

WASTE MANAGEMENT INC  
Form 8-K  
February 25, 2019

# SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

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## FORM 8-K

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### CURRENT REPORT

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

Date of Report (Date of earliest event reported): **February 19, 2019**

## 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, Houston, Texas**  
(Address of Principal Executive Offices)

**77002**  
(Zip Code)

Registrant's Telephone number, including area code: **(713) 512-6200**

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## Edgar Filing: WASTE MANAGEMENT INC - Form 8-K

(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))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

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

**Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

On February 19, 2019, 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 2014 Stock Incentive Plan to each of the Company's currently-serving named executive officers (collectively, the Executives).

Each of the Executives, which includes James C. Fish, Jr., President and Chief Executive Officer; John J. Morris, Jr., Executive Vice President and Chief Operating Officer and Devina A. Rankin, Senior Vice President and Chief Financial Officer, received performance share units and stock options. The number of performance share units granted to each of the Executives is as follows: Mr. Fish 58,948; Mr. Morris 18,526 and Ms. Rankin 16,842. The material terms of the performance share units are described below.

**Performance Share Units**

Performance Calculation Date (PCD)	As of December 31, 2021; award (if any) paid out after completion of the audit of the Company's 2021 year-end financial statements and certification by the Committee of actual level of achievement (payment date).
Performance Measure	50% of the PSUs will have an adjusted free cash flow performance measure, and 50% of the PSUs will have a total shareholder return relative to the S&P 500 performance measure, in each case as set forth in the award agreement filed as an exhibit hereto.
Range of Possible Awards	0 - 200% of targeted amount, plus accrued dividend equivalents, based on actual results achieved.
Termination of Employment	
Death or Disability before PCD	Payable in full on payment date based on actual results as if participant had remained an active employee through PCD.
Involuntary Termination for Cause or Voluntary Resignation before PCD	Immediate forfeiture.
Involuntary Termination other than for Cause before PCD	Payable on payment date based on actual results, prorated based on portion of performance period completed prior to termination of employment.
Retirement (as defined in the award agreement) before PCD	If Retirement occurs on or after December 31, 2019, payable in full on payment date based on actual results as if participant had remained an active employee through PCD. If Retirement occurs before December 31, 2019, payable on payment date based on actual results, prorated based on the number of days worked during 2019 (the first year of the performance period) divided by 365.
Change in Control before PCD	Performance measured prior to the change in control and paid on prorated basis on actual results achieved up to such date.

Thereafter, participant also generally receives a replacement award of restricted stock units in the successor entity generally 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, 2021, adjusted for any conversion factors in the change in control transaction. The new restricted stock units in the successor entity would vest on December 31, 2021.

The Committee also granted stock options to the Executives to purchase the following number of shares of the Company's common stock: Mr. Fish 114,566; Mr. Morris 36,007 and Ms. Rankin 32,733. The material terms of the stock options are described below.

### **Stock Options**

Vesting Schedule	25% on first anniversary; 25% on second anniversary; and 50% on third anniversary.
Term	10 years from date of grant.
Exercise Price	Fair Market Value on date of grant - \$98.898.
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 or Voluntary Resignation	All vested options remain exercisable for 90 days, but in no event later than the original term.
Involuntary Termination for Cause	All options are forfeited, whether or not exercisable.
Involuntary Termination or Resignation for Good Reason following a Change in Control	All options immediately vest and remain exercisable for three years, but in no event later than the original term.

The form of award agreement for the equity awards granted to Mr. Fish, Mr. Morris and Ms. Rankin is filed as Exhibit 10.1 to this report. The descriptions of the material terms of the awards are qualified in their entirety by reference to the award agreement, incorporated herein by reference.

**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits

**Exhibit Index**

<b>Exhibit Number</b>	<b>Description</b>
10.1	<u>Form of 2019 Senior Leadership Team Award Agreement</u>

**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: February 25, 2019

By:

*/s/ Charles C. Boettcher*

Charles C. Boettcher

Senior Vice President and Chief Legal Officer