3M CO
Form PRE 14A
March 05, 2007

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant x
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Check the appropriate box:

x	Preliminary Proxy Statement
o	**Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
o	Definitive Proxy Statement
o	Definitive Additional Materials
o	Soliciting Material Pursuant to §240.14a-12

3M Company
(Name of Registrant as Specified In Its Charter)
N/A
(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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George W. Buckley
Chairman of the Board, President and
Chief Executive Officer

March 26, 2007

Dear Stockholder:

I am pleased to invite you to attend 3M s Annual Meeting of Stockholders, which will be held on Tuesday, May 8, 2007, at 10 a.m., at the RiverCentre, 175 West Kellogg Boulevard, St. Paul, Minnesota.

Details regarding admission to the meeting and the business to be conducted are more fully described in the accompanying Notice of Annual Meeting and Proxy Statement. I will report on Company operations and discuss our plans for growth. There will also be time for your questions and comments.

The fine attendance of our stockholders at Annual Meetings over the years has been very helpful in maintaining good communication. I sincerely hope you will be able to join us. **Your attendance cards to the Annual Meeting are located on the back cover of this proxy statement.**

Your vote is important. Whether or not you plan to attend the Annual Meeting, please vote as soon as possible. You may vote on the Internet, by telephone, or by completing and mailing a traditional proxy card. Please review the instructions on the proxy card regarding each of these voting options.

Thank you for your ongoing support of 3M.

Sincerely,

2007 ANNUAL MEETING OF STOCKHOLDERS

NOTICE OF ANNUAL MEETING AND PROXY STATEMENT

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3M COMPANY
3M Center, St. Paul, Minnesota 55144

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

TIME AND DATE	10:00 a.m. on Tuesday, May 8, 2007
PLACE	RiverCentre 175 West Kellogg Boulevard St. Paul, Minnesota
ITEMS OF BUSINESS	(1) To elect [ten] members to the Board of Directors, each for a term of one year. (2) To ratify the appointment of PricewaterhouseCoopers LLP as 3M s independent registered public accounting firm. (3) To approve an amendment to the Company s Certificate of Incorporation to eliminate the supermajority vote requirements. (4) To approve an amendment to the Company s Certificate of Incorporation to eliminate the fair price provision. (5) To approve the Executive Annual Incentive Plan. (6) To approve the material terms of the performance criteria under the Performance Unit Plan. (7) To consider [two] stockholder proposals if properly presented at the meeting. See the Table of Contents for a description of the stockholder proposals. (8) To transact such other business as may properly come before the Annual Meeting and any adjournment or postponement.
ADJOURNMENTS AND POSTPONEMENTS	Any action on the items of business described above may be considered at the Annual Meeting at the time and on the date specified above or at any time and date to which the Annual Meeting may be properly adjourned or postponed.
RECORD DATE	You are entitled to vote if you were a stockholder of record at the close of business on Friday, March 9, 2007.
ANNUAL REPORT	Our 2006 Annual Report, which is not part of the proxy soliciting materials, is enclosed.
MEETING ADMISSION	Either an admission ticket or proof of ownership of 3M stock, as well as a form of personal identification, must be presented in order to be admitted to the Annual Meeting. If you are a shareholder of record, your admission ticket is included on the back cover of this proxy statement. If your shares are held in the name of a bank, broker or other holder of record, you must bring a brokerage statement or other proof of ownership with you to the Meeting, or you may request an admission ticket in advance. Please refer to the section entitled Annual Meeting Admission on page 1 for further details.
PROXY VOTING	Your vote is very important. Whether or not you plan to attend the Annual Meeting, we encourage you to read this proxy statement and submit your proxy card as soon as possible. You may submit your proxy card for the Annual Meeting by completing, signing, dating and returning your proxy card in the pre-addressed envelope provided, or, in most cases, by using the telephone or the Internet. For specific instructions on how to vote your shares, please refer to the section entitled Voting Methods on page 3 of this proxy statement and the voting instructions on the proxy card.

By Order of the Board of Directors,

GREGG M. LARSON
Associate General Counsel and Secretary

THIS PROXY STATEMENT AND PROXY CARD ARE BEING DISTRIBUTED ON OR ABOUT MARCH 26, 2007.

PROXY STATEMENT

The Board of Directors (the Board) of 3M Company, a Delaware corporation (3M or the Company) is soliciting proxies for the Annual Meeting of Stockholders. You are receiving a proxy statement because you own shares of 3M common stock that entitle you to vote at the meeting. By use of a proxy, you can vote whether or not you attend the meeting. The proxy statement describes the matters we would like you to vote on and provides information on those matters so you can make an informed decision.

The information included in this proxy statement relates to proposals to be voted on at the meeting (if properly presented), the voting process, 3M s Board and Board committees, the compensation of directors and certain executive officers, and other required information.

Purpose of the Annual Meeting

The purpose of the Annual Meeting is to elect directors and to conduct the business described in the Notice of Annual Meeting.

Annual Meeting Admission

Only stockholders are invited to attend the meeting. An admission ticket or proof of ownership of 3M stock, along with personal identification, must be presented in order to be admitted to the Annual Meeting. If you are a stockholder of record, your admission ticket is on the back of this proxy statement. If your shares are held in the name of a bank, broker or other holder of record, you must bring a brokerage statement or other proof of ownership with you to the Annual Meeting, or obtain an admission ticket in advance. Tickets are also available on the Internet voting site www.eproxy.com/mmm. *If you do not provide photo identification or comply with the other procedures outlined above, you will not be admitted to the Annual Meeting*.

No cameras (including cell phone cameras), recording equipment, electronic devices, large bags, briefcases, or packages will be permitted in the Annual Meeting.

Stockholders Entitled to Vote

Each share of our common stock outstanding as of the close of business on March 9, 2007, the record date, is entitled to one vote at the Annual Meeting on each matter properly brought before the meeting. As of that date, there were [733,885,504] shares of common stock issued and outstanding.

Most 3M stockholders hold their shares through a stockbroker, bank, trustee, or other nominee rather than directly in their own name. As summarized below, there are some distinctions between shares held of record and those owned beneficially:

- STOCKHOLDER OF RECORD If your shares are registered directly in your name with 3M s Transfer Agent, Wells Fargo Bank, N.A., you are considered the stockholder of record of those shares and these proxy materials are being sent directly to you by 3M. As the stockholder of record, you have the right to grant your voting proxy directly to 3M or to vote in person at the meeting.

- BENEFICIAL OWNER If your shares are held in a stock brokerage account, by a bank, trustee, or other nominee, you are considered the beneficial owner of shares held in street name and these proxy materials are being forwarded to you by your broker, trustee, or nominee who is considered the stockholder of record of those shares. As the beneficial owner, you have the right to direct your broker, trustee or nominee on how to vote and are also invited to attend the meeting. However, since you are not the stockholder of record, you may not vote these shares in person at the meeting. Your broker, trustee, or nominee is obligated to provide you with a voting instruction card for you to use.

- If your shares are held in your account in the 3M Voluntary Investment Plan and Employee Stock Ownership Plan or the 3M Savings Plan, you are considered the beneficial owner of these shares and the trustee of the plans is the stockholder of record. Participants in 3M s Voluntary Investment Plan and Employee Stock Ownership Plan or the 3M Savings Plan may direct the trustee how to vote the shares allocated to their account by following the voting instructions contained on the proxy card. Participants in 3M s Voluntary Investment Plan and Employee Stock Ownership Plan may also direct the trustee how to vote a proportionate number of allocated shares of common stock for which it has not received direction, and shares not allocated to individual participant accounts by following the same voting instructions. If you fail to direct the trustee how to vote your shares by following these voting instructions, the trustee will vote your shares as described in the voting instructions.

Proposals You Are Asked to Vote On and the Board s Voting Recommendations

The following proposals are scheduled to be voted on at the meeting. 3M s Board recommends that you vote your shares as indicated below.

Proposals:	**The Board s Voting Recommendations:**
1. The election of directors.	FOR each nominee to the Board
2. The ratification of the appointment of PricewaterhouseCoopers LLP as 3M s independent registered public accounting firm.	FOR
3. Proposal to amend the Company s Certificate of Incorporation to eliminate the supermajority vote requirements.	FOR
4. Proposal to amend the Company s Certificate of Incorporation to eliminate the fair price provision.	FOR
5. Proposal to approve the Executive Annual Incentive Plan.	FOR
6 Proposal to approve the material terms of the performance criteria under the Performance Unit Plan.	FOR
7. Stockholder proposal on executive compensation based on the performance of peer companies.	AGAINST
8. [Stockholder proposal on the selection of directors from the ranks of employees or retirees].	AGAINST

Other than the proposals described in this proxy statement, the Board is not aware of any other matters to be presented for a vote at the Annual Meeting. If you grant a proxy by telephone, Internet, or by signing and returning your proxy card, any of the persons named as proxy holders George W. Buckley, 3M s Chairman, President and CEO, Vance D. Coffman, and Rozanne L. Ridgway will have the discretion to vote your shares on any additional matters properly presented for a vote at the meeting. If any of our nominees is unavailable as a candidate for director, the above-named proxy holders will vote your proxy for another candidate or candidates as may be nominated by the Board of Directors.

Voting Requirements to Elect Directors and Approve Each of the Proposals Described in this Proxy Statement

Quorum The presence of the holders of a majority of the outstanding shares of common stock entitled to vote at the Annual Meeting, present in person or represented by proxy, is necessary to constitute a quorum. Abstentions and broker non-votes are counted as present and entitled to vote for purposes of determining a quorum. A broker non-vote occurs when a bank, broker or other holder of record holding shares for a beneficial owner does not vote on a particular proposal because that holder does not have discretionary voting power for that particular item and has not received instructions from the beneficial owner.

If you are a beneficial owner (other than as a participant in the 3M Voluntary Investment Plan and Employee Stock Ownership Plan or the 3M Savings Plan), your bank, broker or other holder of record is permitted to vote your shares on the election of Directors, the ratification of PricewaterhouseCoopers LLP as our independent registered public accounting firm and the Proposals to amend the Company s Restated Certificate of Incorporation to eliminate the supermajority and fair price provisions, even if the record holder does not receive voting instructions from you. The record holder may not vote on any of the stockholder proposal[s] absent instructions from you. Without your voting instructions, a broker non-vote will occur.

Election of Directors The nominees for election as directors at the Annual Meeting will be elected by a plurality of the votes cast at the meeting. This means that the director nominee with the most votes for a particular slot is elected for that slot. Votes withheld from one or more director nominees will have no effect on the election of any director from whom votes are withheld.

Majority Vote Policy Our Corporate Governance Guidelines, which appear in Appendix B in this proxy statement, set forth our procedures if a director-nominee is elected, but receives a majority of withheld votes. In an uncontested election (i.e., an election where the only nominees are those recommended by the Board), any nominee for director who receives a greater number of votes withheld from his or her election than votes for such election is required to tender his or her resignation. The Nominating and Governance Committee is required to make recommendations to the Board with respect to any such letter of resignation. The Board is required to take action with respect to this recommendation and to disclose their decision-making process. Full details of this Policy are set out under Proposal No. 1 Election of Directors and in paragraph B6 of the Corporate Governance Guidelines in Appendix B.

The Proposals to Amend the Restated Certificate of Incorporation The affirmative FOR vote by the holders of at least eighty percent (80%) of the outstanding common stock entitled to vote is required to approve the amendments to the Company s Restated Certificate of Incorporation. An abstention on this proposal is not an affirmative vote and will have the same effect as a vote against this proposal.

All Other Proposals The affirmative FOR vote of a majority of those shares present in person or represented by proxy at the meeting and entitled to vote on the matter is required to approve all other proposals. In tabulating the voting result for any particular proposal, shares that constitute broker non-votes are not considered entitled to vote on that proposal. The stockholder proposals are presented as a request to the Board to take action. Affirmative votes for these proposals will inform the Board about the level of support for these proposals.

Voting Methods

If you hold shares directly as the stockholder of record, you may vote by granting a proxy or, if you hold shares beneficially in street name, by submitting voting instructions to your broker or nominee. If you own shares beneficially as a participant in the 3M Voluntary Investment Plan and

Employee Stock Ownership Plan or the 3M Savings Plan, you may vote by submitting voting instructions to the trustee. In most instances, you will be able to do this over the Internet, by telephone, or by mail. Please refer to the summary instructions below and those included on your proxy card or, for shares held in street name, the voting instruction card included by your broker or nominee.

The Internet and telephone voting procedures are designed to authenticate stockholders by use of a control number and to allow you to confirm that your instructions have been properly recorded. If you vote by telephone or on the Internet, you do not need to return your proxy card. Telephone and Internet voting for stockholders of record will be available 24 hours a day, and will close at 12:00 p.m. (Central Time) on the day before the Annual Meeting. Participants in 3M s Voluntary Investment Plan and Employee Stock Ownership Plan and the 3M Savings Plan may instruct the trustee how to vote their shares via the Internet, by telephone, or by signing and returning the proxy card by 5:00 p.m. (Central Time) on May 4, 2007.

- VOTE BY INTERNET www.eproxy.com/mmm If you have Internet access, you may submit your proxy from any location in the world 24 hours a day, 7 days a week. Have your proxy card and the last four digits of your Social Security Number in hand when you access the Web site. When prompted, enter the last four digits of your Social Security Number, your 3-digit company number and the 7-digit number from the upper right corner of the proxy card to create an electronic ballot.

- VOTE BY TELEPHONE 1-800-560-1965 If you live in the United States, you may use any touch-tone telephone to vote your proxy toll-free 24 hours a day, 7 days a week. Have your proxy card in hand when you call. When prompted, enter the 3-digit company number and the 7-digit number from the upper right corner of the proxy card. Follow the recorded instructions.

- VOTE BY MAIL You may do this by signing your proxy card or, for shares held in street name, the voting instruction card included by your broker or nominee and mailing it. If you provide specific voting instructions, your shares will be voted as you instruct. If you sign, but do not provide instructions, your shares will be voted as the Board recommends. Mark, sign, and date your proxy card and return it in the postage-paid envelope provided so that it is received by May 7, 2007.

All shares that have been properly voted and not revoked will be voted at the Annual Meeting.

Changing Your Vote

You may change your proxy instructions at any time prior to the vote at the Annual Meeting. For shares held directly in your name, you may accomplish this by granting a new proxy or by voting in person at the Annual Meeting. For shares held beneficially by you, you may change your vote by submitting new voting instructions to your broker or nominee.

Counting the Vote

In the election of directors, you may vote FOR all of the nominees or your vote may be WITHHELD from one or more of the nominees. For the other proposals, you may vote FOR, AGAINST, or ABSTAIN. If you ABSTAIN, it has the same effect as a vote AGAINST. If you sign yo proxy card or broker voting instruction card with no further instructions, your shares will be voted in accordance with the recommendations of the Board. Shares held in your account in the 3M Voluntary Investment Plan and Employee Stock Ownership Plan or the 3M Savings Plan will be voted by the trustee as described in Stockholders Entitled to Vote on page 1.

Representatives of Wells Fargo Bank, N.A., 3M s transfer agent, will tabulate the votes and act as the inspectors of election.

Confidentiality

The Company s Board of Directors has a policy that all stockholder proxies, ballots, and tabulations that identify stockholders are to be maintained in confidence. No such document will be available for examination, and the identity and vote of any stockholder will not be disclosed, except as necessary to meet legal requirements and allow the inspectors of election to certify the results of the stockholder vote. The policy also provides that inspectors of election for stockholder votes must be independent and cannot be employees of the Company. Occasionally, stockholders provide written comments on their proxy card that may be forwarded to 3M management.

Results of the Vote

We will announce preliminary voting results at the meeting and publish final results in our Quarterly Report on Form 10-Q for the quarter ending June 30, 2007. A news release with voting results will be available on our Web site www.3M.com/profile/pressbox/index.jhtml.

Delivery of Proxy Materials

Securities and Exchange Commission rules now allow us to deliver a single copy of an annual report and proxy statement to any household at which two or more stockholders reside, if we believe the stockholders are members of the same family. This rule benefits both you and the Company. We believe it eliminates irritating duplicate mailings that stockholders living at the same address receive and it reduces our printing and mailing costs. This rule applies to any annual reports, proxy statements, proxy statements combined with a prospectus, or information statements. Each stockholder will continue to receive a separate proxy card or voting instruction card.

Your household may have received a single set of proxy materials this year. If you prefer to receive your own copy now or in future years, please request a duplicate set by contacting our transfer agent, Wells Fargo Bank, N.A. at 1-800-401-1952 (U.S.), 651-450-4064 (outside the U.S.), www.wellsfargo.com/shareownerservices, or in writing to 161 North Concord Exchange, South St. Paul, MN 55075.

If a broker or other nominee holds your shares, you may continue to receive some duplicate mailings. Certain brokers will eliminate duplicate account mailings by allowing stockholders to consent to such elimination, or through implied consent if a stockholder does not request continuation of duplicate mailings. Since not all brokers and nominees may offer stockholders the opportunity this year to eliminate duplicate mailings, you may need to contact your broker or nominee directly to discontinue duplicate mailings to your household.

List of Stockholders

The names of stockholders of record entitled to vote at the Annual Meeting will be available at the Annual Meeting and for ten days prior to the meeting for any purpose germane to the meeting, between the hours of 7:45 a.m. and 4:30 p.m. (Central Time), at our principal executive offices at 3M Center, St. Paul, Minnesota, by contacting the Secretary of the Company.

Electronic Delivery of Proxy Materials and Annual Report

We are able to distribute the annual report and proxy statement to 3M stockholders in a fast and efficient manner via the Internet. This reduces the amount of paper delivered to a stockholder s address and eliminates the cost of sending these documents by mail. Stockholders may elect to view all future annual reports and proxy statements on the Internet instead of receiving them by mail. If you choose to view these materials online, you will continue to receive a proxy card in the mail. You may make this election when voting your proxy this year: simply follow the instructions to vote via the Internet or go directly to www.econsent.com/mmm to register your consent. Have your account number (found above your name and address on your dividend check stub) and your Social Security Number (if you have one) available. Your election to view proxy materials online continues until you revoke it. Future proxy cards will contain the Internet Web site address and instructions to view the materials. You will continue to have the option to vote your shares by telephone, mail, or via the Internet.

Cost of Proxy Solicitation

3M will pay for the cost of preparing, assembling, printing, mailing, and distributing these proxy materials. You will need to obtain your own Internet access if you choose to access the proxy materials and/or vote over the Internet. In addition to mailing these proxy materials, the solicitation of proxies or votes may be made in person, by telephone, or electronic communication by our directors, officers, and employees, who do not receive any additional compensation for these solicitation activities. We have hired Georgeson Shareholder Communications, Inc. to assist us in the distribution of proxy materials and the solicitation of votes. We will pay Georgeson Shareholder Communications, Inc. a fee of $20,000 plus expenses for these services. We will also reimburse brokerage houses and other custodians, nominees, and fiduciaries for their reasonable out-of-pocket expenses for forwarding proxy and solicitation materials to beneficial owners of stock.

Transfer Agent

Our Transfer Agent is Wells Fargo Bank, N.A. All communications concerning stockholders of record accounts, including address changes, name changes, common stock transfer requirements, and similar issues can be handled by contacting Wells Fargo Bank, N.A. at 1-800-401-1952 (U.S.), 651-450-4064 (outside the U.S.), www.wellsfargo.com/shareownerservices, or in writing, 161 North Concord Exchange, South St. Paul, MN 55075.

GOVERNANCE OF THE COMPANY

Corporate Governance Guidelines

The Board has adopted Corporate Governance Guidelines that, along with the charters of the Board committees, provide the framework for the governance of the Company. The Board s Nominating and Governance Committee is responsible for overseeing and reviewing the Guidelines at least annually, and recommending any proposed changes to the Board for approval. The Corporate Governance Guidelines are available on our Web site at www.3M.com, under Investor Relations Corporate Governance. The Guidelines and charters of the Board committees are also attached to this proxy statement as Appendices B-F.

Executive Sessions

Independent directors regularly meet in executive sessions without the Chairman and CEO or other members of management present to review the criteria upon which the performance of the Chairman and CEO is based, the performance of the Chairman and CEO against that criteria, to ratify the compensation of the Chairman and CEO as approved by the Compensation Committee and to discuss any other relevant matters.

Lead Independent Director

The 3M Board of Directors has appointed an independent director to serve in a lead capacity (Lead Director) to coordinate the activities of the other non-management directors, and to perform such other duties and responsibilities as the Board of Directors may determine. Currently the Lead Director is Vance D. Coffman. The Lead Director:

- presides at all meetings of the Board at which the Chairman is not present, including executive sessions of the independent directors;
- acts as a key liaison between the Chairman/CEO and the independent directors;
- assists the Chairman/CEO in setting the Board agenda and frequency of meetings;
- has the authority to call meetings of the independent directors; and
- communicates Board member feedback to the Chairman/CEO (except that the chair of the Compensation Committee leads the discussion of the Chairman/CEO s performance and communicates the Board s evaluation of that performance to the Chairman/CEO).

Communication with Directors

The Board of Directors has adopted the following process for stockholders and other interested parties to send communications to members of the Board. Stockholders and other interested parties may communicate with the Lead Director, the chairs of the Audit, Compensation, Finance, and Nominating and Governance Committees of the Board, or with any of our other independent directors, by sending a letter to the following address: 3M Company, c/o Corporate Secretary, 3M Center, Building 220-13-W-39, St. Paul, MN 55144-1000.

Director Independence

Pursuant to New York Stock Exchange listing standards, the Board of Directors has adopted a formal set of categorical Director Independence Guidelines with respect to the determination of director independence, the full text of which is attached as Appendix A to this proxy statement. In accordance with these Guidelines, a director must be determined to have no material relationship with the Company other than as a director. The Guidelines specify the criteria by which the independence of our directors will be determined, including strict guidelines for directors and their immediate families with respect to past employment or affiliation with the Company or its independent registered public accounting firm. The Guidelines also prohibit Audit Committee members from having any direct or indirect financial relationship with the Company, and restrict both commercial and not-for-profit relationships of all directors with the Company. Directors may not be given personal loans or extensions of credit by the Company, and all directors are required to deal at arm s length with the Company and its subsidiaries, and to disclose any circumstance that might be perceived as a conflict of interest.

In accordance with these Guidelines, the Board undertook its annual review of director independence. During this review, the Board considered transactions and relationships between each director or any member of his or her immediate family and the Company and its subsidiaries and affiliates in each of the most recent three completed fiscal years. The Board also considered whether there were any transactions or relationships between directors or any member of their immediate family (or any entity of which a director or an immediate family member is an executive officer, general partner, or significant equity holder). The Board considered that in the ordinary course of business, transactions may occur between the Company and its subsidiaries and companies at which some of our directors are or have been officers. In particular, with respect to each of the most recent three completed fiscal years, the Board evaluated for each of the directors Coffman, Eskew, Farrell, Liddy and Sharer, the annual amount of sales to 3M by the company where he serves (or served) as an executive officer, and purchases by that company from 3M, and determined that the amount of sales and purchases in each fiscal year was below one percent of the annual revenues of each of those companies, the threshold set forth in the Director Independence Guidelines. The Board also considered charitable contributions to not-for-profit organizations of which our directors or immediate family members are executive officers, none of which approached the levels set forth in our Director Independence Guidelines.

As a result of this review, the Board affirmatively determined that the following directors are independent under these guidelines: Linda G. Alvarado, Vance D. Coffman, Michael L. Eskew, W. James Farrell, Edward M. Liddy, Robert S. Morrison, Aulana L. Peters, Rozanne L. Ridgway, and Kevin W. Sharer. The Board has also determined that no members of the Audit Committee received any compensation from the Company other than directors fees. George W. Buckley is considered an inside director because of his employment as Chairman of the Board, President and Chief Executive Officer of the Company.

Director Nomination Process

Role of the Nominating and Governance Committee

The Nominating and Governance Committee (Committee) identifies individuals that the Committee believes are qualified to become Board members in accordance with the Board Membership Criteria set forth below, and recommends selected individuals to the Board for nomination to stand for election at the next meeting of stockholders of the Company in which directors will be elected. In the event there is a vacancy on the Board between meetings of stockholders, the Committee identifies individuals that the Committee believes are qualified to become Board members in accordance with the Board Membership Criteria set forth below, and recommends one or more of such individuals for appointment to the Board.

Nominees Proposed by Stockholders for Consideration by the Committee

The Committee has a policy to consider properly submitted stockholder nominees for candidates for membership on the Board of Directors. Stockholders proposing individuals for consideration by the Committee must include at least the following information about the proposed nominee: the proposed nominee s name, age, business or residence address, principal occupation or employment, and whether such person has given written consent to being named in the proxy statement as a nominee and to serving as a director if elected. Stockholders should send the required information about the nominee to:

Corporate Secretary
3M Company
3M Center
Building 220-13-W-39
St. Paul, MN 55144-1000.

In order for an individual proposed by a stockholder to be considered by the Committee for recommendation as a Board nominee, the Corporate Secretary must receive the proposal no later than 5 p.m. Central Time on November 27, 2007. Such proposals must be sent via registered, certified, or express mail (or other means that allows the stockholder to determine when the proposal was received by the Company). The Corporate Secretary will send properly submitted stockholder proposed nominations to the Committee Chair for consideration at a future Committee meeting. Individuals proposed by stockholders in accordance with these procedures will receive the same consideration that individuals identified to the Committee through other means receive.

Stockholder Nominations

In addition, 3M s Bylaws permit stockholders to nominate directors at an annual meeting of stockholders or at a special meeting at which directors are to be elected in accordance with the notice of meeting. Stockholders intending to nominate a person for election as a director must comply with the requirements set forth in the Company s Bylaws. Our Bylaws require, among other things, that the Corporate Secretary receive written notice from the record stockholder no earlier than January 9, 2008, and no later than February 8, 2008. The notice must contain the information required by the Bylaws, a copy of which is available upon request to the Corporate Secretary. Nominations received after February 8, 2008, will not be acted upon at the Annual Meeting.

Director Qualifications

The Committee periodically reviews with the Board the requisite skills and characteristics of its members. 3M s Corporate Governance Guidelines contain Board Membership Criteria that apply to nominees for a position on 3M s Board. The Committee periodically reviews with the Board the appropriate skills and characteristics required of Board members given the current Board composition. It is the intent of the Board that the Board, itself, will be a high performance organization creating competitive advantage for the Company. To perform as such, the Board will be comprised of individuals who have distinguished records of leadership and success in their arena of activity and who will make substantial contributions to Board operations and effectively represent the interests of all stockholders. The Committee s and the Board s assessment of Board candidates includes, but is not limited to, consideration of:

(i) Roles and contributions valuable to the business community;

(ii) Personal qualities of leadership, character, judgment, and whether the candidate possesses and maintains throughout service on the Board a reputation in the community at large of integrity, trust, respect, competence, and adherence to the highest ethical standards;

(iii) Relevant knowledge and diversity of background and experience in such things as business, manufacturing, technology, finance and accounting, marketing, international business, government, and the like; or

(iv) Whether the candidate is free of conflicts and has the time required for preparation, participation, and attendance at all meetings.

In addition to these minimum requirements, the Committee will also evaluate whether the nominee s skills are complementary to the existing Board members skills, the Board s needs for particular expertise in fields such as business, manufacturing, technology, financial, marketing, international, governmental, or other areas of expertise, and assess the nominees impact on Board dynamics and effectiveness.

Identification, Evaluation, and Selection of Nominees

The Committee periodically reviews the appropriate size and composition of the Board and anticipates future vacancies and needs of the Board. In the event the Committee recommends an increase in the size of the Board or a vacancy occurs, the Committee considers qualified nominees from several sources, including current Board members and nominees recommended by stockholders and other persons.

The Committee may from time to time retain a director search firm to help the Committee identify qualified director nominees for consideration by the Committee.

The Committee evaluates qualified director nominees at regular or special Committee meetings against the current Board Membership Criteria described above and reviews qualified director nominees with the Board. The Committee and the Chairman of the Board interview candidates that meet the Board Membership Criteria and the Committee selects nominees that best suit the Board s current needs and recommends one or more of such individuals for election to the Board.

3M Business Conduct Policies

More than a century of operating with honesty and integrity has earned 3M trust from our customers, credibility with our communities, and dedication from our employees. All of our employees, including our Chief Executive Officer, Chief Financial Officer, and Principal Accounting Officer, are required to abide by 3M s business conduct policies to ensure that our business is conducted in a consistently legal and ethical manner. These policies form the foundation of a comprehensive process that includes compliance with corporate policies and procedures and a companywide focus on uncompromising honesty and integrity in every aspect of our operations. Our business conduct policies cover many topics, including antitrust and competition law, conflicts of interest, financial reporting, protection of confidential information, and compliance with all laws and regulations applicable to the conduct of our business.

Employees are required to report any conduct that they believe in good faith to be an actual or apparent violation of the business conduct policies. The Audit Committee has adopted procedures to receive, retain, and treat complaints received regarding accounting, internal accounting controls, or auditing matters, and to allow for the confidential and anonymous submission by employees of concerns regarding questionable accounting or auditing matters.

The Board of Directors adopted a Code of Business Conduct and Ethics for directors of the Company. This Code incorporates long-standing principles of conduct the Company and the Board follow to ensure the Company s business and the activities of the Board are conducted with integrity, adherence to the highest ethical standards, and in compliance with the law.

The Company s Business Conduct Policies for employees and the Code of Business Conduct and Ethics for Directors are available on our Web site at www.3M.com under Investor Relations Corporate Governance and copies of these policies are also available to any stockholder upon request to Investor Relations.

Related Person Transaction Policy and Procedures

The Board of Directors has adopted a written policy requiring that the Nominating and Governance Committee shall review and approve or ratify any transaction between the Company and any related person that is required to be disclosed. For purposes of this practice the terms transaction and related person have the meaning contained in Item 404 of Regulation S-K. In the course of its review and approval or ratification of a transaction, the Committee shall consider:

1. the nature of the related person s interest in the transaction;

2. the material terms of the transaction, including whether the transaction is on terms no less favorable than terms generally available to an unaffiliated third-party under the same or similar circumstances;

3. the significance of the transaction to the related person;

4. the significance of the transaction to the Company;

5. whether the transaction would impair the judgment of a director or executive officer to act in the best interest of the Company; and

6. any other matters the Committee deems appropriate.

Any Committee member who is a related person with respect to a transaction under review may not participate in the deliberations or vote respecting such approval or ratification, provided, however, that such director may be counted in determining the presence of a quorum at a meeting of the Committee which considers the transaction.

BOARD AND COMMITTEE MEMBERSHIP

The Board currently has [ten] directors and the following four Committees: Audit, Compensation, Finance, and Nominating and Governance. In May 2006, the Board dissolved the Public Issues Committee, reassigned most of its duties to the Compensation and Nominating and Governance Committees, and formed a Finance Committee. The membership during 2006 and the function of each Committee are described below.

During 2006, the Board of Directors held five regularly scheduled meetings and three special meetings. Seven and two of our incumbent directors attended 100 and 95 percent, respectively, of the regularly scheduled and special meetings of the Board and Board Committees on which they served in 2006. Kevin W. Sharer, who is not standing for re-election, attended 71 percent of the regularly scheduled and special meetings of the Board and Board Committees on which he served in 2006. Mr. Sharer, who is Chairman of the Board and Chief Executive Officer of Amgen Inc., did not attend several meetings to avoid even the appearance of a potential conflict of interest relating to the Company s sale of its branded pharmaceuticals business.

The Company has a long-standing policy that directors are expected to attend the Annual Meeting of Stockholders unless extenuating circumstances prevent them from attending. All directors attended last year s Annual Meeting of Stockholders, except one director who was unable to attend due to illness.

The Board and each Committee conducted an evaluation of their performance in 2006.

Name of Non-Employee Director	Audit	Compensation	Finance	Nominating and Governance
Linda G. Alvarado	X		X	
Vance D. Coffman		X *		X
W. James Farrell	X		X	
Michael L. Eskew	X		X *	
Edward M. Liddy	X*			X
Robert S. Morrison		X		X
Aulana L. Peters		X	X	
Rozanne L. Ridgway		X		X *
Kevin W. Sharer		X	X	

X = Committee Member; * = Chair

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Audit Committee

In 2006, the Audit Committee met eight times. The Committee assists the Board in its oversight of the integrity of the Company s financial statements, compliance with legal and regulatory requirements, the qualifications, independence, and performance of the Company s independent registered public accounting firm (the Independent Accounting Firm), and the performance of the Company s internal auditing department. In addition, the Committee:

- Reviews the annual audited and quarterly consolidated financial statements;
- Reviews the Company s financial reporting process and disclosure and internal controls and procedures, including major issues regarding accounting principles and financial statement presentation, and critical accounting policies to be used in the consolidated financial statements;
- Reviews and discusses with management and the Independent Accounting Firm the Company s internal controls report and the Independent Accounting Firm s attestation of the report;
- By delegation to the chair, reviews earnings press releases prior to issuance;
- Appoints, oversees, and approves compensation of the Independent Accounting Firm;
- Reviews with the Independent Accounting Firm the scope of the annual audit, including fees and staffing, and approves all audit and permitted non-audit services provided by the Independent Accounting Firm;
- Reviews findings and recommendations of the Independent Accounting Firm and management s response to the recommendations of the Independent Accounting Firm;
- Discusses policies with respect to risk assessment and risk management, the Company s major risk exposures, and the steps management has taken to monitor and mitigate such exposures; and
- Reviews compliance with the Company s business conduct policies.

The Board of Directors has determined that all of the Audit Committee members are independent, financially literate, and have accounting or related financial management expertise under the New York Stock Exchange listing standards. The Board has also determined that all of the Audit Committee members Edward M. Liddy (chair), Linda G. Alvarado, Michael L. Eskew, and W. James Farrell are audit committee financial experts as that term is defined by applicable SEC regulations. The charter of the Audit Committee is available at www.3M.com under Investor Relations Corporate Governance Committee Composition and attached as Appendix C to this proxy statement.

Compensation Committee

In 2006, the Compensation Committee met five times. The Committee reviews the Company s compensation practices and policies, annually reviews and approves (subject to ratification by the independent directors of the Board) the compensation for the CEO, annually reviews and approves the compensation for the other senior executives, evaluates CEO performance, reviews and discusses with management of the Company the Compensation Discussion and Analysis prepared in accordance with the SEC s disclosure rules for executive compensation, and furnishes a report for inclusion in the Company s proxy statement. In addition, the Committee:

- Approves the adoption, amendment, and termination of incentive compensation and deferred compensation programs for employees of the Company;

- Approves, subject to ratification by the independent directors of the Board, employment agreements and severance arrangements for the CEO, as appropriate;

- Approves for the senior executives of the Company (other than the CEO) employment agreements and severance arrangements, as appropriate;

- Interprets and supervises the administration of the Company s stock and long-term incentive compensation programs, and determines the employees who receive awards and the size of their awards under such programs;

- Reviews and makes recommendations to the Board of Directors concerning the design of the pension and other postretirement benefit plans that have a material financial impact upon the Company; and

- Periodically reviews human resource issues relating to the Company s polices and practices with respect to workforce diversity and equal employment opportunities.

The Board of Directors has determined that all Compensation Committee members are independent under the New York Stock Exchange listing standards. The Board has also determined that each Compensation Committee member qualifies as a Non-Employee Director under Rule 16b-3 of the Securities Exchange Act of 1934 and that each member (except Robert S. Morrison due to his service as interim CEO), qualifies as an outside director under Section 162(m) of the Internal Revenue Code. The charter of the Compensation Committee is available at www.3M.com under Investor Relations Corporate Governance Committee Composition and attached as Appendix D to this proxy statement.

Finance Committee

The Finance Committee, created by the Board in May 2006, met two times in 2006. The Committee assists the Board with its oversight of the Company s capital structure, financing, investment, and other financial matters of importance to the Company. In addition, the Committee:

- Reviews and recommends for approval by the Board the dividend policy and the declaration of dividends or other forms of distributions on the Company s stock, such as stock splits in the form of a stock dividend;

- Reviews and recommends for approval by the Board the repurchase of the Company s stock;

- Reviews and recommends for approval by the Board the Company s short- and long-term borrowings;

- Reviews and recommends for approval by the Board the registration and issuance of the Company s debt or equity securities, except in the case of the issuance of debt or equity securities in connection with a merger or acquisition transaction which is presented to the Board;

- Periodically reviews the Company s ratings from credit rating agencies;

- Reviews and recommends for approval by the Board an annual capital expenditure budget and revisions to that budget;

- Reviews and recommends for approval by the Board capital expenditures in excess of $50,000,000;

- Reviews and evaluates any risks associated with the Company s use of or investment in financial products, including derivatives used to manage risk related to foreign currencies, commodity prices, and interest rates;
- Periodically reviews the Company s insurance coverage; and
- Periodically reviews the funding of the Company s pension and other benefit plans.

The Board of Directors has determined that all Finance Committee members are independent under the New York Stock Exchange listing standards. The charter of the Finance Committee is available at www.3M.com under Investor Relations Corporate Governance Committee Composition and attached as Appendix E to this proxy statement.

Nominating and Governance Committee

In 2006, the Nominating and Governance Committee met five times. The Committee establishes Board membership criteria, assists the Board by identifying individuals qualified to become Board members, recommends to the Board matters of corporate governance, facilitates the annual review of the performance of the Board and its Committees, and periodically reviews CEO and management succession plans. In addition, the Committee:

- Selects and recommends candidates to the Board of Directors to be submitted for election at the Annual Meeting and candidates to fill any vacancies on the Board, including stockholder nominees for director (submitted in accordance with the Company s Bylaws). The Committee considers all candidates in light of the Board membership criteria adopted by the Board of Directors;
- Reviews and makes recommendations to the Board of Directors concerning the composition and size of the Board and its Committees, Board membership criteria, frequency of meetings, and directors fees;
- Reviews the Company s Corporate Governance Guidelines at least annually, and recommends any proposed changes to the Board for approval;
- Develops and recommends to the Board standards to be applied in making determinations on the types of relationships that constitute material relationships between the Company and a director for purposes of determining director independence;
- Reviews and approves or ratifies any transaction between the Company and any related person, which is required to be disclosed under the rules of the Securities and Exchange Commission;
- Develops and recommends to the Board for its approval an annual self-assessment process of the Board and its Committees and oversees the process;
- Reviews periodically with the Chairman/CEO succession plans relating to positions held by elected corporate officers, and makes recommendations to the Board with respect to the selection of individuals to occupy these positions; and
- Periodically reviews the corporate contribution program and the activities of the 3M Foundation.

The Board of Directors has determined that all Nominating and Governance Committee members are independent under the New York Stock Exchange listing standards. The charter of the Nominating and Governance Committee is available at www.3M.com under Investor Relations Corporate Governance Committee Composition and attached as Appendix F to this proxy statement.

DIRECTOR COMPENSATION AND STOCK OWNERSHIP GUIDELINES

Annual compensation for nonemployee directors for 2006 was comprised of the following components: cash compensation, consisting of annual retainer and committee fees; and equity compensation, consisting of the annual stock award. Each of these components is described in more detail below. The total 2006 compensation of our nonemployee directors is shown in the following table:

Director	Fees Earned or Paid in Cash($)	Stock Awards ($)	Total ($)(1)
Linda G. Alvarado	$ 75,000	$ 95,000	$ 170,000
Vance D. Coffman*	125	179,559	179,684
Michael L. Eskew*		179,684	179,684
W. James Farrell	28,533	36,438	64,971
Edward M. Liddy*		185,000	185,000
Robert S. Morrison		170,000	170,000
Aulana L. Peters	80,357	95,000	175,357
Rozanne L. Ridgway*		185,000	185,000
Kevin W. Sharer		170,000	170,000

* Chair of Committee

(1) Includes fees associated with chairing a board committee

Annual Board/Committee Chair Fees. Nonemployee directors received an annual cash retainer of $75,000 per year. In addition, the chair of a board committee received an additional annual fee of $15,000. In lieu of the cash fees, a director may elect to receive common stock of the Company at current fair market value.

Stock Awards. Each nonemployee director is entitled to receive $95,000 payable in May of each year in common stock of the Company pursuant to the terms of the Company s 1992 Directors Stock Ownership Program.

Deferred Compensation. Each nonemployee director may defer all or part of their annual cash fees or stock award until they cease to be members of the board. For directors who have made an election to defer their fees payable in cash, the Company will credit their account with compensation due on the 45th day of each calendar quarter. Interest at the prime rate (as charged by Wells Fargo Bank on the first day of each calendar quarter) will be credited to each account from the date of deposit, at the end of each calendar quarter and immediately preceding any distribution. For directors who have made an election to defer their annual stock award or annual cash fees into a common stock equivalents account, the Company shall credit their account with 3M common stock equivalents (including fractional share equivalents) which could have been purchased on the first day of the calendar quarter using the closing price of 3M common stock on the New York Stock Exchange on the last business day immediately preceding such date. 3M common stock equivalents equal to dividends paid on 3M common stock shall be credited to such an account on each dividend payment date. The share equivalents shall be determined by using the closing price of 3M common stock on the New York Stock Exchange on the sixth business day preceding the dividend record date. Appropriate adjustments shall be made to the accounts for stock splits, stock dividends, merger, consolidation, payment of dividends in other than cash, and similar circumstances affecting 3M common stock.

Expenses. Nonemployee directors are reimbursed for their expenses in connection with attending Board meetings (including expenses related to spouses when they are invited to attend

Board events). Nonemployee directors may use the Company aircraft for travel to and from 3M Board meetings.

Stock Ownership Guidelines. The Board has adopted stock ownership guidelines that provide that each director should attain over three successive terms an investment position in 3M s stock (including deferred common stock equivalents) equal to two times the annual retainer. All directors currently meet these stock ownership guidelines except for W. James Farrell who has been a director for less than one year. Information regarding accumulated stock and deferred stock units is set forth in the section entitled Common Stock Ownership of Directors and Executive Officers. Currently, 85 percent of director compensation is paid in 3M stock or 3M common stock equivalents.

Matching Gift Program. The nonemployee directors are eligible to participate in the matching gift program on the same terms as 3M employees. Under this program, the 3M Foundation will match up to a total of $5,000 a year in contributions by the director to eligible institutions of higher education or public broadcasting organizations.

Process for Setting Director Compensation. The Nominating and Governance Committee periodically receives reports on the status of Board compensation in relation to other large U.S. companies and is responsible for recommending to the Board changes in compensation for nonemployee directors. Periodically, the Company, through its human resources department, requests Frederic W. Cook & Co. to conduct a survey of director compensation at other large U.S. companies. Neither the Company nor the Nominating and Governance Committee has any contractual arrangement with any other compensation consultant who has a role in determining or recommending the amount or form of director compensation.

PROPOSALS TO BE VOTED ON

PROPOSAL NO. 1
ELECTION OF DIRECTORS

The Board of Directors currently has [ten] members. Except for Kevin W. Sharer, each of the Board members is standing for re-election to hold office until the next Annual Meeting of Stockholders.

A plurality of votes cast is required for the election of directors. However, under the Company s Corporate Governance Guidelines, any nominee for director in an uncontested election (i.e., an election where the only nominees are those recommended by the Board) who receives a greater number of votes withheld from his or her election than votes for such election (a Majority Withheld Vote) will promptly tender his or her resignation for consideration by the Nominating and Governance Committee.

The Nominating and Governance Committee will promptly consider the best interests of 3M and its stockholders and recommend to a committee of independent directors of the Board whether to accept the tendered resignation or to take some other action, such as rejecting the resignation and addressing the apparent underlying causes of the withheld votes.

The Board will create a committee of all the independent directors who did not receive a Majority Withheld Vote to consider the Nominating and Governance Committee s recommendation and take action within 90 days following the uncontested election. Thereafter, the committee of independent directors will promptly disclose its decision and an explanation of how the decision was reached in a Current Report on Form 8-K filed with the Securities and Exchange Commission.

If one or more members of the Nominating and Governance Committee receive a Majority Withheld Vote, then the Board will create a committee of independent directors who did not receive a Majority Withheld Vote to consider the resignation offers of all directors receiving a Majority Withheld Vote and determine whether to accept the tendered resignation(s) or to take some other action and promptly disclose their decision as described above.

Except as provided in the next sentence, a director receiving a Majority Withheld Vote shall remain active and engaged in Board activities during this Nominating and Governance Committee and Board process. Any director who receives a Majority Withheld Vote and tenders his or her resignation pursuant to this provision will not participate in the committee action regarding whether to accept the tendered resignation offer or take some other action. However, if the only directors who did not receive a Majority Withheld Vote in the same election constitute three or fewer independent directors, then all independent directors may participate in the committee action regarding whether to accept the resignation offer(s) or to take some other action.

Each nominee elected as a director will continue in office until his or her successor has been elected and qualified, or until his or her earlier death, resignation or retirement.

We expect each nominee for election as a director to be able to serve if elected. If any nominee is not able to serve, proxies will be voted in favor of the remainder of those nominated and may be voted for substitute nominees, unless the Board chooses to reduce the number of directors serving on the Board.

The principal occupation and certain other information about the nominees is set forth on the following pages.

The Proxy Committee appointed by the Board of Directors intends to vote the proxy (if you are a shareholder of record) for the election of each of these nominees, unless you indicate on the proxy card that your vote should be withheld from any or all of the nominees.

The Board of Directors unanimously recommends a vote FOR the election of these nominees as directors.

Nominees for Directors:

Linda G. Alvarado, 55, *President and Chief Executive Officer, Alvarado Construction, Inc.* In 1976, Ms. Alvarado founded Alvarado Construction, Inc. and has overseen the growth of that enterprise as a commercial general contracting firm. Ms. Alvarado is on the boards of the following public companies in addition to 3M: Lennox International Inc., Pitney Bowes, Inc., The Pepsi Bottling Group, Inc., and QWEST Communications International, Inc.

Director since 2000.

George W. Buckley, 60, *Chairman of the Board, President and Chief Executive Officer since December 2005.* Before joining 3M in 2005, Mr. Buckley was Chairman of the Board, President and Chief Executive Officer of the Brunswick Corporation since 2000, and served in other executive positions at Brunswick Corporation from 1997 to 2000. Mr. Buckley is on the board of the following public company in addition to 3M: The Black & Decker Corporation.

Director since 2005

Vance D. Coffman, 62, *Retired Chairman of the Board and Chief Executive Officer, Lockheed Martin Corporation, a high technology aerospace and defense company.* Dr. Coffman served in various executive capacities at Lockheed Martin Corporation before becoming Chairman and Chief Executive Officer in 1998. He retired as Chief Executive Officer in 2004 and as Chairman of the Board in 2005. Dr. Coffman is on the boards of the following public companies in addition to 3M: Bristol-Myers Squibb Company and Deere & Company.

Director since 2002.

Michael L. Eskew, 57, *Chairman of the Board and Chief Executive Officer, United Parcel Service, Inc., a provider of specialized transportation and logistics services, since 2002.* Mr. Eskew was appointed Executive Vice President in 1999 and Vice Chairman in 2000 before becoming Chairman and Chief Executive Officer in January 2002. Mr. Eskew is on the board of the following public company in addition to 3M and United Parcel Service: International Business Machines Corp.

Director since 2003.

W. James Farrell, 64, *Retired Chairman and Chief Executive Officer, Illinois Tool Works Inc., a multi-national manufacturer of highly engineered fasteners, components, assemblies and systems.* Mr. Farrell served in various executive capacities since joining ITW before becoming Chairman and Chief Executive Officer in 1996. He retired as Chief Executive Officer in 2005 and as Chairman in 2006. Mr. Farrell is on the boards of the following public companies in addition to 3M: Abbott Laboratories, The Allstate Corporation, and UAL Corporation.

Director since 2006

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Edward M. Liddy, 61, *Chairman and Former Chief Executive Officer of The Allstate Corporation, the parent of Allstate Insurance Company, a personal lines insurance company.* He served as President and Chief Operating Officer of The Allstate Corporation from 1994 to 1998. Mr. Liddy is on the board of the following public company in addition to 3M and The Allstate Corporation: Goldman Sachs Group, Inc.

Director since 2000.

Robert S. Morrison, 64, *Retired Vice Chairman of PepsiCo, Inc., a processor of packaged foods and beverages.* Mr. Morrison served as Vice Chairman of PepsiCo, Inc. from 2001 to February 2003. From 1997 until the 2001 merger with PepsiCo, Mr. Morrison was Chairman, President and Chief Executive Officer of The Quaker Oats Company. From June 30 to December 6, 2005, Mr. Morrison served as interim Chairman of the Board and Chief Executive Officer of 3M Company. Mr. Morrison is on the boards of the following public companies in addition to 3M: AON Corporation, Illinois Tool Works, Inc., and the Tribune Company.

Director since 2002.

Aulana L. Peters, 65, *Retired Partner, Gibson, Dunn & Crutcher LLP.* Mrs. Peters is a retired partner of the law firm of Gibson, Dunn & Crutcher where she was a partner from 1980 to 1984 and 1988 to 2000. From 1984 to 1988, she served as a Commissioner of the Securities and Exchange Commission. From January 2001 to April 2002, Mrs. Peters served as a member of the Public Oversight Board (POB) of the American Institute of Certified Public Accountants. Mrs. Peters has also served as a member of the Steering Committee for Financial Accounting Standards Board s Financial Reporting Project and a member of the POB s Blue Ribbon Panel on Audit Effectiveness. Currently, Mrs. Peters serves on the U.S. Comptroller General s Accountability Advisory Panel and is a member of the International Public Interest Oversight Board which oversees the standard setting process of the International Federation of Accountants for auditing, assurance, independence and ethics standards. Mrs. Peters is on the boards of the following public companies in addition to 3M: Deere & Company, Merrill Lynch & Co., Inc., and Northrop Grumman Corporation.

Director since 1990.

Rozanne L. Ridgway, 71, *Former Assistant Secretary of State for Europe and Canada.* Ambassador Ridgway served in the U.S. Foreign Service from 1957 to 1989, including assignments as Ambassador for Oceans and Fisheries Affairs, Ambassador to Finland and to the German Democratic Republic, and from 1985 and until her retirement in 1989, Assistant Secretary of State for European and Canadian Affairs. Ambassador Ridgway served as President until 1993 and Co-Chair until mid-1996 of the Atlantic Council of the United States, an association to promote better understanding of major foreign policy issues. Ambassador Ridgway is on the boards of the following public companies in addition to 3M: The Boeing Company, Emerson Electric Co., Manpower Inc., and Sara Lee Corporation. She is also a director in three funds in the American Funds complex.

Director since 1989.

PROPOSAL NO. 2

RATIFICATION OF THE APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Audit Committee has appointed PricewaterhouseCoopers LLP as the independent registered public accounting firm to audit the Company s consolidated financial statements for the year ending December 31, 2007. If the stockholders do not ratify the selection of PricewaterhouseCoopers LLP, the Audit Committee will reconsider the selection.

During 2006, PricewaterhouseCoopers LLP served as the Company s independent registered public accounting firm and also provided certain tax and other audit-related services. For a description of those services and the fees paid, see section entitled Fees of Independent Registered Public Accounting Firm.

Representatives of PricewaterhouseCoopers LLP are expected to attend the Annual Meeting where they will be available to respond to questions and, if they desire, to make a statement.

Recommendation of the Board

The Board of Directors recommends a vote FOR the ratification of the appointment of PricewaterhouseCoopers LLP as the Company s independent registered public accounting firm. Proxies solicited by the Board of Directors will be voted FOR ratification unless a contrary vote is specified.

PROPOSAL NO. 3

PROPOSAL TO AMEND THE COMPANY S RESTATED CERTIFICATE OF INCORPORATION TO ELIMINATE THE SUPERMAJORITY VOTE REQUIREMENTS

Stockholders are being asked to approve an amendment to the Company s Restated Certificate of Incorporation to eliminate the supermajority vote requirements and fair price provision by deleting Article ELEVENTH (Amendment No.1).

In determining whether Amendment No. 1 is in the best interests of the Company s stockholders, the Nominating and Governance Committee and the Board considered arguments for and against the supermajority vote requirement that was adopted by the Board and approved by the stockholders in 1986. The Board considered that the provisions that require a supermajority vote to amend certain provisions of the Restated Certificate of Incorporation can be viewed as facilitating corporate governance stability by requiring broad stockholder consensus to effect changes.

The Board also considered the views of investors who believe that these provisions are inconsistent with principles of good corporate governance in that they limit shareholders ability to participate effectively in corporate governance. According to some investors, the requirement of a supermajority vote can limit the ability of a majority of the stockholders at any particular time to effect change by essentially providing a veto to a large minority shareholder or group of shareholders. In addition, a lower threshold for shareholder votes can increase shareholders ability to participate effectively in corporate governance.

After weighing all of these considerations, the Nominating and Governance Committee recommended the elimination of the supermajority vote requirements, and the Board agreed and determined that Amendment No. 1 is advisable and in the best interests of the Company and its stockholders. The Board of Directors has adopted resolutions approving and declaring the advisability of Amendments No. 1 to our Restated Certificate of Incorporation to eliminate the supermajority vote requirements. Accordingly, the Board has approved Amendment No. 1 (which is described below and set forth in its entirety in the Certificate of Amendment in Appendix G-2), and recommends that the stockholders approve Amendment No. 1 by voting in favor of this Proposal. The supermajority vote provision and the proposed Amendment No. 1 are described in greater detail below.

Supermajority Vote Requirements

Article ELEVENTH of our Restated Certificate of Incorporation requires the affirmative vote of at least 80% of our outstanding voting stock to amend, alter or repeal our Bylaws or certain provisions of Restated Certificate of Incorporation. The proposed Amendment No. 1 would remove the 80% supermajority vote requirement currently in place to approve, alter, amend or repeal the provisions of the Restated Certificate of Incorporation relating to:

- To amend, alter or repeal any provision of our Bylaws

- To amend, alter or repeal Article ELEVENTH or Article THIRTEENTH of the Restated Certificate of Incorporation. (The Company has separately asked stockholders to repeal Article THIRTEENTH in Proposal No. 4.)

If stockholders approve Amendment No. 1, the principal effect will be that those provisions may be amended, altered or repealed upon approval of the Board of Directors and the vote of the holders of a majority of 3M s outstanding stock entitled to vote on such amendment.

The Board has separately proposed to repeal other provisions of the Restated Certificate of Incorporation, as discussed below in *Proposal No. 4: Proposal to Amend the Company s Restated Certificate of Incorporation to Eliminate the Fair Price Provision*. The amendments to the Restated Certificate of Incorporation proposed under Proposal No. 3 and Proposal 4 are set forth in Appendix G-1, with deletions indicated by strikeout and additions indicated by underline that will be made to the extent stockholders approve the amendments. The current provisions and proposed amendment described above are qualified in their entirety by reference to the actual text as set forth in Appendix G-1.

Vote Required: The affirmative vote of at least 80% of all outstanding shares of Common Stock is required for approval of this proposal. An abstention on this proposal is not an affirmative vote and therefore will have the same effect as a vote against this proposal.

Effective Date: If approved by the stockholders, the amendment to the Restated Certificate of Incorporation would become effective upon the filing with the Secretary of State of Delaware of a Certificate of Amendment, which is set forth in Appendix G-2 attached hereto (in a form assuming both amendments to the Restated Certificate of Incorporation described in Proposal No. 3 and Proposal No. 4 are approved, which will be modified to the extent stockholders do not approve both amendments), which filing is expected to take place shortly after the stockholders approve the amendment.

Recommendation of the Board

The Board of Directors unanimously recommends that stockholders vote FOR this proposal to amend the Restated Certificate of Incorporation to eliminate all supermajority vote requirements. Proxies solicited by the Board of Directors will be voted FOR this proposal unless a contrary vote is specified.

PROPOSAL NO. 4

PROPOSAL TO AMEND THE COMPANY S RESTATED CERTIFICATE OF INCORPORATION TO ELIMINATE THE FAIR PRICE PROVISION

Stockholders are being asked to approve an amendment to the Company s Restated Certificate of Incorporation to eliminate the fair price provision by deleting Article THIRTEENTH (Amendment No. 2).

Our Board, after careful consideration and upon recommendation of the Nominating and Governance Committee, has concluded that it is in the best interests of the Company s stockholders to propose Amendment No. 2 to the Company s Restated Certificate of Incorporation to repeal the fair price provision and to request stockholder approval of that amendment.

A fair price provision is an anti-takeover measure designed to help companies defend against certain kinds of tender offers, known as coercive, two-tiered tender offers. In this type of takeover, a potential acquirer will offer one price for the shares needed to gain control of a target company and then offer a lower price or other less favorable consideration for the remaining shares, thereby creating pressure for stockholders to tender their shares for the tender offer price, regardless of their value. Standard fair price provisions encourage a potential acquirer to negotiate with a company s board of directors by requiring the potential acquirer to pay a fair price for all shares as determined under a specified formulation, unless the acquirer s offer has satisfied specified board or stockholder approval requirements.

Section 203 of the Delaware General Corporation Law (DGCL) contains provisions that provide similar protection to those under Article THIRTEENTH. When Article THIRTEENTH of our Restated Certificate of Incorporation was adopted in 1986, Section 203 of the DGCL had not yet been enacted. The Board believes the protection afforded by Section 203 of the DGCL is sufficient, and that a separate provision in the Restated Certificate of Incorporation is no longer necessary. The Board has adopted resolutions approving and declaring the advisability of the amendment to our Restated Certificate of Incorporation to repeal in its entirety the fair price provision currently set forth in Article THIRTEENTH of the Restated Certificate of Incorporation, subject to stockholder approval.

After weighing all of these considerations, the Nominating and Governance Committee recommended the elimination of the fair price provision, and the Board agreed and determined that Amendment No. 2 is advisable and in the best interests of the Company and its stockholders. The Board of Directors has adopted resolutions approving and declaring the advisability of amendments to our Restated Certificate of Incorporation to eliminate the fair price provision. Accordingly, the Board has approved Amendment No. 2 (which is described below and set forth in its entirety in the Certificate of Amendment in Appendix G-2), and recommends that the stockholders approve Amendment No. 2 by voting in favor of this Proposal. The fair price provision and the proposed amendment are described in greater detail below.

Fair Price Provision

Article THIRTEENTH of our Restated Certificate of Incorporation, which is sometimes referred to as a fair price provision, requires the affirmative vote of the holders of at least 80% of the outstanding voting stock to approve certain transactions involving any person or group that beneficially owns at least 10% of our outstanding voting stock (a Related Person). Under the proposed amendments, this Article would be deleted in its entirety. The current supermajority requirements of Article THIRTEENTH apply to the following transactions between a Related Person and 3M:

- A merger or consolidation;

- A sale, lease, exchange or other disposition of all or any substantial part of 3M s assets or any of its majority owned subsidiaries;

- Certain issuances to a Related Person of our stock or securities convertible into or exchangeable for our stock or stock of one of our a majority-owned subsidiaries; or

- A voluntary dissolution or liquidation.

This voting requirement does not apply to (a) transactions approved by the Board of Directors and the majority of the Continuing Directors (directors who were directors prior to the time the Related Person became a Related Person, and directors recommended for election by such directors) and (b) in the case of any action or transaction pursuant to which shareholders will receive cash, property, securities or other consideration, the cash or market value of the property, securities or other consideration to be received by the shareholders is deemed to be fair (the cash or market value must be not less than the higher of (x) the highest price per share paid by the Related Person in acquiring any of its holdings of 3M stock, or (y) the highest closing sale price on any day either since the Related Person acquired its first share of capital stock of 3M which it continues to own or control or during the five years preceding the date of consideration of the action or transaction by the 3M s Board of Directors, whichever period is shorter). ARTICLE THIRTEENTH also includes a requirement that Article THIRTEENTH can only be amended, altered or repealed with the affirmative vote of the holders of at least 80% of all of the then outstanding shares of voting stock, voting together as a single class.

The repeal of Article THIRTEENTH will have two principal effects on stockholder voting: First, those transactions covered by Article THIRTEENTH that would otherwise require a stockholder vote under the Delaware General Corporation Law would require the vote of the holders of a majority of our outstanding stock, rather than an 80% supermajority vote. Second, the Board of Directors will be able to effect, without obtaining stockholder approval, those transactions covered by Article THIRTEENTH that do not otherwise require stockholder approval under Delaware law.

3M will continue to be subject to Section 203 of the Delaware General Corporation Law without regard to whether the proposed amendments are approved. Section 203 provides, in general, that a transaction constituting a business combination within the meaning of Section 203 involving a person owning 15% or more of our voting stock (referred to as an interested stockholder), cannot be completed for a period of three years after the date the person became an interested stockholder unless (1) the Board of Directors approved either the business combination or the transaction that resulted in the person becoming an interested stockholder prior to such business combination or transaction, (2) upon consummation of the transaction that resulted in the person becoming an interested stockholder, that person owned at least 85% of our outstanding voting stock (excluding shares owned by persons who are directors and also officers of 3M and shares owned by certain 3M employee benefit plans), or (3) the business combination was approved by the Board of Directors and by the affirmative vote of at least 66⅔% of our outstanding voting stock not owned by the interested stockholder.

The Board has separately proposed to repeal other provisions of the Restated Certificate of Incorporation, as discussed below in *Proposal No. 3: Proposal to Amend the Company s Restated Certificate of Incorporation to Eliminate the Supermajority Vote Requirements*. The amendments to the Restated Certificate of Incorporation proposed under Proposal No. 3 and Proposal No. 4 are set forth in Appendix G-1, with deletions indicated by strikeout and additions indicated by underline that will be made to the extent stockholders approve the amendments. The current provisions and proposed amendment described above are qualified in their entirety by reference to the actual text as set forth in Appendix G-1.

Vote Required: The affirmative vote of at least 80% of all outstanding shares of Common Stock is required for approval of this proposal. An abstention on this proposal is not an affirmative vote and therefore will have the same effect as a vote against this proposal.

Effective Date: If approved by the stockholders, the amendment to the Restated Certificate of Incorporation would become effective upon the filing with the Secretary of State of Delaware of a Certificate of Amendment, which is set forth in Appendix G-2 attached hereto (in a form assuming both amendments to the Restated Certificate of Incorporation described in Proposal No. 3 and Proposal No. 4 are approved, which will be modified to the extent stockholders do not approve both amendments), which filing is expected to take place shortly after the stockholders approve the amendment.

Recommendation of the Board

The Board of Directors unanimously recommends that stockholders vote FOR this proposal to amend the Restated Certificate of Incorporation to eliminate the fair price provision. Proxies solicited by the Board of Directors will be voted FOR this proposal unless a contrary vote is specified.

PROPOSAL NO. 5

PROPOSAL TO APPROVE THE EXECUTIVE ANNUAL INCENTIVE PLAN

At its meeting on February 11, 2007, the Compensation Committee of the Board of Directors (the Committee) adopted the 3M Executive Annual Incentive Plan (the Annual Incentive Plan or the Plan). This Annual Incentive Plan replaces the Executive Profit Sharing Plan by which the Company previously provided short-term incentive compensation to certain of its executive officers. This change is part of the Company s strategy of replacing quarterly profit sharing as its primary vehicle for delivering short-term incentive compensation to employees with annual incentive compensation. This strategy is intended to accomplish a number of objectives, all of which are consistent with delivering increased stockholder value.

The Annual Incentive Plan is intended to comply with the requirements of section 162(m) of the Internal Revenue Code, so that the Company is able to deduct for Federal income tax purposes payments of annual incentive compensation made to its named executive officers (as identified in the Summary Compensation Table in this proxy statement). In general, section 162(m) imposes a limit on the amount of compensation paid to a corporation s named executive officers that may be deducted for Federal income tax purposes. This limit does not apply to compensation that is considered performance-based for purposes of section 162(m). One of the conditions for compensation to be considered performance-based under section 162(m) requires that the material terms under which such compensation will be paid, including the performance goals, be disclosed to and approved by shareholders. Thus, when the Compensation Committee adopted the Annual Incentive Plan, it made its approval subject to the condition that the Plan be approved by a majority vote of the Company s stockholders at the Company s next annual meeting.

Summary of the Annual Incentive Plan

The following is only a summary of the material terms of the Annual Incentive Plan and is qualified in its entirety by reference to the full plan document for the Plan, which is attached as Appendix H to this proxy statement.

1. *What are the purposes of the Annual Incentive Plan?* The purposes of the Plan are to attract and retain highly qualified individuals to serve as executive officers of the Company, to focus their attention on achieving certain business objectives established for the Company

and its business units, and to provide these individuals with incentive compensation that is designed to qualify as performance-based compensation for purposes of section 162(m) of the Internal Revenue Code.

2. *Who is eligible to participate in the Annual Incentive Plan?* Participation in the Plan is limited to the named executive officers of the Company and those other senior executives of the Company whose compensation is approved by the Compensation Committee of the Board of Directors. The named executive officers are those individuals covered by the SEC s disclosure requirements for executive compensation (as reflected in the Summary Compensation Table in this proxy statement).

3. *Who administers the Annual Incentive Plan?* The Compensation Committee will administer the Plan. The Committee has full power and authority to interpret the Plan, establish, amend and rescind any rules, forms or procedures as it deems necessary for the proper administration of the Plan, determine the manner and time of payment of the annual compensation payable under the Plan, and to take any other action as it deems necessary or advisable in connection with the Plan. The Committee may delegate any of its administrative responsibilities in connection with the Plan to the appropriate employees of the Company.

4. *How are the amounts of annual incentive compensation paid under the Plan determined?* The Plan establishes limits on the maximum annual incentive payable to any participating individual for any year. For the named executive officers of the Company, this limit is one quarter of one percent (0.25%) of the adjusted net income of the Company for the year. For all other individuals participating in the Plan, this limit is one tenth of one percent (0.1%) of the adjusted net income of the Company for the year. Subject to these limits, the Committee determines the amount of each individual s annual incentive opportunity for each year and has the discretion to reduce the annual incentive payable to such individual below the applicable limit.

5. *How are annual incentive compensation payments made under the Plan?* Payments may be made in the form of cash or in the form of shares of 3M common stock, restricted stock or restricted stock units delivered pursuant to the Company s Management Stock Ownership Program. All payments for a year will be made no later than March 15 of the following year, but not until the Committee has certified in writing that the performance goal for the year has been satisfied and that the limits on the maximum annual incentive payable to any individual participating in the Plan have not been exceeded.

6. *Under what circumstances may an individual lose the right to receive annual incentive compensation under the Plan?* If an individual s employment with 3M ends for any reason other than retirement or death, that individual s participation in the Plan will end and any annual incentive compensation that would otherwise have been payable to such individual for the year in which his or her employment ended will be forfeited.

7. *What are the Federal income tax consequences of the annual incentive compensation paid under the Plan?* Annual incentive compensation payments made in cash or shares of 3M common stock will be taxed to the recipient as ordinary income in the year of receipt. Annual incentive compensation delivered in the form of restricted stock or restricted stock units will be taxed to the recipient as ordinary income when the shares of restricted stock or the restricted stock units vest. Assuming that 3M s stockholders approve the Plan and that the other requirements for performance-based compensation under section 162(m) of the Internal Revenue Code are satisfied, the Company will be entitled to a deduction for Federal income tax purposes equal to the amount of income recognized by participants in the Plan in each year that such income is recognized.

8. *How long will the Annual Incentive Plan remain in effect, and may it be changed?* The Plan became effective on January 1, 2007, subject to the requirement that it be approved by a majority vote of the Company s stockholders at the Company s next annual meeting. Once approved, the Plan will remain in effect until terminated by the Compensation Committee. The Committee may amend the Plan at any time, except that no amendment which would (a) increase the limit on the annual incentive compensation payable to any participant, or (b) revise the performance goal available for determining the amount of annual incentive compensation payable under the Plan, will become effective until it has been approved by a majority vote of the Company s stockholders.

Recommendation of the Board

The Board of Directors recommends a vote FOR the proposal to approve the adoption of the 3M Executive Annual Incentive Plan as well as the material terms under which compensation would be paid to individuals participating in such 3M Plan. Proxies solicited by the Board of Directors will be voted FOR this proposal unless a contrary vote is specified.

The affirmative FOR vote of a majority of those shares present in person or represented by proxy at the meeting and entitled to vote is required to approve this proposal. If the proposal is not approved, the Committee would need to decide whether to implement the Annual Incentive Plan without stockholder approval, resume the previous Executive Profit Sharing Plan or select another method of delivering short-term incentive compensation.

PROPOSAL NO. 6

PROPOSAL TO APPROVE THE MATERIAL TERMS OF THE PERFORMANCE CRITERIA UNDER THE PERFORMANCE UNIT PLAN

As described in the Compensation Discussion and Analysis, the Performance Unit Plan is one element of the Company s compensation program for its executives. The Plan provides long-term incentive compensation payable annually based on the Company s attainment of the performance criteria selected by the Compensation Committee for each year s awards. This performance is measured over rolling three-year periods.

The Plan was first approved by the Company s stockholders in 1981, and they have since approved amendments to the Plan in 1994, 1997 and 2002. The last amendment expanded the available performance criteria to include improvement in economic profit as well as improvements in certain asset or financial measures. The performance criteria used in making awards under the Plan since 2005 have been improvement in economic profit and real worldwide sales growth.

At its meeting on February 11, 2007, the Compensation Committee approved an amendment to the Plan which amends the available performance criteria to include adjusted net income or improvement in adjusted net income, earnings per share or improvement in earnings per share, net sales, cash flow, gross margin, operating margin, earnings before interest and taxes, EBITDA, economic value added, stock price, return on assets or net assets, and operating income or improvement in operating income. As amended, the performance criteria available to the Compensation Committee under the Plan now include return on capital employed, return on assets or net assets, net sales, sales growth, cash flow, earnings per share or improvement in earnings per share, return on equity, stock price, gross margin, operating margin, total shareholder return, economic value added, economic profit or improvement in economic profit, earnings before interest and taxes, EBITDA, operating income or improvement in operating income, improvements in certain asset or financial measures, reductions in certain asset or cost areas, net income or variations of net income in varying time periods, and comparisons with other peer companies or industry groups or classifications with regard to one or more of these criteria. As amended, the criteria may now apply either to the Company as a whole or to any of its business segments.

In order to preserve the Company s ability to deduct for Federal income tax purposes the payments made under the Plan to certain of its executives, Section 162(m) of the Internal Revenue Code and the regulations issued thereunder require that the Company s stockholders approve the material terms of these performance criteria as amended by the Compensation Committee.

Recommendation of the Board

The Board of Directors recommends a vote FOR the proposal to approve the material terms of the performance criteria under the Performance Unit Plan. Proxies solicited by the Board of Directors will be voted FOR this proposal unless a contrary vote is specified.

The affirmative FOR vote of a majority of those shares present in person or represented by proxy at the meeting and entitled to vote is required to approve this proposal. If the proposal is not approved, the available performance criteria under the Plan will remain the same; however, some of the compensation paid to certain executives under the Plan may not be deductible, resulting in additional costs to the Company.

PROPOSAL NO. 7

STOCKHOLDER PROPOSAL ON EXECUTIVE COMPENSATION BASED ON THE PERFORMANCE OF PEER COMPANIES

3M has received a stockholder proposal from the United Brotherhood of Carpenters Pension Fund (the Proponent). The Proponent has requested the Company to include the following proposal and supporting statement in its proxy statement for the Annual Meeting of Stockholders. The proposal may be voted on at the Annual Meeting only if properly presented by the Proponent or the Proponent s qualified representative.

Proponent s Proposal:

Resolved: That the shareholders of 3M Company (Company) request that the Board of Director s Executive Compensation Committee establish a pay-for-superior-performance standard in the Company s executive compensation plan for senior executives (Plan), by incorporating the following principles into the Plan:

1. The annual incentive or bonus component of the Plan should utilize defined financial performance criteria benchmarked against a disclosed peer group of companies, and provide that an annual bonus should be awarded only when the Company s performance exceeds its peers median or mean performance on the selected financial criteria;

2. The long-term compensation component of the Plan should utilize defined financial and/or stock price performance criteria benchmarked against a disclosed peer group of companies. Options, restricted shares, or other equity or non-equity compensation used in the Plan should be structured so that compensation is received only when the Company s performance exceeds its peers median or mean performance on the selected financial and stock price performance criteria; and

3. Plan disclosure should be sufficient to allow shareholders to determine and monitor the pay and performance correlation established in the Plan.

Supporting Statement:

We feel it is imperative that compensation plans for senior executives be designed and implemented to promote long-term corporate value. A critical design feature of a well-conceived executive compensation plan is a close correlation between the level of pay and the level of corporate performance relative to industry peers. We believe the failure to tie executive compensation to superior corporate performance; that is, performance exceeding peer group performance, has fueled the escalation of executive compensation and detracted from the goal of enhancing long-term corporate value.

We believe that common compensation practices have contributed to excessive executive compensation. Compensation committees typically target senior executive total compensation at the median level of a selected peer group, then they design any annual and long-term incentive plan performance criteria and benchmarks to deliver a significant portion of the total compensation target regardless of the company s performance relative to its peers. High total compensation targets combined with less than rigorous performance benchmarks yield a pattern of superior-pay-for-average-performance. The problem is exacerbated when companies include annual bonus payments among earnings used to calculate supplemental executive retirement plan (SERP) benefit levels, guaranteeing excessive levels of lifetime income through inflated pension payments.

We believe the Company s Plan fails to promote the pay-for-superior-performance principle. Our Proposal offers a straightforward solution: The Compensation Committee should establish and disclose financial and stock price performance criteria and set peer group-related performance benchmarks that permit awards or payouts in its annual and long-term incentive compensation plans only when the Company s performance exceeds the median of its peer group. A senior executive compensation plan based on sound pay-for-superior-performance principles will help moderate excessive executive compensation and create competitive compensation incentives that will focus senior executives on building sustainable long-term corporate value.

Board s Statement Opposing the Proposal

After careful consideration, and for the reasons set forth below, the Board believes that the proposal to require the Compensation Committee (the Committee) to establish a pay-for-superior-performance standard by using the performance of peer companies in addition to 3M s performance to determine the amount of payments under 3M s performance based compensation plans for senior executives is not in the best interests of 3M or its stockholders for the following reasons:

1. 3M s compensation program for its executives does not provide excessive executive compensation as implied by this proposal. As described in the Compensation Discussion and Analysis, the Compensation Committee relies on frequent and multiple surveys of the executive compensation practices of a premier group of comparator companies to ensure that the compensation delivered to 3M s executives remains competitive with and in the appropriate relationship to such compensation at these comparator companies. When these surveys reveal that the compensation paid to executives at these comparator companies declines, as it recently did with respect to long-term incentive compensation, the long-term incentive compensation provided by 3M to its executives declines as well.

2. Total compensation must be competitive to attract the best talent to 3M; motivate employees to perform at their highest levels; reward outstanding achievement; and retain those individuals with the leadership abilities and skills necessary for building long-term stockholder value. Senior executives are effectively motivated when their performance-based compensation is directly tied to 3M s performance and not to the performance of peer companies over which 3M s senior executives have no control. Compensation plans that would pay nothing for outstanding performance that merely matched the performance of

3M s peer companies would not accomplish these purposes. Linking 3M s executive compensation to the Company s relative performance as compared to peer companies may have unintended and undesirable consequences due to the varying and unforeseeable circumstances that may impact such other companies.

3. 3M already believes strongly in, and has a long history of, linking executive compensation to Company performance. The Board believes that 3M s current performance-based compensation programs work well and have been a strong contributing factor to the Company s success over the years, providing real value to its stockholders. The Board believes that it is in the best interests of stockholders to give the Committee the flexibility and discretion to use performance-based compensation and equity incentive tools as appropriate based on the circumstances and information available at the time. For this reason and the other reasons stated above, the Board believes that the adoption of the stockholder proposal is unnecessary and would be detrimental to the long-term interests of the Company s stockholders.

Recommendation of the Board

The Board of Directors recommends a vote AGAINST this proposal for the reasons discussed above. Proxies solicited by the Board of Directors will be voted AGAINST this proposal unless a stockholder indicates otherwise in voting the proxy.

PROPOSAL NO. 8

STOCKHOLDER PROPOSAL ON
SELECTION OF DIRECTORS FROM THE RANKS OF EMPLOYEES OR RETIREES

3M has received a stockholder proposal from Anthony P. Manzara (the Proponent). The Proponent has requested the Company to include the following proposal and supporting statement in its proxy statement for the Annual Meeting of Stockholders. The proposal may be voted on at the Annual Meeting only if properly presented by the Proponent or the Proponent s qualified representative.

Proponent s Proposal:

Resolved: Four of the nine (non-Chair) members of the Board of Directors of 3M shall be current or former employees of the Company with at least twenty years of 3M service, this change in Board membership to be accomplished with the first elections of new Directors following acceptance of this Proposal, as the terms of current Directors expire. If the total number of Directorships is changed, the number of Directorships allotted to current or former 3M employees (as defined above) will be changed proportionately as closely as possible.

Stockholder Supporting Statement

Well-meaning outside Directors have moved 3M in the direction of becoming a clone of the average large U.S.-based business enterprise. They have not experienced the unique system and culture by which 3M has been able to grow and prosper in the past, and (with the notable exception of Mr. Morrison) don t seem to be talking with rank-and -file employees to gain such understanding, and so are imposing a one size fits all system which has been gradually eliminating 3M s special culture and capabilities. Having a significant number of Directors on the Board who have lived in the 3M system and understand its special character will help the Board to guide 3M more appropriately.

Since I am currently a 3M employee, my only material interest in this proposal is to see 3M return to its glory days, enhancing the value of the employment experience and the price of the stock. I would present this proposal at the Annual Meeting.

Board s Statement Opposing the Proposal

The New York Stock Exchange is the principal listing exchange of shares of 3M common stock and requires a majority of 3M directors to be independent. The Proposal states that Four of the nine (non-Chair) members of the Board of Directors of 3M shall be current or former employees of the Company with at least twenty years of 3M service The Company currently has ten directors one employee director who serves as Chairman of the Board and nine independent directors. Under this Proposal, the Board faces the impossible task of complying with the listing standards of the New York Stock Exchange since five directors will be independent and five will not be independent a clear violation of the New York Stock Exchange Listing Standards.

Furthermore, due to the mandatory nature of the Proposal and its lack of reasonable flexibility or mechanism for the Board to cure a violation of the standard set by the Proposal, the Board believes it is not within its power to ensure that with the first elections of new Directors following acceptance of this Proposal, individuals meeting the specified criteria current or former 3M employees with at least twenty years of 3M service would be elected by shareholders and would be willing to serve, in order to maintain the four of the nine proportion required by the Proposal. These mandatory requirements, calling for election of persons chosen from a designated group, are beyond the power of the Company to effectuate.

After careful consideration, and for the reasons set forth above, the Board believes adopting the Proposal would cause the Company to violate the listing standards of the New York Stock Exchange, would be beyond its power to effectuate, and would not be in the best interests of the Company or its stockholders.

Recommendation of the Board

The Board of Directors recommends a vote AGAINST this proposal for the reasons discussed above. Proxies solicited by the Board of Directors will be voted AGAINST this proposal unless a stockholder indicates otherwise in voting the proxy.

COMMON STOCK OWNERSHIP OF DIRECTORS AND EXECUTIVE OFFICERS

The following table sets forth information concerning beneficial ownership of the Company s common stock as of February 28, 2007, for: (a) each director and the nominees for director; (b) Named Executive Officers set forth in the Summary Compensation Table; and (c) the directors and executive officers as a group. Unless otherwise indicated, each person has sole investment and voting power (or shares such powers with his or her spouse) with respect to the shares set forth in the following table.

The number of shares beneficially owned by each director or executive officer is determined under the rules of the Securities and Exchange Commission, and the information is not necessarily indicative of beneficial ownership for any other purpose. Under such rules, beneficial ownership includes any shares as to which the individual has the sole or shared voting power or investment power and also any shares that the individual has the right to acquire as of April 29, 2007 (60 days after February 28, 2007), through the exercise of any stock option or other right. Options exercisable within 60 days after February 28, 2007, are shown separately.

Beneficial Ownership Table

Name and Principal Position	Common Stock Beneficially Owned (1)		Options Exercisable (2)	Shares Held as Deferred Stock (3)	Total
Linda G. Alvarado, Director	6,214			5,319	11,533
Vance D. Coffman, Director	2,663			8,471	11,134
Michael L. Eskew, Director	0			8,942	8,942
W. James Farrell, Director	0			454	454
Edward M. Liddy, Director	0			15,809	15,809
Robert S. Morrison, Director	4,506		30,567	7,289	42,362
Aulana L. Peters, Director	2,345			34,287	36,632
Rozanne L. Ridgway, Director	2,576			46,446	49,022
Kevin W. Sharer, Director	878			10,548	11,426
George W. Buckley, Director,	194,413	(4)	50,000	0	244,413
Chairman of the Board, President and Chief Executive Officer					
Patrick D. Campbell	21,593		219,346	0	240,939
Chief Financial Officer					
Moe S. Nozari	97,100		328,767	0	425,867
Executive Vice President					
Fred J. Palensky	40,809		186,398	0	227,207
Executive Vice President					
Richard F. Ziegler	16,055	(5)	107,531	0	123,586
Senior Vice President					
All Directors and Executive Officers as a Group (26 persons) (6)	601,589		2,106,057	137,565	2,845,211

FOOTNOTES TO BENEFICIAL OWNERSHIP TABLE

(1) Common Stock Beneficially Owned includes (a) stock held in joint tenancy, (b) stock owned as tenants in common, (c) stock owned or held by spouse or other members of the nominee s household, and (d) stock in which the nominee either has or shares voting and/or investment power, even though the nominee disclaims any beneficial interest in such stock. Options exercisable within 60 days after February 28, 2007, are shown separately.

(2) Option prices for these shares range from $43.3500 to $87.75 per share.

(3) Shares Held as Deferred Stock by nonemployee directors represent the number of shares of the Company s common stock, as of February 28, 2007, which the directors will receive upon termination of membership on the Board of Directors for any reason. These shares result from the voluntary election by the nonemployee directors to defer the payment of directors fees. No shares of common stock have as yet been issued, and the directors have neither voting nor investment powers in these shares of deferred stock.

(4) Ownership includes restricted stock units that generally vest over a five-year period if the executive remains continuously employed by the Company and are subject to forfeiture under certain circumstances.

(5) Ownership includes restricted shares that generally vest in increments of one-third over a seven-year period if the executive remains continuously employed by the Company and are subject to forfeiture under certain circumstances.

(6) All directors and executive officers as a group owned beneficially less than one percent of the outstanding common stock of the Company.

SECURITY OWNERSHIP OF MORE THAN 5 PERCENT STOCKHOLDERS

The following table sets forth information regarding beneficial ownership of more than 5 percent of the outstanding 3M stock as of December 31, 2006.

Name/Address	Shares Beneficially Owned	Percent of Stock Outstanding
State Street Bank and Trust Company (State Street) (1) 225 Franklin Street Boston, MA 02110	55,377,278	7.5

(1) State Street holds 7.5 percent of our outstanding common stock as trustee for certain 3M savings plans, including the Company s Voluntary Investment Plan and Employee Stock Ownership Plan, a 401(k) retirement savings plan. Under the terms of the plans, State Street is required to vote shares allocated to the accounts of the participants in accordance with instructions received from such participants. Information is based on a Schedule 13G filed with the SEC on February 12, 2007. State Street disclaims beneficial ownership of all of the shares listed above.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934 requires our directors and executive officers to file with the Securities Exchange Commission reports regarding their ownership and changes in ownership of our stock. 3M believes that during 2006, its directors and executive officers complied with all Section 16(a) filing requirements. In making this statement, 3M has relied upon examination of the copies of Forms 3, 4, and 5 and the written representations of its directors and executive officers.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Overview

3M pays its executives compensation to recognize their contributions to the success of its business and provide incentives for them to deliver performance that meets the growth and other objectives of the Company. All elements of this compensation are determined by the Compensation Committee of the Board of Directors (the Committee), which is composed solely of independent nonemployee directors. However, the Committee s decisions concerning the compensation of 3M s Chief Executive Officer are subject to ratification by the independent directors of the Board of Directors.

As of December 31, 2006, the members of the Committee were Vance D. Coffman, Robert S. Morrison, Aulana L. Peters, Rozanne L. Ridgway, and Kevin W. Sharer. The Committee operates pursuant to a Charter attached to this proxy statement as Appendix D. During 2006, the Committee was assisted by its independent compensation consultant, George B. Paulin of Frederic W. Cook & Co., Inc. In addition to participating in the meetings of the Committee, Mr. Paulin provided significant assistance and advice during an extensive review of the Company s short-term and long-term incentive compensation plans. Frederic W. Cook & Co., Inc., along with two other compensation consulting firms, provides executive compensation survey data relied upon by the Committee in establishing competitive compensation for 3M s executives.

3M s executive officers (especially Mr. Buckley) assist the Committee with the process of determining the compensation of the Company s executives.

Objectives of 3M s compensation program

3M believes that the compensation of its executives should be closely tied to the performance and growth of the Company, so that their interests are aligned with the interests of 3M stockholders. Consistent with this philosophy, the following core principles provide a framework for the Company s executive compensation program:

- Total compensation must be competitive to attract the best talent to 3M; motivate executives to perform at their highest levels; reward outstanding achievement; and retain those individuals with the leadership abilities and skills necessary for building long-term stockholder value;

- The portion of an executive s total compensation that varies with performance and is therefore at risk should increase with the level of an individual s responsibility;

- The goals for any variable pay plans must be consistent with the Company s business objectives and increasing stockholder value; and

- Executives are most effectively motivated to build long-term stockholder value when a significant portion of their personal net worth is invested in 3M stock.

In order to accomplish the objective of providing competitive total compensation, 3M annually surveys the executive compensation practices of a premier group of comparator companies. The survey data is obtained from three independent consultants (Hewitt Associates, Frederic W. Cook & Co., Inc., and Towers Perrin). With this information, the Committee aims to provide the Company s executives with short-term cash compensation at or very close to the median of this comparator group and long-term incentive compensation at the average of the 50th and 75th percentiles of this comparator group. The comparator group consists of the companies in the Dow Jones Industrial Average, modified to exclude financial services companies, and other companies with annual revenue exceeding $10 billion that participate in the consultants executive compensation surveys. Survey data is adjusted to recognize the different sizes of the comparator companies (based on annual revenues) as compared to the size of 3M.

What the compensation program is designed to reward

3M s executive compensation program is designed to link individual rewards to the profitability and growth of the Company s business. 3M believes that an individual s pay should reflect his or her sustained performance and contributions to the Company. The program is also designed to reward increasing stockholder value through a combination of equity and cash based long-term incentives. All of the incentive compensation elements of the program are designed to incent performance that meets or exceeds the growth and profitability objectives of the Company.

Elements of the compensation program

During 2006, the compensation program for 3M s executives consisted of the following elements: base salary, short-term cash incentive in the form of profit sharing, long-term cash incentive in the form of a Performance Unit Plan, and long-term equity incentive in the form of stock options (and in appropriate circumstances, restricted stock or restricted stock units). These executives also participated in various benefit plans made available to most of 3M s U.S. employees, were eligible to participate in several deferred compensation plans, and received other benefits and perquisites. The entire program applied to approximately 110 executives during 2006, including all 5 of the individuals named in the Summary Compensation Table (George W. Buckley, Chief Executive Officer, President and Chairman of the Board, Patrick D. Campbell, Senior Vice President and Chief Financial Officer, Moe S. Nozari, Executive Vice President, Consumer and Office Business, Frederick J. Palensky, Executive Vice President, Research and Development and Chief Technology Officer, and Richard F. Ziegler, Senior Vice President, Legal Affairs and General Counsel).

Base salary

3M pays each of its executives a base salary in cash on a monthly basis. The amount of this base salary is reviewed annually, and does not necessarily vary with the performance of the Company.

Short-term incentive

During 2006, 3M provided short-term incentive compensation to its executives and many other global employees through profit sharing plans. Profit sharing is performance-based compensation based on the quarterly economic profit of the Company and its business units. Economic profit is defined as quarterly net operating income minus a charge for operating capital used by the business. The economic profit measurement is directly related to the creation of stockholder value since it emphasizes the effective use of capital and solid profitable growth. Compensation paid under the profit sharing plans fluctuates based on the performance of the Company and its business units. All profit sharing payments are made in cash.

Following a comprehensive review of 3M s short-term and long-term incentive compensation plans, the Committee has decided to replace the current profit sharing plans with an annual incentive plan. The new annual incentive plan will be based on three performance metrics; organic growth, operating income, and economic profit. This change will be effective in 2007 for the Company s executives and in 2008 for the remaining employees currently participating in the profit sharing plans. Implementation of the new plan is being phased in over a two year period due to the extensive revisions in 3M s financial and human resource information systems necessary to administer the plan.

Long-term incentives

3M provides long-term incentive compensation to its executives through its Performance Unit Plan and its Management Stock Ownership Program. Both plans deliver performance-based compensation to these executives, although the basis for measuring this performance varies by plan.

The Performance Unit Plan provides variable compensation to 3M s executives based on the Company s long-term performance. The Committee makes annual awards of performance units under the Plan to these executives. The amount payable with respect to each performance unit granted is determined by and is contingent upon attainment of the performance criteria selected each year by the Committee over the applicable three-year performance period. Although the Plan authorizes the payment of performance units in either cash or shares of 3M common stock, the Company has consistently made these payments in the form of cash.

The Management Stock Ownership Program provides compensation to 3M s executives based on the value of and increases in the value of the Company s common stock. The Program authorizes the Committee to grant stock options, restricted stock, restricted stock units, stock appreciation rights, and other stock awards to management employees of the Company. The Committee makes annual grants of stock options under the Program to 3M s executives and other management employees. These options have an exercise price equal to the market price of the Company s common stock on the grant date, and generally expire ten years after the grant date. Historically, the Committee has made grants of restricted stock and restricted stock units under the Program only to selected executives and other management employees in appropriate circumstances. These circumstances have included the hiring of new executives as well as the need to retain current executives. These shares of restricted stock and restricted stock units vest over periods ranging from one to five years after the grant date, which encourage the executives to remain employed by the Company until the shares or units have vested.

In addition to annual stock option grants, executives who exercise nonqualified stock options granted before 2005 may qualify for the receipt of new progressive stock options (also known as reloads). When an executive exercises a nonqualified option granted before 2005 and pays the exercise price of such option using shares of 3M common stock already owned by the executive (a method of exercise known as a stock swap), the executive is automatically granted a new progressive stock option for the number of shares used to pay the exercise price as well as the number of shares withheld to pay withholding taxes. The new progressive stock option carries an exercise price equal to the fair market value of a share of 3M common stock on the date of exercise of the pre-2005 nonqualified stock option, and may only be exercised through the original expiration date of such pre-2005 nonqualified stock option. 3M offered progressive stock options with respect to nonqualified stock options granted before 2005 to encourage executives to acquire and accumulate actual shares of 3M common stock by exercising their stock options early rather than holding such options until the end of their term and then exercising them for cash. Stock options granted since 2004 have not been eligible for the grant of new progressive stock options upon their exercise.

New progressive stock option grants are reflected in the Summary Compensation Table and the Grants of Plan-Based Awards Table for those named executive officers who received them during 2006. The values for such grants reflected in these Tables were determined in accordance with FAS 123(R). However, the Committee did not consider these new progressive stock option grants to represent incremental compensation value when determining an individual s annual stock option grant for 2006, because the progressive stock options are merely extensions of the exercised pre-2005 nonqualified stock options.

Benefits and perquisites

3M s executives participate in most of the same health care, disability, life insurance, pension and 401(k) benefit plans made available generally to the Company s U.S. employees. In addition, these executives are eligible to participate in several deferred compensation programs that allow them to voluntarily defer the receipt of cash compensation otherwise payable by the Company. These deferred compensation programs enable participating executives to earn the same returns paid on the investment funds offered to participants in the Company s 401(k) plan or, at the executive s election, a fixed rate of return based on corporate bond yields. Payment of this deferred compensation and the earnings thereon generally occurs following the end of the executives employment with the Company. Executives also receive perquisites described in more detail in footnote 5 to the Summary Compensation Table. Three executives (Mr. Buckley, Mr. Campbell, and Mr. Ziegler) earn supplemental retirement benefits pursuant to their employment agreements with the Company, which were negotiated at the time they agreed to leave their previous employers and join 3M. These supplemental benefits are designed to replace a portion of the pension benefits they failed to earn under the plans of their previous employers because they ended their employment before becoming eligible to retire.

Why 3M chooses to pay each element

3M pays base salary as the core of its executives cash compensation, which is necessary to provide competitive total compensation. 3M pays additional cash compensation through a short-term incentive in order to recognize and reward improving business performance. 3M provides long-term incentive compensation through awards under its Performance Unit Plan in order to increase its executives focus on and recognize their leadership role in achieving the performance goals selected by the Committee, which are regarded as critical for creating sustainable shareholder value over time. 3M also provides long-term incentive compensation through stock options and restricted stock grants under the Management Stock Ownership Program to better align the interests of its executives with the Company s stockholders, encourage 3M stock ownership and reward executives for appreciation in 3M s stock price.

How 3M determines the amount for each element

All amounts are determined by the Committee in recognition of the Company s annual surveys of the compensation practices of its comparator companies (with the exception of the compensation of Mr. Buckley, which was determined through the negotiation of his employment agreement when he agreed to join the Company as 3M s Chief Executive Officer in December 2005). With this information, the Committee aims to provide short-term cash compensation that is at or very close to the median of this comparator group and long-term incentive compensation at the average of the 50th and 75th percentiles of this comparator group. By targeting long-term incentive compensation at the average of the 50th and 75th percentiles of this comparator group, 3M is able to reward good performance with long-term awards closer to the 50th percentile and outstanding performance with long-term awards closer to the 75th percentile.

Base salary

Changes in the base salaries of executives are considered annually by the Committee. Any adjustments are made in recognition of changing conditions in the external market along with the individual s performance during the preceding annual period. Excluding Mr. Buckley (who did not receive an increase during 2006), the Committee increased the base salaries for the executives named in the Summary Compensation Table by an average of 8.1 percent during 2006.

Short-term incentive

During 2006, the Committee chose to deliver short-term incentive compensation in the form of quarterly profit sharing. Profit sharing payouts were based on a single metric, economic profit, although economic profit was measured at different levels of the Company. All executives received at least a portion of their profit sharing based on the quarterly economic profit of the Company as a whole, while some executives received a portion of their profit sharing based on the quarterly economic profit of their respective business units. Mr. Buckley s target annual profit sharing was established in his employment agreement at $2,600,000, or 162 percent of his annual base salary, and has not subsequently been changed. The target annual planned profit sharing for the other executives named in the Summary Compensation Table was established at 67 percent of their annual base salaries.

Total economic profit of the Company for 2006 amounted to $1.998 Billion, an increase of 2 percent over 3M s total economic profit for 2005. As a result, the profit sharing payments made to those executives who received profit sharing based solely on the results of the Company as a whole throughout the entire year were 102 percent of their target annual planned profit sharing for the year. For example, Mr. Buckley received profit sharing payments of $2,654,408 for 2006, 2 percent above his target annual planned profit sharing of $2,600,000.

Long-term incentives

During 2006, the Committee chose to deliver two-thirds of the value of the long-term incentive compensation provided to 3M s executives (other than Mr. Buckley, whose amounts were determined through the negotiation of his employment agreement) in the form of stock options and the remaining one-third in the form of awards under the Performance Unit Plan. Starting in 2007, the Committee intends to change this mix so that one-half of the value of these executives long-term incentive compensation is delivered through stock options and the other one-half is delivered through awards under the Performance Unit Plan. This change is being made to better balance rewards for long-term financial performance with the rewards for stock price appreciation.

The Committee takes into account and recognizes individual performance in determining the size of annual stock option grants under the Management Stock Ownership Program. Once the desired value of the annual grant is determined for each executive, the value is converted into a number of option shares by dividing this amount by a Black-Scholes value that is the average of the Black-Scholes values for 3M stock options as provided by three independent consultants (Hewitt Associates, Frederic W. Cook & Co., Inc. and Towers Perrin). Annual stock option grants occur on the date of the Annual Meeting of Stockholders in May, and the exercise price for these options is set at the fair market value of a share of 3M stock on that date (as required by the provisions of the Management Stock Ownership Program last approved by 3M s stockholders in 2005). As provided in the plan document for the Management Stock Ownership Program, the fair market value of a share of 3M stock is computed as the average of the high and low prices at which 3M common stock traded on the New York Stock Exchange, rounded up to the nearest $0.05. Annual stock options granted under this Program expire 10 years after the grant date, and become exercisable in equal installments on the first three anniversaries of the grant date.

During 2006, the Committee approved a special grant of 7,500 shares of restricted stock to Dr. Nozari for retention purposes. These shares of restricted stock will vest on June 12, 2009 (or upon Dr. Nozari s retirement from the Company, with the consent of the Nominating and Governance Committee of the Board of Directors, if earlier), if he remains employed by the Company until that date.

As part of their approval of the Performance Unit Plan, 3M s stockholders authorized the Committee to select the performance criteria for each year s units awarded under the Plan from a set of preapproved measures. These preapproved measures include return on capital employed, sales growth, return on equity, total shareholder return, and economic profit or improvement in economic profit. The performance criteria selected by the Committee for performance units granted during 2006 were designed to focus management attention on two key factors that create stockholder value: Economic Profit Growth and Sales Growth.

Economic Profit Growth is the average annual percentage amount by which the economic profit of the Company grows over the three-year measurement period (2006 through 2008 for the performance units granted during 2006). Sales Growth is the average annual percentage amount by which the Company s worldwide organic sales growth (sales growth adjusted for acquisitions, inflation, and currency effects) exceeds worldwide real sales growth as reflected in the Industrial Production Index, as published by the Federal Reserve, during the three-year measurement period.

The amount payable for each performance unit granted in 2006 is linked to the performance criteria of Economic Profit Growth and Sales Growth, with approximately 60 percent of this amount determined by Economic Profit Growth and the remaining 40 percent determined by Sales Growth.

The amount payable may be anywhere from $0 to $360 per unit, depending on the performance of the Company during the three-year performance period ending on December 31, 2008.

The Committee approved the following formula for determining the amount payable for these performance units:

Economic Profit Growth	Payout/Unit	Sales Growth Exceeding IPI	Payout/Unit
20% or higher	$ 216	5%	$ 144
15%	$ 144	3%	$ 96
10%	$ 72	1%	$ 48
5%	$ 12	0%	$ 8
Below 5%	$ 0	Below 0%	$ 0

The above formula is not a prediction of how 3M will perform during the years 2006 through 2008. The sole purpose of this formula, which was approved by the Committee in February 2006, is to establish a method for determining the payment of long-term incentive compensation under the Performance Unit Plan. 3M is not providing any guidance, nor updating any prior guidance, of its future performance with the disclosure of this formula, and you are cautioned not to rely on this formula as a prediction of 3M s future performance.

Benefits and perquisites

3M provides benefits to its executives and its other employees for the purposes of delivering competitive total compensation and protecting the health and welfare of these employees and their families. Perquisites are provided for a variety of reasons, including the delivery of competitive total compensation and protecting the health and safety of key employees.

How each element and the decisions regarding that element fit into the Company s overall compensation objectives, and affect decisions regarding other elements

All elements of 3M s compensation program, including base salary, short-term incentive, long-term incentives, benefits, and perquisites, are designed to provide overall value at or above the median of 3M s comparator group of premier companies. By doing so, 3M is able to attract and retain the talent necessary to lead and grow the Company. In addition, the incentive compensation elements are designed to recognize the uniqueness and diversity of 3M s businesses while supporting the Company s overall business objectives and focus on increasing stockholder value.

Stock ownership guidelines

The Company s stock ownership guidelines apply to all Section 16 Reporting Officers. They are designed to increase an executive s equity stake in 3M and more closely align his or her interests with those of 3M s stockholders. The guidelines provide that the CEO should attain beneficial ownership of 3M stock equal to five times his or her annual base salary at the time of appointment, Executive and Senior Vice Presidents should attain beneficial ownership of 3M stock equal to three times their annual base salary at the time of appointment, and Vice Presidents should attain beneficial ownership of 3M stock equal to two times their annual base salary at the time of appointment. While the stock ownership guidelines provide that executives should attain this beneficial ownership of 3M stock within five years of their appointment to these positions, most of our executives have already attained or exceeded these ownership levels. During 2006, the Committee decided that beginning in 2007, future payments of performance units awarded under the Performance Unit Plan will be made in shares of 3M stock instead of cash to the extent an executive has not met these stock ownership guidelines.

Policy on reimbursement of incentive payments (Clawback)

The Company s Board of Directors has adopted a policy requiring the reimbursement of excess payments made to an executive in the event that 3M is required to make a material restatement of its financial statements and that executive s intentional misconduct caused the need for the restatement. This policy applies to the Section 16 officers of the Company. The policy has been filed electronically with the Company s most recent Annual Report on Form 10-K as Exhibit 10.17.

Limit on tax-deductible compensation

Section 162(m) of the Internal Revenue Code prohibits 3M from deducting compensation paid in any year to an executive named in the Summary Compensation Table in excess of $1 million, but does not subject performance-based compensation to this limit. The Committee continues to emphasize performance-based compensation for executives and thus minimize the effect of Section 162(m). However, the Committee believes that its primary responsibility is to provide a compensation program that attracts, retains, and rewards the executive talent necessary for the Company s success. Consequently, in any year the Committee may authorize nonperformance-based compensation in excess of $1 million. The Committee recognizes that the loss of the tax deduction may be unavoidable under these circumstances.

Severance or change in control arrangements

With the exception of three named executive officers who have entered into employment agreements with the Company, 3M does not have severance plans or arrangements with any of its executives. Nor does 3M have arrangements providing for payments or other compensation in the event of a change in control of the Company, other than the payment, exercise or delivery of long-term incentive compensation awards issued prior to a change in control.

COMPENSATION COMMITTEE REPORT

In accordance with the SEC s disclosure requirements for executive compensation, the Compensation Committee of the Board of Directors of 3M Company (the Committee) has reviewed and discussed with 3M Management the Compensation Discussion and Analysis. Based on this review and these discussions with 3M Management, the Committee recommended to the Board of Directors that this Compensation Discussion and Analysis be included in the 2007 proxy statement of 3M Company.

Submitted by the Compensation Committee

Vance D. Coffman, Chair

Robert S. Morrison

Aulana L. Peters

Rozanne L. Ridgway

Kevin W. Sharer

Summary Compensation Table

The following table shows the compensation earned or received during 2006 by each of 3M s Named Executive Officers (as determined pursuant to the SEC s disclosure requirements for executive compensation in Item 402 of Regulation S-K).

Summary Compensation Table

Name and Principal Position	Year	Salary ($)	Bonus ($)	Stock Awards ($)(1)	Option Awards ($)(2)	Non-Equity Incentive Plan Compensation ($)(3)	Change in Pension Value and Nonqualified Deferred Compensation Earnings (4)	All Other Compensation (5)	Total ($)
George W. Buckley Chairman of the Board, President and Chief Executive Officer	2006	1,600,000	4,117,500 (6)	4,670,100	2,153,646	3,330,740	54,869	652,349	$ 16,579,204
Patrick D. Campbell Senior Vice President and Chief Financial Officer	2006	675,878			1,223,934	751,406	492,731	94,237	$ 3,238,186
Moe. S. Nozari Executive Vice President, Consumer and Office Business	2006	616,964		65,455	2,672,504	713,626	208,751	44,689	$ 4,321,989
Frederick J. Palensky Executive Vice President, Research and Development and Chief Technology Officer	2006	417,259			1,516,235	618,060	336,802	42,323	$ 2,930,679
Richard F. Ziegler Senior Vice President, Legal Affairs and General Counsel	2006	714,595		81,185	613,711	778,328	904	115,975	$ 2,304,698

FOOTNOTES TO SUMMARY COMPENSATION TABLE

(1) The amounts in the Stock Awards column reflect the dollar amounts recognized for financial statement reporting purposes for the fiscal year ended December 31, 2006, in accordance with FAS 123(R), for awards pursuant to the Management Stock Ownership Program, and thus may include amounts attributable to awards granted during and before 2006. Assumptions made in the calculation of these amounts are included in Note 16 to the Company s audited financial statements for the fiscal year ended December 31, 2006 included in the Company s Annual Report on Form 10-K filed with the Securities and Exchange Commission on February 26, 2007.

(2) The amounts in the Option Awards column reflect the dollar amounts recognized for financial statement reporting purposes for the fiscal year ended December 31, 2006, in accordance with FAS 123(R), for awards pursuant to the Management Stock Ownership Program, and thus may include amounts attributable to awards granted during and before 2006. Assumptions made in the calculation of these amounts are included in Note 16 to the Company s audited financial statements for the fiscal year ended December 31, 2006 included in the Company s Annual Report on Form10-K filed with the Securities and Exchange Commission on February 26, 2007.

(3) The amounts in the Non-Equity Incentive Plan Compensation column reflect the sum of (i) profit sharing earned during 2006 under the Company s profit sharing plans, (ii) the value of awards made under the Performance Unit Plan, which were earned during 2006 upon the completion of the respective performance period (the 3-year period ended December 31, 2006), and (iii) only with respect to Mr. Palensky, earnings on a previous award made under the Performance Unit Plan which had already been earned but which was not paid to him until 2007.

(4) The amounts in the Change in Pension Value and Nonqualified Deferred Compensation Earnings column reflect the actuarial increase in the present value of each individual s pension benefits under all defined benefit pension plans of the Company determined using the same interest rate and mortality assumptions as those used for financial statement reporting purposes. There were no above-market earnings on deferred compensation under the Company s nonqualified deferred compensation programs.

(5) The amounts in the All Other Compensation column reflect for each individual: (a) Company contributions made on behalf of the individual under all of the Company s qualified and nonqualified defined contribution plans, (b) the dollar amount of premiums paid on behalf of the individual under the whole life or universal life insurance policies issued to them under the Executive Life Insurance Plan, and (c) amounts paid to provide the individual with financial planning services. Mr. Campbell s amount includes $18,174 of Company contributions under its defined contribution plans and $62,151 of premiums paid under such life insurance policies. Dr. Nozari s amount includes $36,906 of premiums paid under such life insurance policies. Mr. Palensky s amount includes $20,462 of premiums paid under such life insurance policies. Mr. Ziegler s amount includes $18,791 of Company contributions under its defined contribution plans and $84,654 of premiums paid under such life insurance policies. Mr. Buckley s amount includes $87,860 of premiums paid under such life insurance policies, in addition to $133,661 for the reimbursement of legal fees pursuant to his employment agreement and the Company s relocation program, $35,397 for the value attributable to personal use of Company-provided automobiles and ground transportation, $224,460 for the incremental cost to the Company of his personal use of corporate aircraft (much of which occurred during the first part of 2006 when he commuted between Minnesota and his home in Illinois until his family completed its move to Minnesota), and $108,199 in tax gross-ups paid on his behalf pursuant to his employment agreement and the Company s relocation program.

(6) The amount in the Bonus column for Mr. Buckley reflects a cash payment made to him (pursuant to his employment agreement) to replace the annual bonus and long-term incentive compensation he forfeited as a result of leaving his previous employer.

Grants of Plan-Based Awards

Name	Grant Date	Units (#)(1)	Estimated Future Payouts Under Non-Equity Incentive Plan Awards (2) Threshold ($)	Target ($)	Maximum ($)	Estimated Future Payouts Under Equity Incentive Plan Awards (3) Threshold (#)	Target (#)	Maximum (#)	All Other Stock Awards: Number of Shares of Stock or Units (#)	*Exercise or Base Price of Option Awards ($/sh)(4)	Closing Market Price on Date of Grant ($/sh)	Grant Date Fair Value of Stock and Option Awards(5)
George W.	n/a	16,667	$ 0	$ 2,000,040	$ 6,000,120		286,807					
Buckley	05/09/06									$ 87.35	$ 87.58	$ 5,687,383
Patrick D.	n/a	6,200	$ 0	$ 744,000	$ 2,232,000							
Campbell	05/09/06						73,000			$ 87.35	$ 87.58	$ 1,447,590
Moe S.	n/a	4,400	$ 0	$ 528,000	$ 1,584,000							
Nozari	05/09/06						52,000			$ 87.35	$ 87.58	$ 1,031,160
	05/08/06						30,318			$ 87.75		