

WASTE MANAGEMENT INC
Form 8-K
March 11, 2010

**SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549**

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): March 9, 2010

Waste Management, Inc.

(Exact Name of Registrant as Specified in Charter)

Delaware
**(State or Other Jurisdiction of
Incorporation)**

1-12154
(Commission File Number)

73-1309529
**(IRS Employer
Identification No.)**

1001 Fannin, Suite 4000 Houston, Texas
(Address of Principal Executive Offices)

77002
(Zip Code)

Registrant's Telephone number, including area code: (713) 512-6200
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 5.02(e) Compensatory Arrangements of Certain Officers

Effective March 9, 2010, the Management Development and Compensation Committee (the Committee) of the Board of Directors of Waste Management, Inc. (the Company) granted equity awards under the Company's 2009 Stock Incentive Plan (the Plan) to each of the Company's named executive officers. The awards were made pursuant to the Company's annual grant of equity compensation awards to eligible employees.

Each of the named executive officers, David P. Steiner, Chief Executive Officer; Lawrence O. Donnell, III, President and Chief Operation Officer; Robert G. Simpson, Chief Financial Officer; James E. Trevathan, Senior Vice President - Southern Group; and Duane C. Woods, Senior Vice President - Western Group, received performance share units and stock options. The target number of performance share units granted to each of the named executive officers is as follows: Mr. Steiner - 69,612; Mr. O. Donnell - 26,543; Mr. Simpson - 17,536; Mr. Trevathan - 10,864; and Mr. Woods - 10,864. The material terms of the performance share units are described below:

PSUs

Performance Calculation Date (PCD)	As of December 31, 2012; award (if any) paid out after completion of the audit of the Company's 2012 year-end financial statements and certification by the Committee of actual level of achievement (payment date).
Performance Measure	Return on invested capital.
Range of Possible Awards	0 - 200% of targeted amount, based on actual results achieved.
Death or Disability before PCD	Payable on payment date as if participant had remained an active employee through PCD.
Voluntary Termination before PCD	Immediate forfeiture.
Involuntary Termination other than for Cause or Qualifying Retirement before PCD	Payable on payment date based on actual results, prorated based on portion of performance period completed prior to termination of employment.
Change in Control before PCD	Performance measured at the end as of the fiscal quarter immediately prior to the change in control and paid on prorated basis on actual results achieved up to such date. Thereafter, participant also receives a replacement award generally equal to the number of restricted stock units in the successor entity equal to the

number of PSUs that would have been earned had no change in control occurred and target performance levels had been met from the time of the change of control through December 31, 2012, converted for any conversion factors in the change in control transaction. The new restricted stock units in the successor entity would vest on December 31, 2012.

The Committee also granted stock options to purchase the following number of shares of the Company's common stock: Mr. Steiner 331,008; Mr. O'Donnell 126,213; Mr. Simpson 83,383; Mr. Trevathan 51,657; and Mr. Woods 51,657. The material terms of the stock options are described below:

Stock Options

Vesting Schedule	25% on first anniversary 25% on second anniversary 50% on third anniversary.
Term	10 years from date of grant.
Exercise Price	Fair Market Value on date of grant.
Termination of Employment	
Death or Disability	All options immediately vest and remain exercisable for one year; but in no event later than the original term.
Qualifying Retirement	Continued vesting and exercisability for three years; but in no event later than the original term.
Involuntary Termination other than for Cause	All options that are then vested are exercisable for 90 days; but in no event later than the original term.
Involuntary Termination for Cause	All options are forfeited, whether or not then exercisable.
Involuntary Termination or Resignation for Good Reason following a Change in Control	All options immediately vest and remain exercisable for one year; but in no event later than the original term.

The forms of award agreements for the performance share units and the stock options are filed as exhibits to this Form 8-K and the descriptions of the material terms of the awards are qualified in their entirety by reference to the award agreements.

Item 9.01 Financial Statements and Exhibits

10.1 Form of 2010 PSU Award Agreement

10.2 Form of 2010 Stock Option Award Agreement

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has caused this report to be signed on its behalf by the undersigned, hereunto duly authorized.

WASTE MANAGEMENT, INC.

Date: March 11, 2010

By: /s/ Rick L Wittenbraker
Rick L Wittenbraker
Senior Vice President