

WASTE MANAGEMENT INC
Form DEF 14A
March 26, 2015
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SCHEDULE 14A

PROXY STATEMENT PURSUANT TO SECTION 14(a) OF THE SECURITIES

EXCHANGE ACT OF 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to Rule 14a-12

Waste Management, Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

(1) Title of each class of securities to which transaction applies:

- (2) Aggregate number of securities to which transaction applies:

- (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):

- (4) Proposed maximum aggregate value of transaction:

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- (1) Amount Previously Paid:

- (2) Form, Schedule or Registration Statement No.:

- (3) Filing Party:

- (4) Date Filed:

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1001 Fannin Street, Suite 4000

Houston, Texas 77002

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

OF WASTE MANAGEMENT, INC.

Date and Time:

May 12, 2015 at 11:00 a.m., Central Time

Place:

The Maury Myers Conference Center

Waste Management, Inc.

1021 Main Street

Houston, Texas 77002

Purpose:

To elect nine directors;

To vote on a proposal to ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2015;

To vote on a proposal to approve our executive compensation;

To vote on a proposal to amend our Employee Stock Purchase Plan (the "ESPP") to increase the number of shares authorized for issuance under the ESPP;

To vote on a stockholder proposal regarding disclosure of political contributions, if properly presented at the meeting;

To vote on a stockholder proposal regarding a policy on acceleration of vesting of equity awards in the event of a change in control, if properly presented at the meeting; and

To conduct other business that is properly raised at the meeting.

Only stockholders of record on March 16, 2015 may vote at the meeting.

Your vote is important. We urge you to promptly vote your shares by telephone, by the Internet or, if this Proxy Statement was mailed to you, by completing, signing, dating and returning your proxy card as soon as possible in the enclosed postage prepaid envelope.

COURTNEY A. TIPPY
Corporate Secretary

March 26, 2015

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON MAY 12, 2015: This Notice of Annual Meeting and Proxy Statement and the Company's Annual Report on Form 10-K for the year ended December 31, 2014 are available at www.wm.com.

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PROXY STATEMENT
ANNUAL MEETING OF STOCKHOLDERS

WASTE MANAGEMENT, INC.

1001 Fannin Street, Suite 4000

Houston, Texas 77002

Our Board of Directors is soliciting your proxy for the 2015 Annual Meeting of Stockholders and at any postponement or adjournment of the meeting. We are furnishing proxy materials to our stockholders primarily via the Internet. On March 26, 2015, we sent an electronic notice of how to access our proxy materials, including our Annual Report, to stockholders that have previously signed up to receive their proxy materials via the Internet. On March 26, 2015, we began mailing a Notice of Internet Availability of Proxy Materials to those stockholders that previously have not signed up for electronic delivery. The Notice contains instructions on how stockholders can access our proxy materials on the website referred to in the Notice or request that a printed set of the proxy materials be sent to them. Internet distribution of our proxy materials is designed to expedite receipt by stockholders, lower the costs of the annual meeting, and conserve natural resources.

Record Date	March 16, 2015.
Quorum	A majority of shares outstanding on the record date must be present in person or by proxy.
Shares Outstanding	There were 457,589,819 shares of Common Stock outstanding and entitled to vote as of March 16, 2015.
Voting by Proxy	Internet, phone, or mail.
Voting at the Meeting	Stockholders can vote in person during the meeting. Stockholders of record will be on a list held by the inspector of elections. Beneficial holders must obtain a proxy from their brokerage firm, bank, or other stockholder of record and present it to the inspector of elections with their ballot. Voting in person by a stockholder will replace any previous votes submitted by proxy.
Changing Your Vote	Stockholders of record may revoke their proxy at any time before we vote it at the meeting by submitting a later-dated proxy via the Internet, by telephone, by mail, by delivering instructions to our Corporate Secretary before the annual meeting revoking the proxy or by voting in

person at the annual meeting. If you hold shares through a bank or brokerage firm, you may revoke any prior voting instructions by contacting that firm.

Votes Required to Adopt Proposals

Each share of our Common Stock outstanding on the record date is entitled to one vote on each of the nine director nominees and one vote on each other matter. To be elected, a director must receive a majority of the votes cast with respect to that director at the meeting. This means that the number of shares voted for a director must exceed 50% of the votes cast with respect to that director. Each of the other proposals requires the favorable vote of a majority of the shares present, either by proxy or in person, and entitled to vote.

Effect of Abstentions and Broker Non-Votes

Abstentions will have no effect on the election of directors. For each of the other proposals, abstentions will have the same effect as a vote *against* these matters because they are considered present and entitled to vote.

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If your shares are held by a broker, the broker will ask you how you want your shares to be voted. If you give the broker instructions, your shares must be voted as you direct. If you do not give instructions, one of two things can happen depending on the type of proposal. For the proposal to ratify selection of the Company's independent registered public accounting firm, the broker may vote your shares at its discretion. But for all other proposals in this Proxy Statement, including the election of directors, the advisory vote on executive compensation, the amendment to our ESPP, and each of the stockholder proposals, the broker cannot vote your shares at all. When that happens, it is called a "broker non-vote." Broker non-votes are counted in determining the presence of a quorum at the meeting, but they are not counted for purposes of calculating the shares present and entitled to vote on particular proposals at the meeting.

Voting Instructions

You may receive more than one proxy card depending on how you hold your shares. If you hold shares through a broker, your ability to vote by phone or over the Internet depends on your broker's voting process. You should complete and return each proxy or other voting instruction request provided to you.

If you complete and submit your proxy voting instructions, the persons named as proxies will follow your instructions. If you submit your proxy but do not give voting instructions, we will vote your shares as follows:

FOR our director candidates;

FOR the ratification of the independent registered public accounting firm;

FOR approval of our executive compensation;

FOR the proposal to amend our ESPP;

AGAINST the stockholder proposal regarding disclosure of political contributions; and

AGAINST the stockholder proposal regarding a policy on acceleration of vesting of equity awards in the event of a change in control.

If you give us your proxy, any other matters that may properly come before the meeting will be voted at the discretion of the proxy holders.

Attending in Person

Only stockholders, their proxy holders and our invited guests may attend the meeting. If you plan to attend, please bring identification and, if you hold shares in street name, bring your bank or broker statement showing your beneficial ownership of Waste Management stock in order to be admitted to the meeting. If you are planning to attend our annual meeting and require directions to the meeting, please contact our Corporate Secretary at 713-512-6200.

The only items that will be discussed at this year's annual meeting will be the items set out in the Notice. There will be no presentations.

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Stockholder Proposals for the 2016 Annual Meeting

Eligible stockholders who want to have proposals considered for inclusion in the Proxy Statement for our 2016 Annual Meeting should notify our Corporate Secretary at Waste Management, Inc., 1001 Fannin Street, Suite 4000, Houston, Texas 77002. The written proposal must be received at our offices no later than November 27, 2015 and no earlier than October 28, 2015. A stockholder must have been the registered or beneficial owner of (a) at least 1% of our outstanding Common Stock or (b) shares of our Common Stock with a market value of \$2,000 for at least one year before submitting the proposal. Also, the stockholder must continue to own the stock through the date of the 2016 Annual Meeting.

Expenses of Solicitation

We pay the cost of preparing, assembling and mailing this proxy-soliciting material. In addition to the use of the mail, proxies may be solicited personally, by Internet or telephone, or by Waste Management officers and employees without additional compensation. We pay all costs of solicitation, including certain expenses of brokers and nominees who mail proxy materials to their customers or principals. Also, Innisfree M&A Incorporated has been hired to help in the solicitation of proxies for the 2015 Annual Meeting for a fee of approximately \$15,000 plus associated costs and expenses.

Annual Report

A copy of our Annual Report on Form 10-K for the year ended December 31, 2014, which includes our financial statements for fiscal year 2014, is included with this Proxy Statement. The Annual Report on Form 10-K is not incorporated by reference into this Proxy Statement or deemed to be a part of the materials for the solicitation of proxies.

Householding Information

We have adopted a procedure approved by the SEC called "householding." Under this procedure, stockholders of record who have the same address and last name and do not participate in electronic delivery of proxy materials will receive only one copy of the Proxy Statement and Annual Report unless we are notified that one or more of these individuals wishes to receive separate copies. This procedure helps reduce our printing costs and postage fees.

If you wish to receive a separate copy of this Proxy Statement and the Annual Report, please contact: Waste Management, Inc., Corporate Secretary, 1001 Fannin Street, Suite 4000, Houston, Texas 77002, telephone 713-512-6200.

If you do not wish to participate in householding in the future, and prefer to receive separate copies of the proxy materials, please contact: Broadridge Financial Solutions, Attention Householding Department, 51

Mercedes Way, Edgewood, NY 11717, telephone 1-800-542-1061. If you are currently receiving multiple copies of proxy materials and wish to receive only one copy for your household, please contact Broadridge.

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BOARD OF DIRECTORS

Our Board of Directors currently has nine members. Each member of our Board is elected annually. Mr. Reum is the Non-Executive Chairman of the Board and presides over all meetings of the Board, including executive sessions that only non-employee directors attend.

Stockholders and interested parties wishing to communicate with the Board or the non-employee directors should address their communications to Mr. W. Robert Reum, Non-Executive Chairman of the Board, c/o Waste Management, Inc., P.O. Box 53569, Houston, Texas 77052-3569.

Leadership Structure

We separated the roles of Chairman of the Board and Chief Executive Officer at our Company in 2004. We believe that having a Non-Executive Chairman of the Board is in the best interests of the Company and stockholders. Over the past several years, the demands made on boards of directors have been increasing. This is in large part due to increased regulation under federal securities laws, national stock exchange rules and other federal and state regulatory changes. Market challenges and changing economic conditions have also increased the demands made on boards of directors. The Non-Executive Chairman's responsibilities include leading full Board meetings and executive sessions and managing the Board function. The Board named Mr. Reum Chairman of the Board effective January 1, 2012, due to his tenure with, and experience and understanding of, the Company, as well as his experience on public company boards of directors.

The separation of the positions allows Mr. Reum to focus on management of Board matters and allows our Chief Executive Officer to focus his attention on managing our business. Additionally, we believe the separation of those roles contributes to the independence of the Board in its oversight role of critiquing and assessing the Chief Executive Officer and management generally.

Role in Risk Oversight

Our executive officers have the primary responsibility for risk management within our Company. Our Board of Directors oversees risk management to ensure that the processes designed and implemented by our executives are adapted to and integrated with the Company's strategy and functioning as directed. The primary means by which the Board oversees our risk management structures and policies is through its regular communications with management and our enterprise risk management process. The Company believes that its leadership structure is conducive to comprehensive risk management practices and that the Board's involvement is appropriate to ensure effective oversight.

The Company has an enterprise risk management, or ERM, process that is coordinated by an ERM Committee consisting of our Chief Financial Officer, Chief Operating Officer, Chief Legal Officer and head of Internal Audit. The ERM process begins with identification of the Company's programs and processes related to risk management and the individuals responsible for them through use of a risk assessment survey completed by senior personnel. The survey requests information regarding perceived risks to the Company, with follow-up interviews with members of senior management to review any gaps between their and their direct reports' responses.

For 2015, we interviewed the Company's Senior Leadership team and additional members of senior management to capture their insight on the strategic risks that could affect our ability to execute against our strategy, as well as the

more long-term risk landscape and the potential effect of such risks on the viability of the business. As a result of this process, we have grouped our risk focus across the following areas:

Environmental and Regulatory Developments;

Information Security and Technology;

Safety; and

Operational Risk Management.

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The enterprise risk management program and process continue to evolve with enhancements made annually. Board members are polled to collect their thoughts on significant risks facing the Company and how the reporting format should be revised to improve management's communication of enterprise risks to the Board. We assign champions across the aforementioned areas that will work with the ERM Committee to establish a more comprehensive risk mitigation strategy. In addition, external stakeholders will continue to be interviewed to gather their views on risks that they perceive could have a significant impact on the Company or the industry. The ERM Committee will review the assessment of the risks in each area and the proposed mitigation strategy and determine what adjustments, additions, or changes are appropriate.

The Board of Directors and its committees meet in person approximately six times a year, including one meeting that is dedicated specifically to strategic planning, and regular updates are given to the Board of Directors on all Company risks. At each of these meetings, our President and Chief Executive Officer; Chief Financial Officer; and Chief Legal Officer are asked to report to the Board and, when appropriate, specific committees. Additionally, other members of management and employees are requested to attend meetings and present information, including those responsible for our Internal Audit, Environmental Audit, Business Ethics and Compliance, Human Resources, Government Affairs, Information Technology, Risk Management, Safety and Accounting functions.

One of the purposes of these presentations is to provide direct communication between members of the Board and members of management; the presentations provide members of the Board with the information necessary to understand the risk profile of the Company, including information regarding the specific risk environment, exposures affecting the Company's operations and the Company's plans to address such risks. In addition to information regarding general updates to the Company's operational and financial condition, management reports to the Board on a number of specific issues meant to inform the Board about the Company's outlook and forecasts, and any impediments to meeting those or its pre-defined strategies generally. These direct communications between management and the Board of Directors allow the Board to assess management's evaluation and management of the risks of the Company.

Management is encouraged to communicate with the Board of Directors with respect to extraordinary risk issues or developments that may require more immediate attention between regularly scheduled Board meetings. Mr. Reum, as Non-Executive Chairman, facilitates communications with the Board of Directors as a whole and is integral in initiating the discussions among the independent Board members necessary to ensure management is adequately evaluating and managing the Company's risks. These intra-Board communications are essential in its oversight function. Additionally, all members of the Board are invited to attend all committee meetings, regardless of whether the individual sits on the specific committee, and committee chairs report to the full Board. These practices ensure that all issues affecting the Company are considered in relation to each other; and by doing so, risks that affect one aspect of our Company can be taken into consideration when considering other risks.

In addition, the Audit Committee is responsible for ensuring that an effective risk assessment process is in place, and quarterly reports are made to the Audit Committee on all financial and compliance risks in accordance with New York Stock Exchange requirements.

Independence of Board Members

The Board of Directors has determined that each of the following eight non-employee director candidates is independent in accordance with the New York Stock Exchange listing standards:

Bradbury H. Anderson

Frank M. Clark, Jr.

Andrés R. Gluski

Patrick W. Gross

Victoria M. Holt

John C. Pope

W. Robert Reum

Thomas H. Weidemeyer

Mr. Steiner is an employee of the Company and, as such, is not considered an independent director.

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To assist the Board in determining independence, the Board of Directors adopted categorical standards of director independence, which meet or exceed the requirements of the New York Stock Exchange. These standards specify certain relationships that are prohibited in order for the non-employee director to be deemed independent. In addition to these categorical standards, our Board makes a subjective determination of independence considering relevant facts and circumstances. The Board reviewed all commercial and non-profit affiliations of each non-employee director and the dollar amount of all transactions between the Company and each entity with which a non-employee director is affiliated to determine independence. These transactions included the Company, through its subsidiaries, providing waste management services in the ordinary course of business and the Company's subsidiaries purchasing goods and services in the ordinary course of business. The categorical standards our Board uses in determining independence are included in our Corporate Governance Guidelines, which can be found on our website. The Board has determined that each non-employee director candidate meets these categorical standards and that there are no other relationships that would affect independence.

Meetings and Board Committees

Last year the Board held seven meetings and each committee of the Board met independently as set forth below. Each director attended at least 75% of the meetings of the Board and the committees on which he or she served. In addition, all directors attended the 2014 Annual Meeting of Stockholders, with the exception of Mr. Gross who had an unavoidable schedule conflict. Although we do not have a formal policy regarding director attendance at annual meetings, it has been longstanding practice that all directors attend unless there are unavoidable schedule conflicts or unforeseen circumstances.

The Board appoints committees to help carry out its duties. In particular, Board committees work on key issues in greater detail than would be possible at full Board meetings. Each committee reviews the results of its meetings with the full Board, and all members of the Board are invited to attend all committee meetings. The Board has three separate standing committees: the Audit Committee; the Management Development and Compensation Committee (the MD&C Committee); and the Nominating and Governance Committee. Additionally, the Board has the power to appoint additional committees, as it deems necessary. In 2006, the Board appointed a Special Committee, as described below.

The Audit Committee

Mr. Gross has been the Chairman of our Audit Committee since May 2010. The other members of our Audit Committee are Ms. Holt and Messrs. Clark, Reum, Weidemeyer and Gluski. (Mr. Gluski was appointed on February 23, 2015, after the filing of our Annual Report on Form 10-K.) Each member of our Audit Committee satisfies the additional New York Stock Exchange independence standards for audit committees set forth in Section 10A of the Securities Exchange Act of 1934, as amended. Our Audit Committee held nine meetings in 2014.

Our Board of Directors has determined that Mr. Gross and each of Ms. Holt and Messrs. Clark, Gluski and Reum are Audit Committee financial experts as defined by the SEC based on a thorough review of their education and financial and public company experience.

Mr. Gross was a founder of American Management Systems where he was principal executive officer for over 30 years. Since 2001, he has served as Chairman of The Lovell Group, a private investment and advisory firm. Mr. Gross holds an MBA from the Stanford University Graduate School of Business, a master's degree in engineering science from the University of Michigan and a bachelor's degree in engineering science from Rensselaer Polytechnic Institute.

Ms. Holt has served as President and Chief Executive Officer of Proto Labs, Inc. since February 2014 and was President and Chief Executive of Spartech Corporation from September 2010 to March 2013. Prior to joining Spartech, she served as Senior Vice President of PPG Industries for over five years. Ms. Holt holds an MBA from Pace University and a bachelor's degree in chemistry from Duke University.

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Mr. Clark served as Chairman and Chief Executive Officer of ComEd from November 2005 to February 2012 and President of ComEd from 2001 to 2005. Mr. Clark holds an LLB from DePaul University College of Law and a BBA from DePaul University.

Mr. Gluski has served as President and Chief Executive Officer of The AES Corporation since 2011 and was Executive Vice President and Chief Operating Officer of The AES Corporation from 2007 to 2011. Mr. Gluski is a graduate of Wake Forest University and holds an MA and PhD in Economics from the University of Virginia.

Mr. Reum has served as Chairman, President and Chief Executive Officer of Amsted Industries Incorporated since March 2001. He also served as Chairman, President and CEO of a public diversified metal products company for many years. Mr. Reum holds an MBA from Harvard University, a JD from The University of Michigan Law School and a bachelor's degree from Yale University.

The Audit Committee's duties are set forth in a written charter that was approved by the Board of Directors. A copy of the charter can be found on our website. The Audit Committee generally is responsible for overseeing all matters relating to our financial statements and reporting, internal audit function and independent auditors. As part of its function, the Audit Committee reports the results of all of its reviews to the full Board. In fulfilling its duties, the Audit Committee, has the following responsibilities:

Administrative Responsibilities

Report to the Board, at least annually, all public company audit committee memberships by members of the Audit Committee;

Perform an annual review of its performance relative to its charter and report the results of its evaluation to the full Board; and

Adopt an orientation program for new Audit Committee members.

Independent Auditor

Engage an independent auditor, determine the auditor's compensation and replace the auditor if necessary;

Review the independence of the independent auditor and establish our policies for hiring current or former employees of the independent auditor;

Evaluate the lead partner of our independent audit team and review a report, at least annually, describing the independent auditor's internal control procedures; and

Pre-approve all services, including non-audit engagements, provided by the independent auditor.

Internal Audit

Review the plans, staffing, reports and activities of the internal auditors; and

Review and establish procedures for receiving, retaining and handling complaints, including anonymous complaints by our employees, regarding accounting, internal controls and auditing matters.

Financial Statements

Review financial statements and Forms 10-K and 10-Q with management and the independent auditor;

Review all earnings press releases and discuss with management the type of earnings guidance that we provide to analysts and rating agencies;

Discuss with the independent auditor any material changes to our accounting principles and matters required to be communicated by Public Company Accounting Oversight Board (United States) Audit Standard AU Section 380 *Communication with Audit Committees*;

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Review our financial reporting, accounting and auditing practices with management, the independent auditor and our internal auditors;

Review management's and the independent auditor's assessment of the adequacy and effectiveness of internal controls over financial reporting; and

Review executive officer certifications related to our reports and filings.

Audit Committee Report

The role of the Audit Committee is, among other things, to oversee the Company's financial reporting process on behalf of the Board of Directors, to recommend to the Board whether the Company's financial statements should be included in the Company's Annual Report on Form 10-K and to select the independent auditor for ratification by stockholders. Company management is responsible for the Company's financial statements as well as for its financial reporting process, accounting principles and internal controls. The Company's independent auditors are responsible for performing an audit of the Company's financial statements and expressing an opinion as to the conformity of such financial statements with accounting principles generally accepted in the United States.

The Audit Committee has reviewed and discussed the Company's audited financial statements as of and for the year ended December 31, 2014 with management and the independent registered public accounting firm, and has taken the following steps in making its recommendation that the Company's financial statements be included in its annual report:

First, the Audit Committee discussed with Ernst & Young, the Company's independent registered public accounting firm for fiscal year 2014, those matters required to be discussed by Public Company Accounting Oversight Board (United States) Audit Standard AU Section 380 *Communication with Audit Committees*, including information regarding the scope and results of the audit. These communications and discussions are intended to assist the Audit Committee in overseeing the financial reporting and disclosure process.

Second, the Audit Committee discussed with Ernst & Young its independence and received from Ernst & Young a letter concerning independence as required under applicable independence standards for auditors of public companies. This discussion and disclosure helped the Audit Committee in evaluating such independence. The Audit Committee also considered whether the provision of other non-audit services to the Company is compatible with the auditor's independence.

Third, the Audit Committee met periodically with members of management, the internal auditors and Ernst & Young to review and discuss internal controls over financial reporting. Further, the Audit Committee reviewed and discussed management's report on internal control over financial reporting as of December 31, 2014, as well as Ernst & Young's report regarding the effectiveness of internal control over financial reporting.

Finally, the Audit Committee reviewed and discussed, with the Company's management and Ernst & Young, the Company's audited consolidated balance sheet as of December 31, 2014, and consolidated statements of

operations, comprehensive income, cash flows and equity for the fiscal year ended December 31, 2014, including the quality, not just the acceptability, of the accounting principles, the reasonableness of significant judgments and the clarity of the disclosure.

The Committee has also discussed with the Company's internal auditors and independent registered public accounting firm the overall scope and plans of their respective audits. The Committee meets periodically with both the internal auditors and independent registered public accounting firm, with and without management present, to discuss the results of their examinations and their evaluations of the Company's internal controls over financial reporting.

The members of the Audit Committee are not engaged in the accounting or auditing profession and, consequently, are not experts in matters involving auditing or accounting. In the performance of their oversight

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function, the members of the Audit Committee necessarily relied upon the information, opinions, reports and statements presented to them by Company management and by the independent registered public accounting firm.

Based on the reviews and discussions explained above (and without other independent verification), the Audit Committee recommended to the Board (and the Board approved) that the Company's financial statements be included in its annual report for its fiscal year ended December 31, 2014. The Committee has also approved the selection of Ernst & Young as the Company's independent registered public accounting firm for fiscal year 2015.

The Audit Committee of the Board of Directors

Patrick W. Gross, *Chairman*

Frank M. Clark, Jr.

Victoria M. Holt

W. Robert Reum

Thomas H. Weidemeyer

The Management Development and Compensation Committee

Mr. Clark has served as the Chairman of our MD&C Committee since May 2011. The other members of the Committee are Ms. Holt and Messrs. Anderson, Gluski, Pope and Reum. Each member of our MD&C Committee is independent in accordance with the rules and regulations of the New York Stock Exchange. The MD&C Committee met six times in 2014.

Our MD&C Committee is responsible for overseeing all of our executive and senior management compensation, as well as developing the Company's compensation philosophy generally. The MD&C Committee's written charter, which was approved by the Board of Directors, can be found on our website. In fulfilling its duties, the MD&C Committee has the following responsibilities:

Review and establish policies governing the compensation and benefits of all of our executives;

Approve the compensation of our senior management and set the bonus plan goals for those individuals;

Conduct an annual evaluation of our Chief Executive Officer by all independent directors to set his compensation;

Oversee the administration of all of our equity-based incentive plans;

Review the results of the stockholder advisory vote on executive compensation and consider any implications of such voting results on the Company's compensation programs;

Recommend to the full Board new Company compensation and benefit plans or changes to our existing plans;

Evaluate and recommend to the Board the compensation paid to our non-employee directors;

Review the independence of the MD&C Committee's compensation consultant annually; and

Perform an annual review of its performance relative to its charter and report the results of its evaluation to the full Board.

In overseeing compensation matters, the MD&C Committee may delegate authority for day-to-day administration and interpretation of the Company's plans, including selection of participants, determination of award levels within plan parameters, and approval of award documents, to Company employees. However, the MD&C Committee may not delegate any authority under those plans for matters affecting the compensation and benefits of the executive officers. For additional information on the MD&C Committee, see the Compensation Discussion and Analysis beginning on page 22.

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Compensation Committee Report

The MD&C Committee has reviewed and discussed the Compensation Discussion and Analysis, beginning on page 22, with management. Based on the review and discussions, the MD&C Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in the Company's Proxy Statement.

The Management Development and Compensation

Committee of the Board of Directors

Frank M. Clark, Jr., *Chairman*

Bradbury H. Anderson

Andrés R. Gluski

Victoria M. Holt

John C. Pope

W. Robert Reum

Compensation Committee Interlocks and Insider Participation

During 2014, Ms. Holt and Messrs. Anderson, Clark, Pope and Reum served on the MD&C Committee. No member of the MD&C Committee was an officer or employee of the Company during 2014; no member of the MD&C Committee is a former officer of the Company; and during 2014, none of our executive officers served as a member of a board of directors or compensation committee of any entity that has one or more executive officers who serve on our Board of Directors or MD&C Committee.

The Nominating and Governance Committee

Mr. Weidemeyer has served as the Chairman of our Nominating and Governance Committee since May 2011. The other members of the Committee include Messrs. Anderson, Gross, Pope and Reum. Each member of our Nominating and Governance Committee is independent in accordance with the rules and regulations of the New York Stock Exchange. In 2014, the Nominating and Governance Committee met five times.

The Nominating and Governance Committee has a written charter that has been approved by the Board of Directors and can be found on our website. It is the duty of the Nominating and Governance Committee to oversee matters regarding corporate governance. In fulfilling its duties, the Nominating and Governance Committee has the following responsibilities:

Review and recommend the composition of our Board, including the nature and duties of each of our committees, in accordance with our Corporate Governance Guidelines;

Evaluate the charters of each of the committees and recommend directors to serve as committee chairs;

Review individual director s performance in consultation with the Chairman of the Board and review the overall effectiveness of the Board;

Recommend retirement policies for the Board, the terms for directors and the proper ratio of employee directors to outside directors;

Perform an annual review of its performance relative to its charter and report the results of its evaluation to the full Board;

Review stockholder proposals received for inclusion in the Company s proxy statement and recommend action to be taken with regard to the proposals to the Board; and

Identify and recommend to the Board candidates to fill director vacancies.

Potential director candidates are identified through various methods; the Nominating and Governance Committee welcomes suggestions from directors, members of management, and stockholders. From time to time,

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the Nominating and Governance Committee uses outside consultants to assist it with identifying potential director candidates. In 2014, the Nominating and Governance Committee retained an outside consultant who identified Mr. Andrés R. Gluski as a potential director candidate. Our Board of Directors elected Mr. Gluski as a member of the Board effective January 1, 2015, and he is a nominee for re-election at the annual meeting. Mr. Gluski was appointed to the Audit Committee and the MD&C Committee at the February 23, 2015 Board of Directors meeting.

For all potential candidates, the Nominating and Governance Committee considers all factors it deems relevant, such as a candidate's personal and professional integrity and sound judgment, business and professional skills and experience, independence, possible conflicts of interest, diversity, and the potential for effectiveness, in conjunction with the other directors, to serve the long-term interests of the stockholders. While there is no formal policy with regard to consideration of diversity in identifying director nominees, the Committee considers diversity in business experience, professional expertise, gender and ethnic background, along with various other factors when evaluating director nominees. The Committee uses a matrix of functional and industry experiences to develop criteria to select candidates. Before being nominated by the Nominating and Governance Committee, director candidates are interviewed by the Chief Executive Officer and a minimum of two members of the Nominating and Governance Committee, including the Non-Executive Chairman of the Board. Additional interviews may include other members of the Board, representatives from senior levels of management and an outside consultant.

The Nominating and Governance Committee will consider all potential nominees on their merits without regard to the source of recommendation. The Nominating and Governance Committee believes that the nominating process will and should continue to involve significant subjective judgments. To suggest a nominee, you should submit your candidate's name, together with biographical information and his or her written consent to nomination to the Chairman of the Nominating and Governance Committee, Waste Management, Inc., 1001 Fannin Street, Suite 4000, Houston, Texas 77002, between October 28, 2015 and November 27, 2015.

Related Party Transactions

The Board of Directors has adopted a written Related Party Transactions Policy for the review and approval or ratification of related party transactions. Our policy generally defines related party transactions as current or proposed transactions in excess of \$120,000 in which (i) the Company is a participant and (ii) any director, executive officer or immediate family member of any director or executive officer has a direct or indirect material interest. In addition, the policy sets forth certain transactions that will not be considered related party transactions, including (i) executive officer compensation and benefit arrangements; (ii) director compensation arrangements; (iii) business travel and expenses, advances and reimbursements in the ordinary course of business; (iv) indemnification payments and advancement of expenses, and payments under directors' and officers' indemnification insurance policies; (v) any transaction between the Company and any entity in which a related party has a relationship solely as a director, a less than 5% equity holder, or an employee (other than an executive officer); and (vi) purchases of Company debt securities, provided that the related party has a passive ownership of no more than 2% of the principal amount of any outstanding series. The Nominating and Governance Committee is responsible for overseeing the policy.

All executive officers and directors are required to notify the Chief Legal Officer or the Corporate Secretary as soon as practicable of any proposed transaction that they or their family members are considering entering into that involves the Company. The Chief Legal Officer will determine whether potential transactions or relationships constitute related party transactions that must be referred to the Nominating and Governance Committee.

The Nominating and Governance Committee will review a detailed description of the transaction, including:

the terms of the transaction;

the business purpose of the transaction;

the benefits to the Company and to the relevant related party; and

whether the transaction would require a waiver of the Company's Code of Conduct.

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In determining whether to approve a related party transaction, the Nominating and Governance Committee will consider, among other things, whether:

the terms of the related party transaction are fair to the Company and such terms would be reasonable in an arms-length transaction;

there are business reasons for the Company to enter into the related party transaction;

the related party transaction would impair the independence of any non-employee director;

the related party transaction would present an improper conflict of interest for any director or executive officer of the Company; and

the related party transaction is material to the Company or the individual.

Any member of the Nominating and Governance Committee who has an interest in a transaction presented for consideration will abstain from voting on the related party transaction.

The Nominating and Governance Committee's consideration of related party transactions and its determination of whether to approve such a transaction are reflected in the minutes of the Nominating and Governance Committee's meetings. The Company is not aware of any transactions that are required to be disclosed.

Special Committee

The Board of Directors appointed a Special Committee in November 2006 to make determinations regarding the Company's obligation to provide indemnification when and as may be necessary. The Special Committee consists of Mr. Gross and Mr. Weidemeyer. The Special Committee held no meetings in 2014.

Board of Directors Governing Documents

Stockholders may obtain copies of our Corporate Governance Guidelines, the charters of the Audit Committee, the MD&C Committee, and the Nominating and Governance Committee, and our Code of Conduct free of charge by contacting the Corporate Secretary, c/o Waste Management, Inc., 1001 Fannin Street, Suite 4000, Houston, Texas 77002 or by accessing the Corporate Governance section of the Investor Relations page on our website at www.wm.com.

Non-Employee Director Compensation

Our non-employee director compensation program consists of equity awards and cash consideration, which is recommended annually by the MD&C Committee with the assistance of an independent third-party consultant, and set by action of the Board of Directors. The Board's goal in designing directors' compensation is to provide a competitive package that will enable the Company to attract and retain highly skilled individuals with relevant experience. The compensation also is designed to reward the time and talent required to serve on the board of a company of our size

and complexity. The Board seeks to provide sufficient flexibility in the form of compensation delivered to meet the needs of different individuals while ensuring that a substantial portion of directors' compensation is linked to the long-term success of the Company.

Equity Compensation

Non-employee directors receive an annual grant of shares of Common Stock under the Company's Stock Incentive Plan. The shares are fully vested at the time of grant; however, non-employee directors are subject to ownership guidelines discussed below. The grant of shares is generally made in two equal installments, and the number of shares issued is based on the market value of our Common Stock on the dates of grant, which historically have been January 15 and July 15 of each year. In February 2014, based on an analysis provided by an independent third-party consultant, the MD&C Committee recommended, and the Board of Directors approved, an increase in the value of the annual stock award granted to non-employee directors from \$130,000 to \$140,000, effective with the award granted in July 2014. Accordingly, each non-employee director received a grant of Common Stock valued at \$65,000 on January 15, 2014 under the 2009 Stock Incentive Plan and a grant

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of Common Stock valued at \$70,000 on July 15, 2014 under the 2014 Stock Incentive Plan. Mr. Reum received an additional grant of Common Stock valued at \$100,000 for his service as Non-Executive Chairman of the Board in 2014, which was also made in two equal installments on January 15 and July 15.

Cash Compensation

All non-employee directors receive an annual cash retainer for Board service and additional cash retainers for serving as a committee chair. Directors do not receive meeting fees in addition to the retainers. The cash retainers are generally payable in two equal installments in January and July of each year. In February 2014, based on an analysis provided by an independent third-party consultant, the MD&C Committee recommended, and the Board of Directors approved, an increase in the annual cash retainer from \$105,000 to \$110,000, effective with the payments made in July 2014. The payments of the retainers are not subject to refund. The table below sets forth the cash retainers for 2014:

Annual Retainer	\$107,500
Annual Chair Retainers	\$100,000 for Non-Executive Chairman \$25,000 for Audit Committee Chair \$20,000 for MD&C Committee Chair \$15,000 for Nominating and Governance Committee Chair
Other Annual Retainers	\$10,000 for Special Committee (Paid only in years when convened; the Special Committee was not convened in 2014.)

Stock Ownership Guidelines for Non-Employee Directors

Our non-employee directors are subject to ownership guidelines that establish a minimum ownership level and require that all net shares received in connection with a stock award, after selling shares to pay all applicable taxes, be held during their tenure as a director and for one year following termination of Board service. The MD&C Committee updated the guidelines in May 2014 to account for the Company's more recent sustained stock price. The updated guidelines require each director to hold Common Stock or share-based instruments valued at approximately five times the annual cash retainer for non-employee directors based on a \$40 stock price. As a result, non-employee directors currently are required to hold 13,500 shares. All of our directors, with the exception of Ms. Holt and Mr. Gluski, have reached their ownership guideline. There is no deadline set for non-employee directors to reach their ownership guideline; however, the MD&C Committee performs regular reviews to confirm all non-employee directors are in compliance or are showing sustained progress toward achievement of their ownership guideline. Additionally, our insider trading policy provides that directors are not permitted to hedge their ownership of Company securities, including trading in options, warrants, puts and calls or similar derivative instruments on any security of the Company or selling any security of the Company short.

Director Compensation Table

The table below shows the aggregate cash paid, and stock awards issued, to the non-employee directors in 2014 in accordance with the descriptions set forth above:

Name	Fees Earned or Paid in	Stock Awards	Total (\$)
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	Cash (\$)	\$(1)	
Bradbury H. Anderson	107,500	135,000	242,500
Frank M. Clark, Jr.	127,500	135,000	262,500
Patrick W. Gross	132,500	135,000	267,500
Victoria M. Holt	107,500	135,000	242,500
John C. Pope	107,500	135,000	242,500
W. Robert Reum	207,500	235,000	442,500
Thomas H. Weidemeyer	122,500	135,000	257,500

- (1) Amounts in this column represent the grant date fair value of stock awards granted in 2014, in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718. The grant date fair value of the awards is equal to the number of shares issued multiplied by the average of the high and low market price of our Common Stock on each date of grant; there are no assumptions used in the valuation of shares.

Table of Contents**ELECTION OF DIRECTORS****(ITEM 1 ON THE PROXY CARD)**

The first proposal on the agenda is the election of nine directors to serve until the 2016 Annual Meeting of Stockholders or until their respective successors have been duly elected and qualified. The Board has nominated the nine director candidates named below, and recommends that you vote **FOR** their election. If any nominee is unable or unwilling to serve as a director, which we do not anticipate, the Board, by resolution, may reduce the number of directors that constitute the Board or may choose a substitute. To be elected, a director must receive a majority of the votes cast with respect to that director at the meeting. Our By-laws provide that if the number of shares voted for any director nominee does not exceed 50% of the votes cast with respect to that director, he will tender his resignation to the Board of Directors. The Nominating and Governance Committee will then make a recommendation to the Board on whether to accept or reject the resignation, or whether other action should be taken.

The table below shows all of our director nominees; their ages, terms of office on our Board; experience within the past five years; and their qualifications we considered when inviting them to join our Board as well as nominating them for re-election. We believe that, as a general matter, our directors' past five years of experience gives an indication of the wealth of knowledge and experience these individuals have and that we considered; however, we have also indicated the specific skills and areas of expertise we believe makes each of these individuals a valuable member of our Board.

Director Nominees

Director	Qualifications
Bradbury H. Anderson, 65	
Director since 2011	
Vice Chairman and Chief Executive Officer Best Buy Co., Inc. (multinational retailer of technology and entertainment products and services) from 2002 to 2009; President and Chief Operating Officer of Best Buy from 1991 to 2002.	Mr. Anderson served in the positions of chief executive officer and chief operating officer of a large public retail company for several years, during a customer segmentation transformation, which provided him with extensive knowledge of management and operations of large public companies, including experience implementing customer focused strategies. He also has over 18 years of experience as a member of a public company board of directors.
Director of General Mills, Inc. since 2007.	
Director of Best Buy Co., Inc. since June 2013.	
Director of Carlson Companies, a private company, since July 2009.	

Director of LightHaus Logic, Inc., a private corporation, since April 2012.

Frank M. Clark, Jr., 69

Director since 2002

Chairman and Chief Executive Officer ComEd (energy services company and subsidiary of Exelon Corporation) from November 2005 to February 2012; President ComEd from 2001 to November 2005.

Mr. Clark served in executive positions at a large public utility company for over a decade, providing him with extensive experience and knowledge of large company management, operations and business critical functions. He also brings over 12 years of experience as a member of a public company board of directors.

Executive Vice President and Chief of Staff Exelon Corporation (public utility holding company) from 2004 to 2005; Senior Vice President Exelon Corporation from 2001 to 2004.

Director of BMO Financial Corp., a private corporation, since 2005.

Director of Aetna, Inc. since 2006.

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Director

Qualifications

Andrés R. Gluski, 57

Director since January 2015

President and Chief Executive Officer The AES Corporation (global power company) since 2011;

Chief Operating Officer The AES Corporation from 2007 to 2011.

Director of The AES Corporation since 2011.

Director of Cliffs Natural Resources from 2011 to 2014.

Patrick W. Gross, 70

Director since 2006

Chairman The Lovell Group (private investment and advisory firm) since October 2001.

Director of Capital One Financial Corporation since 1995.

Director of Liquidity Services, Inc. since 2001.

Director of Career Education Corporation since 2005.

Director of Rosetta Stone, Inc. since 2009.

Director of Taleo Corporation from 2006 to 2012.

Victoria M. Holt, 57

Director since 2013

Mr. Gluski has served in executive positions at a large public company for many years. He has a diverse international and finance background. His experience in managing growth opportunities while focusing on operational innovation and efficiency aligns well with the Company's strategic vision. He also has experience serving on the board of directors for public companies.

Mr. Gross was a founder of American Management Systems, Inc., a global business and information technology firm, where he was principal executive officer for over 30 years. As a result, he has extensive experience in applying information technology and advanced data analytics in global companies. His background, education and board service also provide him with expertise in finance and accounting. He also brings over 30 years of experience serving on the board of directors for public companies.

President and Chief Executive Officer Proto Labs, Inc. (online and technology-enabled quick-turn manufacturer) since February 2014.

President and Chief Executive Officer Spartech Corporation (a leading producer of plastic sheet, compounds and packaging products) from September 2010 to March 2013.

Senior Vice President, Glass and Fiber Glass, PPG Industries, Inc. (a leading coatings and specialty products company) from May 2005 to September 2010.

Director of Watlow Electric Manufacturing Company, a private corporation, since December 2012.

Director of Spartech Corporation from 2005 to 2013.

Ms. Holt has served in executive positions at public companies for many years, providing her with extensive knowledge about operations, management, logistical requirements and measuring financial performance of large public companies. Her background and education provide her with expertise in applying environmental solutions critical to our Company's strategy. She also has many years of experience serving on a public company board of directors.

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Director

Qualifications

John C. Pope, 65

Non-Executive Chairman of the Board from 2004 through 2011;

Director since 1997

Chairman of the Board PFI Group (private investment firm) since July 1994.

Chairman of the Board R.R. Donnelley & Sons Company since 2014; Director of R.R. Donnelley & Sons Company, or predecessor companies, since 1996.

Director of Kraft Foods Group, Inc., or predecessor companies, since 2001.

Director of Con-way, Inc., or predecessor companies, since 2003.

Director of Dollar Thrifty Automotive Group, Inc. from 1997 to 2012.

Director of Navistar International Corporation from 2012 to 2013.

W. Robert Reum, 72

Non-Executive Chairman of the Board since January 2012;

Director since 2003

Chairman, President and CEO Amsted Industries Incorporated (diversified manufacturer for the railroad, vehicular and construction industries) since March 2001.

Mr. Reum has served as the chief executive of a private diversified manufacturing company for 14 years. He also served as Chairman, President and Chief Executive Officer of The Interlake Corporation, a public diversified metal products company, from 1991 to 1999. As a result, he has extensive management experience within a wide range of business functions. Mr. Reum also brings over 20 years of experience serving on the board of directors for public companies.

David P. Steiner, 54

Chief Executive Officer and Director since 2004;

President since June 2010

Executive Vice President and Chief Financial Officer from April 2003 to March 2004.

Director of TE Connectivity Ltd. (formerly Tyco Electronics Corporation) since 2007.

Director of FedEx Corporation since 2009.

Mr. Steiner is our President and Chief Executive Officer and, in that capacity, brings extensive knowledge of the details of our Company and its employees, as well as the front-line experiences of running our Company, to his service as a member of our Board. Mr. Steiner also brings his experience serving on the board of directors of other major public companies.

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Director

Qualifications

Thomas H. Weidemeyer, 67

Director since 2005

Chief Operating Officer United Parcel Service, Inc. (package delivery and supply chain services company) from 2001 to 2003; Senior Vice President United Parcel Service, Inc. from 1994 to 2003.

President, UPS Airlines (UPS owned airline) from 1994 to 2003.

Director of NRG Energy, Inc. since 2003.

Director of The Goodyear Tire & Rubber Company since 2004.

Director of Amsted Industries Incorporated since 2007.

THE BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE FOR THE ELECTION OF EACH OF THE NINE NOMINEE DIRECTORS.

Mr. Weidemeyer served in executive positions at a large public company for several years. His roles encompassed significant operational management responsibility, providing him knowledge and experience in an array of functional areas critical to large public companies, including supply chain and logistics management. Mr. Weidemeyer also has over 13 years of experience serving on the board of directors for public companies.

Table of Contents**DIRECTOR AND OFFICER STOCK OWNERSHIP**

Our Board of Directors has adopted stock ownership guidelines for our non-employee directors based on the recommendation of the MD&C Committee, as described in Non-Employee Director Compensation on page 13 of this Proxy Statement. Our executive officers, including Mr. Steiner, are also subject to stock ownership guidelines, as described in the Compensation Discussion and Analysis on page 38 of this Proxy Statement.

The Stock Ownership Table below shows the number of shares of Common Stock each director nominee and each executive officer named in the Summary Compensation Table on page 40 beneficially owned as of March 16, 2015, our record date for the annual meeting, as well as the number owned by all directors and executive officers as a group. The table also includes information about stock options currently exercisable or that will become exercisable within 60 days of our record date and phantom stock granted under various compensation and benefit plans. These individuals, both individually and in the aggregate, own less than 1% of our outstanding shares as of the record date.

Security Ownership of Management

Name	Shares of Common Stock Owned(1)	Shares of Common Stock Covered by Exercisable Options(2)	Phantom Stock(3)
Bradbury H. Anderson(4)	14,813	0	0
Frank M. Clark, Jr.	26,464	0	0
Andrés R. Gluski	1,347	0	0
Patrick W. Gross	19,596	0	0
Victoria M. Holt	7,449	0	0
John C. Pope(5)	48,122	0	0
W. Robert Reum	30,686	0	0
Thomas H. Weidemeyer	21,763	0	0
David P. Steiner(6)	783,438	1,344,832	72,634
James E. Trevathan, Jr.	200,555	395,984	0
James C. Fish, Jr.	41,944	93,384	0
Jeff M. Harris	81,309	69,925	0
John J. Morris, Jr.	16,644	28,211	0
Mark A. Weidman(7)	57,912	0	0
David A. Aardsma(8)	50,031	0	3,014
All directors and executive officers as a group (20 persons)(9)	1,529,012	2,030,528	82,402

- (1) The table reports beneficial ownership in accordance with Rule 13d-3 under the Securities Exchange Act of 1934, as amended. The amounts reported above include 11,811 stock equivalents attributed to Mr. Steiner, 3,542 stock equivalents attributed to Mr. Fish, and 234 stock equivalents attributable to Mr. Weidman, based on their holdings in the Company's Retirement Savings Plan stock fund.

- (2) The number of options includes options currently exercisable and options that will become exercisable within 60 days of our record date.

- (3) Executive officers may choose a Waste Management stock fund as an investment option under the Company's 409A Deferral Savings Plan described in the Nonqualified Deferred Compensation table on page 46. Interests in the fund are considered phantom stock because they are equal in value to shares of our Common Stock. Phantom stock receives dividend equivalents, in the form of additional phantom stock, at the same time that holders of shares of Common Stock receive dividends. The value of the phantom stock is paid out, in cash, at a future date selected by the executive. Phantom stock is not considered as equity ownership for SEC disclosure purposes; we have provided supplemental disclosure of phantom stock in this table because it represents an investment risk based on the performance of our Common Stock.

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- (4) The number of shares owned by Mr. Anderson includes 100 shares held by his wife.
- (5) The number of shares owned by Mr. Pope includes 435 shares held in trusts for the benefit of his children.
- (6) The number of shares owned by Mr. Steiner includes 343,294 shares held by Steiner Family Holdings, LLC. Mr. Steiner is the sole manager of this company. All of the shares held by Steiner Family Holdings, LLC are pledged as security for a loan.
- (7) Ownership as of December 19, 2014, the date of Mr. Weidman's departure from the Company.
- (8) Ownership as of October 31, 2014, the date of Mr. Aardsma's departure from the Company.
- (9) Included in the All directors and executive officers as a group are 15,588 stock equivalents attributable to the executive officers' collective holdings in the Company's Retirement Savings Plan stock fund.

Table of Contents**SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS**

The table below shows information for persons known to us to beneficially own more than 5% of our Common Stock based on their filings with the SEC through March 16, 2015.

Name and Address	Shares Beneficially Owned	
	Number	Percent(1)
Capital World Investors 333 South Hope Street Los Angeles, CA 90071	42,939,153(2)	9.4
William H. Gates III One Microsoft Way Redmond, WA 98052	29,894,679(3)	6.5
BlackRock, Inc. 40 East 52nd Street New York, NY 10022	27,013,916(4)	5.9

- (1) Percentage is calculated using the number of shares of Common Stock outstanding as of March 16, 2015.
- (2) This information is based on a Schedule 13G/A filed with the SEC on February 13, 2015. Capital World Investors reports that it is deemed to be the beneficial owner of 42,939,153 shares of Common Stock as a result of acting as investment adviser to various investment companies. Capital World Investors disclaims beneficial ownership of all shares.
- (3) This information is based on a Schedule 13G/A filed with the SEC on February 13, 2015. Mr. Gates reports that he has sole voting and dispositive power over 11,261,007 shares of Common Stock held by Cascade Investment, L.L.C., as the sole member of such entity. Additionally, the Schedule 13G/A reports that Mr. Gates and Melinda French Gates share voting and dispositive power over 18,633,672 shares of Common Stock beneficially owned by Bill & Melinda Gates Foundation Trust.
- (4) This information is based on a Schedule 13G/A filed with the SEC on January 30, 2015. BlackRock, Inc. reports that it has sole voting power over 23,228,069 shares of Common Stock and sole dispositive power over

27,013,916 shares of Common Stock beneficially owned.

SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

The federal securities laws require our executive officers and directors to file reports of their holdings and transactions in our Common Stock with the SEC and the New York Stock Exchange. Based on a review of the forms and written representations from our executive officers and directors, we believe that all applicable requirements were complied with in 2014.

Table of Contents**EXECUTIVE OFFICERS**

The following is a listing of our current executive officers, other than Mr. Steiner, whose personal information is included in the Director Nominees section of this Proxy Statement on page 16, their ages and business experience for the past five years.

Name	Age	Positions Held and Business Experience for Past Five Years
Puneet Bhasin	52	Senior Vice President, Corporate Operations since November 2014. Chief Information Officer and Senior Vice President, Technology, Logistics and Customer Service from August 2012 to November 2014. Senior Vice President and Chief Information Officer from December 2009 to August 2012.
Barry H. Caldwell	54	Senior Vice President Corporate Affairs and Chief Legal Officer since November 2014. Senior Vice President Government Affairs and Corporate Communications from September 2002 to November 2014.
Don P. Carpenter	54	Vice President and Chief Accounting Officer since August 2012. Vice President Tax from May 2002 to August 2012.
James C. Fish, Jr.	52	Executive Vice President and Chief Financial Officer since August 2012. Senior Vice President Eastern Group from June 2011 to August 2012. Area Vice President Pennsylvania and West Virginia Area from January 2009 to June 2011.
Jeff M. Harris	60	Senior Vice President Operations since July 2012. Senior Vice President Midwest Group from April 2006 to July 2012. Area Vice President Michigan Market Area from April 2000 to April 2006.
John J. Morris, Jr.	45	Senior Vice President Operations since July 2012. Chief Strategy Officer from March 2012 to July 2012. Area Vice President Greater Mid-Atlantic Area from July 2011 to March 2012. Area Vice President Waste Management of New Jersey from February 2007 to July 2011.

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Devina A. Rankin	39	Vice President and Treasurer since August 2012. Assistant Treasurer from June 2010 to August 2012. Senior Manager of Financial Reporting from July 2007 to June 2010.
Mark E. Schwartz	57	Senior Vice President Human Resources since May 2012. Vice President and Assistant General Counsel Labor and Employment from December 2000 to May 2012.
James E. Trevathan, Jr.	62	Executive Vice President and Chief Operating Officer since July 2012. Executive Vice President Growth, Innovation and Field Support from June 2011 to July 2012. Senior Vice President Southern Group from July 2007 to June 2011.

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EXECUTIVE COMPENSATION

COMPENSATION DISCUSSION AND ANALYSIS

Introduction

The Company's Compensation Discussion and Analysis provides information about the Company's executive compensation philosophy and the components of its compensation programs. This includes information about how compensation of the Company's named executive officers for the fiscal year ended December 31, 2014 fulfilled the compensation philosophy's goals and was aligned with the Company's 2014 financial goals and performance. The Compensation Discussion and Analysis helps readers better understand the information found in the Summary Compensation Table and other accompanying tables located in this Proxy Statement.

This Compensation Discussion and Analysis focuses on our executive pay program as it relates to the following executive officers, whom we refer to as the named executive officers or named executives :

Mr. David Steiner Chief Executive Officer since 2004 and President since June 2010.

Mr. James Trevathan Executive Vice President and Chief Operating Officer since July 2012.

Mr. James Fish Executive Vice President and Chief Financial Officer since August 2012.

Mr. Jeff Harris Senior Vice President Operations since July 2012.

Mr. John Morris Senior Vice President Operations since July 2012.

Mr. David Aardsma previously Senior Vice President and Chief Sales and Marketing Officer; in connection with our consolidation and realignment of Corporate functions announced in August 2014, Mr. Aardsma accepted a voluntary separation arrangement.

Mr. Mark Weidman previously President of our subsidiary Wheelabrator Technologies Inc. (Wheelabrator); Mr. Weidman's employment with the Company terminated in December 2014 when we completed the sale of our Wheelabrator business, which provides waste-to-energy services and manages waste-to-energy facilities and independent power production plants.

Executive Summary

The objective of our executive compensation program is to attract, retain, reward and incentivize exceptional, talented employees who will lead the Company in the successful execution of its strategy. The Company seeks to accomplish

this goal by designing a compensation program that is supportive of and aligns with the strategy of the Company and the creation of stockholder value, while discouraging excessive risk-taking. The following key structural elements and policies further the objective of our executive compensation program:

a substantial portion of executive compensation is linked to Company performance, through annual cash incentive performance criteria and long-term equity-based incentive awards. As a result, our executive compensation program provides for a significant difference in total compensation in periods of above-target Company performance as compared to periods of below-target Company performance. In 2014, our performance-based annual cash incentive and long-term equity-based incentive awards comprised approximately 87% of total target compensation for our President and Chief Executive Officer and approximately 76% of total target compensation for our other currently-serving named executives;

at target, approximately 56% of total compensation of our currently-serving named executives (and 69% in the case of our President and Chief Executive Officer) results from long-term equity awards, which aligns executives' interests with those of stockholders;

our total direct compensation opportunities for named executive officers are targeted to fall in a range around the competitive median;

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performance-based awards include threshold, target and maximum payouts correlating to a range of performance goals and are based on a variety of indicators of performance, which limits risk-taking behavior;

performance stock units with a three-year performance period, as well as stock options that vest over a three-year period, link executives' interests with long-term performance and reduce incentives to maximize performance in any one year;

all of our named executive officers are subject to stock ownership requirements, which we believe demonstrates a commitment to, and confidence in, the Company's long-term prospects;

the Company has clawback provisions in its equity award agreements and recent employment agreements, and has adopted a clawback policy applicable to annual incentive compensation, designed to recoup compensation when cause and/or misconduct are found;

our executive officer severance policy implemented a limitation on the amount of benefits the Company may provide to its executive officers under severance agreements entered into after the date of such policy; and

the Company has adopted a policy that prohibits it from entering into new agreements with executive officers that provide for certain death benefits or tax gross-up payments.

2014 Company Performance and Compensation Results

We recognize that the waste industry is changing, and we believe we are uniquely equipped to meet the challenges of our industry and our customers' waste management needs, both today and as we work together to envision and create a more sustainable future. As the waste industry leader, we have the expertise necessary to collect and handle our customers' waste efficiently and responsibly by delivering environmental performance—maximizing resource value, while minimizing environmental impact—so that both our economy and our environment can thrive. Drawing on our resources and experience, we also pursue projects and initiatives that benefit the waste industry, the customers and communities we serve and the environment.

We remain dedicated to providing long-term value to our stockholders by successfully executing our strategy: to know and service our customers better than anyone in our industry, to extract more value from the materials we manage, and to innovate and optimize our business. We plan to accomplish our strategic goals through competitive advantages derived from a best cost structure achieved through operational improvements and differentiation in our industry, driven by capitalizing on our extensive, well-placed network of assets. While we will continue to monitor emerging diversion technologies that may generate additional value, our current attention will be on improving existing diversion technologies such as recycling operations. We believe that execution of our strategy will drive continued financial performance and leadership in a dynamic industry.

We began 2014 with a focus on growing earnings and free cash flow, increasing yield and exercising discipline around capital spending and costs, and our officers' and employees' execution on these goals translated into strong overall operating results for our Company in 2014. Additionally, we increased the amount we returned to stockholders in 2014 compared to 2013 by increasing our dividend and share repurchases. Our fourth quarter results capitalized on the momentum we built throughout the year, delivering growth in income from operations and income from

operations margin in our solid waste business that we expect to continue into 2015. During the fourth quarter, we also completed our previously announced divestiture of our Wheelabrator business for cash proceeds of \$1.95 billion, net of cash divested, subject to certain post-closing adjustments, and we intend to use these proceeds in further support of our strategic growth plans to drive long-term stockholder value.

In line with the Company's financial results, the following is a summary of the 2014 compensation program results:

the Company granted a two and a half percent merit increase to base salaries of executive officers in 2014, with additional increases as necessary in limited cases where prompted by competitive market data, internal pay equity considerations and individual performance;

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Company performance on annual cash incentive performance measures for named executive officers significantly exceeded the target level for two of the three performance measures, weighted at 75% of that total. As a result, each of the named executives received an annual cash incentive payment for fiscal year 2014 equal to 163.8% of target;

the Company generated a return on invested capital, for purposes of performance goals associated with half of our performance share units (PSUs) granted in 2012, that was slightly above target of 16.30% for the three-year performance period ended December 31, 2014, resulting in a 100.12% payout on these PSUs in shares of Common Stock; and

with respect to the remaining half of the PSUs granted in 2012 with a performance period ended December 31, 2014 that were subject to total shareholder return relative to the S&P 500, the performance of the Company's Common Stock on this measure was above threshold, but slightly below target, resulting in a 93.03% payout on these PSUs in shares of Common Stock.

The 2014 results continue to reinforce our emphasis on performance-based compensation, as we believe the performance criteria underlying our incentive compensation successfully drove the results we were seeking. The MD&C Committee strives to establish performance goals that are challenging, but attainable, and the MD&C Committee remains dedicated to the principle that executive compensation should be substantially linked to Company performance. Accordingly, the compensation of the Company's executive officers set forth in the Summary Compensation Table of this Proxy Statement evidences our commitment to pay for performance.

Consideration of Stockholder Advisory Vote

The MD&C Committee established the 2014 compensation plan in early 2014, before the stockholder advisory vote on executive compensation in May 2014. However, the MD&C Committee noted the results of the advisory stockholder votes in May 2013, 2012 and 2011, with 97%, 96% and 97%, respectively, of shares present and entitled to vote at the annual meeting voting in favor of the Company's executive compensation, and has since noted the results of the May 2014 advisory stockholder vote, with 97% of shares present and entitled to vote at the annual meeting voting in favor of the Company's executive compensation. Accordingly, the results of the stockholder advisory vote have not caused the MD&C Committee to recommend any changes to our compensation practices.

2015 Compensation Program Preview

The MD&C Committee continually reviews our compensation program to ensure that it is clearly aligned with the business strategy and best supports the accomplishment of our goals. The MD&C Committee is pleased with the results that were delivered under the 2014 compensation program design, while recognizing the need to grow our Company while continuing our focus on pricing, capital allocation and cost control. As a result, the MD&C Committee has approved keeping the 2015 annual cash and long-term incentive compensation program design consistent with the 2014 compensation program design. This consistency reinforces the MD&C Committee's efforts to maintain a compensation program that is straightforward and easy to communicate and understand.

Our Compensation Philosophy for Named Executive Officers

The Company's compensation philosophy is designed to:

Attract and retain exceptional employees through competitive compensation opportunities;

Encourage and reward performance through substantial at-risk performance-based compensation, while discouraging excessive risk-taking behavior; and

Align our decision makers' long-term interests with those of our stockholders through emphasis on equity ownership.

Additionally, our compensation philosophy is intended to encourage executives to embrace the Company's strategy and to lead the Company in setting aspirations that will continue to drive exemplary performance.

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With respect to our named executive officers, the MD&C Committee believes that total direct compensation at target should be in a range around the competitive median according to the following:

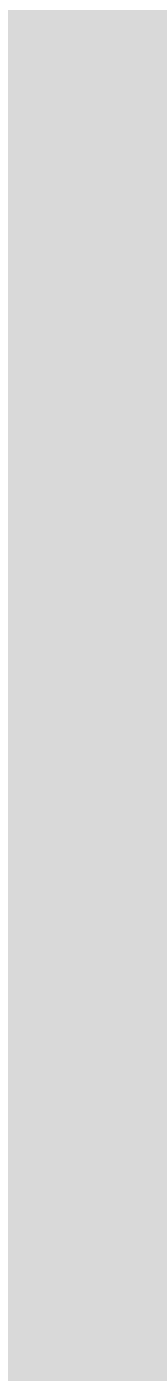
Base salaries should be paid within a range of plus or minus 10% around the competitive median, but attention must be given to individual circumstances, including strategic importance of the named executive's role, the executive's experience and individual performance;

Target short-term and long-term incentive opportunities should generally be set at the competitive median; and

Total direct compensation opportunities should generally be within a range of plus or minus 20% around the competitive median.

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Timing	Component	Purpose	Key Features
Current	Base Salary	To attract and retain executives with a competitive level of regular income	Adjustments to base salary primarily consider competitive market data and the executive's individual performance and responsibilities.
Short-Term Performance Incentive	Annual Cash Incentive	To encourage and reward contributions to our annual financial objectives through performance-based compensation subject to challenging, yet attainable, objective and transparent metrics	<p>Cash incentives are targeted at a percentage of base salary and range from zero to 200% of target based on the following performance measures:</p> <p>Income from Operations Margin defined as Income from Operations as a percentage of Revenue motivates executives to control costs and operate efficiently while focusing on yield weighted 25%;</p> <p>Income from Operations, excluding Depreciation and Amortization designed to encourage balanced growth and profitability weighted 25%; and</p> <p>Cost defined as Operating Expense, less depreciation, depletion and amortization, as a percentage of Net Revenue designed to support cost control and innovation initiatives weighted 50%.</p> <p>The MD&C Committee has discretion to increase or decrease an individual's payment by up to 25% based on individual performance, but such modifier has never been used to increase a payment to a named executive.</p>
Long-Term Performance Incentives	Performance Share Units	To encourage and reward building long-term stockholder value through successful strategy execution;	Number of shares delivered range from zero to 200% of the initial target grant based on performance over a three-year performance period.



To retain executives; and	Payout on half of each executive's PSUs granted in 2014 is dependent on cash flow generation, defined as cash provided by operating activities with certain exclusions, which continues our focus on capital discipline, while also aligning the Company with stockholders' free cash flow expectations.
To increase stockholder alignment through executives' stock ownership	Payout on the remaining half of the PSUs granted in 2014 is dependent on total shareholder return (TSR) relative to other companies in the S&P 500 over the three-year performance period.
Stock Options	<p>PSUs earn dividend equivalents that are paid at the end of the performance period based on the number of shares actually awarded.</p> <p>Recipients can defer the receipt of shares, which are paid out in shares of Common Stock, without interest, at the end of the deferral period.</p> <p>Stock options vest in 25% increments on the first two anniversaries of the date of grant and the remaining 50% vest on the third anniversary.</p> <p>Exercise price is the average of the high and low market price of our Common Stock on the date of grant.</p>
To retain executives; and	Stock options have a term of ten years.
To increase stockholder alignment through executives' stock ownership	

Post-Employment and Change-in-Control Compensation. The compensation our named executives receive post-employment is based on provisions included in individual equity award agreements, retirement plan documents and employment agreements. Our equity award agreements generally provide that an executive

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forfeits unvested awards if he or she voluntarily terminates employment. We enter into employment agreements with our named executive officers to provide a form of protection for the Company through restrictive covenant provisions. Employment agreements also aid in retention of senior leadership by providing the individual with comfort that he will be treated fairly in the event of a termination not for cause or under a change-in-control situation. The change-in-control provision included in each named executive officer's agreement requires a double trigger in order to receive any payment in the event of a change-in-control situation. First, a change-in-control must occur, and second, the individual must terminate employment for good reason or the Company must terminate employment without cause within six months prior to or two years following the change-in-control event. Our stock option awards are also subject to double trigger vesting in the event of a change-in-control situation. Performance share units will be paid out in cash on a prorated basis based on actual results achieved through the end of the fiscal quarter prior to a change-in-control. Thereafter, the executive would typically receive a replacement award of restricted stock units in the successor entity. Restricted Stock Units (RSUs), which are not routinely a component of our compensation program for named executive officers, vest upon a change-in-control, unless the successor entity converts the awards to equivalent grants in the successor. However, such converted RSU awards will vest in full if the executive is terminated without cause following the change-in-control. We believe providing change-in-control protection encourages our named executives to pursue and facilitate change-in-control transactions that are in the best interests of stockholders while not granting executives an undeserved windfall.

Deferral Plan. Each of our named executive officers is eligible to participate in our 409A Deferral Savings Plan. The plan was amended and restated effective January 1, 2014 to restrict deferral of base salary and cash incentives to annual amounts in excess of \$255,000 (as such amount may be revised under Section 402(a)(17) of the Internal Revenue Code of 1985, as amended, the Limit). The plan currently provides that eligible employees may defer for payment at a future date (i) up to 25% of base salary and up to 100% of annual cash incentives payable after the aggregate of such compensation components reaches the Limit; (ii) receipt of any RSUs; and (iii) receipt of any PSUs. The Company match provided under the Deferral Plan is dollar for dollar on the employee's deferrals, up to 3% of the employee's aggregate base salary and cash incentives in excess of the Limit, and fifty cents on the dollar on the employee's deferrals, up to 6% of the employee's aggregate base salary and cash incentives in excess of the Limit. Additional deferral contributions will not be matched but will be tax-deferred. Amounts deferred under this plan are allocated into accounts that mirror selected investment funds in our 401(k) plan, although the amounts deferred are not actually invested in the funds. In prior years, participants could elect to receive distribution of deferred compensation (i) in a lump sum on a future date on or after termination of employment or retirement or (ii) in annual installments over up to ten years, to begin after any future date or age specified by the employee. Under the amended and restated plan, participating employees generally can elect to receive distributions commencing six months after the employee leaves the Company in the form of annual installments or a lump sum payment. We believe that providing a program that allows and encourages planning for retirement is a key factor in our ability to attract and retain talent. Additional details on the plan can be found in the Nonqualified Deferred Compensation table and the footnotes to the table on page 46.

Perquisites. The Company permits the President and Chief Executive Officer to use the Company's aircraft for business and personal travel whenever reasonably possible; provided, however, that personal use of the Company aircraft attributed to him that results in incremental cost to the Company shall not exceed 90 hours during any calendar year without approval from the Chairman of the MD&C Committee. Use of the Company's aircraft is permitted for other employees' personal use only with Chief Executive Officer approval in special circumstances, which seldom occurs. The value of our named executives' personal use of the Company's airplanes is treated as taxable income to the respective executive in accordance with IRS regulations using the Standard Industry Fare Level formula. This is a different amount than we disclose in the Summary Compensation Table, which is based on the SEC requirement to report the incremental cost to us of their use.

We also reimburse the cost of physical examinations for our senior executives, as we believe it is beneficial to the Company to facilitate its executives receiving preventive healthcare. Other than as described in this section, we have eliminated all perquisi