

Board Mission and Responsibilities

Mission Statement

The Company's primary objective is to maximize stockholder value, while adhering to the laws of the jurisdictions within which it operates and observing the highest ethical standards.

Corporate Authority & Responsibility

All corporate authority resides in the Board of Directors as the representative of the stockholders. The Board delegates authority to management to pursue the Company's mission. Management, not the Board, is responsible for managing the Company. The Board retains responsibility to recommend candidates to the stockholders for elections to the Board of Directors. The Board retains responsibility for selection, evaluation and termination of the Chief Executive Officer (the "CEO"), oversight of succession plans, determination of senior management compensation, approval of the annual budget and capital allocation policy, and oversight of systems, procedures and controls. The Board also advises management with respect to strategic plans.

Board Structure

Board Composition

Independent Directors shall constitute a substantial majority of the Board.

Number of Directors

The Board shall have an objective to maintain its size at no fewer than six and no more than nine directors.

Committees

The standing Board committees shall be the Audit Committee, the Management Development and Compensation Committee, and the Nominating and Governance Committee. All standing committees shall be made up of Independent Directors. Committees shall receive authority exclusively through delegation from the Board. The Board must ratify all committee actions unless taken pursuant to an express delegation of authority. A Director may attend any Board committee meeting. The Board shall have responsibility for determining the qualifications of committee members, including whether any member of the Audit Committee is an "Audit Committee Financial Expert." The Board shall appoint a Chairperson of each Committee who will serve until his or her successor is appointed. The Board intends to rotate the Committee Chairpersons and members periodically.

Independent Director

The Board shall affirmatively determine whether each non-employee director is an independent director ("Independent Director(s)") as required by the New York Stock Exchange ("NYSE") and the Securities and Exchange Commission ("SEC"). The Board has established the following categorical standards to meet or exceed these requirements. A director meeting all of the following will be deemed independent, subject to the review of any related party, commercial and charitable relationships discussed below:

During the past three years, the Company has not employed the director, and has not employed (except in a non-officer capacity) any of his or her immediate family members.

2. During the past three years, neither the director, nor any of his or her immediate family members, has received any direct compensation from the Company other than (1) director fees; and (2) in the case of a director's immediate family members, compensation not greater than \$120,000 per year.

With regard to the Company's auditors, (a) the director is not currently employed by the Company's auditors; (b) neither the director, nor any of his or her immediate family members, is currently a partner of the Company's auditors; (c) none of the director's immediate family members are currently employed by the Company's auditors and personally work on the Company's audit; (d) neither the director, nor any of his or her immediate family members, was within the last three years a partner or employee of the Company's auditors and personally worked on the Company's audit within that time.

During the past three years, neither the director, nor any of his or her immediate family members, has been part of an "interlocking directorate" in which an executive officer of the Company serves on the compensation (or equivalent) committee of another company that employs the director.

The director does not (directly or indirectly as a partner, shareholder or officer of another company) provide consulting, legal or financial advisory services to the Company or the Company's present or former auditors.

During the past three years, neither the director, nor any of his or her immediate family members, has been employed by (or affiliated with) a significant supplier or customer of the Company. For the purposes of this categorical standard, a supplier or customer shall be considered significant if its sales to, or purchases from the Company represent more than 1% of the Company's or the supplier's/customer's consolidated gross revenues.

The following relationships will not be considered to be material relationships that would impair a director's independence: (i) if a director of the Company is an executive officer of another company which is indebted to the Company, or to which the Company is indebted, and the total amount of either company's indebtedness to the other is less than 1% of the total consolidated assets of the company he serves as an executive officer and (ii) if a director of the Company serves as an officer, director or trustee of a not for profit organization, and the Company's or the Waste Management Charitable Foundation's discretionary charitable contributions to the organization, in the aggregate, are less than 2% (or \$1,000,000 whichever is greater) of that organization's consolidated gross revenues.

The Board will review all commercial and charitable relationships of directors and their immediate family members involving the Company and its auditors on an annual basis to determine whether the directors meet these categorical standards. If the director meets all of the standards but was the subject of a related-party transaction disclosure as required by the SEC's rules and regulations, or was a party to any other commercial or charitable relationship involving the Company, the Board will examine the director's circumstances and make a subjective determination as to his or her independence.

Directors

Nominees for Election to the Board

The Nominating and Governance Committee shall recommend nominees to the full Board for annual elections of directors.

Retirement

Directors shall submit their resignation due to retirement effective at the annual meeting of stockholders immediately following their 72nd birthday.

Changes in Professional Responsibility

The Board should consider whether a change in an individual's professional responsibilities directly or indirectly impacts that person's ability to fulfill directorship obligations. To facilitate the Board's consideration, (i) the CEO and other employee directors shall submit a resignation as a matter of course upon retirement, resignation, or other significant change in professional roles, and (ii) all Independent Directors shall submit a resignation as a matter of course upon retirement, a change in employer, or other significant change in their professional roles and responsibilities.

Director Compensation

The compensation of directors shall be reviewed annually by the Nominating and Governance Committee, which shall make recommendations to the full Board. The Board's philosophy is that a substantial portion of director compensation shall be equity-based.

Stock Ownership Guidelines

Each Independent Director is required to own shares of Company common stock valued at five times his annual cash retainer. Directors will have five years from the date of election to the Board to attain such level of ownership. If the number of shares that Directors are required to own is increased, the Directors will have five years from the effective date of the increase to attain the revised level of ownership.

Outside Board Memberships

The CEO and other members of the Senior Leadership Team shall seek the approval of the Board before accepting outside board memberships on boards of directors of for-profit enterprises. Directors and members of the Senior Leadership Team must immediately notify the General Counsel of the Company upon invitation to an outside Board to allow for conflicts checks.

Board Operations

Board Meetings

The Chairman of the Board shall preside at all meetings of the Board. In the absence of the Chairman of the Board, the Chairman of the Nominating & Governance Committee will preside at all meetings of the Board and act as Chairman.

Board Agenda

Each director shall have the right to make recommendations for items to be placed on the Board agenda. The Chairman shall set the agenda for each Board meeting, taking into account input and suggestions from members of the Board and senior management.

Strategic Planning

The Board shall hold an annual strategic planning session. The timing and agenda for this meeting is to be suggested by the CEO.

Independent Advice

The Board and its Committees may seek legal or other expert advice from a source independent of management at the expense of the Company. Generally this would be with the knowledge of the CEO.

With regard to investigations approved by resolution of the Board and in which the Board believes there may be a potential conflict of interest, the Board shall select independent outside counsel, accountants and other advisors it determines are independent of the Company and management, and the cost of such advisors will be paid by the Company.

Access to Top Management

Board members are free to contact members of senior management and are encouraged to coordinate their contacts with the CEO, President, Chief Financial Officer, General Counsel or Corporate Secretary.

Executive Meetings of Independent Directors

An executive meeting of Independent Directors should be held in connection with each regularly scheduled Board meeting, with the exception of meetings held by telephone. The Chairman of the Board shall lead these sessions and act as presiding director.

Mailing Board Meeting Materials

Directors should receive materials for regular Board meetings at least three calendar days before the meeting. It is recommended that directors receive three calendar days notice of Special Board Meetings. If necessary, the Company's By-laws allow for as little as 24 hours formal notice for a Special Board Meeting. Materials for Special Board Meetings shall be distributed as promptly as practicable.

Guidelines Regarding Field Board Meetings or Director Visits to Operational Sites

Board meetings shall periodically include operational site visits or customer visits and interaction. As schedules permit, Board members are encouraged to tour operational sites.

Board Evaluation

The Nominating and Governance Committee shall be responsible for evaluating directors as part of its process for recommending director nominees to the Board.

The Nominating and Governance Committee shall be responsible for coordinating an annual evaluation by the directors of the Board's and committees' performance and procedures.

CEO Evaluation

The Management Development and Compensation Committee shall be responsible for coordinating an annual evaluation of the CEO by the Independent Directors. The Independent Directors will also determine guidance for the Management Development and Compensation Committee with respect to CEO compensation. The Chairman of the Board shall be the liaison with the CEO as to evaluation matters.

Management Succession

The Board shall coordinate with the CEO to ensure that a successor for emergencies is designated at all times and that a formalized process governs long-term management development and succession.; The CEO shall report to the Board annually about development of senior management personnel and succession plans.

Media Relations

Management speaks for the Company.

Director Orientation

The Board has established an orientation program for new directors that includes an orientation module for new members of the Audit Committee and the Management Development and Compensation Committee. All directors are encouraged to attend programs on Board governance and service, as they feel appropriate, and the costs of such programs shall be paid by the Company.