

WASTE MANAGEMENT, INC.

MANAGEMENT DEVELOPMENT AND COMPENSATION COMMITTEE CHARTER

PURPOSE

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

COMMITTEE MEMBERSHIP AND STRUCTURE

The Committee shall consist of not less than three members of the Board of Directors designated by the Board after receiving the recommendations of the Nominating and Governance Committee. Any members of the Committee may be replaced by the Board of Directors. The Board of Directors shall also designate a chairman of the Committee (the “Chairman”), based on the recommendation of the Nominating and Governance Committee, who shall be responsible for preparing the agenda in conjunction with management, presiding over meetings, and coordinating reports to the Board. The Committee may form and delegate authority to a sub-committee, as appropriate. Each member of the Committee must be a person the Board has determined to be an “independent director” in accordance with the Company’s Corporate Governance Guidelines.

RESPONSIBILITIES

The Committee shall:

1. Establish a philosophy and policies governing all compensation and benefits programs for the Executive Officers and Senior Leadership Team, including base salary, annual and long-term incentives, employment agreements, change in control and non-change in control severance agreements, and other executive benefits and perquisites. The policies shall include a philosophy of how compensation is to be positioned relative to a defined peer group of companies. The Committee shall report such philosophy and policies to the Board of Directors and see that appropriate disclosure regarding these matters is made to the shareholders.

2. Approve compensation, benefits (excluding any benefits and programs offered to employees generally) and perquisites made available to the Company's Executive Officers and Senior Leadership Team. In the interim between meetings of the Committee, the Chairman of the Committee, acting as a subcommittee of the Committee, may approve adjustments to such compensation, benefits and perquisites for the Executive Officers and Senior Leadership Team of the Company. The Chairman may approve the terms of offers of employment (including the granting of equity awards) to new Executive Officers and Senior Leadership Team members of the Company, provided further that the material terms of such adjustments and offers are reported to the Committee at their next regularly scheduled meeting. Action by the Chairman as a single-member subcommittee will not meet the requirements for performance-based compensation under the regulations under Section 162(m) or be the basis for an exemption under Rule 16b-3.
3. Review and approve corporate goals and objectives relevant to the compensation of the Chief Executive Officer, conduct an evaluation of the Chief Executive Officer's performance in light of those goals and objectives and determine the Chief Executive Officer's compensation based on this evaluation. The Chairman of the Board, in conjunction with the Chairman of the Committee, will be the liaison to the Chief Executive Officer on compensation and evaluation issues with respect to the Chief Executive Officer.
4. Recommend to the Board of Directors for their approval the establishment (and modification and termination where appropriate) of stock and cash incentive plans and programs for the Executive Officers and Senior Leadership Team.
5. Approve annual and other bonuses and long-term and short-term incentive compensation targets and payments for the Executive Officers and Senior Leadership Team, and report such actions to the Board of Directors.
6. Approve the grant of equity awards under the Company's equity incentive plans, and approve the grant of performance units, alternate rights, stock appreciation rights, stock options or other awards under any long-term incentive compensation plan or program of the Company. The Committee shall report all such grants to the Board of Directors at their next meeting.
7. Review periodically, but no less than annually, 1) a report on development of senior management personnel and succession plans; and 2) the formalized process that governs long-term management development and succession.
8. Prepare the report of the Committee as may be required by the rules of the Securities and Exchange Commission to be included in the Company's annual proxy statement. Additionally, the Committee shall review the compensation discussion and analysis, compensation tables, and disclosure of payouts pursuant to employment agreements and in the event of a change in control in the annual proxy statement.

9. Review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Nominating and Governance Committee for approval.
10. Make regular reports to the Board.
11. Regularly approve minutes of Committee meetings.
12. Annually review the Committee's performance relative to this Charter and report the evaluation results to the Nominating and Governance Committee and the Board of Directors.

The Committee shall have sole authority to retain and terminate special legal, compensation, accounting or other consultants who assist in the evaluation of compensation of the Chief Executive Officer or other Executive Officers and members of the Senior Leadership Team or who otherwise advise the Committee, and to approve all consultants' fees and terms of retention. Management will seek the Committee's approval before engaging the Committee's compensation consultant for services outside the scope of executive compensation services for which the consultant has been engaged by the Committee. The Nominating and Governance Committee may also engage the Committee's compensation consultant to assist it with director compensation services. The Committee may request any officer or employee of the Company or the Company's outside counsel to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee.

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

The Chief Executive Officer of the Company is given full authority, which may be delegated, to establish the compensation and benefit policies and practices for all employees of the Company and its subsidiaries, other than the Executive Officers and Senior Leadership Team.