANOTHER NOMINEE OF THE DEPOSITORY) MAY BE REGISTERED EXCEPT IN SUCH LIMITED CIRCUMSTANCES.

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE COMPANY (AS DEFINED BELOW) OR ITS AGENT FOR REGISTRATION FOR TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

RGN Principal Amount

U.S. \$ _____ ,
which may be decreased
by the Schedule of
Exchanges of Definitive
Security attached hereto

WASTE MANAGEMENT, INC.

3.450% SENIOR NOTES DUE 2029

CUSIP 94106L BG3

WASTE MANAGEMENT, INC., a Delaware corporation (the "Company," which term includes any successors under the Indenture hereinafter referred to), for value received, hereby promises to pay to CEDE & CO. or registered assigns, at the office or agency of the Company, the principal sum of _____ Million (\$ _____) U.S. dollars, or such lesser principal sum as is shown on the attached Schedule of Exchanges of Definitive Security, on June 15, 2029 in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts, and to pay interest at an annual rate of 3.450% payable on June 15 and December 15 of each year, to the person in whose name this Security is registered at the close of business on the record date for such interest, which shall be the preceding June 1 or December 1, respectively, payable commencing December 15, 2019, with interest accruing from May 22, 2019, or the most recent date to which interest has been paid.

Reference is made to the further provisions of this Security set forth on the reverse hereof. Such further provisions shall for all purposes have the same effect as though fully set forth at this place.

The statements in the legends set forth above are an integral part of the terms of this Security and by acceptance hereof the Holder of this Security agrees to be subject to, and bound by, the terms and provisions set forth in each such legend.

This Security is issued in respect of a series of Securities of an initial aggregate of U.S. \$1,000,000,000 in principal amount designated as the 3.450% Senior Notes due 2029 of the Company and is governed by the Indenture dated as of September 10, 1997, duly executed and delivered by the Company, formerly known as USA Waste Services, Inc., to The Bank of New York Mellon Trust Company, N.A. (the current successor to Texas Commerce Bank National Association) as trustee (the "Trustee"), as supplemented by Board Resolutions (as defined in the Indenture) (such Indenture and Board Resolutions, collectively, the "Indenture"). The terms of the Indenture are incorporated herein by reference. This Security shall in all respects be entitled to the same benefits as definitive Securities under the Indenture.

If and to the extent that any provision of the Indenture limits, qualifies or conflicts with any other provision of the Indenture that is required to be included in the Indenture or is deemed applicable to the Indenture by virtue of the provisions of the Trust Indenture Act of 1939, as amended, such required provision shall control.

The Company hereby irrevocably undertakes to the Holder hereof to exchange this Security in accordance with the terms of the Indenture without charge.

This Security shall not be valid or become obligatory for any purpose until the Certificate of Authentication hereon shall have been manually signed by the Trustee under the Indenture.

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed under its corporate seal.

Dated:

WASTE MANAGEMENT, INC.,
a Delaware corporation

By: _____
David L. Reed
Vice President and Treasurer

Attest:

By: _____
Courtney A. Tippy
Vice President and Corporate Secretary

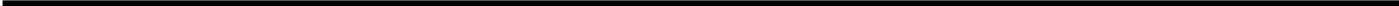
CERTIFICATE OF AUTHENTICATION

This is one of the Securities of the series designated therein referred to in the within-mentioned Indenture.

Date of Authentication:

The Bank of New York Mellon Trust Company, N.A., as Trustee

By: _____
Authorized Officer



REVERSE OF BOOK-ENTRY SECURITY

WASTE MANAGEMENT, INC.

3.450% SENIOR NOTES DUE 2029

This Security is one of a duly authorized issue of unsecured debentures, notes or other evidences of indebtedness of the Company (the “Debt Securities”) of the series hereinafter specified, all issued or to be issued under and pursuant to the Indenture, to which Indenture reference is hereby made for a description of the rights, limitations of rights, obligations, duties and immunities thereunder of the Trustee, the Company and the Holders of the Debt Securities. The Debt Securities may be issued in one or more series, which different series may be issued in various aggregate principal amounts, may mature at different times, may bear interest (if any) at different rates, may be subject to different sinking, purchase or analogous funds (if any) and may otherwise vary as provided in the Indenture. This Security is one of a series designated as the 3.450% Senior Notes due 2029 of the Company, in initial aggregate principal amount of \$1,000,000,000 (the “Securities”).

1. *Interest.*

The Company promises to pay interest on the principal amount of this Security at the rate of 3.450% per annum.

The Company will pay interest semi-annually on June 15 and December 15 of each year (each an “Interest Payment Date”), commencing December 15, 2019. Interest on the Securities will accrue from the most recent date to which interest has been paid or, if no interest has been paid on the Securities, from May 22, 2019. Interest will be computed on the basis of a 360-day year consisting of twelve 30-day months. The Company shall pay interest (including post-petition interest in any proceeding under any applicable bankruptcy laws) on overdue installments of interest (without regard to any applicable grace period) and on overdue principal and premium, if any, from time to time on demand at the rate of 3.450% per annum, in each case to the extent lawful.

2. *Method of Payment.*

The Company shall pay interest on the Securities (except Defaulted Interest) to the persons who are the registered Holders at the close of business on the Regular Record Date immediately preceding the Interest Payment Date. Any such interest not so punctually paid or duly provided for (“Defaulted Interest”) may be paid to the persons who are registered Holders at the close of business on a Special Record Date for the payment of such Defaulted Interest, or in any other lawful manner not inconsistent with the requirements of any securities exchange on which such Securities may then be listed if such manner of payment shall be deemed practicable by the Trustee, as more fully provided in the Indenture. Except as provided below, the Company shall pay principal and interest in such coin or currency of the United States of America as at the time of payment shall be legal tender for payment of public and private debts (“U.S. Legal Tender”). Payments in respect of a Book-Entry Security (including principal, premium, if any, and interest) will be made by wire transfer of immediately available funds to the accounts specified by the Depository. Payments in respect of Securities in definitive form (including principal, premium, if any, and interest) will be made at the office or agency of the Company maintained for such purpose within the Borough of Manhattan, the City of New York, which initially will be at the corporate trust office of The Bank of New York Mellon, located at 101 Barclay Street, Floor 21W, New York, New York, 10286 or at the option of the Company, payment of interest may be made by check mailed to the Holders on the Regular Record Date or on the Special Record Date at their addresses set forth in the Security Register of Holders.

3. *Paying Agent and Registrar.*

Initially, The Bank of New York Mellon Trust Company, N.A. will act as Paying Agent and Registrar. The Company may change any Paying Agent, Registrar or co-Registrar at any time upon notice to the Trustee and the Holders. The Company or any of its Subsidiaries may, subject to certain exceptions, act as Paying Agent, Registrar or co-Registrar.

4. *Indenture.*

This Security is one of a duly authorized issue of Debt Securities of the Company issued and to be issued in one or more series under the Indenture.

Capitalized terms herein are used as defined in the Indenture unless otherwise defined herein. The terms of the Securities include those stated in the Indenture and all indentures supplemental thereto, those made part of the Indenture by reference to the Trust Indenture Act of 1939, as amended, as in effect on the date of the Indenture, and those terms stated in the Officers’ Certificate to the Trustee, duly authorized by resolutions of the Board of Directors of the Company on April 10, 2019 (the “Resolutions”) and the written consents of the Sole Director of Waste Management Holdings, Inc. on April 22, 2019 and May 8, 2019 (the “Consents”). The Securities are subject to all such terms, and Holders of Securities are referred to the Indenture, all indentures supplemental thereto, said Act, said Resolutions and said Consents and Officers’ Certificate for a statement of them. The Securities of this series are general unsecured obligations of the Company limited with an initial aggregate principal amount of \$1,000,000,000.

5. *Special Mandatory Redemption.*

If the Merger is not completed on or prior to July 14, 2020, or if, on or prior to such date, the Merger Agreement is terminated for any reason (each, a “Special Mandatory Redemption Event”), the Company shall redeem all of the Outstanding Securities in whole at a special mandatory Redemption Price (the “Special Mandatory Redemption Price”) equal to 101% of the aggregate principal amount of such Securities, plus accrued but unpaid interest on the principal amount of such Securities to, but not including, the Special Mandatory Redemption Date (as defined below).

Upon the occurrence of a Special Mandatory Redemption Event, the Company shall promptly (but in no event later than 5 Business Days following such Special Mandatory Redemption Event) notify the Trustee in writing of such event, and shall, no later than 5 Business Days following such notice to the Trustee, mail (or with respect to Securities in global form, to the extent permitted or required by applicable procedures or regulations of the Depository, send electronically) a notice of redemption to the registered address of each Holder of the Securities (such date of notification to the Holders, the “Special Mandatory Redemption Notice Date”) fixing the date of such mandatory redemption, which date will be no earlier than 3 Business Days and no later than 30 days from the Special Mandatory Redemption Notice Date (such date, the “Special Mandatory Redemption Date”), in each case, in accordance with Section 106 of the Indenture. The Company shall notify each Holder in accordance with Section 106 of the Indenture that all of such Outstanding Securities shall be redeemed at the Special Mandatory Redemption Price on the Special Mandatory Redemption Date automatically and without any further action by the Holders of such Securities. At or prior to 12:00 p.m. (New York City time) on the Business Day immediately preceding the Special Mandatory Redemption Date, the Company shall deposit with the Trustee funds sufficient to pay the Special Mandatory Redemption Price for such Securities. If such deposit is made as provided above, all of the Outstanding Securities will cease to bear interest on and after the Special Mandatory Redemption Date.

Upon the occurrence of the closing of the Merger, the foregoing provisions regarding the Special Mandatory Redemption Event will cease to apply.

For purposes of this Section 5, “Merger Agreement” means the Agreement and Plan of Merger dated April 14, 2019 by and among the Company, Everglades Merger Sub Inc. and Advanced Disposal Services, Inc., as such agreement may be amended or modified from time to time, and “Merger” means the merger contemplated by the Merger Agreement.

6. *Optional Redemption.*

Before the Par Call Date, the Securities will be redeemable and repayable, at the option of the Company, at any time in whole, or from time to time in part, at a Redemption Price (the “Make-Whole Price”) equal to the greater of: (i) 100% of the principal amount of the Securities to be redeemed; or (ii) the sum, as calculated by the Company, of the present values of the remaining scheduled payments of principal and interest on the Securities that would be due if such Securities matured on the Par Call Date (exclusive of interest accrued to the Redemption Date) discounted to the Redemption Date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the applicable Treasury Yield plus 20 basis points; plus, in either case, accrued interest to the Redemption Date.

On or after the Par Call Date, the Securities will be redeemable and repayable, at the option of the Company, at any time in whole, or from time to time in part, at a Redemption Price equal to 100% of the principal amount of the Securities to be redeemed plus accrued interest on the Securities to be redeemed to the Redemption Date.

Securities called for redemption become due on the Redemption Date. Notices of redemption will be mailed at least 10 but not more than 60 days before the Redemption Date to each holder of record of the Securities to be redeemed at its registered address. The notice of redemption for the Securities will state, among other things, the amount of Securities to be redeemed, the Redemption Date, the Redemption Price or, if not ascertainable, the manner of determining the Make-Whole Price and the place(s) that payment will be made upon presentation and surrender of Securities to be redeemed. Unless the Company defaults in payment of the Make-Whole Price, interest will cease to accrue on any Securities that have been called for redemption at the Redemption Date. If less than all the Securities are redeemed at any time, the Trustee will select the Securities to be redeemed on a pro rata basis or by any other method the Trustee deems fair and appropriate (or with respect to Securities in global form, by such method as the Depository may require).

For purposes of determining the Make-Whole Price, the following definitions are applicable:

“Treasury Yield” means, with respect to any Redemption Date applicable to the Securities, the rate per annum equal to the semi-annual equivalent yield to maturity (computed as of the third Business Day immediately preceding such Redemption Date) of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the applicable Comparable Treasury Price for such Redemption Date.

“Comparable Treasury Issue” means the United States Treasury security selected by an Independent Investment Banker as having a maturity comparable to the remaining term of the Securities, calculated as if the maturity date of such Securities were the Par Call Date (the “Remaining Life”), that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the Remaining Life of the Securities.

“Independent Investment Banker” means one of the Reference Treasury Dealers appointed by us to act as the Independent Investment Banker from time to time.

“Comparable Treasury Price” means, with respect to any Redemption Date, (i) the average of the Reference Treasury Dealer Quotations for the Redemption Date, after excluding the highest and lowest of all Reference Treasury Dealer Quotations obtained, or (ii) if the Independent Investment Banker obtains fewer than four such Reference Treasury Dealer Quotations, the average of all Reference Treasury Dealer Quotations.

“Par Call Date” means March 15, 2029.

“Reference Treasury Dealer” means (i) each of Credit Suisse Securities (USA) LLC, Deutsche Bank Securities Inc., Goldman Sachs & Co. LLC, J.P. Morgan Securities LLC and Mizuho Securities USA LLC (and their respective successors), unless any of them ceases to be a primary U.S. government securities dealer in New York City (a “Primary Treasury Dealer”), in which case the Company will substitute therefor another Primary Treasury Dealer, and (ii) any other Primary Treasury Dealer selected by the Company.

“Reference Treasury Dealer Quotations” means, with respect to each Reference Treasury Dealer and any Redemption Date for the Securities, an average, as determined by the Independent Investment Banker, of the bid and asked prices for the Comparable Treasury Issue for the Securities (expressed in each case as a percentage of its principal amount) quoted in writing to the Independent Investment Banker by such Reference Treasury Dealer at 5:00 p.m., New York City time, on the third Business Day preceding such Redemption Date.

Except as set forth in Section 5 and in this Section 6, the Securities will not be redeemable prior to their Stated Maturity and will not be entitled to the benefit of any sinking fund.

The Securities may be redeemed in part in a minimum principal amount of \$2,000, or any integral multiple of \$1,000 in excess thereof.

Any such redemption will also comply with Article Eleven of the Indenture.

7. *Change of Control Offer.*

If a Change of Control Triggering Event occurs, unless the Company has exercised its option to redeem the Securities as described in Section 6, or a Special Mandatory Redemption Event has occurred prior to such date as described in Section 5, the Company shall make an offer (a “Change of Control Offer”) to each Holder of the Securities to repurchase all or any part (equal to \$2,000 or an integral multiple of \$1,000 in excess thereof) of that Holder’s Securities on the terms set forth herein. In a Change of Control Offer, the Company shall offer payment in cash equal to 101% of the aggregate principal amount of Securities repurchased (a “Change of Control Payment”), plus accrued and unpaid interest, if any, on the Securities repurchased to the date of repurchase, subject to the right of holders of record on the applicable record date to receive interest due on the next Interest Payment Date.

Within 30 days following any Change of Control Triggering Event or, at the Company’s option, prior to any Change of Control, but after public announcement of the transaction that constitutes or may constitute the Change of Control, the Company shall mail a notice to Holders of the Securities describing the transaction that constitutes or may constitute the Change of Control Triggering Event and offering to repurchase such Securities on the date specified in the applicable notice, which date shall be no earlier than 30 days and no later than 60 days from the date such notice is mailed (a “Change of Control Payment Date”). The notice may, if mailed prior to the date of consummation of the Change of Control, state that the Change of Control Offer is conditioned on the Change of Control Triggering Event occurring on or prior to the applicable Change of Control Payment Date.

Upon the Change of Control Payment Date, the Company shall, to the extent lawful:

- accept for payment all Securities or portions of Securities properly tendered and not withdrawn pursuant to the Change of Control Offer;
- deposit with the Paying Agent an amount equal to the Change of Control Payment in respect of all Securities or portions of Securities properly tendered; and
- deliver or cause to be delivered to the Trustee the Securities properly accepted together with an Officers' Certificate stating the aggregate principal amount of Securities or portions of Securities being repurchased.

The Company need not make a Change of Control Offer upon the occurrence of a Change of Control Triggering Event if a third party makes such an offer in the manner, at the times and otherwise in compliance with the requirements for an offer made by the Company and the third party repurchases all Securities properly tendered and not withdrawn under its offer. In addition, the Company shall not repurchase any Securities if there has occurred and is continuing on the Change of Control Payment Date an Event of Default under the Indenture, other than a default in the payment of the Change of Control Payment upon a Change of Control Triggering Event.

The Company will comply with the applicable requirements of Rule 14e-1 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and any other securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with the repurchase of the Securities as a result of a Change of Control Triggering Event. To the extent that the provisions of any securities laws or regulations conflict with the Change of Control Offer provisions of this Security, the Company will comply with those securities laws and regulations and will not be deemed to have breached its obligations under the Change of Control Offer provisions of this Security by virtue of any such conflict.

For purposes of the Change of Control Offer provisions of the Securities, the following terms are applicable:

"Change of Control" means the occurrence of any of the following: (1) the direct or indirect sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or more series of related transactions, of all or substantially all of the Company's assets and the assets of its Subsidiaries, taken as a whole, to any person, other than the Company or one of its Subsidiaries; (2) the consummation of any transaction (including, without limitation, any merger or consolidation) the result of which is that any person becomes the beneficial owner (as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of more than 50% of the outstanding Voting Stock of the Company or other Voting Stock into which the Company's Voting Stock is reclassified, consolidated, exchanged or changed, measured by voting power rather than number of shares; (3) the Company consolidates with, or merges with or into, any person, or any person consolidates with, or merges with or into, the Company, in any such event pursuant to a transaction in which any of the outstanding Voting Stock of the Company or the Voting Stock of such other person is converted into or exchanged for cash, securities or other property, other than any such transaction where the shares of the Voting Stock of the Company outstanding immediately prior to such transaction constitute, or are converted into or exchanged for, a majority of the Voting Stock of the surviving person or any direct or indirect parent company of the surviving person, measured by voting power rather than number of shares, immediately after giving effect to such transaction; or (4) the adoption of a plan relating to the liquidation or dissolution of the Company.

Notwithstanding the preceding, a transaction will not be deemed to involve a Change of Control under clause (2) above if (i) the Company becomes a direct or indirect wholly-owned subsidiary of a holding company and (ii)(A) the direct or indirect holders of the Voting Stock of such holding company immediately following that transaction are substantially the same as the holders of Voting Stock of the Company immediately prior to that transaction or (B) immediately following that transaction no person (other than a holding company satisfying the requirements of this sentence) is the beneficial owner, directly or indirectly, of more than 50% of the Voting Stock of such holding company. The term "person," as used in this definition, has the meaning given thereto in Section 13(d)(3) of the Exchange Act.

"Change of Control Triggering Event" means the occurrence of both a Change of Control and a Rating Event.

"Fitch" means Fitch Inc. and its successors.

"Investment Grade Rating" means a rating equal to or higher than BBB- (or the equivalent) by Fitch, Baa3 (or the equivalent) by Moody's and BBB- (or the equivalent) by S&P, and the equivalent investment grade credit rating from any replacement Rating Agency or Rating Agencies selected by the Company.

"Moody's" means Moody's Investors Service, Inc. and its successors.

“Rating Agencies” means (1) each of Fitch, Moody’s and S&P and (2) if any of Fitch, Moody’s or S&P ceases to rate the Securities or fails to make a rating of the Securities publicly available for reasons outside of the Company’s control, a “nationally recognized statistical rating organization” within the meaning of Section 3(a)(62) of the Exchange Act selected by the Company (as certified by a resolution of our Board of Directors) as a replacement agency for Fitch, Moody’s or S&P, or all of them, as the case may be.

“Rating Event” means the rating on the Securities is lowered by at least two of the three Rating Agencies and the Securities are rated below an Investment Grade Rating by at least two of the three Rating Agencies, in any case on any day during the period (which period will be extended so long as the rating of the Securities is under publicly announced consideration for a possible downgrade by any of the rating agencies) commencing 60 days prior to the first public notice of the occurrence of a Change of Control or the Company’s intention to effect a Change of Control and ending 60 days following consummation of such Change of Control.

“S&P” means S&P Global Ratings, a division of S&P Global Inc., and its successors.

“Voting Stock” means, with respect to any specified “person” (as that term is used in Section 13(d)(3) of the Exchange Act) as of any date, the capital stock of such person that is at the time entitled to vote generally in the election of the board of directors of such person.

8. *Denominations; Transfer; Exchange.*

The Securities are issued in registered form, without coupons, in a minimum denomination of \$2,000 and integral multiples of \$1,000 in excess thereof. A Holder may register the transfer of, or exchange, Securities in accordance with the Indenture. The Securities Registrar may require a Holder, among other things, to furnish appropriate endorsements and transfer documents and to pay any taxes and fees required by law or permitted by the Indenture.

9. *Person Deemed Owners.*

The registered Holder of a Security may be treated as the owner of it for all purposes.

10. *Amendment; Supplement; Waiver.*

Subject to certain exceptions, the Indenture may be amended or supplemented, and any existing Event of Default or compliance with any provision may be waived, with the consent of the Holders of a majority in principal amount of the Outstanding Debt Securities of each series affected. Without consent of any Holder, the parties thereto may amend or supplement the Indenture or the Securities to, among other things, cure any ambiguity, defect or inconsistency, or make any other change that does not adversely affect the interests of any Holder of a Security in any material respect. Any such consent or waiver by the Holder of this Security (unless revoked as provided in the Indenture) shall be conclusive and binding upon such Holder and upon all future Holders and owners of this Security and any Securities which may be issued in exchange or substitution herefor, irrespective of whether or not any notation thereof is made upon this Security or such other Securities.

11. *Defaults and Remedies.*

If an Event of Default with respect to the Securities occurs and is continuing, then in every such case the Trustee or the Holders of not less than 25% in principal amount of the Securities then Outstanding may declare the principal amount of all the Securities to be due and payable immediately in the manner and with the effect provided in the Indenture. Notwithstanding the preceding sentence, however, if at any time after such a declaration of acceleration has been made and before judgment or decree for payment of the money due has been obtained by the Trustee as provided in the Indenture, the Holders of a majority in principal amount of the Outstanding Securities, by written notice to the Company and to the Trustee, may rescind and annul such declaration and its consequences if (1) the Company has paid or deposited with the Trustee a sum sufficient to pay (A) all overdue interest on all Securities, (B) the principal of (and premium, if any, on) any Securities which has become due otherwise than by such declaration of acceleration and any interest thereon at the rate prescribed therefor herein, (C) to the extent that payment of such interest is lawful, interest upon overdue interest at the rate prescribed therefor herein, and (D) all sums paid or advanced by the Trustee and the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel and (2) all Events of Default under the Indenture with respect to the Securities, other than the nonpayment of the principal of Securities which has become due solely by such declaration acceleration, shall have been cured or shall have been waived. No such rescission shall affect any subsequent Event of Default or shall impair any right consequent thereon. Holders of Securities may not enforce the Indenture or the Securities except as provided in the Indenture. The Trustee may require indemnity satisfactory to it before it enforces the Indenture or the Securities. Subject to certain limitations, Holders of a majority in aggregate principal amount of the Securities then outstanding may direct the Trustee in its exercise of any trust or power.

12. *Trustee Dealings with Company.*

The Trustee under the Indenture, in its individual or any other capacity, may make loans to, accept deposits from, and perform services for the Company and its Affiliates and any subsidiary of the Company's Affiliates, and may otherwise deal with the Company and its Affiliates as if it were not the Trustee.

13. *Authentication.*

This Security shall not be valid until the Trustee or authenticating agent signs the certificate of authentication on the other side of this Security.

14. *Abbreviations and Defined Terms.*

Customary abbreviations may be used in the name of a Holder of a Security or an assignee, such as: TEN COM (tenant in common), TEN ENT (tenants by the entireties), JT TEN (joint tenants with right of survivorship and not as tenants in common), CUST (Custodian), and U/G/M/A (Uniform Gifts to Minors Act).

15. *CUSIP Numbers.*

Pursuant to a recommendation promulgated by the Committee on Uniform Note Identification Procedures, the Company has caused CUSIP numbers to be printed on the Securities as a convenience to the Holders of the Securities. No representation is made as to the accuracy of such number as printed on the Securities and reliance may be placed only on the other identification numbers printed hereon.

16. *Absolute Obligation.*

No reference herein to the Indenture and no provision of this Security or the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of, premium, if any, and interest on this Security in the manner, at the respective times, at the rate and in the coin or currency herein prescribed.

17. *No Recourse.*

No recourse under or upon any obligation, covenant or agreement contained in the Indenture or in any Security, or because of any indebtedness evidenced thereby, shall be had against any incorporator, past, present or future stockholder, officer or director, as such of the Company or of any successor, either directly or through the Company or of any successor, either directly or through the Company or any successor, under any rule of law, statute or constitutional provision or by the enforcement of any assessment or by any legal or equitable proceeding or otherwise, all such liability being expressly waived and released by the acceptance of the Security by the Holder and as part of the consideration for the issue of the Security.

18. *Governing Law.*

This Security shall be construed in accordance with and governed by the laws of the State of New York.

19. *Guarantee.*

The Securities will be fully and unconditionally guaranteed on a senior basis by the Company's wholly owned subsidiary, Waste Management Holdings, Inc., pursuant to the terms and conditions of a Guarantee, dated as of May 22, 2019 (the "Guarantee"). The amount of the Guarantee will be limited to the extent required under applicable fraudulent conveyance laws to cause the Guarantee to be enforceable. The terms and conditions of the Guarantee shall continue in full force and effect for the benefit of holders of the Securities until release thereof as set forth in Section 6 of the Guarantee.

20. *Satisfaction and Discharge.*

The Securities will be subject to Section 401 of the Indenture; provided, however, that solely with respect to the Securities, the following sentence shall be added to the end of Section 401(1)(B) of the Indenture: "(provided that, upon any redemption that requires the payment of any make-whole or other premium, (x) the amount of cash that must be deposited shall be determined using an assumed applicable premium calculated as of the date of such deposit and (y) the Company shall deposit any deficit in trust on or prior to the Redemption Date as necessary to pay the applicable premium as determined by such date)".

SCHEDULE OF EXCHANGES OF DEFINITIVE SECURITY

The following exchanges of a part of this Book-Entry Security for definitive Securities have been made:

Date of Exchange	Amount of decrease in Principal Amount of this Book-Entry Security	Amount of increase in Principal Amount of this Book-Entry Security	Principal Amount of this Book-Entry Security following such decrease (or increase)	Signature of authorized officer of Trustee or Security Custodian

Annex B
Resolutions of the Board of Directors
of Waste Management, Inc.

WHEREAS, there has been considered by the Board a draft of an Agreement and Plan of Merger, a summary of the principal terms of which has been previously provided to the Board, (the "Merger Agreement") by and among the Company, Everglades Merger Sub Inc., a Delaware corporation and wholly-owned indirect subsidiary of the Company ("Merger Sub") and Advanced Disposal Services, Inc., a Delaware corporation ("Advanced"), whereby, among other things, subject to the terms and conditions contained in, and as more fully described in, the Merger Agreement, Merger Sub will merge with and into Advanced (the "Merger"), with Advanced surviving the Merger as a wholly-owned indirect subsidiary of the Company (capitalized terms used but not defined herein shall have the meaning given such terms in the Merger Agreement);

[Provisions Unrelated to the Senior Notes Offering Have Been Withheld]

WHEREAS, the Board resolved in August 2018 to authorize the Company to prepare and file a new registration statement with the Securities and Exchange Commission (the "SEC") and to offer in one or more offerings an aggregate of \$3,000,000,000 of securities without further action by the Board (the "August 2018 Authorization");

WHEREAS, the Board desires to amend and restate the August 2018 Authorization to, among other things, provide for additional offerings of securities to finance the Merger Consideration;

WHEREAS, the Board desires to provide for potential offerings of debt securities denominated in Canadian dollars by the Company and/or its subsidiaries;

WHEREAS, the Company is party to that certain indenture, dated as of September 10, 1997 (as amended, restated or otherwise modified from time to time, the "Company Existing Indenture"), by and among the Company, The Bank of New York Mellon Trust Company, N.A., as successor trustee to Texas Commerce Bank National Association, and pursuant to the Company Existing Indenture, has issued, among other securities: (i) the Company's 7.00% Senior Notes due 2028 (the "2028 Notes"), (ii) the Company's 7.375% Senior Notes due 2029 (the "2029 Notes"), (iii) the Company's 7.75% Senior Notes due 2032 (the "2032 Notes"), and (iv) the Company's 6.125% Senior Notes due 2039 (the "2039 Notes");

WHEREAS Waste Management Holdings, Inc., a wholly-owned subsidiary of the Company ("WMHI"), is a party to that certain indenture, dated as of June 1, 1993, by and among WMHI, and The Fuji Bank and Trust Company, as trustee (as amended, restated or otherwise modified from time to time, the "WMHI Existing Indenture"), and has issued, pursuant to the WMHI Existing Indenture, its 7.10% Senior Notes due 2026 (the "2026 Notes," and together with the 2028 Notes, the 2029 Notes, the 2032 Notes and the 2039 Notes, the "Specified Existing Notes"); and

WHEREAS the Board desires to provide for the eventual redemption and/or refinancing of the Specified Existing Notes and deems it advisable to approve the Company's pursuit of tender offers and/or redemption transactions with respect to the Specified Existing Notes.

[Provisions Unrelated to the Senior Notes Offering Have Been Withheld]

3. Registration Statement; Securities Offerings.

NOW, THEREFORE, BE IT RESOLVED, that the Company is hereby authorized to prepare and file with the SEC a shelf registration statement on Form S-3 (the "New Registration Statement"), pursuant to the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder (the "Securities Act"), which New Registration Statement is anticipated to be filed with the SEC after the Company's earnings announcement for the three months ended March 31, 2019 and may provide for the registration of, among other things, unsecured senior or subordinated debentures, notes or other evidences of indebtedness of the Company (collectively "Registered Debt Securities"); common stock of the Company, par value \$0.01 ("Company Common Stock"); warrants to purchase shares of Company Common Stock; shares of preferred stock in such series with such designations, powers, preferences and relative and other special rights and qualifications, limitations and restrictions as the Board of Directors may from time to time authorize; guarantees of securities by WMHI; and any units consisting of one or more of the foregoing (the Registered Debt Securities, Company Common Stock, warrants, preferred stock, guarantees and units eligible to be sold pursuant to the New Registration Statement are collectively referred to herein as the "Registered Securities"), to be issued from time to time;

RESOLVED FURTHER, that each of the Authorized Officers be, and they hereby are, authorized, in their sole and absolute discretion, subject to any limitations set forth in these resolutions, to cause the Company to issue, offer and sell an aggregate of up to \$6,000,000,000 of Securities (as defined below) without further approval of the Board of Directors pursuant to the New Registration Statement or a Canadian Offering (as defined below), as applicable;

RESOLVED FURTHER, that authority to make new issuances of Registered Securities pursuant to the August 2018 Authorization shall be deemed rescinded and superseded hereby;

RESOLVED FURTHER, that the Authorized Officers and authorized employees (as established pursuant to these resolutions) be, and each of them hereby is, authorized, in the name and on behalf of the Company, to execute and cause to be filed with the SEC any and all amendments (including, without limitation, post-effective amendments) or supplements to the New Registration Statement and any prospectus included therein and any additional documents which such officer or employee may deem necessary or desirable with respect to the registration and offering of the Registered Securities, and such amendments, supplements, registration statements and documents to be in such form as the officer or employee executing the same may approve, as conclusively evidenced by his execution thereof;

RESOLVED FURTHER, that the Chief Legal Officer of the Company be, and he hereby is, designated and appointed the agent for service of process on the Company under the Securities Act in connection with the New Registration Statement and any and all amendments and supplements thereto, with all powers incident to such appointment;

RESOLVED FURTHER, that any of the Authorized Officers be, and each of them hereby is, authorized, at any time and from time to time, on behalf of the Company, (i) to determine, subject to the limits that shall be set by the Board, the number of shares of Company Common Stock, preferred stock or other equity securities to be offered and sold by the Company pursuant to the New Registration Statement, including any shares underlying warrants or convertible Debt Securities, (ii) to authorize the reserve and issuance of such shares and (iii) to take any and all action and to do or cause to be done any and all things which may appear to any of the Authorized Officers to be necessary or advisable in order to authorize, offer, issue, and sell such shares of Company Common Stock, pursuant to the New Registration Statement and the applicable purchase agreement, which action could be taken or which things could be done by the Board;

RESOLVED FURTHER, that the Company is authorized to offer, issue and sell, or cause any subsidiary of the Company to offer, issue and sell, debt securities denominated in Canadian dollars (the "Canadian Notes," together with any Canadian Notes Guarantees (as defined below) the "Canadian Securities," and together with the Registered Securities, the "Securities") in transactions exempt from registration under the Securities Act, on terms and conditions to be determined by the Authorized Officers from time to time (the "Canadian Offering");

RESOLVED FURTHER, that the Authorized Officers, and each of them, shall have full authority to authorize and approve the terms of the Canadian Offering (including, without limitation, the aggregate amount to be sold, the initial offering price, the prices at which such Canadian Securities will be sold to the applicable Initial Purchasers (as defined below) and such other terms as may be necessary) and the final terms of the purchase agreement relating to the Canadian Offering (the "Purchase Agreement"), any guarantors of such Canadian Notes (collectively, the "Canadian Notes Guarantors") and the initial purchasers in connection with the Canadian Offering (the "Initial Purchasers") and such other matters as the Authorized Officers, or any of them, shall determine to be necessary or advisable in connection with the issuance of the Canadian Securities and to carry out the purposes and intent of the foregoing resolutions;

RESOLVED FURTHER, that the Company is authorized to cause the Canadian Notes to be guaranteed on a senior secured basis (the "Canadian Notes Guarantees") by the Canadian Notes Guarantors if advisable in the judgment of any of the Authorized Officers;

RESOLVED FURTHER, that the preparation and use of a preliminary offering memorandum relating to the Canadian Offering (the "Preliminary Offering Memorandum") is hereby ratified, confirmed, authorized and approved, and that the Authorized Officers or any of them acting together or individually, and those other employees of the Company as any of them shall designate, are hereby authorized and directed in the name and on behalf of the Company to prepare a pricing supplement (the "Pricing Supplement") in connection with the Canadian Offering, and the final offering memorandum (the "Final Offering Memorandum") relating to the Canadian Offering, and any supplements or amendments thereto as any of the Authorized Officers deems necessary or appropriate in connection with the Canadian Offering, such approval to be conclusively evidenced by the distribution of such supplement or amendment by or on behalf of the Company to the Initial Purchasers;

RESOLVED FURTHER, that the Authorized Officers and authorized employees be and hereby are authorized and directed in the name and on behalf of the Company to take any and all action which they may deem necessary or advisable in order to effect the registration or qualification of all or part of the Registered Securities to be registered under the Securities Act, and any and all action for the Securities to be eligible for offer and sale under the securities or Blue Sky laws of the states of the United States of America or similar laws and regulations of other jurisdictions, including Canada, and in connection therewith, to execute, acknowledge, verify, deliver, file and publish all such applications, reports, issuer's covenants, resolutions, consents to service of process, or appointments of governmental officials for the purpose of receiving and accepting service of process on the laws, and to take any and all further action which they may deem necessary or advisable in order to maintain any such registration or qualification for as long as they deem the same to be in the best interest of the Company;

RESOLVED FURTHER, that the form of any additional resolutions required in connection with the appropriate qualification or registration of the Securities for offer and sale under such securities or Blue Sky laws, be and hereby is approved and adopted, provided the appropriate officers of the Company, on the advice of counsel, consider the adoption thereof necessary or advisable, in which case the Secretary or any Assistant Secretary of the Company is hereby directed to insert as an appendix hereto a copy of such resolutions, which shall thereupon be deemed to have been adopted by this Board of Directors with the same force and effect as if set out verbatim herein;

RESOLVED FURTHER, that any of the Authorized Officers or authorized employees be, and each of them hereby is, authorized to approve at any time and from time to time, the engagement of one or more investment banks to provide services in connection with any offering of Securities, one or more forms of underwriting or purchase agreement (and any related terms agreement) and agency agreement (and related purchase agreement) and any other agreement or agreements any of such persons may deem necessary or appropriate in connection with the arrangements for the purchase of any of the Securities, and that such persons be, and each of them hereby is, authorized to execute and deliver, in the name and on behalf of the Company, any such agreement or agreements in substantially the form approved by any of them, with such changes therein as the person executing the same may approve, as conclusively evidenced by the execution and delivery thereof, it being understood that, in the case of any terms agreement or purchase agreement referred to above, it shall not be necessary for any of the Authorized Officers to approve any individual agreement pursuant to which Securities are to be sold if the form thereof has previously been approved as provided in this resolution;

RESOLVED FURTHER, that any of the Authorized Officers may, at any time and from time to time, on behalf of the Company, authorize the issuance of one or more series of Securities under one or more indentures, within any limits that may be set by the Board, and in connection therewith establish, or, if all of the Securities of such series may not be originally issued at one time, to the extent deemed appropriate, prescribe the manner of determining, within any limitations established by any of the Authorized Officers and subject in either case to the limitations set forth in these resolutions, all of the terms of such Securities;

RESOLVED FURTHER, that, in connection with any such series of Securities (but without limiting the authority hereinafter in these resolutions conferred with respect to the issuance of Securities of a series which may not all be originally issued at one time), any of the Authorized Officers is authorized at any time or from time to time to determine the price or prices to be received by the Company in any offering or sale of Securities of such series, any public offering price or prices thereof, any discounts to be allowed or commissions to be paid to any agent, dealer, initial purchaser or underwriter and any other terms of offering or sale of Securities of such series and to sell Securities of such series in accordance with any applicable purchase agreement or other agreement(s);

RESOLVED FURTHER, that, in connection with the issuance of any Securities of any series which may not be originally issued at one time (except as may be inconsistent with any action taken by any of the Authorized Officers, as herein provided, in connection with such series), and of the Authorized Officers may delegate any of its authority pursuant to these resolutions to any officer of the Company;

RESOLVED FURTHER, that, in connection with the issuance and sale of any Securities, that the Company may use the proceeds therefrom: (1) to fund the transactions contemplated by the Merger Agreement (including the redemption of outstanding indebtedness of Advanced) (2) to repay or refinance existing indebtedness of the Company or (3) for general corporate purposes as determined by the Authorized Officers, or any of them;

RESOLVED FURTHER, that, in connection with any such series of Securities, any of the Authorized Officers is authorized to approve any amendment, modification or supplement to the Company's indentures and that any Authorized Officer be, and each of them hereby is, authorized to execute and deliver, in the name and on behalf of the Company, any such amendment, modification or supplement, substantially in the form approved by any Authorized Officer;

RESOLVED FURTHER, that the Company is authorized to (i) provide for the redemption or refinancing, in whole or in part, of the outstanding debt of Advanced in connection with the Merger, which may include one or more tender offers, consent solicitations or notices of redemption, as well as the payment of the applicable redemption prices (including premiums), plus accrued and unpaid interest, if any, to the date of redemption or purchase, as applicable, and (ii) provide for the redemption or refinancing, in whole or in part, of the Specified Existing Notes, which may include one or more tender offers, consent solicitations or notices of redemption, as well as the payment of the applicable redemption prices (including premiums), plus accrued and unpaid interest, if any, to the date of redemption or repurchase, as applicable (the actions in immediately preceding clauses (i) and (ii) being referred to as “Liability Management Transactions”), and the Authorized Officers and authorized employees be, and each of them hereby is, authorized in the name and on behalf of the Company, to prepare and execute such documents and agreements as may be necessary to effectuate such actions;

RESOLVED FURTHER, that the Authorized Officers be, and they hereby are, authorized, in their sole and absolute discretion, subject to any limitations set forth in these resolutions, to determine any and all terms and conditions of the Liability Management Transactions as the Authorized Officers may deem necessary, advisable or appropriate;

RESOLVED FURTHER, that the Authorized Officers be, and they hereby are, authorized, in their sole and absolute discretion, subject to any limitations set forth in these resolutions, to cause the Company to consummate the Liability Management Transactions without further approval of the Board and to prepare and transmit one or more notices of redemption, offers to purchase and/or consent solicitation statements and any and all other documents in connection with the Liability Management Transactions to be transmitted to holders of the applicable securities;

RESOLVED FURTHER, that the Authorized Officers and authorized employees be, and each of them hereby is, authorized, in the name and on behalf of the Company, to execute and deliver such other agreements (including indemnity agreements), documents, certificates, orders, requests and instruments as may be contemplated by the Company’s indentures or required by the trustee thereunder, the security registrar or any other agent of the Company under such indentures in connection therewith or as may be necessary or appropriate in connection with the issuance and sale of Securities thereunder;

RESOLVED FURTHER, that the Authorized Officers be, and each of them hereby is, authorized, subject to and in accordance with the Company’s indentures and any action taken by any of the Authorized Officers in connection therewith, from time to time to appoint or designate on behalf of the Company one or more trustees, security registrars, paying agents and transfer agents for each series of Securities, to rescind on behalf of the Company any such appointment or designation and to approve on behalf of the Company any change in the location of any office through which any such trustee, security registrar, paying agent or transfer agent acts, and in connection therewith to take such action and to make, execute and deliver, or cause to be made, executed and delivered, such agreements, instruments and other documents as any such officer may deem necessary or appropriate;

RESOLVED FURTHER, that the Authorized Officers and authorized employees be, and each of them hereby is, authorized, in the name and on behalf of the Company, to make application to such securities exchange or exchanges as the persons acting shall deem necessary or appropriate for the listing thereof of any of the Securities (including any Company Common Stock or preferred stock underlying any convertible Securities) and in connection therewith to appoint one or more listing agents and to prepare, or cause to be prepared, execute and file, or cause to be filed, an application or applications for such listing and any and all amendments thereto and any additional certificates, documents, letters and other instruments which any such officer or employee may deem necessary or desirable; that such officers or employees, or such other person as any such officer or employee may designate in writing, be, and each of them hereby is, authorized to appear before any official or officials or before any body of any such exchange, with authority to make such changes in such application, amendments, certificates, documents, letters and other instruments and to execute and deliver such agreements relative thereto, including, without limitation, listing agreements, fee agreements and indemnity agreements relating to the use of facsimile signatures as they, or any one of them, may deem necessary or appropriate in order to comply with the requirements of any such exchange or to effect such listing;

RESOLVED FURTHER, that the Authorized Officers and authorized employees be, and each of them hereby is, authorized, in the name and on behalf of the Company, to make application to the SEC for registration of any series of the Registered Securities under Section 12 or other applicable section of the Securities Exchange Act of 1934, and the Authorized Officers and authorized employees are hereby authorized to prepare or cause to be prepared, and to execute and file, or cause to be filed, with the SEC and any securities exchange an application or applications for such registration and any and all amendments thereto and any additional certificates, documents, letters and other instruments which any such officer or employee may deem necessary or desirable; and

RESOLVED FURTHER, that for purposes the resolutions in this Section 3, the term “Authorized Officers” shall be deemed to include, in addition to those officers identified above, the Chief Accounting Officer and the Treasurer of the Company and the term “authorized employees” shall mean either or both of the Vice President and General Counsel—Transactions and the Vice President and General Counsel—Securities & Governance of the Company.

[Provisions Unrelated to the Senior Notes Offering Have Been Withheld]

7. Additional Actions.

NOW, THEREFORE, BE IT RESOLVED, that the Authorized Officers be, and each of them with full power to act without the others hereby is, authorized and empowered, in accordance with the foregoing resolutions, in the name and on behalf of the Company, to prepare, execute and deliver any and all agreements, amendments, certificates, reports, applications, notices, instruments, schedules, statements, consents, letters or other documents with respect to the matters contemplated by the foregoing resolutions, to certify as having been adopted by the Board any form of resolution required by any law, regulation or agency necessary or appropriate to effectuate the purpose and intent of these resolutions or any of them, to make any filings pursuant to federal, state and foreign laws, to pay all charges fees, taxes and other expenses and to do or cause to be done any and all such other acts and things as, in the opinion of any such Authorized Officer, may be necessary, appropriate or desirable in order to comply with the applicable laws and regulations of any jurisdiction (domestic or foreign), to issue press releases and engage in other communications, or otherwise in order to enable the Company to fully and promptly carry out the purposes and intent of the foregoing resolutions and to permit the matters contemplated thereby to be lawfully consummated;

RESOLVED FURTHER, that the Authorized Officers be, and each of them with full power to act without the others hereby is, authorized and empowered to retain, in the name and on behalf of the Company, such financial advisors, legal counsel and such other advisors, consultants or experts necessary or appropriate to carry out the actions contemplated in these resolutions, and to secure any appropriate advice and opinions from such advisors, consultants or experts, and to pay all fees and expenses incurred by the Company in connection with the transactions contemplated by the Merger Agreement and any actions or matters necessary or appropriate to give effect to the foregoing, including, but not limited to, all fees and expenses necessary or appropriate to effectuate the purpose and intent of the foregoing resolutions or any of them and the Merger Agreement and the transactions contemplated thereby and such other agreements and documents as may be executed by any Authorized Officer pursuant to authorization granted in these resolutions or to carry out the transactions contemplated thereby;

RESOLVED FURTHER, that each Authorized Officer may authorize any other officer, employee or agent of, or counsel to, the Company or any of its subsidiaries to take any and all actions and to execute and deliver any and all certificates, documents, agreements and instruments referred to in these resolutions in place of or on behalf of such Authorized Officer, with full power as if such Authorized Officer were taking such action himself or herself;

RESOLVED FURTHER, that the officers of the Company be, and each of them hereby is, authorized to take, or cause to be taken, any and all action which any such officer may deem necessary or desirable in order to carry out the purpose and intent of the foregoing resolutions or in order to perform, or cause to be performed, the obligations of the Company under the Securities, the New Registration Statement and any indenture, purchase agreement, or other agreement referred to herein, and, in connection therewith, to make, execute and deliver, or cause to be made, executed and delivered, all agreements, undertakings, documents, certificates, orders, requests or instruments in the name and on behalf of the Company as each such officer may deem necessary or appropriate; and

RESOLVED FURTHER, that any or all actions heretofore or hereafter taken by any officer or officers of the Company or any of its subsidiaries to effectuate or evidence the purpose and intent of the foregoing resolutions be, and hereby are, approved, ratified and confirmed as the act and deed of the Company or such subsidiary.

WASTE MANAGEMENT, INC.
Officers' Certificate Delivered Pursuant to
Section 301 of the Indenture dated as of September 10, 1997

The undersigned, the Vice President and Treasurer, and the Vice President and Corporate Secretary of Waste Management, Inc. (the "Company"), hereby certify that:

1. This Certificate is delivered to The Bank of New York Mellon Trust Company, N.A. (the current successor to Texas Commerce Bank National Association), as trustee (the "Trustee"), pursuant to Sections 102 and 301 of the Indenture dated as of September 10, 1997 between the Company, formerly known as USA Waste Services, Inc., and the Trustee in connection with the Company Order dated May 22, 2019 (the "Order") for the authentication and delivery by the Trustee of \$500,000,000 aggregate principal amount of 4.000% Senior Notes due 2039 (the "Notes").
2. The undersigned have read Sections 102, 103, 301 and 303 of the Indenture and the definitions in the Indenture relating thereto.
3. The statements made herein are based either upon the personal knowledge of the persons making this Certificate or on information, data and reports furnished to such persons by the officers, counsel, department heads or employees of the Company who have knowledge of the facts involved.
4. The undersigned have examined the Order, and they have read the covenants, conditions and provisions of the Indenture relating thereto.
5. In the opinion of the persons making this Certificate, they have made such examination or investigation as is necessary to enable them to express an informed opinion as to whether or not all covenants and conditions provided for in the Indenture with respect to the Order have been complied with.
6. All covenants and conditions (including all conditions precedent) provided in the Indenture to the authentication and delivery by the Trustee of \$500,000,000 aggregate principal amount of the Notes have been complied with, and such Notes may be delivered in accordance with the Order as provided in the Indenture.
7. The terms of the Notes (including the Form of Note) as set forth in Annex A to this Officers' Certificate have been approved by officers of the Company as authorized by resolutions duly adopted on April 10, 2019 by the Board of Directors of the Company, copies of which are attached hereto as Annex B, are in full force and effect as of the date hereof.

[signature page follows]

IN WITNESS WHEREOF, the undersigned has hereunto executed this Officers' Certificate as of the date first written above.

/s/ David L. Reed

David L. Reed
Vice President and Treasurer

/s/ Courtney A. Tippy

Courtney A. Tippy
Vice President and Corporate Secretary

Annex A
Terms of the Notes

Pursuant to authority granted by the Board of Directors of the Company on April 10, 2019 and the Sole Director of Waste Management Holdings, Inc. on April 22, 2019 and May 8, 2019, the Company has approved the establishment, issuance, execution and delivery of a new series of Securities (as defined in the Indenture) to be issued under the Indenture dated as of September 10, 1997 (the "Indenture"), between the Company, formerly known as USA Waste Services, Inc., and The Bank of New York Mellon Trust Company, N.A. (the current successor to Texas Commerce Bank National Association), as trustee (the "Trustee"), the terms of which are set forth below. Capitalized terms used but not defined herein are used herein as defined in the Indenture.

- (1) The title of the series of Securities shall be "4.000% Senior Notes due 2039" (the "Notes").
 - (2) The Notes shall be general unsecured, senior obligations of the Company.
 - (3) The initial aggregate principal amount of the Notes that may be authenticated and delivered under the Indenture shall be \$500,000,000 (except for Notes authenticated and delivered upon registration of transfer of, or in exchange for, or in lieu of, other Notes pursuant to Section 304, 305, 306, 906 or 1107 of the Indenture); provided, however, that the authorized aggregate principal amount of such series may be increased before or after the issuance of any Notes of such series by a Board Resolution (or action pursuant to a Board Resolution) to such effect.
 - (4) The principal amount of each Note shall be payable on July 15, 2039.
 - (5) Each Note shall bear interest from May 22, 2019 at the fixed rate of 4.000% per annum; the Interest Payment Dates on which such interest shall be payable shall be January 15 and July 15, of each year, commencing January 15, 2020, until maturity unless such date falls on a day that is not a Business Day, in which case, such payment shall be made on the next day that is a Business Day. The Regular Record Date for the determination of Holders to whom interest is payable shall be January 1 or July 1, respectively, immediately preceding such date, as the case may be.
 - (6) If a "Change of Control Triggering Event" (as defined in the Notes) occurs, each Holder of the Notes may require the Company to purchase all or a portion of such Holder's Notes at a price equal to 101% of the principal amount, plus accrued interest, if any, to the date of purchase, on the terms and subject to the conditions set forth in the Notes.
 - (7) The Notes are to be issued as Registered Securities only. Each Note is to be issued as a book-entry note ("Book-Entry Note") but in certain circumstances may be represented by Notes in definitive form. The Book-Entry Notes shall be issued, in whole or in part, in the form of one or more Notes in global form as contemplated by Section 203 of the Indenture. The Depository with respect to the Book-Entry Notes shall be The Depository Trust Company, New York, New York.
 - (8) Payments of principal of, premium, if any, and interest due on the Notes representing Book-Entry Notes on any Interest Payment Date or at maturity will be made available to the Trustee by 11:00 a.m., New York City time, on such date, unless such date falls on a day which is not a Business Day, in which case such payments will be made available to the Trustee by 11:00 a.m., New York City time, on the next Business Day. As soon as possible thereafter, the Trustee will make such payments to the Depository.
 - (9) Before the Par Call Date, the Notes will be redeemable and repayable, at the option of the Company, at any time in whole, or from time to time in part, at a Redemption Price equal to the greater of (i) 100% of the principal amount of the Notes to be redeemed or (ii) the sum, as calculated by the Company, of the present values of the remaining scheduled payments of principal and interest thereon that would be due if the Notes matured on the Par Call Date (exclusive of interest accrued to the Redemption Date (as defined in the Notes) discounted to the Redemption Date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the applicable Treasury Yield (as defined in the Notes) plus 20 basis points; plus, in either case, accrued interest to the Redemption Date. On or after the Par Call Date, the Notes will be redeemable and repayable, at the option of the Company, at any time in whole, or from time to time in part, at a Redemption Price equal to 100% of the principal amount of the Notes to be redeemed plus accrued interest on the Notes to be redeemed to the Redemption Date. "Par Call Date" means January 15, 2039.
 - (10) The Company shall have no obligation to redeem, purchase or repay the Notes pursuant to any mandatory redemption (other than with respect to a Special Mandatory Redemption Event), sinking fund or analogous provisions or at the option of a Holder thereof.
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- (11) The Notes will be subject to defeasance and discharge as contemplated by Section 1302 of the Indenture and to covenant defeasance under Section 1303 of the Indenture.
 - (12) The Notes shall be entitled to the benefit of the covenants contained in Sections 1008 and 1009 of the Indenture.
 - (13) The Bank of New York Mellon Trust Company, N.A. shall serve initially as Security Registrar for the Notes.
 - (14) The Notes shall be substantially in the form of Exhibit A hereto.
 - (15) The Notes will be fully and unconditionally guaranteed on a senior basis by the Company's wholly owned subsidiary, Waste Management Holdings, Inc., pursuant to the terms and conditions of a Guarantee Agreement dated May 22, 2019 (the "Guarantee"). The amount of the Guarantee will be limited to the extent required under applicable fraudulent conveyance laws to cause the Guarantee to be enforceable. The terms and conditions of the Guarantee shall continue in full force and effect for the benefit of holders of the Notes until release thereof as set forth in Section 6 of the Guarantee.
 - (16) If the Company does not consummate the Merger on or prior to July 14, 2020, or if, on or prior to such date, the Merger Agreement is terminated for any reason (each, a "Special Mandatory Redemption Event"), then, in either case, the Company shall redeem all of the Outstanding Notes at a Redemption Price equal to 101% of the aggregate principal amount thereof, plus accrued and unpaid interest to, but excluding, the Redemption Date, on the terms and subject to the conditions set forth in the Notes. "Merger Agreement" means the Agreement and Plan of Merger dated April 14, 2019 by and among the Company, Everglades Merger Sub Inc. and Advanced Disposal Services, Inc., as such agreement may be amended or modified from time to time, and "Merger" means the merger contemplated by the Merger Agreement.
 - (17) The Notes shall be subject to the satisfaction and discharge provisions set forth in Section 401 of the Indenture, as such provisions are supplemented or modified by the terms and conditions set forth in the Notes in accordance with the Indenture.
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BOOK-ENTRY SECURITY

THIS SECURITY IS A BOOK-ENTRY SECURITY WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITORY OR A NOMINEE OF A DEPOSITORY. THIS SECURITY IS EXCHANGEABLE FOR SECURITIES REGISTERED IN THE NAME OF A PERSON OTHER THAN THE DEPOSITORY OR ITS NOMINEE ONLY IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE INDENTURE, AND NO TRANSFER OF THIS SECURITY (OTHER THAN A TRANSFER OF THIS SECURITY AS A WHOLE BY THE DEPOSITORY TO A NOMINEE OF THE DEPOSITORY OR BY A NOMINEE OF THE DEPOSITORY TO THE DEPOSITORY OR ANOTHER NOMINEE OF THE DEPOSITORY) MAY BE REGISTERED EXCEPT IN SUCH LIMITED CIRCUMSTANCES.

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE COMPANY (AS DEFINED BELOW) OR ITS AGENT FOR REGISTRATION FOR TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

RGN Principal Amount
U.S. \$ _____,
which may be decreased
by the Schedule of
Exchanges of Definitive
Security attached hereto

WASTE MANAGEMENT, INC.
4.000% SENIOR NOTES DUE 2039

CUSIP 94106L BJ7

WASTE MANAGEMENT, INC., a Delaware corporation (the "Company," which term includes any successors under the Indenture hereinafter referred to), for value received, hereby promises to pay to CEDE & CO. or registered assigns, at the office or agency of the Company, the principal sum of _____ Million (\$ _____) U.S. dollars, or such lesser principal sum as is shown on the attached Schedule of Exchanges of Definitive Security, on July 15, 2039 in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts, and to pay interest at an annual rate of 4.000% payable on January 15 and July 15 of each year, to the person in whose name this Security is registered at the close of business on the record date for such interest, which shall be the preceding January 1 or July 1, respectively, payable commencing January 15, 2020, with interest accruing from May 22, 2019, or the most recent date to which interest has been paid.

Reference is made to the further provisions of this Security set forth on the reverse hereof. Such further provisions shall for all purposes have the same effect as though fully set forth at this place.

The statements in the legends set forth above are an integral part of the terms of this Security and by acceptance hereof the Holder of this Security agrees to be subject to, and bound by, the terms and provisions set forth in each such legend.

This Security is issued in respect of a series of Securities of an initial aggregate of U.S. \$500,000,000 in principal amount designated as the 4.000% Senior Notes due 2039 of the Company and is governed by the Indenture dated as of September 10, 1997, duly executed and delivered by the Company, formerly known as USA Waste Services, Inc., to The Bank of New York Mellon Trust Company, N.A. (the current successor to Texas Commerce Bank National Association) as trustee (the "Trustee"), as supplemented by Board Resolutions (as defined in the Indenture) (such Indenture and Board Resolutions, collectively, the "Indenture"). The terms of the Indenture are incorporated herein by reference. This Security shall in all respects be entitled to the same benefits as definitive Securities under the Indenture.

If and to the extent that any provision of the Indenture limits, qualifies or conflicts with any other provision of the Indenture that is required to be included in the Indenture or is deemed applicable to the Indenture by virtue of the provisions of the Trust Indenture Act of 1939, as amended, such required provision shall control.

The Company hereby irrevocably undertakes to the Holder hereof to exchange this Security in accordance with the terms of the Indenture without charge.

This Security shall not be valid or become obligatory for any purpose until the Certificate of Authentication hereon shall have been manually signed by the Trustee under the Indenture.

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed under its corporate seal.

Dated:

WASTE MANAGEMENT, INC.,
a Delaware corporation

By: _____
David L. Reed
Vice President and Treasurer

Attest:

By: _____
Courtney A. Tippy
Vice President and Corporate Secretary

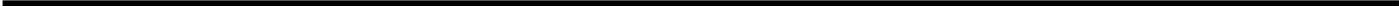
CERTIFICATE OF AUTHENTICATION

This is one of the Securities of the series designated therein referred to in the within-mentioned Indenture.

Date of Authentication:

The Bank of New York Mellon Trust Company, N.A., as Trustee

By: _____
Authorized Officer



REVERSE OF BOOK-ENTRY SECURITY

WASTE MANAGEMENT, INC.

4.000% SENIOR NOTES DUE 2039

This Security is one of a duly authorized issue of unsecured debentures, notes or other evidences of indebtedness of the Company (the “Debt Securities”) of the series hereinafter specified, all issued or to be issued under and pursuant to the Indenture, to which Indenture reference is hereby made for a description of the rights, limitations of rights, obligations, duties and immunities thereunder of the Trustee, the Company and the Holders of the Debt Securities. The Debt Securities may be issued in one or more series, which different series may be issued in various aggregate principal amounts, may mature at different times, may bear interest (if any) at different rates, may be subject to different sinking, purchase or analogous funds (if any) and may otherwise vary as provided in the Indenture. This Security is one of a series designated as the 4.000% Senior Notes due 2039 of the Company, in initial aggregate principal amount of \$500,000,000 (the “Securities”).

1. *Interest.*

The Company promises to pay interest on the principal amount of this Security at the rate of 4.000% per annum.

The Company will pay interest semi-annually on January 15 and July 15 of each year (each an “Interest Payment Date”), commencing January 15, 2020. Interest on the Securities will accrue from the most recent date to which interest has been paid or, if no interest has been paid on the Securities, from May 22, 2019. Interest will be computed on the basis of a 360-day year consisting of twelve 30-day months. The Company shall pay interest (including post-petition interest in any proceeding under any applicable bankruptcy laws) on overdue installments of interest (without regard to any applicable grace period) and on overdue principal and premium, if any, from time to time on demand at the rate of 4.000% per annum, in each case to the extent lawful.

2. *Method of Payment.*

The Company shall pay interest on the Securities (except Defaulted Interest) to the persons who are the registered Holders at the close of business on the Regular Record Date immediately preceding the Interest Payment Date. Any such interest not so punctually paid or duly provided for (“Defaulted Interest”) may be paid to the persons who are registered Holders at the close of business on a Special Record Date for the payment of such Defaulted Interest, or in any other lawful manner not inconsistent with the requirements of any securities exchange on which such Securities may then be listed if such manner of payment shall be deemed practicable by the Trustee, as more fully provided in the Indenture. Except as provided below, the Company shall pay principal and interest in such coin or currency of the United States of America as at the time of payment shall be legal tender for payment of public and private debts (“U.S. Legal Tender”). Payments in respect of a Book-Entry Security (including principal, premium, if any, and interest) will be made by wire transfer of immediately available funds to the accounts specified by the Depository. Payments in respect of Securities in definitive form (including principal, premium, if any, and interest) will be made at the office or agency of the Company maintained for such purpose within the Borough of Manhattan, the City of New York, which initially will be at the corporate trust office of The Bank of New York Mellon, located at 101 Barclay Street, Floor 21W, New York, New York, 10286 or at the option of the Company, payment of interest may be made by check mailed to the Holders on the Regular Record Date or on the Special Record Date at their addresses set forth in the Security Register of Holders.

3. *Paying Agent and Registrar.*

Initially, The Bank of New York Mellon Trust Company, N.A. will act as Paying Agent and Registrar. The Company may change any Paying Agent, Registrar or co-Registrar at any time upon notice to the Trustee and the Holders. The Company or any of its Subsidiaries may, subject to certain exceptions, act as Paying Agent, Registrar or co-Registrar.

4. *Indenture.*

This Security is one of a duly authorized issue of Debt Securities of the Company issued and to be issued in one or more series under the Indenture.

Capitalized terms herein are used as defined in the Indenture unless otherwise defined herein. The terms of the Securities include those stated in the Indenture and all indentures supplemental thereto, those made part of the Indenture by reference to the Trust Indenture Act of 1939, as amended, as in effect on the date of the Indenture, and those terms stated in the Officers’ Certificate to the Trustee, duly authorized by resolutions of the Board of Directors of the Company on April 10, 2019 (the “Resolutions”) and the written consents of the Sole Director of Waste Management Holdings, Inc. on April 22, 2019 and May 8, 2019 (the “Consents”). The Securities are subject to all such terms, and Holders of Securities are referred to the Indenture, all indentures supplemental thereto, said Act, said Resolutions and said Consents and Officers’ Certificate for a statement of them. The Securities of this series are general unsecured obligations of the Company limited with an initial aggregate principal amount of \$500,000,000.

5. *Special Mandatory Redemption.*

If the Merger is not completed on or prior to July 14, 2020, or if, on or prior to such date, the Merger Agreement is terminated for any reason (each, a “Special Mandatory Redemption Event”), the Company shall redeem all of the Outstanding Securities in whole at a special mandatory Redemption Price (the “Special Mandatory Redemption Price”) equal to 101% of the aggregate principal amount of such Securities, plus accrued but unpaid interest on the principal amount of such Securities to, but not including, the Special Mandatory Redemption Date (as defined below).

Upon the occurrence of a Special Mandatory Redemption Event, the Company shall promptly (but in no event later than 5 Business Days following such Special Mandatory Redemption Event) notify the Trustee in writing of such event, and shall, no later than 5 Business Days following such notice to the Trustee, mail (or with respect to Securities in global form, to the extent permitted or required by applicable procedures or regulations of the Depository, send electronically) a notice of redemption to the registered address of each Holder of the Securities (such date of notification to the Holders, the “Special Mandatory Redemption Notice Date”) fixing the date of such mandatory redemption, which date will be no earlier than 3 Business Days and no later than 30 days from the Special Mandatory Redemption Notice Date (such date, the “Special Mandatory Redemption Date”), in each case, in accordance with Section 106 of the Indenture. The Company shall notify each Holder in accordance with Section 106 of the Indenture that all of such Outstanding Securities shall be redeemed at the Special Mandatory Redemption Price on the Special Mandatory Redemption Date automatically and without any further action by the Holders of such Securities. At or prior to 12:00 p.m. (New York City time) on the Business Day immediately preceding the Special Mandatory Redemption Date, the Company shall deposit with the Trustee funds sufficient to pay the Special Mandatory Redemption Price for such Securities. If such deposit is made as provided above, all of the Outstanding Securities will cease to bear interest on and after the Special Mandatory Redemption Date.

Upon the occurrence of the closing of the Merger, the foregoing provisions regarding the Special Mandatory Redemption Event will cease to apply.

For purposes of this Section 5, “Merger Agreement” means the Agreement and Plan of Merger dated April 14, 2019 by and among the Company, Everglades Merger Sub Inc. and Advanced Disposal Services, Inc., as such agreement may be amended or modified from time to time, and “Merger” means the merger contemplated by the Merger Agreement.

6. *Optional Redemption.*

Before the Par Call Date, the Securities will be redeemable and repayable, at the option of the Company, at any time in whole, or from time to time in part, at a Redemption Price (the “Make-Whole Price”) equal to the greater of: (i) 100% of the principal amount of the Securities to be redeemed; or (ii) the sum, as calculated by the Company, of the present values of the remaining scheduled payments of principal and interest on the Securities that would be due if such Securities matured on the Par Call Date (exclusive of interest accrued to the Redemption Date) discounted to the Redemption Date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the applicable Treasury Yield plus 20 basis points; plus, in either case, accrued interest to the Redemption Date.

On or after the Par Call Date, the Securities will be redeemable and repayable, at the option of the Company, at any time in whole, or from time to time in part, at a Redemption Price equal to 100% of the principal amount of the Securities to be redeemed plus accrued interest on the Securities to be redeemed to the Redemption Date.

Securities called for redemption become due on the Redemption Date. Notices of redemption will be mailed at least 10 but not more than 60 days before the Redemption Date to each holder of record of the Securities to be redeemed at its registered address. The notice of redemption for the Securities will state, among other things, the amount of Securities to be redeemed, the Redemption Date, the Redemption Price or, if not ascertainable, the manner of determining the Make-Whole Price and the place(s) that payment will be made upon presentation and surrender of Securities to be redeemed. Unless the Company defaults in payment of the Make-Whole Price, interest will cease to accrue on any Securities that have been called for redemption at the Redemption Date. If less than all the Securities are redeemed at any time, the Trustee will select the Securities to be redeemed on a pro rata basis or by any other method the Trustee deems fair and appropriate (or with respect to Securities in global form, by such method as the Depository may require).

For purposes of determining the Make-Whole Price, the following definitions are applicable:

“Treasury Yield” means, with respect to any Redemption Date applicable to the Securities, the rate per annum equal to the semi-annual equivalent yield to maturity (computed as of the third Business Day immediately preceding such Redemption Date) of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the applicable Comparable Treasury Price for such Redemption Date.

“Comparable Treasury Issue” means the United States Treasury security selected by an Independent Investment Banker as having a maturity comparable to the remaining term of the Securities, calculated as if the maturity date of such Securities were the Par Call Date (the “Remaining Life”), that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the Remaining Life of the Securities.

“Independent Investment Banker” means one of the Reference Treasury Dealers appointed by us to act as the Independent Investment Banker from time to time.

“Comparable Treasury Price” means, with respect to any Redemption Date, (i) the average of the Reference Treasury Dealer Quotations for the Redemption Date, after excluding the highest and lowest of all Reference Treasury Dealer Quotations obtained, or (ii) if the Independent Investment Banker obtains fewer than four such Reference Treasury Dealer Quotations, the average of all Reference Treasury Dealer Quotations.

“Par Call Date” means January 15, 2039.

“Reference Treasury Dealer” means (i) each of Credit Suisse Securities (USA) LLC, Deutsche Bank Securities Inc., Goldman Sachs & Co. LLC, J.P. Morgan Securities LLC and Mizuho Securities USA LLC (and their respective successors), unless any of them ceases to be a primary U.S. government securities dealer in New York City (a “Primary Treasury Dealer”), in which case the Company will substitute therefor another Primary Treasury Dealer, and (ii) any other Primary Treasury Dealer selected by the Company.

“Reference Treasury Dealer Quotations” means, with respect to each Reference Treasury Dealer and any Redemption Date for the Securities, an average, as determined by the Independent Investment Banker, of the bid and asked prices for the Comparable Treasury Issue for the Securities (expressed in each case as a percentage of its principal amount) quoted in writing to the Independent Investment Banker by such Reference Treasury Dealer at 5:00 p.m., New York City time, on the third Business Day preceding such Redemption Date.

Except as set forth in Section 5 and in this Section 6, the Securities will not be redeemable prior to their Stated Maturity and will not be entitled to the benefit of any sinking fund.

The Securities may be redeemed in part in a minimum principal amount of \$2,000, or any integral multiple of \$1,000 in excess thereof.

Any such redemption will also comply with Article Eleven of the Indenture.

7. *Change of Control Offer.*

If a Change of Control Triggering Event occurs, unless the Company has exercised its option to redeem the Securities as described in Section 6, or a Special Mandatory Redemption Event has occurred prior to such date as described in Section 5, the Company shall make an offer (a “Change of Control Offer”) to each Holder of the Securities to repurchase all or any part (equal to \$2,000 or an integral multiple of \$1,000 in excess thereof) of that Holder’s Securities on the terms set forth herein. In a Change of Control Offer, the Company shall offer payment in cash equal to 101% of the aggregate principal amount of Securities repurchased (a “Change of Control Payment”), plus accrued and unpaid interest, if any, on the Securities repurchased to the date of repurchase, subject to the right of holders of record on the applicable record date to receive interest due on the next Interest Payment Date.

Within 30 days following any Change of Control Triggering Event or, at the Company’s option, prior to any Change of Control, but after public announcement of the transaction that constitutes or may constitute the Change of Control, the Company shall mail a notice to Holders of the Securities describing the transaction that constitutes or may constitute the Change of Control Triggering Event and offering to repurchase such Securities on the date specified in the applicable notice, which date shall be no earlier than 30 days and no later than 60 days from the date such notice is mailed (a “Change of Control Payment Date”). The notice may, if mailed prior to the date of consummation of the Change of Control, state that the Change of Control Offer is conditioned on the Change of Control Triggering Event occurring on or prior to the applicable Change of Control Payment Date.

Upon the Change of Control Payment Date, the Company shall, to the extent lawful:

- accept for payment all Securities or portions of Securities properly tendered and not withdrawn pursuant to the Change of Control Offer;
- deposit with the Paying Agent an amount equal to the Change of Control Payment in respect of all Securities or portions of Securities properly tendered; and
- deliver or cause to be delivered to the Trustee the Securities properly accepted together with an Officers' Certificate stating the aggregate principal amount of Securities or portions of Securities being repurchased.

The Company need not make a Change of Control Offer upon the occurrence of a Change of Control Triggering Event if a third party makes such an offer in the manner, at the times and otherwise in compliance with the requirements for an offer made by the Company and the third party repurchases all Securities properly tendered and not withdrawn under its offer. In addition, the Company shall not repurchase any Securities if there has occurred and is continuing on the Change of Control Payment Date an Event of Default under the Indenture, other than a default in the payment of the Change of Control Payment upon a Change of Control Triggering Event.

The Company will comply with the applicable requirements of Rule 14e-1 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and any other securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with the repurchase of the Securities as a result of a Change of Control Triggering Event. To the extent that the provisions of any securities laws or regulations conflict with the Change of Control Offer provisions of this Security, the Company will comply with those securities laws and regulations and will not be deemed to have breached its obligations under the Change of Control Offer provisions of this Security by virtue of any such conflict.

For purposes of the Change of Control Offer provisions of the Securities, the following terms are applicable:

"Change of Control" means the occurrence of any of the following: (1) the direct or indirect sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or more series of related transactions, of all or substantially all of the Company's assets and the assets of its Subsidiaries, taken as a whole, to any person, other than the Company or one of its Subsidiaries; (2) the consummation of any transaction (including, without limitation, any merger or consolidation) the result of which is that any person becomes the beneficial owner (as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of more than 50% of the outstanding Voting Stock of the Company or other Voting Stock into which the Company's Voting Stock is reclassified, consolidated, exchanged or changed, measured by voting power rather than number of shares; (3) the Company consolidates with, or merges with or into, any person, or any person consolidates with, or merges with or into, the Company, in any such event pursuant to a transaction in which any of the outstanding Voting Stock of the Company or the Voting Stock of such other person is converted into or exchanged for cash, securities or other property, other than any such transaction where the shares of the Voting Stock of the Company outstanding immediately prior to such transaction constitute, or are converted into or exchanged for, a majority of the Voting Stock of the surviving person or any direct or indirect parent company of the surviving person, measured by voting power rather than number of shares, immediately after giving effect to such transaction; or (4) the adoption of a plan relating to the liquidation or dissolution of the Company.

Notwithstanding the preceding, a transaction will not be deemed to involve a Change of Control under clause (2) above if (i) the Company becomes a direct or indirect wholly-owned subsidiary of a holding company and (ii)(A) the direct or indirect holders of the Voting Stock of such holding company immediately following that transaction are substantially the same as the holders of Voting Stock of the Company immediately prior to that transaction or (B) immediately following that transaction no person (other than a holding company satisfying the requirements of this sentence) is the beneficial owner, directly or indirectly, of more than 50% of the Voting Stock of such holding company. The term "person," as used in this definition, has the meaning given thereto in Section 13(d)(3) of the Exchange Act.

"Change of Control Triggering Event" means the occurrence of both a Change of Control and a Rating Event.

"Fitch" means Fitch Inc. and its successors.

"Investment Grade Rating" means a rating equal to or higher than BBB- (or the equivalent) by Fitch, Baa3 (or the equivalent) by Moody's and BBB- (or the equivalent) by S&P, and the equivalent investment grade credit rating from any replacement Rating Agency or Rating Agencies selected by the Company.

"Moody's" means Moody's Investors Service, Inc. and its successors.

“Rating Agencies” means (1) each of Fitch, Moody’s and S&P and (2) if any of Fitch, Moody’s or S&P ceases to rate the Securities or fails to make a rating of the Securities publicly available for reasons outside of the Company’s control, a “nationally recognized statistical rating organization” within the meaning of Section 3(a)(62) of the Exchange Act selected by the Company (as certified by a resolution of our Board of Directors) as a replacement agency for Fitch, Moody’s or S&P, or all of them, as the case may be.

“Rating Event” means the rating on the Securities is lowered by at least two of the three Rating Agencies and the Securities are rated below an Investment Grade Rating by at least two of the three Rating Agencies, in any case on any day during the period (which period will be extended so long as the rating of the Securities is under publicly announced consideration for a possible downgrade by any of the rating agencies) commencing 60 days prior to the first public notice of the occurrence of a Change of Control or the Company’s intention to effect a Change of Control and ending 60 days following consummation of such Change of Control.

“S&P” means S&P Global Ratings, a division of S&P Global Inc., and its successors.

“Voting Stock” means, with respect to any specified “person” (as that term is used in Section 13(d)(3) of the Exchange Act) as of any date, the capital stock of such person that is at the time entitled to vote generally in the election of the board of directors of such person.

8. *Denominations; Transfer; Exchange.*

The Securities are issued in registered form, without coupons, in a minimum denomination of \$2,000 and integral multiples of \$1,000 in excess thereof. A Holder may register the transfer of, or exchange, Securities in accordance with the Indenture. The Securities Registrar may require a Holder, among other things, to furnish appropriate endorsements and transfer documents and to pay any taxes and fees required by law or permitted by the Indenture.

9. *Person Deemed Owners.*

The registered Holder of a Security may be treated as the owner of it for all purposes.

10. *Amendment; Supplement; Waiver.*

Subject to certain exceptions, the Indenture may be amended or supplemented, and any existing Event of Default or compliance with any provision may be waived, with the consent of the Holders of a majority in principal amount of the Outstanding Debt Securities of each series affected. Without consent of any Holder, the parties thereto may amend or supplement the Indenture or the Securities to, among other things, cure any ambiguity, defect or inconsistency, or make any other change that does not adversely affect the interests of any Holder of a Security in any material respect. Any such consent or waiver by the Holder of this Security (unless revoked as provided in the Indenture) shall be conclusive and binding upon such Holder and upon all future Holders and owners of this Security and any Securities which may be issued in exchange or substitution herefor, irrespective of whether or not any notation thereof is made upon this Security or such other Securities.

11. *Defaults and Remedies.*

If an Event of Default with respect to the Securities occurs and is continuing, then in every such case the Trustee or the Holders of not less than 25% in principal amount of the Securities then Outstanding may declare the principal amount of all the Securities to be due and payable immediately in the manner and with the effect provided in the Indenture. Notwithstanding the preceding sentence, however, if at any time after such a declaration of acceleration has been made and before judgment or decree for payment of the money due has been obtained by the Trustee as provided in the Indenture, the Holders of a majority in principal amount of the Outstanding Securities, by written notice to the Company and to the Trustee, may rescind and annul such declaration and its consequences if (1) the Company has paid or deposited with the Trustee a sum sufficient to pay (A) all overdue interest on all Securities, (B) the principal of (and premium, if any, on) any Securities which has become due otherwise than by such declaration of acceleration and any interest thereon at the rate prescribed therefor herein, (C) to the extent that payment of such interest is lawful, interest upon overdue interest at the rate prescribed therefor herein, and (D) all sums paid or advanced by the Trustee and the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel and (2) all Events of Default under the Indenture with respect to the Securities, other than the nonpayment of the principal of Securities which has become due solely by such declaration acceleration, shall have been cured or shall have been waived. No such rescission shall affect any subsequent Event of Default or shall impair any right consequent thereon. Holders of Securities may not enforce the Indenture or the Securities except as provided in the Indenture. The Trustee may require indemnity satisfactory to it before it enforces the Indenture or the Securities. Subject to certain limitations, Holders of a majority in aggregate principal amount of the Securities then outstanding may direct the Trustee in its exercise of any trust or power.

12. *Trustee Dealings with Company.*

The Trustee under the Indenture, in its individual or any other capacity, may make loans to, accept deposits from, and perform services for the Company and its Affiliates and any subsidiary of the Company's Affiliates, and may otherwise deal with the Company and its Affiliates as if it were not the Trustee.

13. *Authentication.*

This Security shall not be valid until the Trustee or authenticating agent signs the certificate of authentication on the other side of this Security.

14. *Abbreviations and Defined Terms.*

Customary abbreviations may be used in the name of a Holder of a Security or an assignee, such as: TEN COM (tenant in common), TEN ENT (tenants by the entireties), JT TEN (joint tenants with right of survivorship and not as tenants in common), CUST (Custodian), and U/G/M/A (Uniform Gifts to Minors Act).

15. *CUSIP Numbers.*

Pursuant to a recommendation promulgated by the Committee on Uniform Note Identification Procedures, the Company has caused CUSIP numbers to be printed on the Securities as a convenience to the Holders of the Securities. No representation is made as to the accuracy of such number as printed on the Securities and reliance may be placed only on the other identification numbers printed hereon.

16. *Absolute Obligation.*

No reference herein to the Indenture and no provision of this Security or the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of, premium, if any, and interest on this Security in the manner, at the respective times, at the rate and in the coin or currency herein prescribed.

17. *No Recourse.*

No recourse under or upon any obligation, covenant or agreement contained in the Indenture or in any Security, or because of any indebtedness evidenced thereby, shall be had against any incorporator, past, present or future stockholder, officer or director, as such of the Company or of any successor, either directly or through the Company or of any successor, either directly or through the Company or any successor, under any rule of law, statute or constitutional provision or by the enforcement of any assessment or by any legal or equitable proceeding or otherwise, all such liability being expressly waived and released by the acceptance of the Security by the Holder and as part of the consideration for the issue of the Security.

18. *Governing Law.*

This Security shall be construed in accordance with and governed by the laws of the State of New York.

19. *Guarantee.*

The Securities will be fully and unconditionally guaranteed on a senior basis by the Company's wholly owned subsidiary, Waste Management Holdings, Inc., pursuant to the terms and conditions of a Guarantee, dated as of May 22, 2019 (the "Guarantee"). The amount of the Guarantee will be limited to the extent required under applicable fraudulent conveyance laws to cause the Guarantee to be enforceable. The terms and conditions of the Guarantee shall continue in full force and effect for the benefit of holders of the Securities until release thereof as set forth in Section 6 of the Guarantee.

20. *Satisfaction and Discharge.*

The Securities will be subject to Section 401 of the Indenture; provided, however, that solely with respect to the Securities, the following sentence shall be added to the end of Section 401(1)(B) of the Indenture: "(provided that, upon any redemption that requires the payment of any make-whole or other premium, (x) the amount of cash that must be deposited shall be determined using an assumed applicable premium calculated as of the date of such deposit and (y) the Company shall deposit any deficit in trust on or prior to the Redemption Date as necessary to pay the applicable premium as determined by such date)".

Annex B
Resolutions of the Board of Directors
of Waste Management, Inc.

WHEREAS, there has been considered by the Board a draft of an Agreement and Plan of Merger, a summary of the principal terms of which has been previously provided to the Board, (the "Merger Agreement") by and among the Company, Everglades Merger Sub Inc., a Delaware corporation and wholly-owned indirect subsidiary of the Company ("Merger Sub") and Advanced Disposal Services, Inc., a Delaware corporation ("Advanced"), whereby, among other things, subject to the terms and conditions contained in, and as more fully described in, the Merger Agreement, Merger Sub will merge with and into Advanced (the "Merger"), with Advanced surviving the Merger as a wholly-owned indirect subsidiary of the Company (capitalized terms used but not defined herein shall have the meaning given such terms in the Merger Agreement);

[Provisions Unrelated to the Senior Notes Offering Have Been Withheld]

WHEREAS, the Board resolved in August 2018 to authorize the Company to prepare and file a new registration statement with the Securities and Exchange Commission (the "SEC") and to offer in one or more offerings an aggregate of \$3,000,000,000 of securities without further action by the Board (the "August 2018 Authorization");

WHEREAS, the Board desires to amend and restate the August 2018 Authorization to, among other things, provide for additional offerings of securities to finance the Merger Consideration;

WHEREAS, the Board desires to provide for potential offerings of debt securities denominated in Canadian dollars by the Company and/or its subsidiaries;

WHEREAS, the Company is party to that certain indenture, dated as of September 10, 1997 (as amended, restated or otherwise modified from time to time, the "Company Existing Indenture"), by and among the Company, The Bank of New York Mellon Trust Company, N.A., as successor trustee to Texas Commerce Bank National Association, and pursuant to the Company Existing Indenture, has issued, among other securities: (i) the Company's 7.00% Senior Notes due 2028 (the "2028 Notes"), (ii) the Company's 7.375% Senior Notes due 2029 (the "2029 Notes"), (iii) the Company's 7.75% Senior Notes due 2032 (the "2032 Notes"), and (iv) the Company's 6.125% Senior Notes due 2039 (the "2039 Notes");

WHEREAS Waste Management Holdings, Inc., a wholly-owned subsidiary of the Company ("WMHI"), is a party to that certain indenture, dated as of June 1, 1993, by and among WMHI, and The Fuji Bank and Trust Company, as trustee (as amended, restated or otherwise modified from time to time, the "WMHI Existing Indenture"), and has issued, pursuant to the WMHI Existing Indenture, its 7.10% Senior Notes due 2026 (the "2026 Notes," and together with the 2028 Notes, the 2029 Notes, the 2032 Notes and the 2039 Notes, the "Specified Existing Notes"); and

WHEREAS the Board desires to provide for the eventual redemption and/or refinancing of the Specified Existing Notes and deems it advisable to approve the Company' pursuit of tender offers and/or redemption transactions with respect to the Specified Existing Notes.

[Provisions Unrelated to the Senior Notes Offering Have Been Withheld]

3. Registration Statement; Securities Offerings.

NOW, THEREFORE, BE IT RESOLVED, that the Company is hereby authorized to prepare and file with the SEC a shelf registration statement on Form S-3 (the "New Registration Statement"), pursuant to the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder (the "Securities Act"), which New Registration Statement is anticipated to be filed with the SEC after the Company's earnings announcement for the three months ended March 31, 2019 and may provide for the registration of, among other things, unsecured senior or subordinated debentures, notes or other evidences of indebtedness of the Company (collectively "Registered Debt Securities"); common stock of the Company, par value \$0.01 ("Company Common Stock"); warrants to purchase shares of Company Common Stock; shares of preferred stock in such series with such designations, powers, preferences and relative and other special rights and qualifications, limitations and restrictions as the Board of Directors may from time to time authorize; guarantees of securities by WMHI; and any units consisting of one or more of the foregoing (the Registered Debt Securities, Company Common Stock, warrants, preferred stock, guarantees and units eligible to be sold pursuant to the New Registration Statement are collectively referred to herein as the "Registered Securities"), to be issued from time to time;

RESOLVED FURTHER, that each of the Authorized Officers be, and they hereby are, authorized, in their sole and absolute discretion, subject to any limitations set forth in these resolutions, to cause the Company to issue, offer and sell an aggregate of up to \$6,000,000,000 of Securities (as defined below) without further approval of the Board of Directors pursuant to the New Registration Statement or a Canadian Offering (as defined below), as applicable;

RESOLVED FURTHER, that authority to make new issuances of Registered Securities pursuant to the August 2018 Authorization shall be deemed rescinded and superseded hereby;

RESOLVED FURTHER, that the Authorized Officers and authorized employees (as established pursuant to these resolutions) be, and each of them hereby is, authorized, in the name and on behalf of the Company, to execute and cause to be filed with the SEC any and all amendments (including, without limitation, post-effective amendments) or supplements to the New Registration Statement and any prospectus included therein and any additional documents which such officer or employee may deem necessary or desirable with respect to the registration and offering of the Registered Securities, and such amendments, supplements, registration statements and documents to be in such form as the officer or employee executing the same may approve, as conclusively evidenced by his execution thereof;

RESOLVED FURTHER, that the Chief Legal Officer of the Company be, and he hereby is, designated and appointed the agent for service of process on the Company under the Securities Act in connection with the New Registration Statement and any and all amendments and supplements thereto, with all powers incident to such appointment;

RESOLVED FURTHER, that any of the Authorized Officers be, and each of them hereby is, authorized, at any time and from time to time, on behalf of the Company, (i) to determine, subject to the limits that shall be set by the Board, the number of shares of Company Common Stock, preferred stock or other equity securities to be offered and sold by the Company pursuant to the New Registration Statement, including any shares underlying warrants or convertible Debt Securities, (ii) to authorize the reserve and issuance of such shares and (iii) to take any and all action and to do or cause to be done any and all things which may appear to any of the Authorized Officers to be necessary or advisable in order to authorize, offer, issue, and sell such shares of Company Common Stock, pursuant to the New Registration Statement and the applicable purchase agreement, which action could be taken or which things could be done by the Board;

RESOLVED FURTHER, that the Company is authorized to offer, issue and sell, or cause any subsidiary of the Company to offer, issue and sell, debt securities denominated in Canadian dollars (the "Canadian Notes," together with any Canadian Notes Guarantees (as defined below) the "Canadian Securities," and together with the Registered Securities, the "Securities") in transactions exempt from registration under the Securities Act, on terms and conditions to be determined by the Authorized Officers from time to time (the "Canadian Offering");

RESOLVED FURTHER, that the Authorized Officers, and each of them, shall have full authority to authorize and approve the terms of the Canadian Offering (including, without limitation, the aggregate amount to be sold, the initial offering price, the prices at which such Canadian Securities will be sold to the applicable Initial Purchasers (as defined below) and such other terms as may be necessary) and the final terms of the purchase agreement relating to the Canadian Offering (the "Purchase Agreement"), any guarantors of such Canadian Notes (collectively, the "Canadian Notes Guarantors") and the initial purchasers in connection with the Canadian Offering (the "Initial Purchasers") and such other matters as the Authorized Officers, or any of them, shall determine to be necessary or advisable in connection with the issuance of the Canadian Securities and to carry out the purposes and intent of the foregoing resolutions;

RESOLVED FURTHER, that the Company is authorized to cause the Canadian Notes to be guaranteed on a senior secured basis (the "Canadian Notes Guarantees") by the Canadian Notes Guarantors if advisable in the judgment of any of the Authorized Officers;

RESOLVED FURTHER, that the preparation and use of a preliminary offering memorandum relating to the Canadian Offering (the "Preliminary Offering Memorandum") is hereby ratified, confirmed, authorized and approved, and that the Authorized Officers or any of them acting together or individually, and those other employees of the Company as any of them shall designate, are hereby authorized and directed in the name and on behalf of the Company to prepare a pricing supplement (the "Pricing Supplement") in connection with the Canadian Offering, and the final offering memorandum (the "Final Offering Memorandum") relating to the Canadian Offering, and any supplements or amendments thereto as any of the Authorized Officers deems necessary or appropriate in connection with the Canadian Offering, such approval to be conclusively evidenced by the distribution of such supplement or amendment by or on behalf of the Company to the Initial Purchasers;

RESOLVED FURTHER, that the Authorized Officers and authorized employees be and hereby are authorized and directed in the name and on behalf of the Company to take any and all action which they may deem necessary or advisable in order to effect the registration or qualification of all or part of the Registered Securities to be registered under the Securities Act, and any and all action for the Securities to be eligible for offer and sale under the securities or Blue Sky laws of the states of the United States of America or similar laws and regulations of other jurisdictions, including Canada, and in connection therewith, to execute, acknowledge, verify, deliver, file and publish all such applications, reports, issuer's covenants, resolutions, consents to service of process, or appointments of governmental officials for the purpose of receiving and accepting service of process on the laws, and to take any and all further action which they may deem necessary or advisable in order to maintain any such registration or qualification for as long as they deem the same to be in the best interest of the Company;

RESOLVED FURTHER, that the form of any additional resolutions required in connection with the appropriate qualification or registration of the Securities for offer and sale under such securities or Blue Sky laws, be and hereby is approved and adopted, provided the appropriate officers of the Company, on the advice of counsel, consider the adoption thereof necessary or advisable, in which case the Secretary or any Assistant Secretary of the Company is hereby directed to insert as an appendix hereto a copy of such resolutions, which shall thereupon be deemed to have been adopted by this Board of Directors with the same force and effect as if set out verbatim herein;

RESOLVED FURTHER, that any of the Authorized Officers or authorized employees be, and each of them hereby is, authorized to approve at any time and from time to time, the engagement of one or more investment banks to provide services in connection with any offering of Securities, one or more forms of underwriting or purchase agreement (and any related terms agreement) and agency agreement (and related purchase agreement) and any other agreement or agreements any of such persons may deem necessary or appropriate in connection with the arrangements for the purchase of any of the Securities, and that such persons be, and each of them hereby is, authorized to execute and deliver, in the name and on behalf of the Company, any such agreement or agreements in substantially the form approved by any of them, with such changes therein as the person executing the same may approve, as conclusively evidenced by the execution and delivery thereof, it being understood that, in the case of any terms agreement or purchase agreement referred to above, it shall not be necessary for any of the Authorized Officers to approve any individual agreement pursuant to which Securities are to be sold if the form thereof has previously been approved as provided in this resolution;

RESOLVED FURTHER, that any of the Authorized Officers may, at any time and from time to time, on behalf of the Company, authorize the issuance of one or more series of Securities under one or more indentures, within any limits that may be set by the Board, and in connection therewith establish, or, if all of the Securities of such series may not be originally issued at one time, to the extent deemed appropriate, prescribe the manner of determining, within any limitations established by any of the Authorized Officers and subject in either case to the limitations set forth in these resolutions, all of the terms of such Securities;

RESOLVED FURTHER, that, in connection with any such series of Securities (but without limiting the authority hereinafter in these resolutions conferred with respect to the issuance of Securities of a series which may not all be originally issued at one time), any of the Authorized Officers is authorized at any time or from time to time to determine the price or prices to be received by the Company in any offering or sale of Securities of such series, any public offering price or prices thereof, any discounts to be allowed or commissions to be paid to any agent, dealer, initial purchaser or underwriter and any other terms of offering or sale of Securities of such series and to sell Securities of such series in accordance with any applicable purchase agreement or other agreement(s);

RESOLVED FURTHER, that, in connection with the issuance of any Securities of any series which may not be originally issued at one time (except as may be inconsistent with any action taken by any of the Authorized Officers, as herein provided, in connection with such series), and of the Authorized Officers may delegate any of its authority pursuant to these resolutions to any officer of the Company;

RESOLVED FURTHER, that, in connection with the issuance and sale of any Securities, that the Company may use the proceeds therefrom: (1) to fund the transactions contemplated by the Merger Agreement (including the redemption of outstanding indebtedness of Advanced) (2) to repay or refinance existing indebtedness of the Company or (3) for general corporate purposes as determined by the Authorized Officers, or any of them;

RESOLVED FURTHER, that, in connection with any such series of Securities, any of the Authorized Officers is authorized to approve any amendment, modification or supplement to the Company's indentures and that any Authorized Officer be, and each of them hereby is, authorized to execute and deliver, in the name and on behalf of the Company, any such amendment, modification or supplement, substantially in the form approved by any Authorized Officer;

RESOLVED FURTHER, that the Company is authorized to (i) provide for the redemption or refinancing, in whole or in part, of the outstanding debt of Advanced in connection with the Merger, which may include one or more tender offers, consent solicitations or notices of redemption, as well as the payment of the applicable redemption prices (including premiums), plus accrued and unpaid interest, if any, to the date of redemption or purchase, as applicable, and (ii) provide for the redemption or refinancing, in whole or in part, of the Specified Existing Notes, which may include one or more tender offers, consent solicitations or notices of redemption, as well as the payment of the applicable redemption prices (including premiums), plus accrued and unpaid interest, if any, to the date of redemption or repurchase, as applicable (the actions in immediately preceding clauses (i) and (ii) being referred to as “Liability Management Transactions”), and the Authorized Officers and authorized employees be, and each of them hereby is, authorized in the name and on behalf of the Company, to prepare and execute such documents and agreements as may be necessary to effectuate such actions;

RESOLVED FURTHER, that the Authorized Officers be, and they hereby are, authorized, in their sole and absolute discretion, subject to any limitations set forth in these resolutions, to determine any and all terms and conditions of the Liability Management Transactions as the Authorized Officers may deem necessary, advisable or appropriate;

RESOLVED FURTHER, that the Authorized Officers be, and they hereby are, authorized, in their sole and absolute discretion, subject to any limitations set forth in these resolutions, to cause the Company to consummate the Liability Management Transactions without further approval of the Board and to prepare and transmit one or more notices of redemption, offers to purchase and/or consent solicitation statements and any and all other documents in connection with the Liability Management Transactions to be transmitted to holders of the applicable securities;

RESOLVED FURTHER, that the Authorized Officers and authorized employees be, and each of them hereby is, authorized, in the name and on behalf of the Company, to execute and deliver such other agreements (including indemnity agreements), documents, certificates, orders, requests and instruments as may be contemplated by the Company’s indentures or required by the trustee thereunder, the security registrar or any other agent of the Company under such indentures in connection therewith or as may be necessary or appropriate in connection with the issuance and sale of Securities thereunder;

RESOLVED FURTHER, that the Authorized Officers be, and each of them hereby is, authorized, subject to and in accordance with the Company’s indentures and any action taken by any of the Authorized Officers in connection therewith, from time to time to appoint or designate on behalf of the Company one or more trustees, security registrars, paying agents and transfer agents for each series of Securities, to rescind on behalf of the Company any such appointment or designation and to approve on behalf of the Company any change in the location of any office through which any such trustee, security registrar, paying agent or transfer agent acts, and in connection therewith to take such action and to make, execute and deliver, or cause to be made, executed and delivered, such agreements, instruments and other documents as any such officer may deem necessary or appropriate;

RESOLVED FURTHER, that the Authorized Officers and authorized employees be, and each of them hereby is, authorized, in the name and on behalf of the Company, to make application to such securities exchange or exchanges as the persons acting shall deem necessary or appropriate for the listing thereof of any of the Securities (including any Company Common Stock or preferred stock underlying any convertible Securities) and in connection therewith to appoint one or more listing agents and to prepare, or cause to be prepared, execute and file, or cause to be filed, an application or applications for such listing and any and all amendments thereto and any additional certificates, documents, letters and other instruments which any such officer or employee may deem necessary or desirable; that such officers or employees, or such other person as any such officer or employee may designate in writing, be, and each of them hereby is, authorized to appear before any official or officials or before any body of any such exchange, with authority to make such changes in such application, amendments, certificates, documents, letters and other instruments and to execute and deliver such agreements relative thereto, including, without limitation, listing agreements, fee agreements and indemnity agreements relating to the use of facsimile signatures as they, or any one of them, may deem necessary or appropriate in order to comply with the requirements of any such exchange or to effect such listing;

RESOLVED FURTHER, that the Authorized Officers and authorized employees be, and each of them hereby is, authorized, in the name and on behalf of the Company, to make application to the SEC for registration of any series of the Registered Securities under Section 12 or other applicable section of the Securities Exchange Act of 1934, and the Authorized Officers and authorized employees are hereby authorized to prepare or cause to be prepared, and to execute and file, or cause to be filed, with the SEC and any securities exchange an application or applications for such registration and any and all amendments thereto and any additional certificates, documents, letters and other instruments which any such officer or employee may deem necessary or desirable; and

RESOLVED FURTHER, that for purposes the resolutions in this Section 3, the term “Authorized Officers” shall be deemed to include, in addition to those officers identified above, the Chief Accounting Officer and the Treasurer of the Company and the term “authorized employees” shall mean either or both of the Vice President and General Counsel—Transactions and the Vice President and General Counsel—Securities & Governance of the Company.

[Provisions Unrelated to the Senior Notes Offering Have Been Withheld]

7. Additional Actions.

NOW, THEREFORE, BE IT RESOLVED, that the Authorized Officers be, and each of them with full power to act without the others hereby is, authorized and empowered, in accordance with the foregoing resolutions, in the name and on behalf of the Company, to prepare, execute and deliver any and all agreements, amendments, certificates, reports, applications, notices, instruments, schedules, statements, consents, letters or other documents with respect to the matters contemplated by the foregoing resolutions, to certify as having been adopted by the Board any form of resolution required by any law, regulation or agency necessary or appropriate to effectuate the purpose and intent of these resolutions or any of them, to make any filings pursuant to federal, state and foreign laws, to pay all charges fees, taxes and other expenses and to do or cause to be done any and all such other acts and things as, in the opinion of any such Authorized Officer, may be necessary, appropriate or desirable in order to comply with the applicable laws and regulations of any jurisdiction (domestic or foreign), to issue press releases and engage in other communications, or otherwise in order to enable the Company to fully and promptly carry out the purposes and intent of the foregoing resolutions and to permit the matters contemplated thereby to be lawfully consummated;

RESOLVED FURTHER, that the Authorized Officers be, and each of them with full power to act without the others hereby is, authorized and empowered to retain, in the name and on behalf of the Company, such financial advisors, legal counsel and such other advisors, consultants or experts necessary or appropriate to carry out the actions contemplated in these resolutions, and to secure any appropriate advice and opinions from such advisors, consultants or experts, and to pay all fees and expenses incurred by the Company in connection with the transactions contemplated by the Merger Agreement and any actions or matters necessary or appropriate to give effect to the foregoing, including, but not limited to, all fees and expenses necessary or appropriate to effectuate the purpose and intent of the foregoing resolutions or any of them and the Merger Agreement and the transactions contemplated thereby and such other agreements and documents as may be executed by any Authorized Officer pursuant to authorization granted in these resolutions or to carry out the transactions contemplated thereby;

RESOLVED FURTHER, that each Authorized Officer may authorize any other officer, employee or agent of, or counsel to, the Company or any of its subsidiaries to take any and all actions and to execute and deliver any and all certificates, documents, agreements and instruments referred to in these resolutions in place of or on behalf of such Authorized Officer, with full power as if such Authorized Officer were taking such action himself or herself;

RESOLVED FURTHER, that the officers of the Company be, and each of them hereby is, authorized to take, or cause to be taken, any and all action which any such officer may deem necessary or desirable in order to carry out the purpose and intent of the foregoing resolutions or in order to perform, or cause to be performed, the obligations of the Company under the Securities, the New Registration Statement and any indenture, purchase agreement, or other agreement referred to herein, and, in connection therewith, to make, execute and deliver, or cause to be made, executed and delivered, all agreements, undertakings, documents, certificates, orders, requests or instruments in the name and on behalf of the Company as each such officer may deem necessary or appropriate; and

RESOLVED FURTHER, that any or all actions heretofore or hereafter taken by any officer or officers of the Company or any of its subsidiaries to effectuate or evidence the purpose and intent of the foregoing resolutions be, and hereby are, approved, ratified and confirmed as the act and deed of the Company or such subsidiary.

WASTE MANAGEMENT, INC.
Officers' Certificate Delivered Pursuant to
Section 301 of the Indenture dated as of September 10, 1997

The undersigned, the Vice President and Treasurer, and the Vice President and Corporate Secretary of Waste Management, Inc. (the "Company"), hereby certify that:

1. This Certificate is delivered to The Bank of New York Mellon Trust Company, N.A. (the current successor to Texas Commerce Bank National Association), as trustee (the "Trustee"), pursuant to Sections 102 and 301 of the Indenture dated as of September 10, 1997 between the Company, formerly known as USA Waste Services, Inc., and the Trustee in connection with the Company Order dated May 22, 2019 (the "Order") for the authentication and delivery by the Trustee of \$1,000,000,000 aggregate principal amount of 4.150% Senior Notes due 2049 (the "Notes").
2. The undersigned have read Sections 102, 103, 301 and 303 of the Indenture and the definitions in the Indenture relating thereto.
3. The statements made herein are based either upon the personal knowledge of the persons making this Certificate or on information, data and reports furnished to such persons by the officers, counsel, department heads or employees of the Company who have knowledge of the facts involved.
4. The undersigned have examined the Order, and they have read the covenants, conditions and provisions of the Indenture relating thereto.
5. In the opinion of the persons making this Certificate, they have made such examination or investigation as is necessary to enable them to express an informed opinion as to whether or not all covenants and conditions provided for in the Indenture with respect to the Order have been complied with.
6. All covenants and conditions (including all conditions precedent) provided in the Indenture to the authentication and delivery by the Trustee of \$1,000,000,000 aggregate principal amount of the Notes have been complied with, and such Notes may be delivered in accordance with the Order as provided in the Indenture.
7. The terms of the Notes (including the Form of Note) as set forth in Annex A to this Officers' Certificate have been approved by officers of the Company as authorized by resolutions duly adopted on April 10, 2019 by the Board of Directors of the Company, copies of which are attached hereto as Annex B, are in full force and effect as of the date hereof.

[signature page follows]

IN WITNESS WHEREOF, the undersigned has hereunto executed this Officers' Certificate as of the date first written above.

/s/ David L. Reed

David L. Reed

Vice President and Treasurer

/s/ Courtney A. Tippy

Courtney A. Tippy

Vice President and Corporate Secretary

Annex A
Terms of the Notes

Pursuant to authority granted by the Board of Directors of the Company on April 10, 2019 and the Sole Director of Waste Management Holdings, Inc. on April 22, 2019 and May 8, 2019, the Company has approved the establishment, issuance, execution and delivery of a new series of Securities (as defined in the Indenture) to be issued under the Indenture dated as of September 10, 1997 (the "Indenture"), between the Company, formerly known as USA Waste Services, Inc., and The Bank of New York Mellon Trust Company, N.A. (the current successor to Texas Commerce Bank National Association), as trustee (the "Trustee"), the terms of which are set forth below. Capitalized terms used but not defined herein are used herein as defined in the Indenture.

- (1) The title of the series of Securities shall be "4.150% Senior Notes due 2049" (the "Notes").
 - (2) The Notes shall be general unsecured, senior obligations of the Company.
 - (3) The initial aggregate principal amount of the Notes that may be authenticated and delivered under the Indenture shall be \$1,000,000,000 (except for Notes authenticated and delivered upon registration of transfer of, or in exchange for, or in lieu of, other Notes pursuant to Section 304, 305, 306, 906 or 1107 of the Indenture); provided, however, that the authorized aggregate principal amount of such series may be increased before or after the issuance of any Notes of such series by a Board Resolution (or action pursuant to a Board Resolution) to such effect.
 - (4) The principal amount of each Note shall be payable on July 15, 2049.
 - (5) Each Note shall bear interest from May 22, 2019 at the fixed rate of 4.150% per annum; the Interest Payment Dates on which such interest shall be payable shall be January 15 and July 15, of each year, commencing January 15, 2020, until maturity unless such date falls on a day that is not a Business Day, in which case, such payment shall be made on the next day that is a Business Day. The Regular Record Date for the determination of Holders to whom interest is payable shall be January 1 or July 1, respectively, immediately preceding such date, as the case may be.
 - (6) If a "Change of Control Triggering Event" (as defined in the Notes) occurs, each Holder of the Notes may require the Company to purchase all or a portion of such Holder's Notes at a price equal to 101% of the principal amount, plus accrued interest, if any, to the date of purchase, on the terms and subject to the conditions set forth in the Notes.
 - (7) The Notes are to be issued as Registered Securities only. Each Note is to be issued as a book-entry note ("Book-Entry Note") but in certain circumstances may be represented by Notes in definitive form. The Book-Entry Notes shall be issued, in whole or in part, in the form of one or more Notes in global form as contemplated by Section 203 of the Indenture. The Depository with respect to the Book-Entry Notes shall be The Depository Trust Company, New York, New York.
 - (8) Payments of principal of, premium, if any, and interest due on the Notes representing Book-Entry Notes on any Interest Payment Date or at maturity will be made available to the Trustee by 11:00 a.m., New York City time, on such date, unless such date falls on a day which is not a Business Day, in which case such payments will be made available to the Trustee by 11:00 a.m., New York City time, on the next Business Day. As soon as possible thereafter, the Trustee will make such payments to the Depository.
 - (9) Before the Par Call Date, the Notes will be redeemable and repayable, at the option of the Company, at any time in whole, or from time to time in part, at a Redemption Price equal to the greater of (i) 100% of the principal amount of the Notes to be redeemed or (ii) the sum, as calculated by the Company, of the present values of the remaining scheduled payments of principal and interest thereon that would be due if the Notes matured on the Par Call Date (exclusive of interest accrued to the Redemption Date (as defined in the Notes) discounted to the Redemption Date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the applicable Treasury Yield (as defined in the Notes) plus 20 basis points; plus, in either case, accrued interest to the Redemption Date. On or after the Par Call Date, the Notes will be redeemable and repayable, at the option of the Company, at any time in whole, or from time to time in part, at a Redemption Price equal to 100% of the principal amount of the Notes to be redeemed plus accrued interest on the Notes to be redeemed to the Redemption Date. "Par Call Date" means January 15, 2049.
 - (10) The Company shall have no obligation to redeem, purchase or repay the Notes pursuant to any mandatory redemption, sinking fund or analogous provisions or at the option of a Holder thereof.
 - (11) The Notes will be subject to defeasance and discharge as contemplated by Section 1302 of the Indenture and to covenant defeasance under Section 1303 of the Indenture.
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- (12) The Notes shall be entitled to the benefit of the covenants contained in Sections 1008 and 1009 of the Indenture.
 - (13) The Bank of New York Mellon Trust Company, N.A. shall serve initially as Security Registrar for the Notes.
 - (14) The Notes shall be substantially in the form of Exhibit A hereto.
 - (15) The Notes will be fully and unconditionally guaranteed on a senior basis by the Company's wholly owned subsidiary, Waste Management Holdings, Inc., pursuant to the terms and conditions of a Guarantee Agreement dated May 22, 2019 (the "Guarantee"). The amount of the Guarantee will be limited to the extent required under applicable fraudulent conveyance laws to cause the Guarantee to be enforceable. The terms and conditions of the Guarantee shall continue in full force and effect for the benefit of holders of the Notes until release thereof as set forth in Section 6 of the Guarantee.
 - (16) The Notes shall be subject to the satisfaction and discharge provisions set forth in Section 401 of the Indenture, as such provisions are supplemented or modified by the terms and conditions set forth in the Notes in accordance with the Indenture.
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BOOK-ENTRY SECURITY

THIS SECURITY IS A BOOK-ENTRY SECURITY WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITORY OR A NOMINEE OF A DEPOSITORY. THIS SECURITY IS EXCHANGEABLE FOR SECURITIES REGISTERED IN THE NAME OF A PERSON OTHER THAN THE DEPOSITORY OR ITS NOMINEE ONLY IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE INDENTURE, AND NO TRANSFER OF THIS SECURITY (OTHER THAN A TRANSFER OF THIS SECURITY AS A WHOLE BY THE DEPOSITORY TO A NOMINEE OF THE DEPOSITORY OR BY A NOMINEE OF THE DEPOSITORY TO THE DEPOSITORY OR ANOTHER NOMINEE OF THE DEPOSITORY) MAY BE REGISTERED EXCEPT IN SUCH LIMITED CIRCUMSTANCES.

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE COMPANY (AS DEFINED BELOW) OR ITS AGENT FOR REGISTRATION FOR TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

RGN Principal Amount

U.S. \$ _____ ,
which may be decreased
by the Schedule of
Exchanges of Definitive
Security attached hereto

WASTE MANAGEMENT, INC.

4.150% SENIOR NOTES DUE 2049

CUSIP 94106L BK4

WASTE MANAGEMENT, INC., a Delaware corporation (the "Company," which term includes any successors under the Indenture hereinafter referred to), for value received, hereby promises to pay to CEDE & CO. or registered assigns, at the office or agency of the Company, the principal sum of _____ Million (\$ _____) U.S. dollars, or such lesser principal sum as is shown on the attached Schedule of Exchanges of Definitive Security, on July 15, 2049 in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts, and to pay interest at an annual rate of 4.150% payable on January 15 and July 15 of each year, to the person in whose name this Security is registered at the close of business on the record date for such interest, which shall be the preceding January 1 or July 1, respectively, payable commencing January 15, 2020, with interest accruing from May 22, 2019, or the most recent date to which interest has been paid.

Reference is made to the further provisions of this Security set forth on the reverse hereof. Such further provisions shall for all purposes have the same effect as though fully set forth at this place.

The statements in the legends set forth above are an integral part of the terms of this Security and by acceptance hereof the Holder of this Security agrees to be subject to, and bound by, the terms and provisions set forth in each such legend.

This Security is issued in respect of a series of Securities of an initial aggregate of U.S. \$1,000,000,000 in principal amount designated as the 4.150% Senior Notes due 2049 of the Company and is governed by the Indenture dated as of September 10, 1997, duly executed and delivered by the Company, formerly known as USA Waste Services, Inc., to The Bank of New York Mellon Trust Company, N.A. (the current successor to Texas Commerce Bank National Association) as trustee (the "Trustee"), as supplemented by Board Resolutions (as defined in the Indenture) (such Indenture and Board Resolutions, collectively, the "Indenture"). The terms of the Indenture are incorporated herein by reference. This Security shall in all respects be entitled to the same benefits as definitive Securities under the Indenture.

If and to the extent that any provision of the Indenture limits, qualifies or conflicts with any other provision of the Indenture that is required to be included in the Indenture or is deemed applicable to the Indenture by virtue of the provisions of the Trust Indenture Act of 1939, as amended, such required provision shall control.

The Company hereby irrevocably undertakes to the Holder hereof to exchange this Security in accordance with the terms of the Indenture without charge.

This Security shall not be valid or become obligatory for any purpose until the Certificate of Authentication hereon shall have been manually signed by the Trustee under the Indenture.

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed under its corporate seal.

Dated:

WASTE MANAGEMENT, INC.,
a Delaware corporation

By:

David L. Reed
Vice President and Treasurer

Attest:

By:

Courtney A. Tippy
Vice President and Corporate Secretary

CERTIFICATE OF AUTHENTICATION

This is one of the Securities of the series designated therein referred to in the within-mentioned Indenture.

Date of Authentication:

The Bank of New York Mellon Trust Company, N.A., as Trustee

By:

Authorized Officer

WASTE MANAGEMENT, INC.

4.150% SENIOR NOTES DUE 2049

This Security is one of a duly authorized issue of unsecured debentures, notes or other evidences of indebtedness of the Company (the “Debt Securities”) of the series hereinafter specified, all issued or to be issued under and pursuant to the Indenture, to which Indenture reference is hereby made for a description of the rights, limitations of rights, obligations, duties and immunities thereunder of the Trustee, the Company and the Holders of the Debt Securities. The Debt Securities may be issued in one or more series, which different series may be issued in various aggregate principal amounts, may mature at different times, may bear interest (if any) at different rates, may be subject to different sinking, purchase or analogous funds (if any) and may otherwise vary as provided in the Indenture. This Security is one of a series designated as the 4.150% Senior Notes due 2049 of the Company, in initial aggregate principal amount of \$1,000,000,000 (the “Securities”).

1. *Interest.*

The Company promises to pay interest on the principal amount of this Security at the rate of 4.150% per annum.

The Company will pay interest semi-annually on January 15 and July 15 of each year (each an “Interest Payment Date”), commencing January 15, 2020. Interest on the Securities will accrue from the most recent date to which interest has been paid or, if no interest has been paid on the Securities, from May 22, 2019. Interest will be computed on the basis of a 360-day year consisting of twelve 30-day months. The Company shall pay interest (including post-petition interest in any proceeding under any applicable bankruptcy laws) on overdue installments of interest (without regard to any applicable grace period) and on overdue principal and premium, if any, from time to time on demand at the rate of 4.150% per annum, in each case to the extent lawful.

2. *Method of Payment.*

The Company shall pay interest on the Securities (except Defaulted Interest) to the persons who are the registered Holders at the close of business on the Regular Record Date immediately preceding the Interest Payment Date. Any such interest not so punctually paid or duly provided for (“Defaulted Interest”) may be paid to the persons who are registered Holders at the close of business on a Special Record Date for the payment of such Defaulted Interest, or in any other lawful manner not inconsistent with the requirements of any securities exchange on which such Securities may then be listed if such manner of payment shall be deemed practicable by the Trustee, as more fully provided in the Indenture. Except as provided below, the Company shall pay principal and interest in such coin or currency of the United States of America as at the time of payment shall be legal tender for payment of public and private debts (“U.S. Legal Tender”). Payments in respect of a Book-Entry Security (including principal, premium, if any, and interest) will be made by wire transfer of immediately available funds to the accounts specified by the Depository. Payments in respect of Securities in definitive form (including principal, premium, if any, and interest) will be made at the office or agency of the Company maintained for such purpose within the Borough of Manhattan, the City of New York, which initially will be at the corporate trust office of The Bank of New York Mellon, located at 101 Barclay Street, Floor 21W, New York, New York, 10286 or at the option of the Company, payment of interest may be made by check mailed to the Holders on the Regular Record Date or on the Special Record Date at their addresses set forth in the Security Register of Holders.

3. *Paying Agent and Registrar.*

Initially, The Bank of New York Mellon Trust Company, N.A. will act as Paying Agent and Registrar. The Company may change any Paying Agent, Registrar or co-Registrar at any time upon notice to the Trustee and the Holders. The Company or any of its Subsidiaries may, subject to certain exceptions, act as Paying Agent, Registrar or co-Registrar.

4. *Indenture.*

This Security is one of a duly authorized issue of Debt Securities of the Company issued and to be issued in one or more series under the Indenture.

Capitalized terms herein are used as defined in the Indenture unless otherwise defined herein. The terms of the Securities include those stated in the Indenture and all indentures supplemental thereto, those made part of the Indenture by reference to the Trust Indenture Act of 1939, as amended, as in effect on the date of the Indenture, and those terms stated in the Officers’ Certificate to the Trustee, duly authorized by resolutions of the Board of Directors of the Company on April 10, 2019 (the “Resolutions”) and the written consents of the Sole Director of Waste Management Holdings, Inc. on April 22, 2019 and May 8, 2019 (the “Consents”). The Securities are subject to all such terms, and Holders of Securities are referred to the Indenture, all indentures supplemental thereto, said Act, said Resolutions and said Consents and Officers’ Certificate for a statement of them. The Securities of this series are general unsecured obligations of the Company limited with an initial aggregate principal amount of \$1,000,000,000.

5. *Redemption.*

Before the Par Call Date, the Securities will be redeemable and repayable, at the option of the Company, at any time in whole, or from time to time in part, at a Redemption Price (the “Make-Whole Price”) equal to the greater of: (i) 100% of the principal amount of the Securities to be redeemed; or (ii) the sum, as calculated by the Company, of the present values of the remaining scheduled payments of principal and interest on the Securities that would be due if such Securities matured on the Par Call Date (exclusive of interest accrued to the Redemption Date) discounted to the Redemption Date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the applicable Treasury Yield plus 20 basis points; plus, in either case, accrued interest to the Redemption Date.

On or after the Par Call Date, the Securities will be redeemable and repayable, at the option of the Company, at any time in whole, or from time to time in part, at a Redemption Price equal to 100% of the principal amount of the Securities to be redeemed plus accrued interest on the Securities to be redeemed to the Redemption Date.

Securities called for redemption become due on the Redemption Date. Notices of redemption will be mailed at least 10 but not more than 60 days before the Redemption Date to each holder of record of the Securities to be redeemed at its registered address. The notice of redemption for the Securities will state, among other things, the amount of Securities to be redeemed, the Redemption Date, the Redemption Price or, if not ascertainable, the manner of determining the Make-Whole Price and the place(s) that payment will be made upon presentation and surrender of Securities to be redeemed. Unless the Company defaults in payment of the Make-Whole Price, interest will cease to accrue on any Securities that have been called for redemption at the Redemption Date. If less than all the Securities are redeemed at any time, the Trustee will select the Securities to be redeemed on a pro rata basis or by any other method the Trustee deems fair and appropriate (or with respect to Securities in global form, by such method as the Depository may require).

For purposes of determining the Make-Whole Price, the following definitions are applicable:

“Treasury Yield” means, with respect to any Redemption Date applicable to the Securities, the rate per annum equal to the semi-annual equivalent yield to maturity (computed as of the third Business Day immediately preceding such Redemption Date) of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the applicable Comparable Treasury Price for such Redemption Date.

“Comparable Treasury Issue” means the United States Treasury security selected by an Independent Investment Banker as having a maturity comparable to the remaining term of the Securities, calculated as if the maturity date of such Securities were the Par Call Date (the “Remaining Life”), that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the Remaining Life of the Securities.

“Independent Investment Banker” means one of the Reference Treasury Dealers appointed by us to act as the Independent Investment Banker from time to time.

“Comparable Treasury Price” means, with respect to any Redemption Date, (i) the average of the Reference Treasury Dealer Quotations for the Redemption Date, after excluding the highest and lowest of all Reference Treasury Dealer Quotations obtained, or (ii) if the Independent Investment Banker obtains fewer than four such Reference Treasury Dealer Quotations, the average of all Reference Treasury Dealer Quotations.

“Par Call Date” means January 15, 2049.

“Reference Treasury Dealer” means (i) each of Credit Suisse Securities (USA) LLC, Deutsche Bank Securities Inc., Goldman Sachs & Co. LLC, J.P. Morgan Securities LLC and Mizuho Securities USA LLC (and their respective successors), unless any of them ceases to be a primary U.S. government securities dealer in New York City (a “Primary Treasury Dealer”), in which case the Company will substitute therefor another Primary Treasury Dealer, and (ii) any other Primary Treasury Dealer selected by the Company.

“Reference Treasury Dealer Quotations” means, with respect to each Reference Treasury Dealer and any Redemption Date for the Securities, an average, as determined by the Independent Investment Banker, of the bid and asked prices for the Comparable Treasury Issue for the Securities (expressed in each case as a percentage of its principal amount) quoted in writing to the Independent Investment Banker by such Reference Treasury Dealer at 5:00 p.m., New York City time, on the third Business Day preceding such Redemption Date.

Except as set forth above, the Securities will not be redeemable prior to their Stated Maturity and will not be entitled to the benefit of any sinking fund.

The Securities may be redeemed in part in a minimum principal amount of \$2,000, or any integral multiple of \$1,000 in excess thereof.

Any such redemption will also comply with Article Eleven of the Indenture.

6. *Change of Control Offer.*

If a Change of Control Triggering Event occurs, unless the Company has exercised its option to redeem the Securities as described in Section 5, the Company shall make an offer (a "Change of Control Offer") to each Holder of the Securities to repurchase all or any part (equal to \$2,000 or an integral multiple of \$1,000 in excess thereof) of that Holder's Securities on the terms set forth herein. In a Change of Control Offer, the Company shall offer payment in cash equal to 101% of the aggregate principal amount of Securities repurchased (a "Change of Control Payment"), plus accrued and unpaid interest, if any, on the Securities repurchased to the date of repurchase, subject to the right of holders of record on the applicable record date to receive interest due on the next Interest Payment Date.

Within 30 days following any Change of Control Triggering Event or, at the Company's option, prior to any Change of Control, but after public announcement of the transaction that constitutes or may constitute the Change of Control, the Company shall mail a notice to Holders of the Securities describing the transaction that constitutes or may constitute the Change of Control Triggering Event and offering to repurchase such Securities on the date specified in the applicable notice, which date shall be no earlier than 30 days and no later than 60 days from the date such notice is mailed (a "Change of Control Payment Date"). The notice may, if mailed prior to the date of consummation of the Change of Control, state that the Change of Control Offer is conditioned on the Change of Control Triggering Event occurring on or prior to the applicable Change of Control Payment Date.

Upon the Change of Control Payment Date, the Company shall, to the extent lawful:

- accept for payment all Securities or portions of Securities properly tendered and not withdrawn pursuant to the Change of Control Offer;
- deposit with the Paying Agent an amount equal to the Change of Control Payment in respect of all Securities or portions of Securities properly tendered; and
- deliver or cause to be delivered to the Trustee the Securities properly accepted together with an Officers' Certificate stating the aggregate principal amount of Securities or portions of Securities being repurchased.

The Company need not make a Change of Control Offer upon the occurrence of a Change of Control Triggering Event if a third party makes such an offer in the manner, at the times and otherwise in compliance with the requirements for an offer made by the Company and the third party repurchases all Securities properly tendered and not withdrawn under its offer. In addition, the Company shall not repurchase any Securities if there has occurred and is continuing on the Change of Control Payment Date an Event of Default under the Indenture, other than a default in the payment of the Change of Control Payment upon a Change of Control Triggering Event.

The Company will comply with the applicable requirements of Rule 14e-1 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and any other securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with the repurchase of the Securities as a result of a Change of Control Triggering Event. To the extent that the provisions of any securities laws or regulations conflict with the Change of Control Offer provisions of this Security, the Company will comply with those securities laws and regulations and will not be deemed to have breached its obligations under the Change of Control Offer provisions of this Security by virtue of any such conflict.

For purposes of the Change of Control Offer provisions of the Securities, the following terms are applicable:

"Change of Control" means the occurrence of any of the following: (1) the direct or indirect sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or more series of related transactions, of all or substantially all of the Company's assets and the assets of its Subsidiaries, taken as a whole, to any person, other than the Company or one of its Subsidiaries; (2) the consummation of any transaction (including, without limitation, any merger or consolidation) the result of which is that any person becomes the beneficial owner (as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of more than 50% of the outstanding Voting Stock of the Company or other Voting Stock into which the Company's Voting Stock is reclassified, consolidated, exchanged or changed, measured by voting power rather than number of shares; (3) the Company consolidates with, or merges with or into, any person, or any person consolidates with, or merges with or into, the Company, in any such event pursuant to a transaction in which any of the outstanding Voting Stock of the Company or the Voting Stock of such other person is converted into or exchanged for cash, securities or other property, other than any such transaction where the shares of the Voting Stock of the Company outstanding immediately prior to such transaction constitute, or are converted into or exchanged for, a majority of the Voting Stock of the surviving person or any direct or indirect parent company of the surviving person, measured by voting power rather than number of shares, immediately after giving effect to such transaction; or (4) the adoption of a plan relating to the liquidation or dissolution of the Company.

Notwithstanding the preceding, a transaction will not be deemed to involve a Change of Control under clause (2) above if (i) the Company becomes a direct or indirect wholly-owned subsidiary of a holding company and (ii)(A) the direct or indirect holders of the Voting Stock of such holding company immediately following that transaction are substantially the same as the holders of Voting Stock of the Company immediately prior to that transaction or (B) immediately following that transaction no person (other than a holding company satisfying the requirements of this sentence) is the beneficial owner, directly or indirectly, of more than 50% of the Voting Stock of such holding company. The term “person,” as used in this definition, has the meaning given thereto in Section 13(d)(3) of the Exchange Act.

“Change of Control Triggering Event” means the occurrence of both a Change of Control and a Rating Event.

“Fitch” means Fitch Inc. and its successors.

“Investment Grade Rating” means a rating equal to or higher than BBB- (or the equivalent) by Fitch, Baa3 (or the equivalent) by Moody’s and BBB- (or the equivalent) by S&P, and the equivalent investment grade credit rating from any replacement Rating Agency or Rating Agencies selected by the Company.

“Moody’s” means Moody’s Investors Service, Inc. and its successors.

“Rating Agencies” means (1) each of Fitch, Moody’s and S&P and (2) if any of Fitch, Moody’s or S&P ceases to rate the Securities or fails to make a rating of the Securities publicly available for reasons outside of the Company’s control, a “nationally recognized statistical rating organization” within the meaning of Section 3(a)(62) of the Exchange Act selected by the Company (as certified by a resolution of our Board of Directors) as a replacement agency for Fitch, Moody’s or S&P, or all of them, as the case may be.

“Rating Event” means the rating on the Securities is lowered by at least two of the three Rating Agencies and the Securities are rated below an Investment Grade Rating by at least two of the three Rating Agencies, in any case on any day during the period (which period will be extended so long as the rating of the Securities is under publicly announced consideration for a possible downgrade by any of the rating agencies) commencing 60 days prior to the first public notice of the occurrence of a Change of Control or the Company’s intention to effect a Change of Control and ending 60 days following consummation of such Change of Control.

“S&P” means S&P Global Ratings, a division of S&P Global Inc., and its successors.

“Voting Stock” means, with respect to any specified “person” (as that term is used in Section 13(d)(3) of the Exchange Act) as of any date, the capital stock of such person that is at the time entitled to vote generally in the election of the board of directors of such person.

7. *Denominations; Transfer; Exchange.*

The Securities are issued in registered form, without coupons, in a minimum denomination of \$2,000 and integral multiples of \$1,000 in excess thereof. A Holder may register the transfer of, or exchange, Securities in accordance with the Indenture. The Securities Registrar may require a Holder, among other things, to furnish appropriate endorsements and transfer documents and to pay any taxes and fees required by law or permitted by the Indenture.

8. *Person Deemed Owners.*

The registered Holder of a Security may be treated as the owner of it for all purposes.

9. *Amendment; Supplement; Waiver.*

Subject to certain exceptions, the Indenture may be amended or supplemented, and any existing Event of Default or compliance with any provision may be waived, with the consent of the Holders of a majority in principal amount of the Outstanding Debt Securities of each series affected. Without consent of any Holder, the parties thereto may amend or supplement the Indenture or the Securities to, among other things, cure any ambiguity, defect or inconsistency, or make any other change that does not adversely affect the interests of any Holder of a Security in any material respect. Any such consent or waiver by the Holder of this Security (unless revoked as provided in the Indenture) shall be conclusive and binding upon such Holder and upon all future Holders and owners of this Security and any Securities which may be issued in exchange or substitution herefor, irrespective of whether or not any notation thereof is made upon this Security or such other Securities.

10. *Defaults and Remedies.*

If an Event of Default with respect to the Securities occurs and is continuing, then in every such case the Trustee or the Holders of not less than 25% in principal amount of the Securities then Outstanding may declare the principal amount of all the Securities to be due and payable immediately in the manner and with the effect provided in the Indenture. Notwithstanding the preceding sentence, however, if at any time after such a declaration of acceleration has been made and before judgment or decree for payment of the money due has been obtained by the Trustee as provided in the Indenture, the Holders of a majority in principal amount of the Outstanding Securities, by written notice to the Company and to the Trustee, may rescind and annul such declaration and its consequences if (1) the Company has paid or deposited with the Trustee a sum sufficient to pay (A) all overdue interest on all Securities, (B) the principal of (and premium, if any, on) any Securities which has become due otherwise than by such declaration of acceleration and any interest thereon at the rate prescribed therefor herein, (C) to the extent that payment of such interest is lawful, interest upon overdue interest at the rate prescribed therefor herein, and (D) all sums paid or advanced by the Trustee and the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel and (2) all Events of Default under the Indenture with respect to the Securities, other than the nonpayment of the principal of Securities which has become due solely by such declaration acceleration, shall have been cured or shall have been waived. No such rescission shall affect any subsequent Event of Default or shall impair any right consequent thereon. Holders of Securities may not enforce the Indenture or the Securities except as provided in the Indenture. The Trustee may require indemnity satisfactory to it before it enforces the Indenture or the Securities. Subject to certain limitations, Holders of a majority in aggregate principal amount of the Securities then outstanding may direct the Trustee in its exercise of any trust or power.

11. *Trustee Dealings with Company.*

The Trustee under the Indenture, in its individual or any other capacity, may make loans to, accept deposits from, and perform services for the Company and its Affiliates and any subsidiary of the Company's Affiliates, and may otherwise deal with the Company and its Affiliates as if it were not the Trustee.

12. *Authentication.*

This Security shall not be valid until the Trustee or authenticating agent signs the certificate of authentication on the other side of this Security.

13. *Abbreviations and Defined Terms.*

Customary abbreviations may be used in the name of a Holder of a Security or an assignee, such as: TEN COM (tenant in common), TEN ENT (tenants by the entireties), JT TEN (joint tenants with right of survivorship and not as tenants in common), CUST (Custodian), and U/G/M/A (Uniform Gifts to Minors Act).

14. *CUSIP Numbers.*

Pursuant to a recommendation promulgated by the Committee on Uniform Note Identification Procedures, the Company has caused CUSIP numbers to be printed on the Securities as a convenience to the Holders of the Securities. No representation is made as to the accuracy of such number as printed on the Securities and reliance may be placed only on the other identification numbers printed hereon.

15. *Absolute Obligation.*

No reference herein to the Indenture and no provision of this Security or the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of, premium, if any, and interest on this Security in the manner, at the respective times, at the rate and in the coin or currency herein prescribed.

16. *No Recourse.*

No recourse under or upon any obligation, covenant or agreement contained in the Indenture or in any Security, or because of any indebtedness evidenced thereby, shall be had against any incorporator, past, present or future stockholder, officer or director, as such of the Company or of any successor, either directly or through the Company or of any successor, either directly or through the Company or any successor, under any rule of law, statute or constitutional provision or by the enforcement of any assessment or by any legal or equitable proceeding or otherwise, all such liability being expressly waived and released by the acceptance of the Security by the Holder and as part of the consideration for the issue of the Security.

17. *Governing Law.*

This Security shall be construed in accordance with and governed by the laws of the State of New York.

18. *Guarantee.*

The Securities will be fully and unconditionally guaranteed on a senior basis by the Company's wholly owned subsidiary, Waste Management Holdings, Inc., pursuant to the terms and conditions of a Guarantee, dated as of May 22, 2019 (the "Guarantee"). The amount of the Guarantee will be limited to the extent required under applicable fraudulent conveyance laws to cause the Guarantee to be enforceable. The terms and conditions of the Guarantee shall continue in full force and effect for the benefit of holders of the Securities until release thereof as set forth in Section 6 of the Guarantee.

19. *Satisfaction and Discharge.*

The Securities will be subject to Section 401 of the Indenture; provided, however, that solely with respect to the Securities, the following sentence shall be added to the end of Section 401(1)(B) of the Indenture: "(provided that, upon any redemption that requires the payment of any make-whole or other premium, (x) the amount of cash that must be deposited shall be determined using an assumed applicable premium calculated as of the date of such deposit and (y) the Company shall deposit any deficit in trust on or prior to the Redemption Date as necessary to pay the applicable premium as determined by such date)".

Annex B
**Resolutions of the Board of Directors
of Waste Management, Inc.**

WHEREAS, there has been considered by the Board a draft of an Agreement and Plan of Merger, a summary of the principal terms of which has been previously provided to the Board, (the "Merger Agreement") by and among the Company, Everglades Merger Sub Inc., a Delaware corporation and wholly-owned indirect subsidiary of the Company ("Merger Sub") and Advanced Disposal Services, Inc., a Delaware corporation ("Advanced"), whereby, among other things, subject to the terms and conditions contained in, and as more fully described in, the Merger Agreement, Merger Sub will merge with and into Advanced (the "Merger"), with Advanced surviving the Merger as a wholly-owned indirect subsidiary of the Company (capitalized terms used but not defined herein shall have the meaning given such terms in the Merger Agreement);

[Provisions Unrelated to the Senior Notes Offering Have Been Withheld]

WHEREAS, the Board resolved in August 2018 to authorize the Company to prepare and file a new registration statement with the Securities and Exchange Commission (the "SEC") and to offer in one or more offerings an aggregate of \$3,000,000,000 of securities without further action by the Board (the "August 2018 Authorization");

WHEREAS, the Board desires to amend and restate the August 2018 Authorization to, among other things, provide for additional offerings of securities to finance the Merger Consideration;

WHEREAS, the Board desires to provide for potential offerings of debt securities denominated in Canadian dollars by the Company and/or its subsidiaries;

WHEREAS, the Company is party to that certain indenture, dated as of September 10, 1997 (as amended, restated or otherwise modified from time to time, the "Company Existing Indenture"), by and among the Company, The Bank of New York Mellon Trust Company, N.A., as successor trustee to Texas Commerce Bank National Association, and pursuant to the Company Existing Indenture, has issued, among other securities: (i) the Company's 7.00% Senior Notes due 2028 (the "2028 Notes"), (ii) the Company's 7.375% Senior Notes due 2029 (the "2029 Notes"), (iii) the Company's 7.75% Senior Notes due 2032 (the "2032 Notes"), and (iv) the Company's 6.125% Senior Notes due 2039 (the "2039 Notes");

WHEREAS Waste Management Holdings, Inc., a wholly-owned subsidiary of the Company ("WMHI"), is a party to that certain indenture, dated as of June 1, 1993, by and among WMHI, and The Fuji Bank and Trust Company, as trustee (as amended, restated or otherwise modified from time to time, the "WMHI Existing Indenture"), and has issued, pursuant to the WMHI Existing Indenture, its 7.10% Senior Notes due 2026 (the "2026 Notes," and together with the 2028 Notes, the 2029 Notes, the 2032 Notes and the 2039 Notes, the "Specified Existing Notes"); and

WHEREAS the Board desires to provide for the eventual redemption and/or refinancing of the Specified Existing Notes and deems it advisable to approve the Company' pursuit of tender offers and/or redemption transactions with respect to the Specified Existing Notes.

[Provisions Unrelated to the Senior Notes Offering Have Been Withheld]

3. Registration Statement; Securities Offerings.

NOW, THEREFORE, BE IT RESOLVED, that the Company is hereby authorized to prepare and file with the SEC a shelf registration statement on Form S-3 (the "New Registration Statement"), pursuant to the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder (the "Securities Act"), which New Registration Statement is anticipated to be filed with the SEC after the Company's earnings announcement for the three months ended March 31, 2019 and may provide for the registration of, among other things, unsecured senior or subordinated debentures, notes or other evidences of indebtedness of the Company (collectively "Registered Debt Securities"); common stock of the Company, par value \$0.01 ("Company Common Stock"); warrants to purchase shares of Company Common Stock; shares of preferred stock in such series with such designations, powers, preferences and relative and other special rights and qualifications, limitations and restrictions as the Board of Directors may from time to time authorize; guarantees of securities by WMHI; and any units consisting of one or more of the foregoing (the Registered Debt Securities, Company Common Stock, warrants, preferred stock, guarantees and units eligible to be sold pursuant to the New Registration Statement are collectively referred to herein as the "Registered Securities"), to be issued from time to time;

RESOLVED FURTHER, that each of the Authorized Officers be, and they hereby are, authorized, in their sole and absolute discretion, subject to any limitations set forth in these resolutions, to cause the Company to issue, offer and sell an aggregate of up to \$6,000,000,000 of Securities (as defined below) without further approval of the Board of Directors pursuant to the New Registration Statement or a Canadian Offering (as defined below), as applicable;

RESOLVED FURTHER, that authority to make new issuances of Registered Securities pursuant to the August 2018 Authorization shall be deemed rescinded and superseded hereby;

RESOLVED FURTHER, that the Authorized Officers and authorized employees (as established pursuant to these resolutions) be, and each of them hereby is, authorized, in the name and on behalf of the Company, to execute and cause to be filed with the SEC any and all amendments (including, without limitation, post-effective amendments) or supplements to the New Registration Statement and any prospectus included therein and any additional documents which such officer or employee may deem necessary or desirable with respect to the registration and offering of the Registered Securities, and such amendments, supplements, registration statements and documents to be in such form as the officer or employee executing the same may approve, as conclusively evidenced by his execution thereof;

RESOLVED FURTHER, that the Chief Legal Officer of the Company be, and he hereby is, designated and appointed the agent for service of process on the Company under the Securities Act in connection with the New Registration Statement and any and all amendments and supplements thereto, with all powers incident to such appointment;

RESOLVED FURTHER, that any of the Authorized Officers be, and each of them hereby is, authorized, at any time and from time to time, on behalf of the Company, (i) to determine, subject to the limits that shall be set by the Board, the number of shares of Company Common Stock, preferred stock or other equity securities to be offered and sold by the Company pursuant to the New Registration Statement, including any shares underlying warrants or convertible Debt Securities, (ii) to authorize the reserve and issuance of such shares and (iii) to take any and all action and to do or cause to be done any and all things which may appear to any of the Authorized Officers to be necessary or advisable in order to authorize, offer, issue, and sell such shares of Company Common Stock, pursuant to the New Registration Statement and the applicable purchase agreement, which action could be taken or which things could be done by the Board;

RESOLVED FURTHER, that the Company is authorized to offer, issue and sell, or cause any subsidiary of the Company to offer, issue and sell, debt securities denominated in Canadian dollars (the "Canadian Notes," together with any Canadian Notes Guarantees (as defined below) the "Canadian Securities," and together with the Registered Securities, the "Securities") in transactions exempt from registration under the Securities Act, on terms and conditions to be determined by the Authorized Officers from time to time (the "Canadian Offering");

RESOLVED FURTHER, that the Authorized Officers, and each of them, shall have full authority to authorize and approve the terms of the Canadian Offering (including, without limitation, the aggregate amount to be sold, the initial offering price, the prices at which such Canadian Securities will be sold to the applicable Initial Purchasers (as defined below) and such other terms as may be necessary) and the final terms of the purchase agreement relating to the Canadian Offering (the "Purchase Agreement"), any guarantors of such Canadian Notes (collectively, the "Canadian Notes Guarantors") and the initial purchasers in connection with the Canadian Offering (the "Initial Purchasers") and such other matters as the Authorized Officers, or any of them, shall determine to be necessary or advisable in connection with the issuance of the Canadian Securities and to carry out the purposes and intent of the foregoing resolutions;

RESOLVED FURTHER, that the Company is authorized to cause the Canadian Notes to be guaranteed on a senior secured basis (the "Canadian Notes Guarantees") by the Canadian Notes Guarantors if advisable in the judgment of any of the Authorized Officers;

RESOLVED FURTHER, that the preparation and use of a preliminary offering memorandum relating to the Canadian Offering (the "Preliminary Offering Memorandum") is hereby ratified, confirmed, authorized and approved, and that the Authorized Officers or any of them acting together or individually, and those other employees of the Company as any of them shall designate, are hereby authorized and directed in the name and on behalf of the Company to prepare a pricing supplement (the "Pricing Supplement") in connection with the Canadian Offering, and the final offering memorandum (the "Final Offering Memorandum") relating to the Canadian Offering, and any supplements or amendments thereto as any of the Authorized Officers deems necessary or appropriate in connection with the Canadian Offering, such approval to be conclusively evidenced by the distribution of such supplement or amendment by or on behalf of the Company to the Initial Purchasers;

RESOLVED FURTHER, that the Authorized Officers and authorized employees be and hereby are authorized and directed in the name and on behalf of the Company to take any and all action which they may deem necessary or advisable in order to effect the registration or qualification of all or part of the Registered Securities to be registered under the Securities Act, and any and all action for the Securities to be eligible for offer and sale under the securities or Blue Sky laws of the states of the United States of America or similar laws and regulations of other jurisdictions, including Canada, and in connection therewith, to execute, acknowledge, verify, deliver, file and publish all such applications, reports, issuer's covenants, resolutions, consents to service of process, or appointments of governmental officials for the purpose of receiving and accepting service of process on the laws, and to take any and all further action which they may deem necessary or advisable in order to maintain any such registration or qualification for as long as they deem the same to be in the best interest of the Company;

RESOLVED FURTHER, that the form of any additional resolutions required in connection with the appropriate qualification or registration of the Securities for offer and sale under such securities or Blue Sky laws, be and hereby is approved and adopted, provided the appropriate officers of the Company, on the advice of counsel, consider the adoption thereof necessary or advisable, in which case the Secretary or any Assistant Secretary of the Company is hereby directed to insert as an appendix hereto a copy of such resolutions, which shall thereupon be deemed to have been adopted by this Board of Directors with the same force and effect as if set out verbatim herein;

RESOLVED FURTHER, that any of the Authorized Officers or authorized employees be, and each of them hereby is, authorized to approve at any time and from time to time, the engagement of one or more investment banks to provide services in connection with any offering of Securities, one or more forms of underwriting or purchase agreement (and any related terms agreement) and agency agreement (and related purchase agreement) and any other agreement or agreements any of such persons may deem necessary or appropriate in connection with the arrangements for the purchase of any of the Securities, and that such persons be, and each of them hereby is, authorized to execute and deliver, in the name and on behalf of the Company, any such agreement or agreements in substantially the form approved by any of them, with such changes therein as the person executing the same may approve, as conclusively evidenced by the execution and delivery thereof, it being understood that, in the case of any terms agreement or purchase agreement referred to above, it shall not be necessary for any of the Authorized Officers to approve any individual agreement pursuant to which Securities are to be sold if the form thereof has previously been approved as provided in this resolution;

RESOLVED FURTHER, that any of the Authorized Officers may, at any time and from time to time, on behalf of the Company, authorize the issuance of one or more series of Securities under one or more indentures, within any limits that may be set by the Board, and in connection therewith establish, or, if all of the Securities of such series may not be originally issued at one time, to the extent deemed appropriate, prescribe the manner of determining, within any limitations established by any of the Authorized Officers and subject in either case to the limitations set forth in these resolutions, all of the terms of such Securities;

RESOLVED FURTHER, that, in connection with any such series of Securities (but without limiting the authority hereinafter in these resolutions conferred with respect to the issuance of Securities of a series which may not all be originally issued at one time), any of the Authorized Officers is authorized at any time or from time to time to determine the price or prices to be received by the Company in any offering or sale of Securities of such series, any public offering price or prices thereof, any discounts to be allowed or commissions to be paid to any agent, dealer, initial purchaser or underwriter and any other terms of offering or sale of Securities of such series and to sell Securities of such series in accordance with any applicable purchase agreement or other agreement(s);

RESOLVED FURTHER, that, in connection with the issuance of any Securities of any series which may not be originally issued at one time (except as may be inconsistent with any action taken by any of the Authorized Officers, as herein provided, in connection with such series), and of the Authorized Officers may delegate any of its authority pursuant to these resolutions to any officer of the Company;

RESOLVED FURTHER, that, in connection with the issuance and sale of any Securities, that the Company may use the proceeds therefrom: (1) to fund the transactions contemplated by the Merger Agreement (including the redemption of outstanding indebtedness of Advanced) (2) to repay or refinance existing indebtedness of the Company or (3) for general corporate purposes as determined by the Authorized Officers, or any of them;

RESOLVED FURTHER, that, in connection with any such series of Securities, any of the Authorized Officers is authorized to approve any amendment, modification or supplement to the Company's indentures and that any Authorized Officer be, and each of them hereby is, authorized to execute and deliver, in the name and on behalf of the Company, any such amendment, modification or supplement, substantially in the form approved by any Authorized Officer;

RESOLVED FURTHER, that the Company is authorized to (i) provide for the redemption or refinancing, in whole or in part, of the outstanding debt of Advanced in connection with the Merger, which may include one or more tender offers, consent solicitations or notices of redemption, as well as the payment of the applicable redemption prices (including premiums), plus accrued and unpaid interest, if any, to the date of redemption or purchase, as applicable, and (ii) provide for the redemption or refinancing, in whole or in part, of the Specified Existing Notes, which may include one or more tender offers, consent solicitations or notices of redemption, as well as the payment of the applicable redemption prices (including premiums), plus accrued and unpaid interest, if any, to the date of redemption or repurchase, as applicable (the actions in immediately preceding clauses (i) and (ii) being referred to as “Liability Management Transactions”), and the Authorized Officers and authorized employees be, and each of them hereby is, authorized in the name and on behalf of the Company, to prepare and execute such documents and agreements as may be necessary to effectuate such actions;

RESOLVED FURTHER, that the Authorized Officers be, and they hereby are, authorized, in their sole and absolute discretion, subject to any limitations set forth in these resolutions, to determine any and all terms and conditions of the Liability Management Transactions as the Authorized Officers may deem necessary, advisable or appropriate;

RESOLVED FURTHER, that the Authorized Officers be, and they hereby are, authorized, in their sole and absolute discretion, subject to any limitations set forth in these resolutions, to cause the Company to consummate the Liability Management Transactions without further approval of the Board and to prepare and transmit one or more notices of redemption, offers to purchase and/or consent solicitation statements and any and all other documents in connection with the Liability Management Transactions to be transmitted to holders of the applicable securities;

RESOLVED FURTHER, that the Authorized Officers and authorized employees be, and each of them hereby is, authorized, in the name and on behalf of the Company, to execute and deliver such other agreements (including indemnity agreements), documents, certificates, orders, requests and instruments as may be contemplated by the Company’s indentures or required by the trustee thereunder, the security registrar or any other agent of the Company under such indentures in connection therewith or as may be necessary or appropriate in connection with the issuance and sale of Securities thereunder;

RESOLVED FURTHER, that the Authorized Officers be, and each of them hereby is, authorized, subject to and in accordance with the Company’s indentures and any action taken by any of the Authorized Officers in connection therewith, from time to time to appoint or designate on behalf of the Company one or more trustees, security registrars, paying agents and transfer agents for each series of Securities, to rescind on behalf of the Company any such appointment or designation and to approve on behalf of the Company any change in the location of any office through which any such trustee, security registrar, paying agent or transfer agent acts, and in connection therewith to take such action and to make, execute and deliver, or cause to be made, executed and delivered, such agreements, instruments and other documents as any such officer may deem necessary or appropriate;

RESOLVED FURTHER, that the Authorized Officers and authorized employees be, and each of them hereby is, authorized, in the name and on behalf of the Company, to make application to such securities exchange or exchanges as the persons acting shall deem necessary or appropriate for the listing thereof of any of the Securities (including any Company Common Stock or preferred stock underlying any convertible Securities) and in connection therewith to appoint one or more listing agents and to prepare, or cause to be prepared, execute and file, or cause to be filed, an application or applications for such listing and any and all amendments thereto and any additional certificates, documents, letters and other instruments which any such officer or employee may deem necessary or desirable; that such officers or employees, or such other person as any such officer or employee may designate in writing, be, and each of them hereby is, authorized to appear before any official or officials or before any body of any such exchange, with authority to make such changes in such application, amendments, certificates, documents, letters and other instruments and to execute and deliver such agreements relative thereto, including, without limitation, listing agreements, fee agreements and indemnity agreements relating to the use of facsimile signatures as they, or any one of them, may deem necessary or appropriate in order to comply with the requirements of any such exchange or to effect such listing;

RESOLVED FURTHER, that the Authorized Officers and authorized employees be, and each of them hereby is, authorized, in the name and on behalf of the Company, to make application to the SEC for registration of any series of the Registered Securities under Section 12 or other applicable section of the Securities Exchange Act of 1934, and the Authorized Officers and authorized employees are hereby authorized to prepare or cause to be prepared, and to execute and file, or cause to be filed, with the SEC and any securities exchange an application or applications for such registration and any and all amendments thereto and any additional certificates, documents, letters and other instruments which any such officer or employee may deem necessary or desirable; and

RESOLVED FURTHER, that for purposes the resolutions in this Section 3, the term “Authorized Officers” shall be deemed to include, in addition to those officers identified above, the Chief Accounting Officer and the Treasurer of the Company and the term “authorized employees” shall mean either or both of the Vice President and General Counsel—Transactions and the Vice President and General Counsel—Securities & Governance of the Company.

[Provisions Unrelated to the Senior Notes Offering Have Been Withheld]

7. Additional Actions.

NOW, THEREFORE, BE IT RESOLVED, that the Authorized Officers be, and each of them with full power to act without the others hereby is, authorized and empowered, in accordance with the foregoing resolutions, in the name and on behalf of the Company, to prepare, execute and deliver any and all agreements, amendments, certificates, reports, applications, notices, instruments, schedules, statements, consents, letters or other documents with respect to the matters contemplated by the foregoing resolutions, to certify as having been adopted by the Board any form of resolution required by any law, regulation or agency necessary or appropriate to effectuate the purpose and intent of these resolutions or any of them, to make any filings pursuant to federal, state and foreign laws, to pay all charges fees, taxes and other expenses and to do or cause to be done any and all such other acts and things as, in the opinion of any such Authorized Officer, may be necessary, appropriate or desirable in order to comply with the applicable laws and regulations of any jurisdiction (domestic or foreign), to issue press releases and engage in other communications, or otherwise in order to enable the Company to fully and promptly carry out the purposes and intent of the foregoing resolutions and to permit the matters contemplated thereby to be lawfully consummated;

RESOLVED FURTHER, that the Authorized Officers be, and each of them with full power to act without the others hereby is, authorized and empowered to retain, in the name and on behalf of the Company, such financial advisors, legal counsel and such other advisors, consultants or experts necessary or appropriate to carry out the actions contemplated in these resolutions, and to secure any appropriate advice and opinions from such advisors, consultants or experts, and to pay all fees and expenses incurred by the Company in connection with the transactions contemplated by the Merger Agreement and any actions or matters necessary or appropriate to give effect to the forgoing, including, but not limited to, all fees and expenses necessary or appropriate to effectuate the purpose and intent of the foregoing resolutions or any of them and the Merger Agreement and the transactions contemplated thereby and such other agreements and documents as may be executed by any Authorized Officer pursuant to authorization granted in these resolutions or to carry out the transactions contemplated thereby;

RESOLVED FURTHER, that each Authorized Officer may authorize any other officer, employee or agent of, or counsel to, the Company or any of its subsidiaries to take any and all actions and to execute and deliver any and all certificates, documents, agreements and instruments referred to in these resolutions in place of or on behalf of such Authorized Officer, with full power as if such Authorized Officer were taking such action himself or herself;

RESOLVED FURTHER, that the officers of the Company be, and each of them hereby is, authorized to take, or cause to be taken, any and all action which any such officer may deem necessary or desirable in order to carry out the purpose and intent of the foregoing resolutions or in order to perform, or cause to be performed, the obligations of the Company under the Securities, the New Registration Statement and any indenture, purchase agreement, or other agreement referred to herein, and, in connection therewith, to make, execute and deliver, or cause to be made, executed and delivered, all agreements, undertakings, documents, certificates, orders, requests or instruments in the name and on behalf of the Company as each such officer may deem necessary or appropriate; and

RESOLVED FURTHER, that any or all actions heretofore or hereafter taken by any officer or officers of the Company or any of its subsidiaries to effectuate or evidence the purpose and intent of the foregoing resolutions be, and hereby are, approved, ratified and confirmed as the act and deed of the Company or such subsidiary.

GUARANTEE

BY WASTE MANAGEMENT HOLDINGS, INC.

(formerly known as Waste Management, Inc.)

in Favor of The Bank of New York Mellon Trust Company, N.A., as Trustee for the Holders
of Certain Debt Securities of

WASTE MANAGEMENT, INC.

\$750,000,000

2.950% Senior Notes due 2024

May 22, 2019

GUARANTEE, dated as of May 22, 2019 (as amended from time to time, this “Guarantee”), made by Waste Management Holdings, Inc. (formerly known as Waste Management, Inc.), a Delaware corporation (the “Guarantor”), in favor of The Bank of New York Mellon Trust Company, N.A., as trustee for the holders of the \$750 million aggregate principal amount of 2.950% Senior Notes due 2024 (the “Debt Securities”) of Waste Management, Inc. (formerly known as USA Waste Services, Inc.), a Delaware corporation (the “Issuer”).

WITNESSETH:

SECTION 1. Guarantee

(a) The Guarantor hereby unconditionally guarantees the punctual payment when due, whether at stated maturity, by acceleration or otherwise, of the principal of, premium, if any, and interest on the Debt Securities and any amounts and obligations due and payable with respect to the Debt Securities under Section 607 of the Indenture (as amended, modified or otherwise supplemented from time to time, the “Indenture”), dated as of September 10, 1997, between the Issuer, as successor to USA Waste Services, Inc., and The Bank of New York Mellon Trust Company, N.A. (the current successor to Texas Commerce Bank National Association), as trustee (the “Trustee”) (the “Obligations”), according to the terms of the Debt Securities and the Indenture, as applicable.

(b) It is the intention of the Guarantor that this Guarantee not constitute a fraudulent transfer or conveyance for purposes of Bankruptcy Law, the Uniform Fraudulent Conveyance Act, the Uniform Fraudulent Transfer Act or any similar federal or state law to the extent applicable to this Guarantee. To effectuate the foregoing intention, the amount guaranteed by the Guarantor under this Guarantee shall be limited to the maximum amount as will, after giving effect to such maximum amount and all other contingent and fixed liabilities of the Guarantor (other than guarantees of the Guarantor in respect of subordinated debt) that are relevant under such laws, result in the Obligations of the Guarantor under this Guarantee not constituting a fraudulent transfer or conveyance. For purposes hereof, “Bankruptcy Law” means Title 11, U.S. Code, or any similar Federal or state law for the relief of debtors.

SECTION 2. Guarantee Absolute. The Guarantor guarantees that the Obligations will be paid strictly in accordance with the terms of the Indenture, regardless of any law, regulation or order now or hereafter in effect in any jurisdiction affecting any of such terms or the rights of holders of the Debt Securities with respect thereto. The liability of the Guarantor under this Guarantee shall be absolute and unconditional irrespective of:

- (i) any lack of validity or enforceability of the Indenture, the Debt Securities or any other agreement or instrument relating thereto;
- (ii) any change in the time, manner or place of payment of, or in any other term of, all or any of the Obligations, or any other amendment or waiver of or any consent to departure from the Indenture;
- (iii) any exchange, release or non-perfection of any collateral, or any release or amendment or waiver of or consent to departure from any other guaranty, for all or any of the Obligations; or
- (iv) any other circumstance which might otherwise constitute a defense available to, or a discharge of, the Issuer or a guarantor.

SECTION 3. Subordination. The Guarantor covenants and agrees that its obligation to make payments of the Obligations hereunder constitutes an unsecured obligation of the Guarantor ranking (a) *pari passu* with all existing and future senior indebtedness of the Guarantor and (b) senior in right of payment to all existing and future subordinated indebtedness of the Guarantor.

SECTION 4. Waiver; Subrogation

(a) The Guarantor hereby waives notice of acceptance of this Guarantee, diligence, presentment, demand of payment, filing of claims with a court in the event of merger or bankruptcy of the Issuer, any right to require a proceeding filed first against the Issuer, protest or notice with respect to the Debt Securities or the indebtedness evidenced thereby and all demands whatsoever.

(b) The Guarantor shall be subrogated to all rights of the Trustee or the holders of any Debt Securities against the Issuer in respect of any amounts paid to the Trustee or such holder by the Guarantor pursuant to the provisions of this Guarantee; provided, however, that the Guarantor shall not be entitled to enforce, or to receive any payments arising out of, or based upon, such right of subrogation until all Obligations shall have been paid in full.

SECTION 5. No Waiver, Remedies. No failure on the part of the Trustee or any holder of the Debt Securities to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

SECTION 6. Continuing Guarantee; Transfer of Interest. This Guarantee is a continuing guaranty and shall (i) remain in full force and effect until the earliest to occur of (A) the date, if any, on which the Guarantor shall consolidate with or merge into the Issuer or any successor thereto, (B) the date, if any, on which the Issuer or any successor thereto shall consolidate with or merge into the Guarantor, (C) payment in full of the Obligations and (D) the release by the lenders under the Fourth Amended and Restated Revolving Credit Agreement dated as of June 26, 2018 by and among the Issuer, Waste Management of Canada Corporation, WM Quebec Inc. and the Guarantor (as guarantor), certain banks party thereto, and Bank of America, N.A., as administrative agent (or under any replacement or new principal credit facility of the Issuer) of the guarantee of the Guarantor thereunder, (ii) be binding upon the Guarantor, its successors and assigns, and (iii) inure to the benefit of and be enforceable by any holder of Debt Securities, the Trustee, and by their respective successors, transferees, and assigns.

SECTION 7. Reinstatement. This Guarantee shall continue to be effective or be reinstated, as the case may be, if at any time any payment of any of the Obligations is rescinded or must otherwise be returned by any holder of the Debt Securities or the Trustee upon the insolvency, bankruptcy or reorganization of the Issuer or otherwise, all as though such payment had not been made.

SECTION 8. Amendment. The Guarantor may amend this Guarantee at any time for any purpose without the consent of the Trustee or any holder of the Debt Securities; provided, however, that if such amendment adversely affects the rights of the Trustee or any holder of the Debt Securities, the prior written consent of the Trustee shall be required.

SECTION 9. Governing Law. THIS GUARANTEE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO THE PROVISIONS THEREOF RELATING TO CONFLICT OF LAWS.

IN WITNESS WHEREOF, the Guarantor has caused this Guarantee to be duly executed and delivered by its officer thereunto duly authorized as of the date first above written.

WASTE MANAGEMENT HOLDINGS, INC.

By: /s/ David L. Reed

David L. Reed

Vice President and Treasurer

By: /s/ Jeff Bennett

Jeff Bennett

Assistant Treasurer

Signature Page to Guarantee

GUARANTEE

BY WASTE MANAGEMENT HOLDINGS, INC.

(formerly known as Waste Management, Inc.)

in Favor of The Bank of New York Mellon Trust Company, N.A., as Trustee for the Holders
of Certain Debt Securities of

WASTE MANAGEMENT, INC.

\$750,000,000

3.200% Senior Notes due 2026

May 22, 2019

GUARANTEE, dated as of May 22, 2019 (as amended from time to time, this “Guarantee”), made by Waste Management Holdings, Inc. (formerly known as Waste Management, Inc.), a Delaware corporation (the “Guarantor”), in favor of The Bank of New York Mellon Trust Company, N.A., as trustee for the holders of the \$750 million aggregate principal amount of 3.200% Senior Notes due 2026 (the “Debt Securities”) of Waste Management, Inc. (formerly known as USA Waste Services, Inc.), a Delaware corporation (the “Issuer”).

WITNESSETH:

SECTION 1. Guarantee

(a) The Guarantor hereby unconditionally guarantees the punctual payment when due, whether at stated maturity, by acceleration or otherwise, of the principal of, premium, if any, and interest on the Debt Securities and any amounts and obligations due and payable with respect to the Debt Securities under Section 607 of the Indenture (as amended, modified or otherwise supplemented from time to time, the “Indenture”), dated as of September 10, 1997, between the Issuer, as successor to USA Waste Services, Inc., and The Bank of New York Mellon Trust Company, N.A. (the current successor to Texas Commerce Bank National Association), as trustee (the “Trustee”) (the “Obligations”), according to the terms of the Debt Securities and the Indenture, as applicable.

(b) It is the intention of the Guarantor that this Guarantee not constitute a fraudulent transfer or conveyance for purposes of Bankruptcy Law, the Uniform Fraudulent Conveyance Act, the Uniform Fraudulent Transfer Act or any similar federal or state law to the extent applicable to this Guarantee. To effectuate the foregoing intention, the amount guaranteed by the Guarantor under this Guarantee shall be limited to the maximum amount as will, after giving effect to such maximum amount and all other contingent and fixed liabilities of the Guarantor (other than guarantees of the Guarantor in respect of subordinated debt) that are relevant under such laws, result in the Obligations of the Guarantor under this Guarantee not constituting a fraudulent transfer or conveyance. For purposes hereof, “Bankruptcy Law” means Title 11, U.S. Code, or any similar Federal or state law for the relief of debtors.

SECTION 2. Guarantee Absolute. The Guarantor guarantees that the Obligations will be paid strictly in accordance with the terms of the Indenture, regardless of any law, regulation or order now or hereafter in effect in any jurisdiction affecting any of such terms or the rights of holders of the Debt Securities with respect thereto. The liability of the Guarantor under this Guarantee shall be absolute and unconditional irrespective of:

- (i) any lack of validity or enforceability of the Indenture, the Debt Securities or any other agreement or instrument relating thereto;
- (ii) any change in the time, manner or place of payment of, or in any other term of, all or any of the Obligations, or any other amendment or waiver of or any consent to departure from the Indenture;
- (iii) any exchange, release or non-perfection of any collateral, or any release or amendment or waiver of or consent to departure from any other guaranty, for all or any of the Obligations; or
- (iv) any other circumstance which might otherwise constitute a defense available to, or a discharge of, the Issuer or a guarantor.

SECTION 3. Subordination. The Guarantor covenants and agrees that its obligation to make payments of the Obligations hereunder constitutes an unsecured obligation of the Guarantor ranking (a) *pari passu* with all existing and future senior indebtedness of the Guarantor and (b) senior in right of payment to all existing and future subordinated indebtedness of the Guarantor.

SECTION 4. Waiver; Subrogation

(a) The Guarantor hereby waives notice of acceptance of this Guarantee, diligence, presentment, demand of payment, filing of claims with a court in the event of merger or bankruptcy of the Issuer, any right to require a proceeding filed first against the Issuer, protest or notice with respect to the Debt Securities or the indebtedness evidenced thereby and all demands whatsoever.

(b) The Guarantor shall be subrogated to all rights of the Trustee or the holders of any Debt Securities against the Issuer in respect of any amounts paid to the Trustee or such holder by the Guarantor pursuant to the provisions of this Guarantee; provided, however, that the Guarantor shall not be entitled to enforce, or to receive any payments arising out of, or based upon, such right of subrogation until all Obligations shall have been paid in full.

SECTION 5. No Waiver, Remedies. No failure on the part of the Trustee or any holder of the Debt Securities to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

SECTION 6. Continuing Guarantee; Transfer of Interest. This Guarantee is a continuing guaranty and shall (i) remain in full force and effect until the earliest to occur of (A) the date, if any, on which the Guarantor shall consolidate with or merge into the Issuer or any successor thereto, (B) the date, if any, on which the Issuer or any successor thereto shall consolidate with or merge into the Guarantor, (C) payment in full of the Obligations and (D) the release by the lenders under the Fourth Amended and Restated Revolving Credit Agreement dated as of June 26, 2018 by and among the Issuer, Waste Management of Canada Corporation, WM Quebec Inc. and the Guarantor (as guarantor), certain banks party thereto, and Bank of America, N.A., as administrative agent (or under any replacement or new principal credit facility of the Issuer) of the guarantee of the Guarantor thereunder, (ii) be binding upon the Guarantor, its successors and assigns, and (iii) inure to the benefit of and be enforceable by any holder of Debt Securities, the Trustee, and by their respective successors, transferees, and assigns.

SECTION 7. Reinstatement. This Guarantee shall continue to be effective or be reinstated, as the case may be, if at any time any payment of any of the Obligations is rescinded or must otherwise be returned by any holder of the Debt Securities or the Trustee upon the insolvency, bankruptcy or reorganization of the Issuer or otherwise, all as though such payment had not been made.

SECTION 8. Amendment. The Guarantor may amend this Guarantee at any time for any purpose without the consent of the Trustee or any holder of the Debt Securities; provided, however, that if such amendment adversely affects the rights of the Trustee or any holder of the Debt Securities, the prior written consent of the Trustee shall be required.

SECTION 9. Governing Law. THIS GUARANTEE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO THE PROVISIONS THEREOF RELATING TO CONFLICT OF LAWS.

IN WITNESS WHEREOF, the Guarantor has caused this Guarantee to be duly executed and delivered by its officer thereunto duly authorized as of the date first above written.

WASTE MANAGEMENT HOLDINGS, INC.

By: /s/ David L. Reed

David L. Reed

Vice President and Treasurer

By: /s/ Jeff Bennett

Jeff Bennett

Assistant Treasurer

Signature Page to Guarantee

GUARANTEE

BY WASTE MANAGEMENT HOLDINGS, INC.

(formerly known as Waste Management, Inc.)

in Favor of The Bank of New York Mellon Trust Company, N.A., as Trustee for the Holders
of Certain Debt Securities of

WASTE MANAGEMENT, INC.

\$1,000,000,000

3.450% Senior Notes due 2029

May 22, 2019

GUARANTEE, dated as of May 22, 2019 (as amended from time to time, this “Guarantee”), made by Waste Management Holdings, Inc. (formerly known as Waste Management, Inc.), a Delaware corporation (the “Guarantor”), in favor of The Bank of New York Mellon Trust Company, N.A., as trustee for the holders of the \$1 billion aggregate principal amount of 3.450% Senior Notes due 2029 (the “Debt Securities”) of Waste Management, Inc. (formerly known as USA Waste Services, Inc.), a Delaware corporation (the “Issuer”).

WITNESSETH:

SECTION 1. Guarantee

(a) The Guarantor hereby unconditionally guarantees the punctual payment when due, whether at stated maturity, by acceleration or otherwise, of the principal of, premium, if any, and interest on the Debt Securities and any amounts and obligations due and payable with respect to the Debt Securities under Section 607 of the Indenture (as amended, modified or otherwise supplemented from time to time, the “Indenture”), dated as of September 10, 1997, between the Issuer, as successor to USA Waste Services, Inc., and The Bank of New York Mellon Trust Company, N.A. (the current successor to Texas Commerce Bank National Association), as trustee (the “Trustee”) (the “Obligations”), according to the terms of the Debt Securities and the Indenture, as applicable.

(b) It is the intention of the Guarantor that this Guarantee not constitute a fraudulent transfer or conveyance for purposes of Bankruptcy Law, the Uniform Fraudulent Conveyance Act, the Uniform Fraudulent Transfer Act or any similar federal or state law to the extent applicable to this Guarantee. To effectuate the foregoing intention, the amount guaranteed by the Guarantor under this Guarantee shall be limited to the maximum amount as will, after giving effect to such maximum amount and all other contingent and fixed liabilities of the Guarantor (other than guarantees of the Guarantor in respect of subordinated debt) that are relevant under such laws, result in the Obligations of the Guarantor under this Guarantee not constituting a fraudulent transfer or conveyance. For purposes hereof, “Bankruptcy Law” means Title 11, U.S. Code, or any similar Federal or state law for the relief of debtors.

SECTION 2. Guarantee Absolute. The Guarantor guarantees that the Obligations will be paid strictly in accordance with the terms of the Indenture, regardless of any law, regulation or order now or hereafter in effect in any jurisdiction affecting any of such terms or the rights of holders of the Debt Securities with respect thereto. The liability of the Guarantor under this Guarantee shall be absolute and unconditional irrespective of:

- (i) any lack of validity or enforceability of the Indenture, the Debt Securities or any other agreement or instrument relating thereto;
- (ii) any change in the time, manner or place of payment of, or in any other term of, all or any of the Obligations, or any other amendment or waiver of or any consent to departure from the Indenture;
- (iii) any exchange, release or non-perfection of any collateral, or any release or amendment or waiver of or consent to departure from any other guaranty, for all or any of the Obligations; or
- (iv) any other circumstance which might otherwise constitute a defense available to, or a discharge of, the Issuer or a guarantor.

SECTION 3. Subordination. The Guarantor covenants and agrees that its obligation to make payments of the Obligations hereunder constitutes an unsecured obligation of the Guarantor ranking (a) *pari passu* with all existing and future senior indebtedness of the Guarantor and (b) senior in right of payment to all existing and future subordinated indebtedness of the Guarantor.

SECTION 4. Waiver; Subrogation

(a) The Guarantor hereby waives notice of acceptance of this Guarantee, diligence, presentment, demand of payment, filing of claims with a court in the event of merger or bankruptcy of the Issuer, any right to require a proceeding filed first against the Issuer, protest or notice with respect to the Debt Securities or the indebtedness evidenced thereby and all demands whatsoever.

(b) The Guarantor shall be subrogated to all rights of the Trustee or the holders of any Debt Securities against the Issuer in respect of any amounts paid to the Trustee or such holder by the Guarantor pursuant to the provisions of this Guarantee; provided, however, that the Guarantor shall not be entitled to enforce, or to receive any payments arising out of, or based upon, such right of subrogation until all Obligations shall have been paid in full.

SECTION 5. No Waiver, Remedies. No failure on the part of the Trustee or any holder of the Debt Securities to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

SECTION 6. Continuing Guarantee; Transfer of Interest. This Guarantee is a continuing guaranty and shall (i) remain in full force and effect until the earliest to occur of (A) the date, if any, on which the Guarantor shall consolidate with or merge into the Issuer or any successor thereto, (B) the date, if any, on which the Issuer or any successor thereto shall consolidate with or merge into the Guarantor, (C) payment in full of the Obligations and (D) the release by the lenders under the Fourth Amended and Restated Revolving Credit Agreement dated as of June 26, 2018 by and among the Issuer, Waste Management of Canada Corporation, WM Quebec Inc. and the Guarantor (as guarantor), certain banks party thereto, and Bank of America, N.A., as administrative agent (or under any replacement or new principal credit facility of the Issuer) of the guarantee of the Guarantor thereunder, (ii) be binding upon the Guarantor, its successors and assigns, and (iii) inure to the benefit of and be enforceable by any holder of Debt Securities, the Trustee, and by their respective successors, transferees, and assigns.

SECTION 7. Reinstatement. This Guarantee shall continue to be effective or be reinstated, as the case may be, if at any time any payment of any of the Obligations is rescinded or must otherwise be returned by any holder of the Debt Securities or the Trustee upon the insolvency, bankruptcy or reorganization of the Issuer or otherwise, all as though such payment had not been made.

SECTION 8. Amendment. The Guarantor may amend this Guarantee at any time for any purpose without the consent of the Trustee or any holder of the Debt Securities; provided, however, that if such amendment adversely affects the rights of the Trustee or any holder of the Debt Securities, the prior written consent of the Trustee shall be required.

SECTION 9. Governing Law. THIS GUARANTEE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO THE PROVISIONS THEREOF RELATING TO CONFLICT OF LAWS.

IN WITNESS WHEREOF, the Guarantor has caused this Guarantee to be duly executed and delivered by its officer thereunto duly authorized as of the date first above written.

WASTE MANAGEMENT HOLDINGS, INC.

By: /s/ David L. Reed
David L. Reed
Vice President and Treasurer

By: /s/ Jeff Bennett
Jeff Bennett
Assistant Treasurer

Signature Page to Guarantee

GUARANTEE

BY WASTE MANAGEMENT HOLDINGS, INC.

(formerly known as Waste Management, Inc.)

in Favor of The Bank of New York Mellon Trust Company, N.A., as Trustee for the Holders
of Certain Debt Securities of

WASTE MANAGEMENT, INC.

\$500,000,000

4.000% Senior Notes due 2039

May 22, 2019

GUARANTEE, dated as of May 22, 2019 (as amended from time to time, this “Guarantee”), made by Waste Management Holdings, Inc. (formerly known as Waste Management, Inc.), a Delaware corporation (the “Guarantor”), in favor of The Bank of New York Mellon Trust Company, N.A., as trustee for the holders of the \$500 million aggregate principal amount of 4.000% Senior Notes due 2039 (the “Debt Securities”) of Waste Management, Inc. (formerly known as USA Waste Services, Inc.), a Delaware corporation (the “Issuer”).

WITNESSETH:

SECTION 1. Guarantee

(a) The Guarantor hereby unconditionally guarantees the punctual payment when due, whether at stated maturity, by acceleration or otherwise, of the principal of, premium, if any, and interest on the Debt Securities and any amounts and obligations due and payable with respect to the Debt Securities under Section 607 of the Indenture (as amended, modified or otherwise supplemented from time to time, the “Indenture”), dated as of September 10, 1997, between the Issuer, as successor to USA Waste Services, Inc., and The Bank of New York Mellon Trust Company, N.A. (the current successor to Texas Commerce Bank National Association), as trustee (the “Trustee”) (the “Obligations”), according to the terms of the Debt Securities and the Indenture, as applicable.

(b) It is the intention of the Guarantor that this Guarantee not constitute a fraudulent transfer or conveyance for purposes of Bankruptcy Law, the Uniform Fraudulent Conveyance Act, the Uniform Fraudulent Transfer Act or any similar federal or state law to the extent applicable to this Guarantee. To effectuate the foregoing intention, the amount guaranteed by the Guarantor under this Guarantee shall be limited to the maximum amount as will, after giving effect to such maximum amount and all other contingent and fixed liabilities of the Guarantor (other than guarantees of the Guarantor in respect of subordinated debt) that are relevant under such laws, result in the Obligations of the Guarantor under this Guarantee not constituting a fraudulent transfer or conveyance. For purposes hereof, “Bankruptcy Law” means Title 11, U.S. Code, or any similar Federal or state law for the relief of debtors.

SECTION 2. Guarantee Absolute. The Guarantor guarantees that the Obligations will be paid strictly in accordance with the terms of the Indenture, regardless of any law, regulation or order now or hereafter in effect in any jurisdiction affecting any of such terms or the rights of holders of the Debt Securities with respect thereto. The liability of the Guarantor under this Guarantee shall be absolute and unconditional irrespective of:

- (i) any lack of validity or enforceability of the Indenture, the Debt Securities or any other agreement or instrument relating thereto;
- (ii) any change in the time, manner or place of payment of, or in any other term of, all or any of the Obligations, or any other amendment or waiver of or any consent to departure from the Indenture;
- (iii) any exchange, release or non-perfection of any collateral, or any release or amendment or waiver of or consent to departure from any other guaranty, for all or any of the Obligations; or
- (iv) any other circumstance which might otherwise constitute a defense available to, or a discharge of, the Issuer or a guarantor.

SECTION 3. Subordination. The Guarantor covenants and agrees that its obligation to make payments of the Obligations hereunder constitutes an unsecured obligation of the Guarantor ranking (a) *pari passu* with all existing and future senior indebtedness of the Guarantor and (b) senior in right of payment to all existing and future subordinated indebtedness of the Guarantor.

SECTION 4. Waiver; Subrogation

(a) The Guarantor hereby waives notice of acceptance of this Guarantee, diligence, presentment, demand of payment, filing of claims with a court in the event of merger or bankruptcy of the Issuer, any right to require a proceeding filed first against the Issuer, protest or notice with respect to the Debt Securities or the indebtedness evidenced thereby and all demands whatsoever.

(b) The Guarantor shall be subrogated to all rights of the Trustee or the holders of any Debt Securities against the Issuer in respect of any amounts paid to the Trustee or such holder by the Guarantor pursuant to the provisions of this Guarantee; provided, however, that the Guarantor shall not be entitled to enforce, or to receive any payments arising out of, or based upon, such right of subrogation until all Obligations shall have been paid in full.

SECTION 5. No Waiver, Remedies. No failure on the part of the Trustee or any holder of the Debt Securities to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

SECTION 6. Continuing Guarantee; Transfer of Interest. This Guarantee is a continuing guaranty and shall (i) remain in full force and effect until the earliest to occur of (A) the date, if any, on which the Guarantor shall consolidate with or merge into the Issuer or any successor thereto, (B) the date, if any, on which the Issuer or any successor thereto shall consolidate with or merge into the Guarantor, (C) payment in full of the Obligations and (D) the release by the lenders under the Fourth Amended and Restated Revolving Credit Agreement dated as of June 26, 2018 by and among the Issuer, Waste Management of Canada Corporation, WM Quebec Inc. and the Guarantor (as guarantor), certain banks party thereto, and Bank of America, N.A., as administrative agent (or under any replacement or new principal credit facility of the Issuer) of the guarantee of the Guarantor thereunder, (ii) be binding upon the Guarantor, its successors and assigns, and (iii) inure to the benefit of and be enforceable by any holder of Debt Securities, the Trustee, and by their respective successors, transferees, and assigns.

SECTION 7. Reinstatement. This Guarantee shall continue to be effective or be reinstated, as the case may be, if at any time any payment of any of the Obligations is rescinded or must otherwise be returned by any holder of the Debt Securities or the Trustee upon the insolvency, bankruptcy or reorganization of the Issuer or otherwise, all as though such payment had not been made.

SECTION 8. Amendment. The Guarantor may amend this Guarantee at any time for any purpose without the consent of the Trustee or any holder of the Debt Securities; provided, however, that if such amendment adversely affects the rights of the Trustee or any holder of the Debt Securities, the prior written consent of the Trustee shall be required.

SECTION 9. Governing Law. THIS GUARANTEE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO THE PROVISIONS THEREOF RELATING TO CONFLICT OF LAWS.

IN WITNESS WHEREOF, the Guarantor has caused this Guarantee to be duly executed and delivered by its officer thereunto duly authorized as of the date first above written.

WASTE MANAGEMENT HOLDINGS, INC.

By: /s/ David L. Reed
David L. Reed
Vice President and Treasurer

By: /s/ Jeff Bennett
Jeff Bennett
Assistant Treasurer

Signature Page to Guarantee

GUARANTEE

BY WASTE MANAGEMENT HOLDINGS, INC.

(formerly known as Waste Management, Inc.)

in Favor of The Bank of New York Mellon Trust Company, N.A., as Trustee for the Holders
of Certain Debt Securities of

WASTE MANAGEMENT, INC.

\$1,000,000,000

4.150% Senior Notes due 2049

May 22, 2019

GUARANTEE, dated as of May 22, 2019 (as amended from time to time, this “Guarantee”), made by Waste Management Holdings, Inc. (formerly known as Waste Management, Inc.), a Delaware corporation (the “Guarantor”), in favor of The Bank of New York Mellon Trust Company, N.A., as trustee for the holders of the \$1 billion aggregate principal amount of 4.150% Senior Notes due 2049 (the “Debt Securities”) of Waste Management, Inc. (formerly known as USA Waste Services, Inc.), a Delaware corporation (the “Issuer”).

WITNESSETH:

SECTION 1. Guarantee

(a) The Guarantor hereby unconditionally guarantees the punctual payment when due, whether at stated maturity, by acceleration or otherwise, of the principal of, premium, if any, and interest on the Debt Securities and any amounts and obligations due and payable with respect to the Debt Securities under Section 607 of the Indenture (as amended, modified or otherwise supplemented from time to time, the “Indenture”), dated as of September 10, 1997, between the Issuer, as successor to USA Waste Services, Inc., and The Bank of New York Mellon Trust Company, N.A. (the current successor to Texas Commerce Bank National Association), as trustee (the “Trustee”) (the “Obligations”), according to the terms of the Debt Securities and the Indenture, as applicable.

(b) It is the intention of the Guarantor that this Guarantee not constitute a fraudulent transfer or conveyance for purposes of Bankruptcy Law, the Uniform Fraudulent Conveyance Act, the Uniform Fraudulent Transfer Act or any similar federal or state law to the extent applicable to this Guarantee. To effectuate the foregoing intention, the amount guaranteed by the Guarantor under this Guarantee shall be limited to the maximum amount as will, after giving effect to such maximum amount and all other contingent and fixed liabilities of the Guarantor (other than guarantees of the Guarantor in respect of subordinated debt) that are relevant under such laws, result in the Obligations of the Guarantor under this Guarantee not constituting a fraudulent transfer or conveyance. For purposes hereof, “Bankruptcy Law” means Title 11, U.S. Code, or any similar Federal or state law for the relief of debtors.

SECTION 2. Guarantee Absolute. The Guarantor guarantees that the Obligations will be paid strictly in accordance with the terms of the Indenture, regardless of any law, regulation or order now or hereafter in effect in any jurisdiction affecting any of such terms or the rights of holders of the Debt Securities with respect thereto. The liability of the Guarantor under this Guarantee shall be absolute and unconditional irrespective of:

- (i) any lack of validity or enforceability of the Indenture, the Debt Securities or any other agreement or instrument relating thereto;
- (ii) any change in the time, manner or place of payment of, or in any other term of, all or any of the Obligations, or any other amendment or waiver of or any consent to departure from the Indenture;
- (iii) any exchange, release or non-perfection of any collateral, or any release or amendment or waiver of or consent to departure from any other guaranty, for all or any of the Obligations; or
- (iv) any other circumstance which might otherwise constitute a defense available to, or a discharge of, the Issuer or a guarantor.

SECTION 3. Subordination. The Guarantor covenants and agrees that its obligation to make payments of the Obligations hereunder constitutes an unsecured obligation of the Guarantor ranking (a) *pari passu* with all existing and future senior indebtedness of the Guarantor and (b) senior in right of payment to all existing and future subordinated indebtedness of the Guarantor.

SECTION 4. Waiver; Subrogation

(a) The Guarantor hereby waives notice of acceptance of this Guarantee, diligence, presentment, demand of payment, filing of claims with a court in the event of merger or bankruptcy of the Issuer, any right to require a proceeding filed first against the Issuer, protest or notice with respect to the Debt Securities or the indebtedness evidenced thereby and all demands whatsoever.

(b) The Guarantor shall be subrogated to all rights of the Trustee or the holders of any Debt Securities against the Issuer in respect of any amounts paid to the Trustee or such holder by the Guarantor pursuant to the provisions of this Guarantee; provided, however, that the Guarantor shall not be entitled to enforce, or to receive any payments arising out of, or based upon, such right of subrogation until all Obligations shall have been paid in full.

SECTION 5. No Waiver, Remedies. No failure on the part of the Trustee or any holder of the Debt Securities to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

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IN WITNESS WHEREOF, the Guarantor has caused this Guarantee to be duly executed and delivered by its officer thereunto duly authorized as of the date first above written.

WASTE MANAGEMENT HOLDINGS, INC.

By: /s/ David L. Reed
David L. Reed
Vice President and Treasurer

By: /s/ Jeff Bennett
Jeff Bennett
Assistant Treasurer

Signature Page to Guarantee

Mine Safety Disclosures

This exhibit contains certain specified disclosures regarding mine safety required by section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act and Item 104 of Regulation S-K. Certain of our subsidiaries have permits for surface mining operations that are incidental to excavation work for landfill development.

During the quarter ended June 30, 2019, we did not receive any of the following: (a) a citation from the U.S. Mine Safety and Health Administration (“MSHA”) for a violation of mandatory health or safety standards that could significantly and substantially contribute to the cause and effect of a coal or other mine safety or health hazard under section 104 of the Federal Mine Safety and Health Act of 1977 (the “Mine Safety Act”); (b) an order issued under section 104(b) of the Mine Safety Act; (c) a citation or order for unwarrantable failure of the mine operator to comply with mandatory health or safety standards under section 104(d) of the Mine Safety Act; (d) a flagrant violation under section 110(b)(2) of the Mine Safety Act; or (e) an imminent danger order under section 107(a) of the Mine Safety Act. Phoenix Resources, Inc., an indirect wholly-owned subsidiary of Waste Management, Inc., was assessed a penalty of \$121 by the MSHA in connection with its landfill operations in Wellsboro, Pennsylvania.

In addition, during the quarter ended June 30, 2019, we had no mining-related fatalities, we had no pending legal actions before the Federal Mine Safety and Health Review Commission involving a coal or other mine, and we did not receive any written notice from the MSHA involving a pattern of violations, or the potential to have such a pattern, of mandatory health or safety standards that are of such nature as could have significantly and substantially contributed to the cause and effect of coal or other mine health or safety hazards under section 104(e) of the Mine Safety Act.
