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

FORM 10-K

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2012

Commission file number 1-3285

3M COMPANY

State of Incorporation: **Delaware** I.R.S. Employer Identification No. **41-0417775**

Principal executive offices: **3M Center, St. Paul, Minnesota 55144**

Telephone number: **(651) 733-1110**

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:

Title of each class	Name of each exchange on which registered
Common Stock, Par Value $.01 Per Share	New York Stock Exchange, Inc. Chicago Stock Exchange, Inc.

Note: **The common stock of the Registrant is also traded on the SWX Swiss Exchange.**

Securities registered pursuant to section 12(g) of the Act: **None**

Indicate by check mark if the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☒

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒	Accelerated filer ☐
Non-accelerated filer ☐ (Do not check if a smaller reporting company)	Smaller reporting company ☐

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

The aggregate market value of voting stock held by nonaffiliates of the Registrant, computed by reference to the closing price and shares outstanding, was approximately $69.4 billion as of January 31, 2013 (approximately $61.9 billion as of June 30, 2012, the last business day of the Registrant's most recently completed second quarter).

Shares of common stock outstanding at January 31, 2013: 689,990,255.

DOCUMENTS INCORPORATED BY REFERENCE

Parts of the Company's definitive proxy statement (to be filed pursuant to Regulation 14A within 120 days after Registrant's fiscal year-end of December 31, 2012) for its annual meeting to be held on May 14, 2013, are incorporated by reference in this Form 10-K in response to Part III, Items 10, 11, 12, 13 and 14.

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Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors of 3M Company

In our opinion, the consolidated financial statements listed in the accompanying index present fairly, in all material respects, the financial position of 3M Company and its subsidiaries (the "Company") at December 31, 2012 and 2011, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2012 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2012, based on criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for these financial statements, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express opinions on these financial statements and on the Company's internal control over financial reporting based on our integrated audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

As described in Management's Report on Internal Control Over Financial Reporting, management has excluded Ceradyne, Inc. from its assessment of internal control over financial reporting as of December 31, 2012, because it was acquired by the Company in a purchase business combination during 2012. We have also excluded Ceradyne, Inc. from our audit of internal control over financial reporting. Ceradyne, Inc. is a wholly-owned subsidiary of the Company whose total assets and total net sales represent less than 5% and 1%, respectively, of the related consolidated financial statement amounts as of and for the year ended December 31, 2012.

/s/ PricewaterhouseCoopers LLP

Minneapolis, Minnesota
February 14, 2013

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Consolidated Statement of Income
3M Company and Subsidiaries
Years ended December 31

(Millions, except per share amounts)	**2012**	**2011**	**2010**
Net sales	**$ 29,904**	$ 29,611	$ 26,662
Operating expenses			
Cost of sales	**15,685**	15,693	13,831
Selling, general and administrative expenses	**6,102**	6,170	5,479
Research, development and related expenses	**1,634**	1,570	1,434
Total operating expenses	**23,421**	23,433	20,744

Électricité de France (EDF) filed a lawsuit against 3M France in the French courts in 2006 claiming commercial loss and property damage after experiencing electrical network failures which EDF alleges were caused by so-called defective 3M transition splices. The French Court of Appeals at Versailles affirmed the commercial trial court's decision that the transition splices conformed to contract specifications which were thoroughly analyzed and tested by EDF before purchase and installation. The Court of Appeals, however, ordered a court-appointed expert to study the problem and issue a technical opinion on the cause of the network failures. In spite of considerable testing of 3M's splices over several years, the court-appointed expert has been unable to identify a defect in the 3M splices and to determine the definitive cause of the network failures. The court-appointed expert is expected to submit his final report to the commercial court by June 30, 2013. Thereafter, the commercial court may take from six months to one year to render its decision.

One customer obtained an order in the French courts against 3M Purification SAS (a French subsidiary) in October 2011 appointing an expert to determine the amount of commercial loss and property damage allegedly caused by so-called defective 3M filters used in the customer's manufacturing process. An Austrian subsidiary of this same customer also filed a claim against 3M Austria GmbH (an Austrian subsidiary) and 3M Purification SAS in the Austrian courts in September 2012 seeking damages for the same issue. Another customer filed a lawsuit against 3M Deutschland GmbH (a German subsidiary) in the German courts in March 2012 seeking commercial loss and property damage allegedly caused by so-called defective 3M filters used in that customer's manufacturing process. The Company has resolved on an amicable basis claims of two other customers arising out of the same issue.

For product liability litigation matters described in this section for which a liability has been recorded, the Company believes the amount recorded is not material to the Company's consolidated results of operations or financial condition. In addition, the Company is not able to estimate a possible loss or range of loss in excess of the established accruals a t this time.

NOTE 14. Stock-Based Compensation

The 3M 2008 Long-Term Incentive Plan provides for the issuance or delivery of up to 64 million shares of 3M common stock pursuant to awards granted under the plan. In May 2012, shareholders approved an additional 36 million shares, increasing the number of approved shares to 100 million shares. Awards under this plan may be issued in the form of Incentive Stock Options, Nonqualified Stock Options, Progressive Stock Options, Stock Appreciation Rights, Restricted Stock, Restricted Stock Units, Other Stock Awards, and Performance Units and Performance Shares. Awards denominated in shares of common stock other than options and Stock Appreciation Rights, per the 2008 Plan, count against the 100 million share limit as 3.38 shares for every one share covered by such award (for full value awards with grant dates prior to May 11, 2010), as 2.87 shares for every one share covered by such award (for full value awards with grant dates on or after May 11, 2010 and prior to May 8, 2012), or as 3.50 shares for every one share covered by such award (for full value awards with grant dates of May 8, 2012 or later). The remaining total shares available for grant under the 2008 Long Term Incentive Plan Program are 48,786,751 as of December 31, 2012. There were approximately 11,564 participants with outstanding options, restricted stock, or restricted stock units at December 31, 2012.

The Company's annual stock option and restricted stock unit grant is made in February to provide a strong and immediate link between the performance of individuals during the preceding year and the size of their annual stock compensation grants. The grant to eligible employees uses the closing stock price on the grant date. Stock options vest over a period from one to three years with the expiration date at 10 years from date of grant. Accounting rules require recognition of expense under a non-substantive vesting period approach, requiring compensation expense recognition when an employee is eligible to retire. Employees are considered eligible to retire at age 55 and after having completed five years of service. This retiree-eligible population represents 30 percent of the 2012 annual stock-based compensation award expense dollars; therefore, higher stock-based compensation expense is recognized in the first quarter. Beginning in 2007, the Company reduced the number of traditional stock options granted under the Management Stock Ownership Program (MSOP) plan by reducing the number of employees eligible to receive annual grants and by shifting a portion of the annual grant away from traditional stock options primarily to restricted stock units. However, associated with the reduction in the number of eligible employees, the Company provided a one-time "buyout" grant in 2007 of restricted stock units to the impacted employees. 3M also has granted progressive (reload) options. These options are nonqualified stock options that were granted to certain participants under the 1997 or 2002 MSOP, but for which the reload feature was eliminated in 2005 (on a prospective basis only). Participants who had options granted prior to this effective date may still qualify to receive new progressive (reload) stock options.

In addition to the annual grants, the Company makes other minor grants of stock options, restricted stock units and other stock-based grants. The Company issues cash settled Restricted Stock Units and Stock Appreciation Rights in certain countries. These grants do not result in the issuance of Common Stock and are considered immaterial by the Company.

Amounts recognized in the financial statements with respect to stock-based compensation programs, which include stock options, restricted stock, restricted stock units, performance shares, and the General Employees' Stock Purchase Plan (GESPP), are provided in the following table. Capitalized stock-based compensation amounts were not material for the twelve months ended 2012, 2011 and 2010. The income tax benefits shown in the table can fluctuate by period due to the amount of employee "disqualifying dispositions" related to Incentive Stock Options (ISOs). The Company last granted ISOs in 2002.

Stock-Based Compensation Expense

Years ended December 31

(Millions)	2012	2011	2010
Cost of sales	**$ 27**	$ 29	$ 31
Selling, general and administrative expenses	**167**	192	209
Research, development and related expenses	**29**	32	34
Stock-based compensation expenses	**$ 223**	$ 253	$ 274
Income tax benefits	**$ (67)**	$ (80)	$ (98)
Stock-based compensation expenses, net of tax	**$ 156**	$ 173	$ 176

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The following table summarizes stock option activity during the twelve months ended December 31:

Stock Option Program

	2012		2011		2010	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Under option —						
January 1	**64,148,415**	**$ 77.28**	70,335,044	$ 74.80	74,268,165	$ 72.39
Granted:						
Annual	**5,770,190**	**87.91**	5,514,500	89.46	5,788,313	78.79
Progressive (Reload)	**110,065**	**89.65**	237,839	94.02	188,105	88.67
Other	**51,661**	**89.25**	8,953	86.71	27,911	82.13
Exercised	**(13,123,617)**	**68.78**	(11,625,863)	68.47	(9,678,654)	59.11
Canceled	**(391,684)**	**83.65**	(322,058)	75.09	(258,796)	70.76
December 31	**56,565,030**	**$ 80.33**	64,148,415	$ 77.28	70,335,044	$ 74.80
Options exercisable						
December 31	**45,207,143**	**$ 78.78**	52,644,364	$ 76.90	58,201,617	$ 75.87

Outstanding options under grant include grants from previous plans. For options outstanding at December 31, 2012, the weighted-average remaining contractual life was 55 months and the aggregate intrinsic value was $709 million. For options exercisable at December 31, 2012, the weighted-average remaining contractual life was 44 months and the aggregate intrinsic value was $637 million. As of December 31, 2012, there was $54 million of compensation expense that has yet to be recognized related to non-vested stock option based awards. This expense is expected to be recognized over the remaining weighted-average vesting period of 21 months.

The total intrinsic values of stock options exercised during 2012, 2011 and 2010 was $282 million, $287 million and $263 million, respectively. Cash received from options exercised during 2012, 2011 and 2010 was $903 million, $796 million and $571 million, respectively. The Company's actual tax benefits realized for the tax deductions related to the exercise of employee stock options for 2012, 2011 and 2010 was $98 million, $96 million and $93 million, respectively.

The Company does not have a specific policy to repurchase common shares to mitigate the dilutive impact of options; however, the Company has historically made adequate discretionary purchases, based on cash availability, market trends, and other factors, to satisfy stock option exercise activity.

For annual and progressive (reload) options, the weighted average fair value at the date of grant was calculated using the Black-Scholes option-pricing model and the assumptions that follow.

Stock Option Assumptions

	Annual			Progressive (Reload)		
	2012	2011	2010	2012	2011	2010
Exercise price	**$ 87.89**	$ 89.47	$ 78.72	**$ 87.89**	$ 93.94	$ 86.72
Risk-free interest rate	**1.1%**	2.8%	2.8%	**0.2%**	0.4%	0.6%
Dividend yield	**2.6%**	2.6%	2.5%	**2.6%**	2.6%	2.5%
Volatility	**24.5%**	22.0%	25.7%	**23.4%**	21.5%	33.2%
Expected life (months)	**74**	72	72	**19**	15	17
Black-Scholes fair value	**$ 14.94**	$ 16.10	$ 16.50	**$ 8.50**	$ 7.49	$ 12.01

Expected volatility is a statistical measure of the amount by which a stock price is expected to fluctuate during a period. For the 2012 annual grant date, the Company estimated the expected volatility based upon the average of the most recent one year volatility, the median of the term of the expected life rolling volatility, the median of the most recent term of the expected life volatility of 3M stock, and the implied volatility on the grant date. The expected term assumption is based on the weighted average of historical grants.

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The following table summarizes restricted stock and restricted stock unit activity during the twelve months ended December 31, 2012:

Restricted Stock and Restricted Stock Units

	2012		2011		2010	
	Number of Awards	Weighted Average Grant Date Fair Value	Number of Awards	Weighted Average Grant Date Fair Value	Number of Awards	Weighted Average Grant Date Fair Value
Nonvested balance —						
As of January 1	**4,858,972**	**$ 73.02**	4,812,657	$ 68.75	4,379,480	$ 68.85
Granted						
Annual	**968,522**	**87.92**	889,448	89.46	902,549	78.81
Other	**99,337**	**85.07**	351,624	87.07	527,823	70.09
Vested	**(2,594,468)**	**63.51**	(1,077,816)	72.21	(948,233)	79.12
Forfeited	**(70,801)**	**82.65**	(116,941)	72.01	(48,962)	76.22
As of December 31	**3,261,562**	**$ 85.17**	4,858,972	$ 73.02	4,812,657	$ 68.75

As of December 31, 2012, there was $79 million of compensation expense that has yet to be recognized related to non-vested restricted stock and restricted stock units. This expense is expected to be recognized over the remaining weighted-average vesting period of 25 months. The total fair value of restricted stock and restricted stock units that vested during the twelve months ended December 31, 2012, 2011 and 2010 was $228 million, $102 million and $75 million, respectively. The Company's actual tax benefits realized for the tax deductions related to the vesting of restricted stock and restricted stock units for the twelve months ended December 31, 2012, 2011 and 2010 was $86 million, $36 million and $20 million, respectively.

Restricted stock units granted under the 3M 2008 Long-Term Incentive Plan generally vest three years following the grant date assuming continued employment. The one-time "buyout" restricted stock unit grant in 2007 vested at the end of five years. Restricted stock unit grants issued in 2008 and prior did not accrue dividends during the vesting period. Beginning in 2009, dividend equivalents equal to the dividends payable on the same number of shares of 3M common stock accrue on these restricted stock units during the vesting period, although no dividend equivalents are paid on any of these restricted stock units that are forfeited prior to the vesting date. Dividends are paid out in cash at the vest date on restricted stock units, except for performance shares which do not earn dividends. Since the rights to dividends are forfeitable, there is no impact on basic earnings per share calculations. Weighted average restricted stock unit shares outstanding are included in the computation of diluted earnings per share.

Performance Shares

Beginning in 2008, the Company grants certain members of executive management performance shares on an annual basis. The performance criteria, which were modified in 2010, are designed to focus management attention on three key factors that create long-term stockholder value: Organic Sales Volume Growth, Return on Invested Capital and sales from new products. The number of shares of 3M common stock that could actually be delivered at the end of the three-year performance period may be anywhere from 0% to 200% of each performance share granted, depending on the performance of the Company during such performance period. Non-substantive vesting requires that expense for the performance shares be recognized over one or three years depending on when each individual became a 3M executive. The first performance shares, which were granted in 2008, were distributed in 2011. Performance shares do not accrue dividends during the performance period. Therefore, the grant date fair value is determined by reducing the closing stock price on the date of grant by the net present value of dividends during the performance period. As a result of the significant uncertainty due to the economic crisis of 2008-2009, the Company granted restricted stock units instead of performance shares in 2009. Therefore, since there were no performance shares in 2009, there were also no related distributions in 2012. Performance share grants resumed in 2010 and continued thereafter.

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The following table summarizes performance share activity during the twelve months ended December 31, 2012:

	2012		2011		2010	
	Number of Awards	Weighted Average Grant Date Fair Value	Number of Awards	Weighted Average Grant Date Fair Value	Number of Awards	Weighted Average Grant Date Fair Value
Undistributed balance —						
As of January 1	**878,872**	**$ 78.55**	760,645	$ 73.99	—	$ —
Granted	**467,531**	**81.55**	415,024	84.58	370,575	74.46
Distributed	**—**	**—**	(206,410)	72.77	—	—
Performance change	**(178,838)**	**81.27**	(39,323)	82.10	396,390	73.55
Forfeited	**(78,481)**	**80.21**	(51,064)	80.20	(6,320)	73.92

As of December 31	**1,089,084**	**$ 79.27**	878,872	$ 78.55	760,645	$ 73.99

As of December 31, 2012, there was $11 million of compensation expense that has yet to be recognized related to performance shares. This expense is expected to be recognized over the remaining weighted-average earnings period of 11 months. There were no performance shares distributed or related tax benefits realized during the twelve months ended December 31, 2012 and 2010. For the twelve months ended December 31, 2011, the total fair value of performance shares that were distributed was $18 million and actual tax benefits realized for the tax deductions related to the distribution of performance shares was $5 million.

General Employees' Stock Purchase Plan (GESPP):

In May 2012, shareholders approved an additional 30 million shares for issuance under the Company's GESPP, increasing the number of approved shares to 60 million shares. Substantially all employees are eligible to participate in the plan. Participants are granted options at 85% of market value at the date of grant. There are no GESPP shares under option at the beginning or end of each year because options are granted on the first business day and exercised on the last business day of the same month.

General Employees' Stock Purchase Plan

	2012		2011		2010	
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
Options granted	**1,455,545**	**$ 75.32**	1,433,609	$ 73.67	1,325,579	$ 70.57
Options exercised	**(1,455,545)**	**75.32**	(1,433,609)	73.67	(1,325,579)	70.57
Shares available for grant - December 31	**31,445,207**		2,900,751		4,334,360	

The weighted-average fair value per option granted during 2012, 2011 and 2010 was $13.29, $13.00 and $12.45, respectively. The fair value of GESPP options was based on the 15% purchase price discount. The Company recognized compensation expense for GESSP options of $19 million in 2012, $19 million in 2011 and $17 million in 2010.

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NOTE 15. Business Segments

3M's businesses are organized, managed and internally grouped into segments based on differences in markets, products, technologies and services. In 2012, 3M managed its operations in six operating business segments: Industrial and Transportation; Health Care; Consumer and Office; Safety, Security and Protection Services; Display and Graphics; and Electro and Communications. 3M's six business segments bring together common or related 3M technologies, enhancing the development of innovative products and services and providing for efficient sharing of business resources. These segments have worldwide responsibility for virtually all 3M product lines. 3M is not dependent on any single product/service or market. Transactions among reportable segments are recorded at cost. 3M is an integrated enterprise characterized by substantial intersegment cooperation, cost allocations and inventory transfers. Therefore, management does not represent that these segments, if operated independently, would report the operating income information shown. The difference between operating income and pre-tax income relates to interest income and interest expense, which are not allocated to business segments.

Consistent with 3M's strategy of building relevance and presence in the marketplace, the Company announced in October 2012 that it was immediately beginning to align resources and management toward a new structure comprised of five business groups: Consumer; Industrial; Health Care; Safety and Graphics; and Electronics and Energy. The company's operating results were managed on the basis of its existing segment structure through 2012, with the intention that results be managed under the new alignment once it is fully effective in the first quarter of 2013. As a result, the business segment information that follows is reported under the existing segment structure through 2012.

Business Segment Products

Business Segment	Major Products
Industrial and Transportation	Tapes, coated and nonwoven abrasives, adhesives, specialty materials, filtration products, closure systems for personal hygiene products, acoustic systems products, automotive components, abrasion-resistant films, structural adhesives and paint finishing and detailing products, energy control products
Health Care	Medical and surgical supplies, skin health and infection prevention products, drug delivery systems, dental and orthodontic products, health information systems and food safety products
Consumer and Office	Sponges, scouring pads, high-performance cloths, consumer and office tapes, repositionable notes, indexing systems, construction and home improvement products, home care products, protective material products, and consumer and office tapes and adhesives
Safety, Security and Protection Services	Personal protection products, safety and security products, commercial cleaning and protection products, floor matting, roofing granules for asphalt shingles, infrastructure protection products, and

(2) Based on information on a Schedule 13G filed by BlackRock, Inc. with the Securities and Exchange Commission on February 8, 2013.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934 requires our directors and executive officers, and any person owning more than 10 percent of 3M common stock, to file with the Securities and Exchange Commission reports regarding their ownership and changes in ownership of our stock. As a practical matter, 3M assists its directors and executive officers by monitoring transactions and completing and filing Section 16 reports on their behalf. 3M believes that during 2012, 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

Executive Summary

When viewed in historical perspective, the year 2012 at 3M will be recognized for the transition to new leadership and the articulation of new long-term goals that set the Company on a course to continuing long-term sustainable shareholder value. Inge Thulin became 3M's twelfth President/Chief Executive Officer effective February 24, 2012, and set in motion a year of significant changes in the Company's structure and strategies. These changes included the launch of a new 3M Vision and the following six corporate business strategies, a realignment to five market-focused Business Groups effective January 1, 2013 to drive those strategies, and the creation of new operating divisions to pursue business opportunities in the promising markets of aerospace; defense; and mining, oil and gas.

Our Vision

3M Technology Advancing Every Company
3M Products Enhancing Every Home
3M Innovation Improving Every Life

3M

Our Strategies

Expand Relevance to our Customers and our Presence in the Marketplace
Gain Profitable Market Share and Accelerate Market Penetration Everywhere
Invest in Innovation: Invigorate Existing Market Opportunities and Focus on Emerging Megatrends
Intensify Capabilities to Achieve Regional Self-Sufficiency
Build High Performing and Diverse Global Talent
Drive Consistent Superior Levels of Operational Excellence

3M

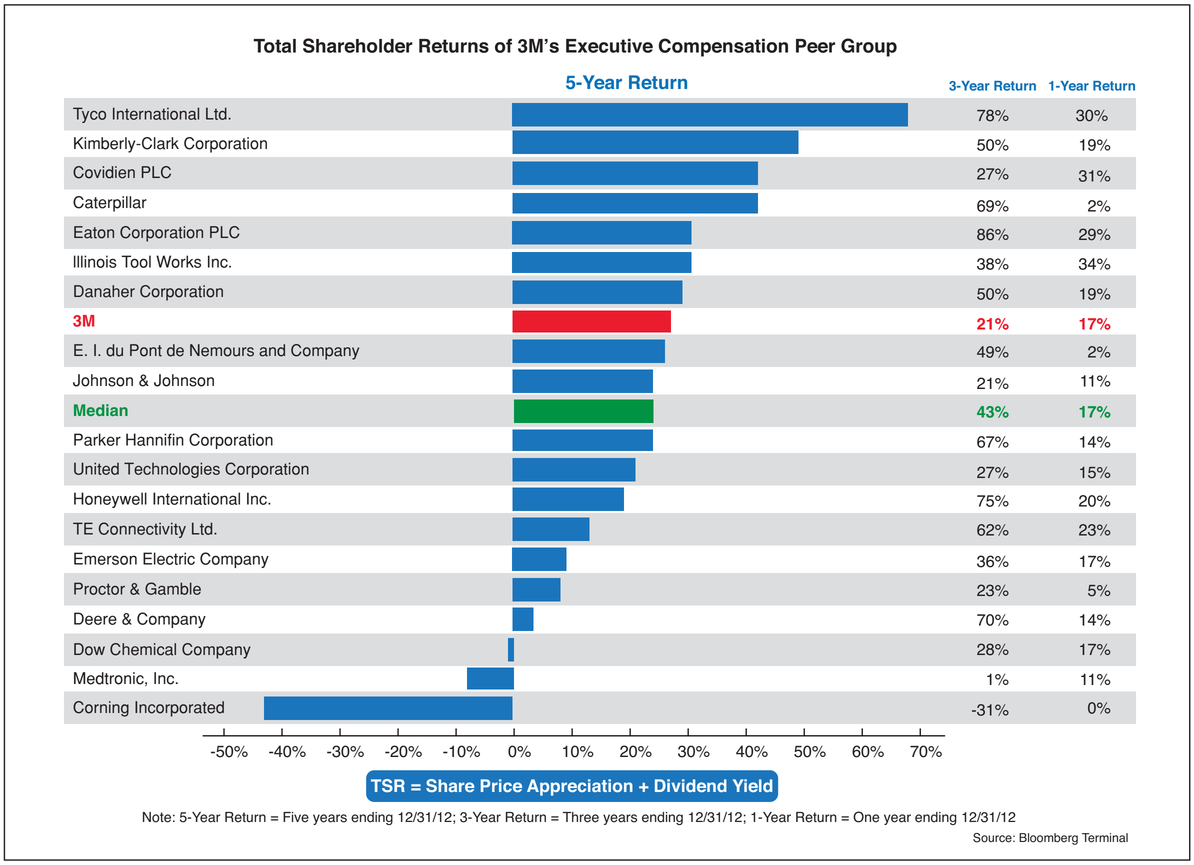
The Company delivered solid financial results during 2012. Highlights of the results that influenced the compensation earned by 3M's executives, including the Named Executive Officers, are:

- Full-year earnings were $6.32 per share, an increase of 6.0 percent. Correspondingly, 3M's full-year Economic Profit, a key metric in determining the amount of annual incentive compensation earned by the Company's executives, increased by 2.0 percent from 2011, to a total of $2.353 billion.
- Full-year sales increased by 1.0 percent from 2011, to a total of $29.9 billion, despite the negative impact of foreign currency translation that reduced sales by 2.4 percent year-over-year. Organic local-currency sales volume growth (an important measure in determining the amount of long-term incentive compensation earned by 3M's executives) was 1.2 percent.
- Sales from new products, as measured by the New Product Vitality Index (another metric used in determining the amount of long-term incentive compensation earned by the Company's executives), increased from 32 percent in 2011 to 33 percent in 2012. Sales from new products is an important measure confirming 3M's ongoing success at innovation and commercialization.
- Return on invested capital (a third metric applied in determining the amount of long-term incentive compensation earned by 3M executives) remained strong at 20 percent, which far exceeds the returns generated by most of the companies in 3M's executive compensation peer group.

These solid financial results, when combined with strong individual performances and leadership, as well as compensation increases for individuals assuming new positions to reflect their increased responsibilities, caused the annual incentive compensation earned by three of 3M's Named Executive Officers (Inge Thulin, David Meline, and Brad Sauer) during 2012 to increase over the amounts they earned during 2011. Mr. Shin's payout declined due to the 2012 performance of 3M's International Operations as compared to its plan for the year. Mr. Buckley, who retired on June 1, 2012, did not earn a full year's worth of annual incentive compensation for 2012. Mr. Fong did not receive annual incentive compensation for 2011, since his employment commenced on October 15, 2012.

2012 also marked the final year of the three-year performance period for the 2010 performance shares granted to the Named Executive Officers under the 2008 Long-Term Incentive Plan. When the solid results from 2012 were combined with the Company's even better results in 2010 and 2011, as measured against each of the three criteria established by the Compensation Committee for determining the payout on these awards (Organic Sales Volume Growth, Return on Invested Capital, and sales from new products as measured by the New Product Vitality Index), this three-year period of overall strong performance resulted in a payout in 3M shares equal to 138 percent of the number of original performance shares.

3M's common stock provided a total shareholder return (stock price appreciation plus dividends) of 16.7 percent during 2012. As reflected in the following table, 3M's stock performance (total shareholder return of 26.5 percent over the five years ending December 31, 2012) continues to compare favorably with the stock performance of the peer companies included in the Company's executive compensation peer group (for which the median total shareholder return over the same five-year period was 24.0 percent). Though the Company's performance over the three-year period ended December 31, 2012 fell below most of the companies in this peer group, that relative performance is explained by the fact that this period excludes 3M's strong performance during 2009 (total return of nearly 60 percent) and includes the year 2010 when many of the companies in this peer group experienced rebounding stock prices as the economy and markets emerged from the global financial crisis of late 2008 and 2009. It also reflects the tendency for the Company's financial performance to recover from periods of slower growth faster than many of its peers, which is then reflected in its stock price.



Factors Creating Alignment between Pay and Performance and Balancing Risk

3M's executive compensation program is designed to maintain a strong alignment between corporate performance and executive compensation by tying incentive compensation to the achievement of performance metrics that increase the Company's long-term value. The incentive compensation portion of the program rewards sustainable performance while also protecting the Company and its stockholders from inappropriate risk-taking and conflicts between the interests of the executives and the interests of the Company and its stockholders. Highlights of the program include:

- A large portion of each executive's Total Direct Compensation (cash plus long-term incentives) is performance-based, varying from 88 percent for CEO Inge Thulin to a range of 73-87 percent for the other Named Executive Officers;
- The incentive compensation provided to the Company's executives use multiple performance-based metrics, which are focused primarily on growth in revenue and earnings, as well as the efficient use of capital; and
- Stock ownership guidelines that are designed to align the financial interests of executives with those of the Company's stockholders.

Compensation Best Practices

3M's executive compensation program incorporates and is administered according to the following best practices:

- The program is controlled by a Compensation Committee comprised of experienced and independent individuals, assisted by an independent compensation consultant who provides no other services to the Company or 3M management besides independent advisory support to the Nominating and Governance Committee on the compensation of the Company's nonemployee directors.
- The Board of Directors has adopted a comprehensive clawback policy which enables the Company to recover overpayments of incentive compensation if it is required to make a material restatement of its financial statements.
- The Company has robust stock ownership guidelines which apply to all Section 16 officers of the Company.
- The Company does not have arrangements providing for the payment of excise tax gross-ups in the event of a change in control of the Company.
- 3M provides its executives with a limited number and amount of perquisites, and does not provide tax gross-ups on any of these perquisites.
- The Company does not have employment or change in control agreements with any of its senior executives, including its Chief Executive Officer.
- 3M does not have severance plans or arrangements with any of its senior executives, including its Chief Executive Officer.
- Equity awards granted under the Long-Term Incentive Plan since 2010 have a ''double trigger'' accelerated vesting provision in the event of a change in control of the Company, meaning that vesting is accelerated only if an individual's employment is terminated within 18 months following the change in control.
- 3M prohibits the hedging or pledging of 3M common stock owned by its Section 16 officers.

Significant Compensation Actions During the Past Year

During 2012 and the first two months of 2013, 3M and the Committee made the following decisions and took the following actions with respect to the Company's executive compensation program:

- Appointed Inge Thulin as President and Chief Executive Officer and approved his new compensation arrangement (consisting of an annual base salary of $1,300,000, target annual incentive compensation of $2,000,000, and annual long-term incentive compensation awards with a grant value of $8,000,000). Mr. Thulin's compensation arrangement includes no employment agreement or supplemental retirement benefits;
- As part of the Committee's annual review of 3M's executive compensation peer group, removed three companies that no longer meet the criteria of being investment peers or having market capitalization and annual revenues reasonably similar to 3M, and included five new companies that do meet these criteria;
- Increased the target percentage for the portion of the Total Cash Compensation delivered in the form of performance-based annual incentive compensation to 154 percent of annual base salary for Mr. Thulin and 100 percent of annual base salary for Mr. Meline. The Committee also increased the target percentage for Mr. Shin and Mr. Sauer to 85 percent of their annual base salaries, which

percentage will be reached over time. Upon commencement of his employment in October, Mr. Fong's target percentage was established at 75 percent of his annual base salary;

- Increased by 36,000,000 the number of shares of 3M common stock available for issuance or delivery pursuant to awards granted under the 2008 Long-Term Incentive Plan;
- Revised the Company's policy on the pledging of shares of 3M common stock to eliminate any exception to the policy's prohibition of the pledging of such shares by its Section 16 officers and directors following the Committee's action in May 2012; and
- Revised the formula for determining the amount of compensation earned under the Company's broad-based annual incentive plan to place greater emphasis upon revenue growth.

Principles of 3M's Executive 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 long-term 3M stockholders. Consistent with this philosophy, the following core principles provide a framework for the Company's executive compensation program:

- Total Direct Compensation should be competitive to attract the best talent to 3M, motivate executives to perform at their highest levels, reward individual contributions that improve the Company's ability to deliver outstanding performance, and retain those executives with the leadership abilities and skills necessary for building long-term stockholder value;
- The portion of Total Direct Compensation that is performance-based (or varies with performance) and is therefore at risk should increase with the level of an individual's responsibility;
- The program should balance incentives for delivering outstanding long-term, sustainable performance and the potential for encouraging inappropriate risk-taking;
- The metrics and targets for earning performance-based incentives should be consistent with the Company's business objectives and increasing stockholder value over the long term; and
- Executives are most effectively motivated to build long-term stockholder value when a significant portion of their personal net worth is held in 3M stock.

Terms

This Compensation Discussion and Analysis uses the following terms when discussing executive compensation of the Company:

- ''Adjusted Net Income'' means the net income of 3M as reported in its Consolidated Statement of Income, as adjusted to exclude special items.
- ''Benchmarking Groups'' means both the survey comparator group and 3M's executive compensation peer group of 19 companies, as described in the ''Benchmarking'' section of this CD&A.
- ''Committee'' means the Compensation Committee of the Board of Directors of 3M Company.
- ''Economic Profit'' means the after-tax income of the Company or a business unit (operating income, plus interest income, minus income taxes), adjusted to exclude special items and the impact of acquisitions or divestitures in the year each acquisition or divestiture is completed (unless such acquisition or divestiture is included in the operating plan for the business), less a charge (10 percent in 2012) for the capital used to generate such after-tax operating income. Company Economic Profit is calculated using total Company capital, while the Economic Profit of

a business unit is calculated using only accounts receivable and inventories of such business unit as capital.

- ''Local Currency Sales,'' a metric used in the Company's annual incentive plans, means the sales of the Company or a business unit, in local currency, adjusted to exclude the impact of acquisitions or divestitures in the year each acquisition or divestiture is completed (unless such acquisition or divestiture is included in the operating plan for the business).
- ''Named Executive Officers'' means the executives whose compensation is reported in the Summary Compensation Table of this Proxy Statement. For 2012, these ''Named Executive Officers'' are Inge G. Thulin, Chairman of the Board, President and Chief Executive Officer; George W. Buckley, retired (effective June 1, 2012) Executive Chairman of the Board, President and Chief Executive Officer; David W. Meline, Senior Vice President and Chief Financial Officer; Ivan K. Fong, Senior Vice President, Legal Affairs and General Counsel; Hak Cheol Shin, Executive Vice President, International Operations; and Brad T. Sauer, Executive Vice President, Industrial Business Group.
- ''New Product Vitality Index'' means the percentage of the Company's total sales derived from products introduced within the last five years.
- ''Organic Sales Volume Growth,'' a metric used in determining the value of performance shares awarded under the 2008 Long-Term Incentive Plan, means the percentage amount by which the Company's worldwide organic sales growth (sales growth excluding the sales attributable to acquisitions or divestitures for the 12 months following the date each acquisition or divestiture is completed, and excluding price and currency effects) exceeds worldwide real sales growth as reflected in the worldwide Industrial Production Index, as published by Global Insight.
- ''Return on Invested Capital'' means the after-tax income of the Company (operating income, plus interest income, minus income taxes), adjusted to exclude special items and the impact of acquisitions or divestitures in the year each acquisition or divestiture is completed, divided by the average quarterly operating capital of the Company (total assets, minus total liabilities other than debt).
- ''Total Cash Compensation'' means the total of an individual's base salary and annual incentive compensation.
- ''Total Direct Compensation'' means the total of an individual's Total Cash Compensation plus the grant value of their annual long-term incentive compensation awards (which is based on their grant date fair value as measured under accounting standards).

Benchmarking

In order to provide competitive Total Direct Compensation, 3M annually surveys the executive compensation practices of a large group of comparator companies (approximately 160, although the number and identity of the companies may vary from year to year). Survey data is statistically regressed to recognize the different sizes of the comparator companies (based on annual revenues) as compared to the size of 3M. The survey data is obtained from three consulting firms (Aon Hewitt, Frederic W. Cook & Co., Inc., and Towers Watson). The survey comparator group consists of companies in the Dow Jones Industrial Average (excluding financial services companies), and other companies with annual revenue exceeding $10 billion that participate in the three consultants' executive compensation surveys. By using survey data covering a large number of comparator companies, 3M is able to conduct a rigorous benchmarking process with more complete and reliable data for each executive position benchmarked. The Committee does not review the identity of the companies in this survey comparator group.

In addition, Aon Hewitt and Frederic W. Cook & Co., Inc. provide pay data and information on the executive compensation practices at the companies in 3M's executive compensation peer group. This pay data is used by the Committee to assess the reasonableness of the benchmarking results for each executive position benchmarked, helping to ensure that the Company's compensation objectives are being met. 3M's executive compensation peer group consists of the following 19 companies, as recommended by the Committee's independent compensation consultant and approved by the Committee:

- Caterpillar Inc.
- Corning Incorporated
- Covidien plc
- Danaher Corp.
- Deere & Company
- Dow Chemical Company
- Eaton Corporation
- E.I. du Pont de Nemours and Company
- Emerson Electric Co.
- Honeywell International Inc.
- Illinois Tool Works Inc.
- Johnson & Johnson
- Kimberly-Clark Corporation
- Medtronic, Inc.
- Parker-Hannifin Corporation
- The Procter & Gamble Company
- TE Connectivity Ltd.
- Tyco International Ltd.
- United Technologies Corporation

The companies in this executive compensation peer group were selected because (1) their performance is monitored regularly by the same market analysts who monitor the performance of 3M (investment peers), and/or (2) they meet criteria based on similarity of their business and pay models, market capitalization (based on an eight-quarter rolling average), and annual revenues. During 2012, the Committee removed Avery Dennison, Ecolab, and General Electric from the peer group because they are no longer used by the Company as investment peers, and because Avery Dennison and Ecolab no longer meet the size criteria required for inclusion. During 2012, the Committee added Covidien, Corning, Dow Chemical, Parker-Hannifin, and TE Connectivity to the peer group. Since these changes were made relatively late in the year, they did not generally affect the 2012 compensation decisions made by the Committee.

How the Committee uses this Benchmarking Information

When establishing and adjusting the Total Cash Compensation and long-term incentive compensation of the Named Executive Officers and other senior executives, the Committee considers the pay data from the Benchmarking Groups. The Committee also uses information on the executive compensation practices at companies in the executive compensation peer group when considering design changes to the Company's executive compensation program.

With this information the Committee aims to provide the Company's executives whose performance meets the Company's expectations with Total Cash Compensation that is at or very close to the median of the corresponding compensation paid to executives in the Benchmarking Groups, and with long-term incentive compensation delivered through annual grants having values that are generally within a range of 80 to 120 percent of the median of the corresponding grant values provided to executives in the Benchmarking Groups. For those executives whose performance consistently exceeds the Company's expectations, their Total Cash Compensation can reach 120 to 125 percent of the median of the corresponding compensation paid to executives in the Benchmarking Groups. Executives whose performance far exceeds the Company's expectations can receive annual long-term incentive compensation grants having values that are within a range of 125 to 160 percent of the median of the corresponding grant values provided to executives in the Benchmarking Groups.

Overall, the Company believes that use of this information from the Benchmarking Groups enables the Committee to create better alignment between executive pay and performance and to help ensure that 3M can attract and retain high-performing executive leaders.

Role of the Compensation Committee and its Advisors

3M provides compensation to its executives to recognize their contributions to the success of its business and reward them for delivering performance that meets the growth, profitability, and other objectives of the Company. All elements of this compensation are determined by the Committee, which is composed solely of independent nonemployee directors. In addition, the Committee's decisions concerning the compensation of 3M's Chief Executive Officer are subject to ratification by all of the independent members of the Board of Directors.

The Committee regularly reviews the design of and risks associated with the Company's executive compensation program and, with the assistance of its independent compensation consultant, makes decisions concerning changes in the executive compensation program when appropriate.

During 2012, 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 provides the Committee with advice regarding the Company's executive salary structure, annual and long-term incentive compensation plans, compensation-related risks, and other executive pay policies. He also provides expert knowledge of marketplace trends and best practices relating to executive compensation practices and competitive pay levels. Mr. Paulin and his firm provide no other services to the Company or 3M management, with the exception of independent advisory support to the Nominating and Governance Committee on the compensation of 3M's nonemployee directors so that valuation methodologies and peer groups are consistent with those used for executives and other employees. During the year the Committee conducted an evaluation of the independence of Mr. Paulin and his firm considering the relevant regulations of the Securities and Exchange Commission and the listing standards of the New York Stock Exchange, and it concluded that the services performed by Mr. Paulin and his firm raised no conflicts of interest.

3M's executive officers assist the Committee with the process of determining the compensation of the Company's executives. In particular, Mr. Thulin, assisted by 3M's Senior Vice President, Human Resources, performs an annual performance evaluation of each of 3M's senior executives whose compensation is determined by the Committee. The results of these annual performance evaluations form the basis for Mr. Thulin's recommendations to the Committee as to the annual merit base salary and target annual incentive compensation increases for such senior executives, as well as the size of their annual long-term incentive compensation awards. The Committee discusses these recommendations with Mr. Thulin at its meetings prior to making its decisions on the amount of any increase to an executive's annual base salary or target annual incentive compensation or any long-term incentive compensation awards.

The Committee reviews and approves annual performance goals and objectives for 3M's Chief Executive Officer. Acting through its Chairman, the Committee also conducts and discusses with the independent members of the Board of Directors an annual evaluation of the Chief Executive Officer's performance against such goals and objectives. Finally, the Committee, assisted by its independent compensation consultant, annually reviews and approves (based on this annual evaluation), subject to ratification by the independent members of the Board of Directors, the compensation of the Chief Executive Officer.

Elements of the Compensation Program

The compensation program for 3M's executives consists of the following elements:

- base salary;
- short-term cash incentive in the form of an annual performance-based award opportunity; and

- long-term equity incentives in the form of annual awards of performance shares and stock options, and in some years, grants of restricted stock or restricted stock units.

3M's executives also participate in various benefit plans made available to most of 3M's U.S. employees, are eligible to participate in three deferred compensation plans (which enable them to save for retirement or other financial planning purposes), and receive certain other benefits, each of which is described in further detail in the All Other Compensation Table. The entire program applied to approximately 115 executives during 2012, including all of the Named Executive Officers.

The following table shows how the 2012 Total Direct Compensation of each Named Executive Officer was apportioned among these elements, and how these elements relate to the strategic business goals of the Company. This table also reflects the relative balance among the elements as well as the alignment of these executives' compensation with the goal of creating long-term value for the Company and its stockholders.

Elements of Total Direct Compensation				Strategic Goal Alignment		
Compensation Element	Performance-Based Compensation	Form of Compensation	Percent of CEO's & Other NEOs' Total Direct Compensation*	Growth	Efficient Use of Capital	Total Shareholder Return
Base Salary		Cash	12% CEO 18-27% NEOs			
Annual Incentive	✓	Cash (200% cap) Equity (amount exceeding 200% cap)	18% CEO 18-20% NEOs	●	●	●
Stock Options	✓	Equity	35% CEO 23-32% NEOs			●
Performance Shares	✓	Equity	35% CEO 27-34% NEOs	●	●	●

* Information in this column excludes Mr. Buckley, who retired on June 1, 2012

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 vary with the performance of the Company. Base salaries are designed to compensate the executives for their normal day-to-day responsibilities, and it is the only component of their compensation that is considered to be fixed rather than variable in nature.

Annual Incentive

3M provides its executives with annual incentive compensation through plans that are designed to align a significant portion of their Total Cash Compensation with the financial performance of the Company and its business units. Each executive is assigned a target amount of annual incentive compensation as part of his or her Total Cash Compensation, but the amount of annual incentive compensation actually paid depends on the performance of 3M and its relevant business units. For Mr. Thulin, annual incentive compensation represented 61 percent of his target Total Cash Compensation for 2012. For 3M's other Named Executive Officers (excluding Mr. Buckley), annual incentive compensation represented from 43 percent to 50 percent of their target Total Cash Compensation for 2012.

3M's broad-based annual incentive plan delivers short-term incentive compensation based on three performance metrics:

- Local Currency Sales (of 3M or a business unit, as applicable) vs. plan for the current year;
- Economic Profit (of 3M or a business unit, as applicable) vs. plan for the current year; and

• 3M Economic Profit vs. the prior year.

While the annual incentive compensation earned by most 3M executives is determined under this broad-based incentive plan, the annual incentive compensation earned by 3M's Named Executive Officers, as well as the other senior executives whose compensation is decided by the Committee, is determined under the Executive Annual Incentive Plan approved by 3M's stockholders at the 2007 Annual Meeting. A total of 23 3M senior executives participated in this Executive Annual Incentive Plan during 2012. This Executive Annual Incentive Plan, which is intended to provide compensation that is exempt from the $1 million annual deduction limit of Section 162(m) of the Internal Revenue Code, provides performance-based compensation for which the performance goal is the Company's Adjusted Net Income.

The Executive Annual Incentive Plan establishes a maximum amount of annual incentive compensation that may be earned by each covered executive for a year, which is one-quarter of one percent of the Company's Adjusted Net Income for such year for each Named Executive Officer. However, the Committee utilizes the discretion provided by the Plan to pay each covered executive less than this maximum amount based on such factors as it deems relevant.

The primary factors considered by the Committee in determining the amount of the Named Executive Officers' annual incentive compensation are each executive's individual performance and the performance of the Company and its business units, as measured by the three performance metrics referred to above and that are used to determine payouts under the broad-based annual incentive plan. While the Committee considers and is guided by the amounts that would be payable under the broad-based annual incentive plan if these executives were covered by such plan, it is not bound by these results and may pay different amounts.

Individual performance is considered as a factor based upon the annual performance evaluation that Mr. Thulin, assisted by 3M's Senior Vice President, Human Resources, does for each covered executive (other than himself) and the annual performance evaluation that the Compensation Committee acting through its Chairman does for Mr. Thulin. These performance evaluations are done according to 3M's overall performance assessment and management processes, which involve setting annual financial and non-financial goals and objectives for each individual and then assessing the individual's performance against these goals and objectives at the end of the year. The annual performance evaluation assesses each executive's overall performance against these goals and objectives, but does not assess performance against each goal or objective in a formulaic manner.

Long-term Incentives

3M provides long-term incentive compensation to its executives through the Long-Term Incentive Plan approved by 3M's stockholders at the 2008 Annual Meeting. This is a typical omnibus-type plan that authorizes the Committee to grant stock options, restricted stock, restricted stock units, stock appreciation rights, performance cash, performance shares, and other stock awards to management employees of the Company. The Company provides its executives with this long-term incentive compensation based on 3M common stock in order to effectively motivate such executives to build long-term stockholder value.

Benefits and Perquisites

3M's executives generally participate in the same health care, disability, life insurance, pension, and 401(k) benefit plans available to most of the Company's U.S. employees.

Executives also receive a limited number of additional benefits and perquisites described in more detail in the All Other Compensation Table of this Proxy Statement. These additional benefits and perquisites are provided for the convenience (financial planning assistance, for example), financial security (retirement contributions and premiums for additional life insurance coverage, for example), or personal security (travel on corporate aircraft, for example) of the executives. No tax gross-ups are provided on any of these additional benefits and perquisites.

How 3M Determined the 2012 Compensation of the Named Executive Officers

All amounts were determined by the Committee, assisted by its independent compensation consultant, with the input of Mr. Thulin (other than with respect to his own compensation). This input included:

- Mr. Thulin's recommendations based on the results of his most recent annual performance evaluations of the other Named Executive Officers (other than Mr. Buckley);
- The compensation information from the companies in the Benchmarking Groups; and
- A tally sheet comparing the amounts of compensation actually received by the Company's Named Executive Officers to the amounts reported in its annual Proxy Statement as well as the compensation that would be owed to such individuals in the event of the termination of their employment. This tally sheet helps the Committee better understand the Company's potential obligations to the Named Executive Officers following the termination of their employment, as well as assessing the risk of any individual leaving the Company prematurely for the purpose of considering whether it is providing sufficient retention incentives.

Differences in the amounts of compensation provided to 3M's Named Executive Officers reflect a variety of factors, including job responsibilities, the market pay for executives performing similar responsibilities (as measured by the pay information obtained from companies in the Benchmarking Groups), experience and time in their current positions, internal pay equity, and individual performance. Initially, the Committee aims to provide the Named Executive Officers with Total Cash Compensation that is at or very close to the median value of the corresponding compensation provided to executives with similar responsibilities at companies in the Benchmarking Groups.

However, the Committee adjusts the stock option portion of the long-term incentive compensation provided to the Named Executive Officers to reflect each individual's actual individual performance during the previous year.

2012 Base Salary and Target Total Cash Compensation

Changes in the base salaries and target Total Cash Compensation of the Named Executive Officers are considered annually by the Committee. Any adjustments are made after considering the most recent compensation data for executives with similar responsibilities at companies in the Benchmarking Groups, each individual's position in the salary range for his or her position, and the individual's performance during the preceding annual period.

In February 2012, the Committee approved the following increases in the base salaries and target Total Cash Compensation of the Named Executive Officers other than Mr. Thulin, Mr. Buckley, and Mr. Fong:

Name	Previous Base Salary	New Base Salary effective 4/1/12	% Increase	Previous target Total Cash Compensation	New target Total Cash Compensation effective 4/1/12	% Increase
David W. Meline	$623,500	$657,353	5.4%	$1,153,251	$1,314,706	14.0%
Hak Cheol Shin	$637,000	$637,000	0%	$1,096,000	$1,139,840	4.0%
Brad T. Sauer	$598,490	$598,490	0%	$1,029,403	$1,060,285	3.0%

Mr. Meline's increase was based on his successful transition into the Company's senior finance leadership position during 2011, as well as solid performance leading the areas of pension asset management and risk management. Mr. Shin's increase acknowledged his successful transition into leading all of 3M's International Operations, and the implementation of strict operational excellence discipline in response to difficult economic conditions that affected the global economy especially in the second half of 2011. Mr. Sauer's increase reflected a solid year leading 3M's health care business, including a significant increase in the portion of its sales from new products. The entire amount of the increases for Mr. Shin and Mr. Sauer and the majority of Mr. Meline's increase was delivered in the form of increases in their target annual incentive compensation rather than increases in base salary, due to the Committee's decision to pay more of the cash compensation of all senior executives (other than the Chief Executive Officer) through performance-based annual incentive compensation in order to better align 3M's executive compensation program with the programs at companies in the Benchmarking Groups. Following these increases, Mr. Meline's target annual incentive compensation was equal to 100 percent of his annual base salary, Mr. Shin's target annual incentive compensation was equal to 79 percent of his annual base salary (progressing toward the target of 85 percent), and Mr. Sauer's target annual incentive compensation was equal to 77 percent of his annual base salary (progressing toward the target of 85 percent).

Upon Mr. Thulin's appointment to the positions of President and Chief Executive Officer in February 2012, the Committee recommended and the independent members of the Board of Directors approved an adjustment in his base salary and target Total Cash Compensation, to reflect his increased responsibilities. With this adjustment, Mr. Thulin's base salary increased from $825,000 to $1,300,000 and his target Total Cash Compensation increased from $1,650,000 to $3,300,000. His target Total Cash Compensation was designed to approximate the median value of the corresponding compensation provided to chief executive officers at companies in the Benchmarking Groups.

As a result of these increases, the target Total Cash Compensation of these Named Executive Officers ranged from 95 to 107 percent of the median value of the corresponding compensation provided to executives with similar responsibilities at companies in the Benchmarking Groups.

Upon Mr. Fong's appointment to the position of Senior Vice President, Legal Affairs and General Counsel, the Committee established his initial target Total Cash Compensation at $1,155,000. This target Total Cash Compensation consists of an annual base salary of $660,000 and target annual incentive compensation of $495,000. At the time of his appointment, this target Total Cash Compensation was modestly above the median value of the corresponding compensation paid to chief legal officers at companies in the Benchmarking Groups. The Committee believed that this amount was appropriate in view of Mr. Fong's strong history of successful performance at positions of increasing responsibility (including his previous position as general counsel of the U.S. Department of Homeland Security) and was necessary to attract Mr. Fong to 3M versus other potential employers. In addition to this initial Total Cash Compensation for Mr. Fong, the Committee also approved a cash signing bonus of $1,000,000 payable in two equal installments, one-half payable within 30 days following his employment commencement date of October 15, 2012, and the other half payable within 30 days following the first anniversary of his employment commencement date, assuming continued employment.

After reviewing Mr. Meline's recent performance as Chief Financial Officer, the Committee approved an additional adjustment in his base salary and target Total Cash Compensation effective in October 2012, which was designed to close the gap between his compensation and that provided to chief financial officers at companies in the Benchmarking Groups. With this adjustment, Mr. Meline's base salary increased from $657,353 to $690,221 and his target Total Cash Compensation increased from $1,314,706 to $1,380,441. Following this adjustment, his target Total Cash Compensation was 100 percent of the median value of the corresponding compensation paid to chief financial officers at companies in the Benchmarking Groups and his target annual incentive compensation was equal to 100 percent of his annual base salary.

2012 Annual Incentive

During 2012, the Committee chose to deliver short-term incentive compensation to its Named Executive Officers in the form of an annual cash incentive under the Executive Annual Incentive Plan. Each Named Executive Officer had a target annual incentive for the year, which is equal to the difference between his or her target Total Cash Compensation and annual base salary. As explained above in the ''Annual Incentive'' discussion under ''Elements of the Compensation Program,'' the Committee considered the amount of an individual's target annual incentive together with his or her individual performance during 2012. The Committee also considered the 2012 performance of 3M and its business units as measured under the Company's broad-based annual incentive plan when it determined the amount of each Named Executive Officer's annual incentive compensation for 2012.

Since the Company satisfied the Executive Annual Incentive Plan's performance objective by earning Adjusted Net Income of $4.444 billion for 2012, the plan authorized the Committee to approve payments of annual incentive compensation to each Named Executive Officer equal to one-quarter of one percent of such Adjusted Net Income ($11,109,075). In order to more closely align the payout to each individual with the 2012 performance of the Company and the relevant business unit as well as the individual's performance, the Committee reduced the amounts payable to the Named Executive Officers (including Mr. Thulin and Mr. Buckley) from the plan authorized maximum amount to the following amounts (the reduced amounts of Mr. Thulin's and Mr. Buckley's 2012 annual incentive compensation were ratified by the independent members of the 3M Board of Directors):

Name	Target Annual Incentive ($)*	Actual 2012 Incentive ($)**
Inge G. Thulin	1,900,958	1,994,865
George W. Buckley	2,795,000	1,113,568
David W. Meline	633,886	786,146
Ivan K. Fong	495,000	101,321
Hak Cheol Shin	491,922	434,859
Brad T. Sauer	454,104	586,793

* The amounts for Mr. Thulin, Mr. Meline, Mr. Shin, and Mr. Sauer are prorated to reflect compensation adjustments that occurred during 2012 and increased the amount of their target annual incentive compensation.

** Each of Mr. Buckley's and Mr. Fong's 2012 annual incentive compensation was prorated to reflect the portion of the year he was employed by the Company.

As explained above, one of the primary factors considered by the Committee in determining payouts under the Executive Annual Incentive Plan is the amount that would have been payable under the Company's broad-based annual incentive plan if the Named Executive Officers had been covered by such plan. These amounts were based on the following performance results for the Company and, as applicable, the respective business units of the Named Executive Officers during 2012 with respect to each performance metric of the broad-based annual incentive plan:

(Dollar amounts in millions)	Local Currency Sales			Economic Profit			Total Company Economic Profit vs. Prior Year	Weighted Average Payout % Based on Payout Curve
Business Unit	**Plan**	**Actual**	**Actual vs. Plan**	**Plan**	**Actual**	**Actual vs. Plan**		
Total Company	$30,687	$30,535	100%	$2,487	$2,353	95%	102%	95%
Health Care	$ 5,312	$ 5,268	99%	$1,005	$1,009	100%	102%	99%
Total International	$20,726	$20,068	97%	$2,961	$2,694	91%	102%	88%

The Committee then decided whether to adjust the amounts of these payouts to reflect the individual performance of each Named Executive Officer during 2012. The Committee made no adjustment in the payouts to Mr. Buckley and Mr. Fong, due to the relatively short amount of time they served in their positions during the year. The Committee decided to increase the amount of Mr. Thulin's payout (and the independent members of the Board of Directors ratified the Committee's decision) to recognize his successful first year as 3M's Chief Executive Officer, and especially his strong work on the Company's long-term strategies, his leadership in developing the new 3M Vision and six corporate business strategies shown above, his focus on prioritizing the Company's portfolio of businesses, his decision to realign the Company's business groups to better serve our customers and markets, and his guidance in resetting the long-term financial expectations for the Company. The amount of Mr. Meline's payout was increased to recognize his success in improving the Company's relationship with the investment community, including the development and communication of the Company's new long-term financial goals. Due to the overall financial performance of 3M's International Operations business, the Committee decided to make no adjustment in the payout to Mr. Shin. The Committee increased the amount of Mr. Sauer's payout in response to the strong financial performance of 3M's health care business during 2012, especially its ability to generate strong profit growth in a lackluster economy.

Long-term Incentives — 2012 Annual Grants

After considering the most recent long-term incentive compensation data from companies in the Benchmarking Groups and after taking into account its evaluation of their individual performance during 2011, the Committee approved (and in the cases of Mr. Thulin and Mr. Buckley, the independent members of the Board of Directors ratified) the following grant values of the Named Executive Officers' annual long-term incentive compensation awards for 2012. For ease of comparison, the following table also shows the grant values of the Named Executive Officers' 2011 annual long-term incentive compensation awards and the percentage change between the two amounts.

Name	Grant Value of 2011 Annual Awards	Grant Value of 2012 Annual Awards	% Change
Inge G. Thulin	$2,330,363	$8,000,050	243.30%
George W. Buckley*	$8,500,004	$4,250,000	−50.00%
David W. Meline	$1,174,166	$2,382,865	102.94%
Hak Cheol Shin	$1,700,049	$1,657,564	−2.50%
Brad T. Sauer	$1,580,070	$1,404,265	−11.13%

* The Committee decided to make the entire amount of Mr. Buckley's 2012 annual award in the form of performance shares. A portion of those performance shares was forfeited when he retired from the Company in June 2012, pursuant to rules adopted by the

Compensation Committee which apply upon the retirement of any of the Company's executives. Specifically, 50 percent of the 2012 performance shares awarded to Mr. Buckley (having a grant value of $2,125,000) were forfeited.

Mr. Thulin and Mr. Meline received significantly larger percentage increases in the grant values of their 2012 awards due to their new positions and responsibilities, and the adjustment of their grant values to bring them in line with the grant values provided to their peers at companies in the Benchmarking Groups. Mr. Fong did not receive a 2012 annual long-term incentive compensation award since he did not join 3M until October 15, 2012. However, see the following section ''Long-Term Incentives — Other Grants'' for a description of the grants that Mr. Fong did receive when he joined the Company.

Consistent with market practices at companies in the Benchmarking Groups, during 2012 the Committee chose to deliver one-half of the target grant value of the annual long-term incentive compensation awards provided to 3M's Named Executive Officers (with the exception of Mr. Buckley, whose 2012 award was entirely in the form of performance shares) in the form of stock options (before adjustment for individual performance) and the remaining one-half in the form of performance shares. The performance criteria selected by the Committee for the performance shares awarded during 2012 were designed to focus management attention on three key factors that create long-term stockholder value: Organic Sales Volume Growth, Return on Invested Capital, and sales from new products as measured by the New Product Vitality Index.

The number of shares of 3M common stock that could be delivered for each performance share awarded in 2012 is linked to the Company's performance as measured by the criteria of Organic Sales Volume Growth, Return on Invested Capital, and the New Product Vitality Index. Approximately 40 percent of this number will be determined by Organic Sales Volume Growth, another 40 percent will be determined by Return on Invested Capital, and the remaining 20 percent will be determined by the New Product Vitality Index. With these weightings, 60 percent of each individual's long-term incentive opportunity attributable to these awards is tied to the Company's long-term sales growth objective, a key contributor to long-term stockholder value. Attainment of these three independent performance criteria is measured separately for each calendar year during the three-year measurement period, with each year weighted as follows (2012 — 50 percent; 2013 — 30 percent; and 2014 — 20 percent). However, the formulas by which the Company's performance is measured do not change over the three-year performance period.

The number of shares of 3M common stock that could actually be delivered at the end of the three-year performance period ending on December 31, 2014, may be anywhere from 0 percent to 200 percent of each performance share granted, depending on the performance of the Company during such performance period. However, an executive may forfeit all or a portion of such shares if he or she does not remain employed by the Company throughout the three-year performance period.

For 2012, the Committee approved the following formulas for determining the number of shares of 3M common stock actually delivered for each performance share awarded, with the total number of shares actually delivered being the sum of the number of shares earned as a result of the Company's achievement of each of the three performance objectives. The formulas for all three performance criteria remained the same as the formulas for the performance shares awarded in 2011, since they remain aligned with 3M's operating plans and provide assurance that the amount of compensation actually earned by the Company's executives is aligned with the Company's performance over the performance period.

Organic Sales Volume Growth Exceeding IPI	% of number of performance shares	Return on Invested Capital	% of number of performance shares	New Product Vitality Index	% of number of performance shares	Total % of number of performance shares
below −1.0%	0%	below 19.0%	0%	below 28.0%	0%	0%
−1.0%	8%	19.0%	8%	28.0%	4%	20%
0.5%	40%	21.0%	40%	33.0%	20%	100%
2.0% or higher	80%	23.0% or higher	80%	38.0% or higher	40%	200%

The above formulas are not a prediction of how 3M will perform during the years 2012 through 2014. The sole purpose of these formulas, which were approved by the Committee in February 2012, is to establish a method for determining the payment of long-term incentive compensation under the Long-Term Incentive Plan. 3M is not providing any guidance, nor updating any prior guidance, of its future performance with the disclosure of these formulas, and you are cautioned not to rely on these formulas as a prediction of 3M's future performance.

Long-term Incentives — Other Grants

See the 2012 Grants of Plan-Based Awards Table in this Proxy Statement for information regarding the initial long-term incentive grants made to Mr. Fong at the time he commenced his employment with 3M as Senior Vice President, Legal Affairs and General Counsel. These grants were made as part of the compensation package designed to persuade him to join 3M instead of other potential employers.

The 2012 Grants of Plan-Based Awards Table also reflects the grant of 2010, 2011, and 2012 performance shares to Mr. Fong under the 2008 Long-Term Incentive Plan. These 2010, 2011, and 2012 performance shares were granted to Mr. Fong upon his appointment as Senior Vice President, Legal Affairs and General Counsel, which was effective October 15, 2012. Consistent with the Company's treatment of other newly-appointed senior executives, these performance shares were intended to provide Mr. Fong with a portion of the long-term incentive compensation granted to comparable executives in the respective years, prorated to reflect the amount of time in his new position.

For purposes of these awards to Mr. Fong, the performance criteria previously selected by the Committee for the 2010 and 2011 performance shares were the same as the performance criteria for the 2012 performance shares: Organic Sales Volume Growth, Return on Invested Capital, and sales from new products as measured by the New Product Vitality Index. The number of shares of 3M common stock that could be delivered for each 2010, 2011, and 2012 performance share is linked to the Company's performance as measured by the criteria of Organic Sales Volume Growth, Return on Invested Capital, and the New Product Vitality Index. Approximately 40 percent of this number will be determined by Organic Sales Volume Growth, another 40 percent will be determined by Return on Invested Capital, and the remaining 20 percent will be determined by the New Product Vitality Index. Attainment of these three independent performance criteria is measured separately for each calendar year during the respective three-year performance period, with each year weighted as follows (first year — 50 percent; second year — 30 percent; and third year — 20 percent). However, the formulas by which the Company's performance is measured do not change over the respective three-year performance period. The number of shares of 3M common stock that could actually be delivered at the end of each respective three-year performance period ending on December 31 may be anywhere from 0 percent to 200 percent of each performance share granted, depending on the performance of the Company during such performance period.

In February 2010, the Committee approved the following formulas for determining the number of shares of 3M common stock actually delivered for each 2010 performance share awarded, with the total number of shares actually delivered being the sum of the number of shares earned as a result of the Company's achievement of each of the three performance objectives as follows:

Organic Sales Volume Growth Exceeding IPI	% of number of performance shares	Return on Invested Capital	% of number of performance shares	New Product Vitality Index	% of number of performance shares	Total % of number of performance shares
below −1.0%	0%	below 15.0%	0%	below 22.0%	0%	0%
−1.0%	8%	15.0%	8%	22.0%	4%	20%
0.5%	40%	20.0%	40%	29.0%	20%	100%
2.0% or higher	80%	22.5% or higher	80%	36.0% or higher	40%	200%

In February 2011, the Committee approved the following formulas for determining the number of shares of 3M common stock actually delivered for each 2011 performance share awarded, with the total number of shares actually delivered being the sum of the number of shares earned as a result of the Company's achievement of each of the three performance objectives as follows:

Organic Sales Volume Growth Exceeding IPI	% of number of performance shares	Return on Invested Capital	% of number of performance shares	New Product Vitality Index	% of number of performance shares	Total % of number of performance shares
below −1.0%	0%	below 19.0%	0%	below 28.0%	0%	0%
−1.0%	8%	19.0%	8%	28.0%	4%	20%
0.5%	40%	21.0%	40%	33.0%	20%	100%
2.0% or higher	80%	23.0% or higher	80%	38.0% or higher	40%	200%

The above formulas are not a prediction of how 3M will perform during the years 2010 through 2012, or during the years 2011 through 2013. The sole purpose of these formulas, which were approved by the Committee in February 2010 and February 2011, is to establish a method for determining the payment of long-term incentive compensation under the Long-Term Incentive Plan. 3M is not providing any guidance, nor updating any prior guidance, of its future performance with the disclosure of these formulas, and you are cautioned not to rely on these formulas as a prediction of 3M's future performance.

Long-term Incentives — Payouts for Grants made in Prior Years

2012 marked the final year of the three-year performance period of the performance share awards made to 3M's executives in 2010 (and, in some cases, in 2011 and 2012) under the Long-Term Incentive Plan. The performance share awards made during 2010 were designed to deliver compensation based on the performance of the Company over the years 2010, 2011, and 2012 as measured by its Organic Sales Volume Growth, Return on Invested Capital, and sales from new products as measured by the New Product Vitality Index. Pursuant to the formulas approved by the Committee at the time the initial awards were made, the Company's performance during this three-year performance period (annual Organic Sales Volume Growth of 5.6 percent in 2010, 0.0 percent in 2011 and −0.7 percent in 2012) (annual Return on Invested Capital of 21.9 percent in 2010, 20.5 percent in 2011 and 20.2 percent in

2012) (annual New Product Vitality Index of 31.4 percent in 2010, 31.7 percent in 2011 and 33.1 percent in 2012) resulted in a payout of 1.38 shares of 3M common stock per performance share.

Name	Number of target performance shares	Number of actual 3M shares earned	Value of actual 3M shares earned*($)
Inge G. Thulin	9,400	12,972	1,204,450
George W. Buckley	53,713	74,124	6,882,413
David W. Meline	8,644	11,929	1,107,608
Ivan K. Fong	747	1,031	95,728
Hak Cheol Shin	9,400	12,972	1,204,450
Brad T. Sauer	9,400	12,972	1,204,450

* Value of the shares earned as of December 31, 2012, when the fair market value of a share of 3M common stock was $92.85.

Stock Ownership Guidelines

The Company's stock ownership guidelines apply to all Section 16 officers of the Company and are designed to increase an executive's equity stake in 3M and more closely align his or her financial interests with those of 3M's stockholders. The guidelines provide that the Chief Executive Officer should attain beneficial ownership of 3M stock equal to six times his or her annual base salary at the time of appointment, the Executive and Senior Vice Presidents should attain beneficial ownership of 3M stock equal to three times their annual base salaries at the time of appointment, and Vice Presidents should attain beneficial ownership of 3M stock equal to two times their annual base salaries at the time of appointment.

The stock ownership guidelines provide that the covered officers should attain the requisite beneficial ownership of 3M stock within five years of their appointment to their positions. However, if an officer is not on track (measured by multiplying 20 percent of the target ownership by the number of years since their appointment) to meet the required level of ownership, the guidelines provide that he or she will be required to hold and not sell a sufficient number of the after-tax 3M shares received upon the next payout of performance shares to be on track to satisfy the required ownership level. All of 3M's officers covered by the guidelines are on track to meet the required level of ownership within five years of their respective appointments. For more information concerning the 3M stock ownership of the Named Executive Officers, see the ''Information on Stock Ownership of Directors and Executive Officers'' in this Proxy Statement.

For purposes of these guidelines, shares owned directly by an officer or by members of the officer's immediate family, shares owned indirectly through an officer's account in the Company's 401(k) plan or another deferred compensation plan, unvested shares of restricted stock owned by an officer, and shares represented by unvested restricted stock units granted to an officer are all considered to be beneficially owned by the officer and are counted in determining attainment of the required ownership level.

To prevent speculation or hedging of interests in our equity by our executive officers, the Company prohibits short sales of 3M stock or the purchase or sale by these executive officers of financial instruments, including options, puts, calls, equity swaps, collars, or other derivative instruments that are directly linked to 3M stock. In addition, the Company also prohibits the use of standing orders, margin accounts, and pledging of securities by its executive officers.

Policy on Reimbursement of Incentive Payments (“Clawback”)

The Company’s Board of Directors has adopted a policy requiring the reimbursement of excess incentive compensation payments made to an executive in the event that 3M is required to make a material restatement of its financial statements. This policy applies to all senior executives of the Company including all of the Named Executive Officers. This policy does not require any misconduct on the part of the covered executive whose excess incentive compensation payment is being reimbursed. As long as the Company is required to make a material restatement of its financial statements that causes an incentive compensation payout to be higher than it should have been, the Company may seek to recover the overpayment from all affected executives irrespective of whether their conduct contributed to the need for the restatement. The Company established this policy prior to the passage of the Dodd-Frank Act, which establishes new requirements for such policies. Upon issuance by the Securities and Exchange Commission of final implementing regulations for the Dodd-Frank Act’s requirements, the Company will make any changes to its existing policy as may be required to comply with those regulations.

Limit on Tax-Deductible Compensation

Section 162(m) of the Internal Revenue Code prohibits 3M from deducting compensation paid in any year to its Chief Executive Officer and each other Named Executive Officer whose compensation is reported in the Summary Compensation Table for such year by reason of being among the three most highly compensated officers for that year, other than the Chief Executive Officer and the Chief Financial Officer (‘‘Covered Employees’’), in excess of $1 million, but does not subject performance-based compensation to this limit. Due to his service as the Company’s interim Chief Executive Officer for a period of approximately six months in 2005, one of the members of the Committee (Robert S. Morrison) does not participate in the Committee’s decisions involving performance-based compensation since he is not considered an ‘‘outside director’’ of the Company for purposes of Section 162(m) and the regulations published thereunder.

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

3M does not have severance plans or arrangements with any of its Named Executive Officers. The absence of such arrangements reflects the Company’s and the Committee’s preference for operating without legally binding severance commitments, and preserves maximum flexibility to deal with individual situations if and when the need arises.

Similarly, 3M does not 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. For awards with a grant date prior to February 9, 2010, in the event of a change in control of the Company, both the Long-Term Incentive Plan and its predecessors provided for (1) accelerated vesting of outstanding stock options, restricted stock, and restricted stock units, and (2) the immediate termination and payout of all outstanding performance units and performance shares. This ‘‘single trigger’’ provision was intended to protect the previously-earned long-term incentive compensation of employees (including the Named Executive Officers) against the uncertainty and risk of nonpayment that might occur following a takeover of the Company.

In 2010 the Board of Directors amended the Long-Term Incentive Compensation Plan to eliminate the prior ‘‘single trigger’’ accelerated vesting provision in the event of a change in control of the Company, and to establish a ‘‘double trigger’’ vesting acceleration provision. This new ‘‘double trigger’’ provision applies to awards with a grant date on or after February 9, 2010. This provision means that an employee whose employment is terminated without cause or who resigns for ‘‘good reason’’ within 18 months following a change in control of the Company will receive (1) accelerated vesting of any outstanding stock options, restricted stock, and restricted stock units, and (2) an immediate payout of any outstanding performance unit and performance share awards. The Board of Directors also amended the Long-Term Incentive Plan to eliminate a provision that would have required the Company to provide employees (including the Named Executive Officers) with a gross-up payment in the event any excise tax was determined to apply as a result of the payment, vesting, or delivery of long-term incentive compensation awards made thereunder in the event of a change in control. The Company does not intend to include change in control ‘‘single trigger’’ accelerated vesting or excise tax gross-up provisions in future equity awards or agreements.

Finally, 3M does not have arrangements with any of its Named Executive Officers providing for the payment of excise tax gross-ups in the event of a change in control of the Company.

Say on Pay Advisory Approval of Executive Compensation

As required by Section 14A of the Securities Exchange Act, in 2012 the Company conducted an annual advisory vote of stockholders with respect to the compensation of its Named Executive Officers. At the Company’s Annual Meeting of Stockholders held on May 8, 2012, approximately 94 percent of the shares that were voted on this item approved the compensation of the Company’s Named Executive Officers as disclosed in the 2012 Proxy Statement. While the approval was advisory in nature, the Committee has taken note of this very strong stockholder support and views the outcome as confirmation that stockholders generally believe that the pay of the Named Executive Officers is appropriately aligned with their performance and the performance of the Company as well as the interests of 3M’s stockholders. As a consequence, the results of this vote have not caused the Committee to make any changes in either the executive compensation program or the compensation of any Named Executive Officer.

COMPENSATION COMMITTEE REPORT

In accordance with the Securities and Exchange Commission’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 2013 Proxy Statement of 3M Company and 3M Company’s Annual Report on Form 10-K for the year ended December 31, 2012.

Submitted by the Compensation Committee

Vance D. Coffman, Chair
Edward M. Liddy
Robert S. Morrison
Aulana L. Peters
Robert J. Ulrich

Assessment of Risk Related to Compensation Programs

Based on the Company’s recent assessment, the Company has determined that none of its compensation policies and practices is reasonably likely to have a material adverse effect on the Company. To conduct this assessment, the Company completed an inventory of its executive and non-executive compensation programs globally, with particular emphasis on incentive compensation plans or programs. Based on this inventory, the Company evaluated the primary components of its compensation plans and practices to identify whether those components, either alone or in combination, properly balanced compensation opportunities and risk. The Company believes that the Company's overall cash versus equity pay mix, balance of shorter-term versus longer-term performance focus, balance of revenue versus profit focused performance measures, stock ownership guidelines, and ''clawback'' policy all work together to provide its employees and executives with incentives to deliver outstanding performance to build long-term stockholder value, while taking only necessary and prudent risks. In this regard, the Company's strong ethics and its corporate compliance systems, which are overseen by the Audit Committee, further mitigate against excessive or inappropriate risk taking. The Compensation Committee, with assistance from its independent compensation consultant, George B. Paulin of Frederic W. Cook & Co., Inc., reviewed the Company's risk assessment and a separate risk assessment that Mr. Paulin conducted for the Committee on the Company's executive compensation policies and practices. Based on their consideration of these assessments, the Committee concurred with the Company's determination that none of its compensation policies and practices is reasonably likely to have a material adverse effect on the Company.

2012 Summary Compensation Table

The following table shows the compensation earned or received during 2012, 2011, and 2010 by each of 3M's Named Executive Officers (as determined pursuant to the Securities and Exchange Commission's disclosure requirements for executive compensation in Item 402 of Regulation S-K).

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 ($)(5)	Total ($)
Inge G. Thulin	2012	1,228,373	0	4,000,053	3,059,772	1,994,865	3,977,742	523,671	14,784,476
Chairman of the	2011	751,750	0	1,528,960	872,599	690,084	1,380,089	136,788	5,360,270
Board, President and	2010	598,500	0	1,500,049	1,043,937	850,119	760,144	155,380	4,908,129
Chief Executive Officer									
George W. Buckley(7)	2012	758,013	0	4,250,062	0	1,113,568	1,225,830	578,202	7,925,675
Former Chairman of the	2011	1,720,000	0	5,546,295	3,441,520	2,809,534	11,295,403	588,256	25,401,008
Board, President and	2010	1,720,000	0	8,022,714	3,772,940	5,590,000	3,970,767	632,673	23,709,094
Chief Executive Officer									
David W. Meline(6)	2012	657,107	0	1,278,001	845,156	786,146	253,079	79,520	3,899,009
Senior Vice President	2011	577,160	0	1,980,075	185,762	483,566	248,903	76,114	3,551,580
and Chief Financial Officer									
Ivan K. Fong(6)	2012	141,087	500,000	1,955,702	784,229	101,321	0	15,851	3,498,190
Senior Vice President,									
Legal Affairs and									
General Counsel									
Hak Cheol Shin	2012	637,000	0	753,024	771,668	434,859	624,074	104,466	3,325,091
Executive Vice President,	2011	620,981	0	963,617	798,480	481,126	1,351,508	84,874	4,300,586
International Operations	2010	576,000	0	1,500,049	1,141,751	816,383	709,065	90,097	4,833,345
Brad T. Sauer(6)	2012	598,490	0	753,024	641,160	586,793	468,961	112,946	3,161,374
Executive Vice President,									
Industrial Business Group									

FOOTNOTES TO 2012 SUMMARY COMPENSATION TABLE

(1) The amounts in the Stock Awards column reflect the aggregate grant date fair value of such awards computed in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718, Compensation — Stock Compensation. Assumptions made in the calculation of these amounts are included in Note 14 to the Company's audited financial statements for the fiscal year ended December 31, 2012, included in the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission on February 14, 2013. The amounts included in this column for the performance share awards made during 2012 are calculated based on the probable satisfaction of the performance conditions for such awards. If the highest level of performance is achieved for these performance share awards, the maximum value of these awards at the grant date would be as follows: Mr. Thulin — $8,000,106; Mr. Buckley — $8,500,124 (one-half of such amount would be forfeited due to his retirement in 2012); Mr. Meline — $2,556,002; Mr. Fong — $1,911,312; Mr. Shin — $1,506,048; and Mr. Sauer — $1,506,048. The amounts in this column also include the portion of the annual incentive compensation that exceeded 200 percent of the executive's annual target amount and that was earned by each executive during 2010 under the Company's Executive Annual Incentive Plan but paid in the form of restricted stock units granted during 2011 under the 2008 Long-Term Incentive Plan, as follows: Mr. Thulin — $2,238; Mr. Buckley — $1,296,229; Mr. Meline — $98,003; and Mr. Shin — $249,616.

(2) The amounts in the Option Awards column reflect the aggregate grant date fair value of such awards computed in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718, Compensation — Stock Compensation. Assumptions made in the calculation of these amounts are included in Note 14 to the Company's audited financial statements for the fiscal year ended December 31, 2012, included in the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission on February 14, 2013.

(3) The amounts in the Non-Equity Incentive Plan Compensation column reflect the annual incentive compensation earned by each individual during 2012 under the Company's Executive Annual Incentive Plan.

(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. See Note 10 to the Company's audited financial statements for the fiscal year ended December 31, 2012, included in the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission on February 14, 2013. There were no above-market earnings on deferred compensation under the Company's nonqualified deferred compensation programs.

(5) See the All Other Compensation table below for details.

(6) No amounts are reported for Mr. Meline for the year 2010, or for Mr. Fong or Mr. Sauer for the years 2011 and 2010 since they were not Named Executive Officers of the Company for those years.

(7) Mr. Buckley retired from the Company effective June 1, 2012.

2012 All Other Compensation Table

	401(k) Company Contributions ($)(1)	VIP Excess Company Match ($)(2)	Executive Life Insurance ($)(3)	Financial Planning ($)(4)	Personal Aircraft Use ($)(5)	Security Systems/ Services ($)(6)	Personal Auto Use ($)(7)	Miscellaneous ($)(8)	Total ($)
Inge G. Thulin	**9,000**	**60,064**	**286,116**	**13,230**	**145,638**	**0**	**9,623**	**0**	**523,671**
George W. Buckley	**11,250**	**149,290**	**0**	**13,872**	**321,297**	**39,200**	**19,621**	**23,672**	**578,202**
David W. Meline	**11,250**	**40,080**	**14,870**	**13,320**	**0**	**0**	**0**	**0**	**79,520**
Ivan K. Fong	**8,633**	**0**	**2,218**	**0**	**0**	**0**	**0**	**5,000**	**15,851**
Hak Cheol Shin	**9,000**	**31,253**	**50,983**	**13,230**	**0**	**0**	**0**	**0**	**104,466**
Brad T. Sauer	**9,000**	**27,213**	**58,874**	**17,859**	**0**	**0**	**0**	**0**	**112,946**

FOOTNOTES TO 2012 ALL OTHER COMPENSATION TABLE

(1) The amounts shown reflect 3M matching and additional automatic contributions under the tax-qualified 3M Voluntary Investment Plan and Employee Stock Ownership Plan. All eligible employees under this plan may receive 3M matching contributions on their pre-tax contributions to the plan on up to six percent of their eligible pay. Eligible employees hired on or after January 1, 2009, also receive additional automatic 3M retirement income contributions equal to three percent of their eligible pay.

(2) The amounts shown reflect 3M matching contributions under the VIP Excess Plan, a nonqualified defined contribution plan. Eligibility for this plan and its matching contributions is limited to employees whose compensation exceeds a limit established by Federal income tax law for tax-qualified defined contribution plans. The Plan permits eligible employees to save additional amounts from their current cash compensation beyond the contribution limits established by Federal tax laws, and to receive Company matching contributions similar to the matching contributions provided under the tax-qualified 3M Voluntary Investment Plan and Employee Stock Ownership Plan.

(3) The amounts shown reflect the amount of premiums paid by the Company on behalf of each individual with respect to their respective whole life or universal life insurance policies obtained for them under the Executive Life Insurance Plan.

(4) These amounts reflect fees for personal financial planning and tax return preparation services paid by the Company on behalf of each individual.

(5) This amount reflects the aggregate incremental cost to the Company for Mr. Thulin's and Mr. Buckley's personal use of corporate aircraft during 2012. This aggregate incremental cost was calculated by combining the variable operating costs of such travel, including the cost of fuel, landing fees, parking fees, trip preparation fees, enroute communication charges, enroute navigation charges, on-board catering, and crew travel expenses. Mr. Buckley's use occurred as part of the transition from being 3M's Chief Executive Officer to his retirement on June 1, 2012, and is nonrecurring.

(6) This amount reflects the expenses incurred by 3M during 2012 (prior to the date of his retirement) for monitoring services and for the completion of security upgrades at the personal residences of Mr. Buckley.

(7) This amount reflects the aggregate incremental cost to the Company for Mr. Thulin's and Mr. Buckley's personal use of Company-provided automobiles and local ground transportation. These costs include lease payments (or the amortized purchase cost) for the vehicles, fuel, insurance premiums, repairs, and maintenance.

(8) These amounts reflect fees for personal legal and consulting services paid by the Company on behalf of Mr. Buckley, and fees for personal legal services paid by the Company on behalf of Mr. Fong.

Grants of Plan-Based Awards

The following table reflects the various equity and non-equity plan awards granted to the Named Executive Officers during 2012. With the exception of the annual incentive compensation earned by such Named Executive Officers under the Executive Annual Incentive Plan, all of the awards referred to in this table were granted under the 2008 Long-Term Incentive Plan. All of the restricted stock unit awards listed in this table include the right to receive a cash payment of dividend equivalents (the dividends that would have been paid on the same number of shares of 3M common stock during the vesting period) at the vesting date. The amounts in the Grant Date Fair Value of Stock and Option Awards column were determined in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718, Compensation — Stock Compensation and, in the case of performance share awards, are based upon the probable outcome of the applicable performance conditions. Assumptions made in the calculation of these amounts are included in Note 14 to the Company's audited financial statements for the fiscal year ended December 31, 2012, included in the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission on February 14, 2013.

2012 Grants of Plan-Based Awards Table

			Estimated Future Payouts Under Non-Equity Incentive Plan Awards(2)		Estimated Future Payouts Under Equity Incentive Plan Awards(3)(4)(5)			All Other Stock Awards: Number of Shares of Stock or Units (#)	All Other Option Awards: Number of Securities Underlying Options (#)(6)	Exercise or Base Price of Option Awards ($/sh)(7)	Grant Date Fair Value of Stock and Option Awards ($)
Name	Type of Grant(1)	Grant Date	Target ($)	Maximum ($)	Threshold (#)	Target (#)	Maximum (#)				
Inge G. Thulin	12PS	02/07/2012			9,872	49,359	98,718				4,000,053
	Option	02/07/2012							204,804	87.89	3,059,772
	AIP	n/a	1,900,958	11,109,075							
George W. Buckley	12PS	02/07/2012			10,489	52,444	104,888				4,250,062
	AIP	n/a	2,795,000	11,109,075							
David W. Meline	12PS	02/07/2012			3,154	15,770	31,540				1,278,001
	Option	02/07/2012							56,570	87.89	845,156
	AIP	n/a	633,886	11,109,075							
Ivan K. Fong	12PS	11/01/2012			1,322	6,609	13,218				581,658
	11PS	11/01/2012			675	3,373	6,746				304,751
	10PS	11/01/2012			149	747	1,494				69,247
	Option	11/01/2012							50,423	89.25	784,229
	RSU	11/01/2012						11,205(8)			1,000,046
	AIP	n/a	495,000	11,109,075							
Hak Cheol Shin	12PS	02/07/2012			1,858	9,292	18,584				753,024
	Option	02/07/2012							46,314	87.89	691,931
	Option	02/16/2012							9,340	87.65	79,737
	AIP	n/a	491,922	11,109,075							
Brad T. Sauer	12PS	02/07/2012			1,858	9,292	18,584				753,024
	Option	02/07/2012							33,345	87.89	498,174
	Option	05/04/2012							16,556	88.67	142,986
	AIP	n/a	454,104	11,109,075							

FOOTNOTES TO 2012 GRANTS OF PLAN-BASED AWARDS TABLE

(1) Abbreviations for the Type of Grant: 12PS = 2012 performance shares; 11PS = 2011 performance shares; 10PS = 2010 performance shares; Option = stock options; RSU = restricted stock units; AIP = annual incentive.

(2) The amounts shown as the Estimated Future Payouts Under Non-Equity Incentive Plan Awards reflect the target and maximum amounts that may be earned by each individual during 2012 under the Executive Annual Incentive Plan. This Plan establishes a maximum amount of annual incentive compensation that may be earned by each covered executive during a plan year (established for purposes of complying with Section 162(m) of the Internal Revenue Code), which for each of the Named Executive Officers was one-quarter of one percent of the Company's Adjusted Net Income for 2012, and then permits the Compensation Committee to pay each covered executive less than this maximum amount based on such factors as it deems relevant. These factors include, but are not limited to, individual performance, each individual's target annual incentive, and the performance of the Company and its business units as measured by the three metrics used to determine payouts under the Company's broad-based annual incentive plan (see ''Elements of the Compensation Program — Annual Incentive'' in the Compensation Discussion and Analysis of this Proxy Statement). While the Committee considers and is guided by the amounts that would be payable under the broad-based annual incentive plan (based on the performance of 3M and its business units) if the Named Executive Officers were covered by such plan, it is not bound by these results and may decide to pay different amounts.

(3) The amounts shown as the Estimated Future Payouts Under Equity Incentive Plan Awards with respect to 2012 performance shares reflect the threshold, target, and maximum number of shares of 3M common stock that may be earned by each individual as a result of the 2012 performance shares granted to each individual during 2012 under the 2008 Long-Term Incentive Plan. The actual number of shares of 3M common stock to be delivered as a result of these performance shares will be determined by the performance of the Company during the three-year performance period of 2012, 2013, and 2014, as measured against three performance criteria selected by the Compensation Committee (Organic Sales Volume Growth, Return on Invested Capital, and the New Product Vitality Index). For more information on these performance criteria and the formulas for determining the number of shares of 3M common stock payable as a result of these performance shares, please refer to the ‘‘Long-Term Incentives — 2012 Annual Grants’’ portion of the Compensation Discussion and Analysis.

(4) The amounts shown as the Estimated Future Payouts Under Equity Incentive Plan Awards with respect to 2011 performance shares reflect the threshold, target, and maximum number of shares of 3M common stock that may be earned by Mr. Fong as a result of the 2011 performance shares granted to him during 2012 under the 2008 Long-Term Incentive Plan. The actual number of shares of 3M common stock to be delivered as a result of these performance shares will be determined by the performance of the Company during the three-year performance period of 2011, 2012, and 2013, as measured against three performance criteria selected by the Compensation Committee (Organic Sales Volume Growth, Return on Invested Capital, and the New Product Vitality Index). These 2011 performance shares were granted to Mr. Fong upon his appointment as Senior Vice President, Legal Affairs and General Counsel. Consistent with the Company’s treatment of other newly-appointed senior executives, these performance shares were intended to provide him with a portion of the long-term incentive compensation granted to comparable executives in 2011, prorated to reflect the amount of time in his new position. For more information on these performance criteria and the formulas for determining the number of shares of 3M common stock payable as a result of these performance shares, please refer to the ‘‘Long-Term Incentives — Other Grants’’ portion of the Compensation Discussion and Analysis.

(5) The amounts shown as the Estimated Future Payouts Under Equity Incentive Plan Awards with respect to 2010 performance shares reflect the threshold, target, and maximum number of shares of 3M common stock that may be earned by Mr. Fong as a result of the 2010 performance shares granted to him during 2012 under the 2008 Long-Term Incentive Plan. The actual number of shares of 3M common stock to be delivered as a result of these performance shares will be determined by the performance of the Company during the three-year performance period of 2010, 2011, and 2012, as measured against three performance criteria selected by the Compensation Committee (Organic Sales Volume Growth, Return on Invested Capital, and the New Product Vitality Index). These 2010 performance shares were granted to Mr. Fong upon his appointment as Senior Vice President, Legal Affairs and General Counsel. Consistent with the Company’s treatment of other newly-appointed senior executives, these performance shares were intended to provide him with a portion of the long-term incentive compensation granted to comparable executives in 2010, prorated to reflect the amount of time in his new position. For more information on these performance criteria and the formulas for determining the number of shares of 3M common stock payable as a result of these performance shares, please refer to the ‘‘Long-Term Incentives — Other Grants’’ portion of the Compensation Discussion and Analysis.

(6) The amounts shown as the All Other Option Awards reflect the numbers of nonqualified stock options granted to each individual during 2012 under the 2008 Long-Term Incentive Plan. The options granted on February 7, 2012, were part of the Company’s annual grant of stock options to the approximately 5,600 employees participating in the plan, and they vest in installments of one-third on each of the first three anniversaries of the grant date. The options granted to Mr. Fong on November 1, 2012, were part of the compensation offered to him in order to persuade him to join the Company as a new employee. The options granted to Mr. Shin on February 16, 2012, and to Mr. Sauer on May 4, 2012, represent progressive stock options (commonly referred to as reloads) issued upon their exercise (via a stock swap, using shares of 3M common stock already owned by the optionee) of nonqualified options granted under pre-2005 versions of the Management Stock Ownership Program which provided for the receipt of such reloads when the optionee pays the exercise price in shares of the Company’s common stock. 3M offered progressive stock options with respect to nonqualified stock options granted before May 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 immediately selling the shares acquired upon exercise. Stock options granted by the Company since May 2005 have not been eligible for the grant of new progressive stock options upon their exercise. Progressive stock options vest in full six months following the grant date.

(7) The exercise price for all stock options granted under the Company's 2008 Long-Term Incentive Plan is set at the fair market value of a share of 3M common stock on the option grant date (as required by the provisions of the plan). As provided in the plan, the fair market value of a share of 3M common stock is computed as the closing price at which 3M common stock traded on the New York Stock Exchange on the applicable date.

(8) This amount reflects a grant of restricted stock units to Mr. Fong upon his appointment as Senior Vice President, Legal Affairs and General Counsel. They were granted to him as part of the compensation offered to Mr. Fong in order to persuade him to join the Company as a new employee. These restricted stock units vest in full on the fourth anniversary of the grant date, assuming continued employment, or immediately upon the termination of his employment due to disability or the termination of his employment by the Company without cause.

2012 OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END TABLE

	Option Awards				Stock Awards			
Name	**Number of Securities Underlying Unexercised Options (#) Exercisable**	**Number of Securities Underlying Unexercised Options (#) Unexercisable**	**Option Exercise Price ($)**	**Option Expiration Date**	**Number of Shares or Units of Stock That Have Not Vested (#)**	**Market Value of Shares or Units of Stock That Have Not Vested ($)**	**Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)**	**Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($)**
Inge G. Thulin							8,499(9)	789,132
							8,931(9)	829,243
							49,359(10)	4,582,983
	6,990	0	86.80	05/13/2013				
	20,288	0	97.21	05/13/2013				
	56,114	0	84.40	05/09/2014				
	67,975	0	76.80	05/08/2015				
	52,000	0	87.35	05/09/2016				
	45,758	0	84.78	05/08/2017				
	50,792	0	77.18	05/13/2018				
	59,584	0	54.11	02/08/2019				
	33,443	16,723(1)	78.72	02/07/2020				
	14,519	29,041(2)	89.47	02/08/2021				
	0	204,804(3)	87.89	02/07/2022				
					3,294(5)	305,848		
					24(6)	2,228		
George W. Buckley							50,590(9)	4,697,282
							26,222(10)	2,434,713
	183,522	0	87.35	05/09/2016				
	165,909	0	84.78	05/08/2017				
	152,441	76,222(1)	78.72	02/07/2020				
	71,252	142,507(2)	89.47	02/08/2021				
					16,581(5)	1,539,546		
					14,125(6)	1,311,506		
David W. Meline							2,275(9)	211,234
							8,971(9)	832,957
							15,770(10)	1,464,245
	20,136	0	71.12	08/31/2018				
	10,709	5,356(1)	78.72	02/07/2020				
	3,845	7,693(2)	89.47	02/08/2021				
	0	56,570(3)	87.89	02/07/2022				
					847(5)	78,644		
					6,173(7)	573,163		
					1,095(6)	101,671		
Ivan K. Fong							3,373(9)	313,183
							6,609(10)	613,646
	0	50,423(4)	89.25	11/01/2022				
					11,205(8)	1,040,384		
Hak Cheol Shin							8,499(9)	789,132
							9,292(10)	862,762
	5,028	0	86.80	05/13/2013				
	9,340	0	87.65	05/13/2013				
	24,353	0	84.40	05/09/2014				
	17,043	0	76.80	05/08/2015				
	60,000	0	87.35	05/09/2016				
	35,441	0	84.78	05/08/2017				
	47,528	0	77.18	05/13/2018				
	58,772	0	54.11	02/08/2019				
	38,391	19,196(1)	78.72	02/07/2020				
	16,531	33,064(2)	89.47	02/08/2021				
	0	46,314(3)	87.89	02/07/2022				
					3,388(5)	314,576		
					2,720(6)	252,552		
Brad T. Sauer							8,499(9)	789,132
							9,292(10)	862,762
	3,621	0	96.83	05/13/2013				
	974	0	84.40	05/09/2014				
	20,380	0	96.83	05/09/2014				
	16,556	0	88.67	05/09/2014				
	63,122	0	76.80	05/08/2015				
	52,000	0	87.35	05/09/2016				
	38,979	0	84.78	05/08/2017				
	45,508	0	77.18	05/13/2018				
	59,216	0	54.11	02/08/2019				
	33,443	16,723(1)	78.72	02/07/2020				
	14,519	29,041(2)	89.47	02/08/2021				
	0	33,345(3)	87.89	02/07/2022				
					3,388(5)	314,576		

FOOTNOTES TO 2012 OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END TABLE

(1) These stock options vested in full on February 9, 2013.

(2) These stock options vested or will vest in installments of one-half on February 8, 2013, and February 8, 2014.

(3) These stock options vested or will vest in installments of one-third on each of February 7, 2013, February 7, 2014, and February 7, 2015.

(4) These stock options will vest in installments of one-third on each of November 1, 2015, November 1, 2016, and November 1, 2017, or immediately in the event of the termination of Mr. Fong's employment by the Company without cause.

(5) These restricted stock units vested in full on February 9, 2013.

(6) These restricted stock units will vest in full on January 2, 2014.

(7) These restricted stock units will vest in full on September 1, 2013.

(8) These restricted stock units will vest in full on November 1, 2016, or immediately in the event of the termination of Mr. Fong's employment by the Company without cause.

(9) The shares of 3M common stock to be delivered as a result of the Company's performance over the three-year performance period ending December 31, 2013, will not vest until December 31, 2013. Under the terms of the 2008 Long-Term Incentive Plan, these shares of 3M common stock will be delivered no later than March 15, 2014. In accordance with the Securities and Exchange Commission's regulations, the number of shares and payout value for the performance shares granted in 2011 reflect the target payout under the formula for this grant since the Company's performance during the first two years of the three-year performance period has exceeded the threshold levels for this grant.

(10) The shares of 3M common stock to be delivered as a result of the Company's performance over the three-year performance period ending December 31, 2014, will not vest until December 31, 2014. Under the terms of the 2008 Long-Term Incentive Plan, these shares of 3M common stock will be delivered no later than March 15, 2015. In accordance with the Securities and Exchange Commission's regulations, the number of shares and payout value for the performance shares granted in 2012 reflect the target payout under the formula for this grant since the Company's performance during the first year of the three-year performance period has exceeded the threshold levels for this grant.

2012 OPTION EXERCISES AND STOCK VESTED TABLE

	Option Exercises and Stock Vested			
	Option Awards		Stock Awards	
Name	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise ($)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting ($)
Inge G. Thulin	14,691(1)	339,362	54,411(6)	4,951,299
George W. Buckley	459,312(2)	12,253,871	162,537(7)	15,300,046
David W. Meline	16,636(3)	560,509	20,770(8)	1,988,859
Ivan K. Fong	0	0	1,031(9)	104,636
Hak Cheol Shin	27,036(4)	655,659	61,374(10)	5,670,858
Brad T. Sauer	70,413(5)	824,710	54,778(11)	4,983,552

FOOTNOTES TO 2012 OPTION EXERCISES
AND STOCK VESTED TABLE

(1) The stock options exercised by Mr. Thulin were granted on May 14, 2002, and had an exercise price of $64.50. Of this total number of options exercised, Mr. Thulin retained a total of 2,220 additional shares of 3M common stock after tax withholding and payment of the exercise price for these options.

(2) The stock options exercised by Mr. Buckley were granted between May 13, 2008, and February 9, 2009, and had exercise prices between $54.11 and $77.18. Mr. Buckley did not retain any additional shares of 3M common stock as a result of these option exercises.

(3) The stock options exercised by Mr. Meline were granted on February 9, 2009, and had an exercise price of $54.11. Of this total number of options exercised, Mr. Meline retained a total of 3,648 additional shares of 3M common stock after tax withholding and payment of the exercise price for these options.

(4) The stock options exercised by Mr. Shin were granted between May 14, 2002, and May 13, 2003, and had exercise prices between $61.85 and $64.50. Of this total number of options exercised, Mr. Shin retained a total of 4,289 additional shares of 3M common stock after tax withholding and payment of the exercise prices for these options.

(5) The stock options exercised by Mr. Sauer were granted between May 14, 2002, and May 4, 2010, and had exercise prices between $64.50 and $88.65. Of this total number of options exercised, Mr. Sauer retained a total of 3,588 additional shares of 3M common stock after tax withholding and payment of the exercise prices for these options.

(6) These shares were acquired by Mr. Thulin upon the vesting of restricted stock units granted to him under the 2005 Management Stock Ownership Program and the 2008 Long-Term Incentive Plan, and upon the vesting of performance shares granted to him under the 2008 Long-Term Incentive Plan. Of this total number of shares, 25,481 were attributable to restricted stock units granted on March 3, 2008, 12,664 were attributable to restricted stock units granted on February 9, 2009, 3,294 were attributable to restricted stock units granted on February 9, 2010, and 12,972 were attributable to his 2010 performance shares for which the three-year performance period was completed on December 31, 2012.

(7) These shares were acquired by Mr. Buckley upon the vesting of restricted stock units granted to him under the 2008 Long-Term Incentive Plan, and upon the vesting of performance shares granted to him under the 2008 Long-Term Incentive Plan. Of this total number of shares, 70,477 were attributable to restricted stock units granted on February 9, 2009, 1,355 were attributable to restricted stock units granted on September 1, 2009, 16,581 were attributable to restricted stock units granted on February 9, 2010, and 74,124 were attributable to his 2010 performance shares for which the three-year performance period was completed on December 31, 2012.

(8) These shares were acquired by Mr. Meline upon the vesting of restricted stock units granted to him under the 2008 Long-Term Incentive Plan, and upon the vesting of performance shares granted to him under the 2008 Long-Term Incentive Plan. Of this total number of shares, 4,159 were attributable to restricted stock units granted on February 9, 2009, 847 were attributable to restricted stock units granted on February 9, 2010, 3,835 were attributable to restricted stock units granted on April 1, 2011, and 11,929 were attributable to his 2010 performance shares for which the three-year performance period was completed on December 31, 2012.

(9) These shares were acquired by Mr. Fong upon the vesting of performance shares granted to him under the 2008 Long-Term Incentive Plan. All 1,031 of these shares were attributable to his 2010 performance shares for which the three-year performance period was completed on December 31, 2012.

(10) These shares were acquired by Mr. Shin upon the vesting of restricted stock units granted to him under the 2008 Long-Term Incentive Plan, and upon the vesting of performance shares granted to him under the 2008 Long-Term Incentive Plan. Of this total number of shares, 32,077 were attributable to restricted stock units granted on December 1, 2008, 12,937 were attributable to restricted stock units granted on February 9, 2009, 3,388 were attributable to restricted stock units granted on February 9, 2010, and 12,972 were attributable to his 2010 performance shares for which the three-year performance period was completed on December 31, 2012.

(11) These shares were acquired by Mr. Sauer upon the vesting of restricted stock units granted to him under the 2005 Management Stock Ownership Program and the 2008 Long-Term Incentive Plan, and upon the vesting of performance shares granted to him under the 2008 Long-Term Incentive Plan. Of this total number of shares, 25,481 were attributable to restricted stock units granted on March 3, 2008, 12,937 were attributable to restricted stock units granted on February 9, 2009, 3,388 were attributable to restricted stock units granted on February 9, 2010, and 12,972 were attributable to his 2010 performance shares for which the three-year performance period was completed on December 31, 2012.

PENSION BENEFITS

The following table shows the present value of the accumulated benefits payable to each of the Named Executive Officers, as well as the number of years of service credited to each individual, under each of the Company's defined benefit pension plans (including any supplemental arrangements pursuant to their employment agreements) determined using the same interest rate and mortality assumptions as those used for financial statement reporting purposes. See Note 10 to the Company's audited financial statements for the fiscal year ended December 31, 2012, included in the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission on February 14, 2013.

2012 Pension Benefits Table

Name	Plan Name	Number of Years Credited Service (#)	Present Value of Accumulated Benefits ($)	Payments During Last Fiscal Year ($)
Inge G. Thulin	Employee Retirement Income Plan	33	1,556,554*	0
	Nonqualified Pension Plan	33	8,643,354	0
George W. Buckley	Employee Retirement Income Plan	7	301,332	12,159
	Nonqualified Pension Plan	7	6,709,722	258,480
	Supplemental Retirement Plan	7	21,664,331	834,578
David W. Meline	Employee Retirement Income Plan	4	170,709	0
	Nonqualified Pension Plan	4	549,617	0
Ivan K. Fong	None			
Hak Cheol Shin	Employee Retirement Income Plan	28	1,145,346	0
	Nonqualified Pension Plan	28	3,890,906	0
Brad T. Sauer	Employee Retirement Income Plan	30	1,133,367	0
	Nonqualified Pension Plan	30	3,426,461	0

* A portion of Mr. Thulin's benefits will actually be paid by a pension plan maintained by the Company's subsidiary in Sweden (based on the years he was employed in Sweden before transferring to the United States), and the amount paid by this plan in Sweden will reduce the amount paid by the ERIP.

The Employee Retirement Income Plan (''ERIP'') is a tax-qualified defined benefit pension plan maintained by 3M for its eligible employees in the United States. Effective January 1, 2001, the Company amended the ERIP to include a pension equity formula for (1) employees hired or rehired on or after January 1, 2001, and (2) employees who voluntarily elected the pension equity formula during the one-time choice election period in 2001. The ERIP was closed to new participants effective January 1, 2009, meaning that employees hired or rehired on or after January 1, 2009 (including Mr. Fong), do not participate in the plan. Of the Named Executive Officers, Mr. Thulin, Mr. Shin, and Mr. Sauer participate under the non-pension equity formula of the ERIP (the Portfolio I Plan), while Mr. Buckley and Mr. Meline participate under the pension equity formula of the ERIP (the Portfolio II Plan). Retirement benefits under the ERIP are based on an employee's years of service and average annual earnings during the employee's four highest-paid consecutive years of service. As applied to the Named Executive Officers, earnings for purposes of the ERIP include base salary and annual incentive compensation. All benefits earned under the ERIP by the Named Executive Officers will be payable in the form of life annuities.

Under the Portfolio I Plan, employees earn annual benefits payable at retirement generally equal to 1.15 percent of their high-four average annual earnings multiplied by their years of service plus 0.35 percent of their high-four average annual earnings in excess of a Social Security breakpoint multiplied by their years of service (up to a maximum of 35 years). The Social Security breakpoint is an average of the Social Security taxable wage bases for each of the 35 years ending with the year each employee qualifies for receiving unreduced Social Security retirement benefits. Under the Portfolio I Plan, an employee may retire with an unreduced pension at age 60 (61 or 62 for employees born after 1942) and if the employee's age and service at the time of retirement total at least 90 (91 or 92 for employees born after 1942) the employee would receive a Social Security bridge payment until age 62. Mr. Thulin and Mr. Shin are eligible to retire with reduced early retirement benefits under the Portfolio I Plan, with the reduction being equal to 5 percent of the pension otherwise payable for each year that they retire prior to age 61.

Under the Portfolio II Plan, employees earn pension credits (from 3 percent to 12 percent) for each year of employment based on their age and accumulated years of service under the Plan. Once their employment ends, these accumulated pension credits are multiplied by their high-four average annual earnings and added to an amount determined by multiplying one-half of these accumulated pension credits by their high-four average annual earnings in excess of a Social Security integration level (70 percent of the Social Security taxable wage base in the year employment ends). The sum of these two amounts is then converted into an annuity payable over the lifetime of the employee using fixed conversion factors. The Portfolio II Plan does not provide any subsidies for early retirement.

As a tax-qualified plan, the ERIP is subject to a variety of limits that apply to both the amount of any employee's earnings that may be considered when determining the benefits earned under the plan as well as the maximum amount of benefits that any employee may earn. The Nonqualified Pension Plan is designed to provide additional benefits to employees, including the Named Executive Officers, affected by these limits. The amount of benefits earned under this Nonqualified Pension Plan generally equal the amount of benefits an employee was not able to earn under the ERIP as a result of the limits imposed by Federal tax laws. The benefits earned under this Nonqualified Pension Plan are generally paid in the form of a single lump-sum cash payment following the termination of their employment (subject to any applicable delay under Federal tax laws). Current employees were given a one-time opportunity during 2008 to elect to receive their benefits earned under this Nonqualified Pension Plan in the form of a life annuity following their retirement, and both Mr. Buckley and Mr. Meline elected to receive their benefits in the form of a life annuity.

Mr. Buckley also earned supplemental retirement benefits pursuant to his now-expired employment agreement with the Company. These supplemental benefits, which were negotiated at the time he agreed to leave his previous employer and join 3M, were designed to replace the pension benefits he failed to earn under the plan of his previous employer because his accrued benefits under that plan do not grow with future increases in compensation. These supplemental benefits are payable in the form of a life annuity.

NONQUALIFIED DEFERRED COMPENSATION

The following table reflects the participation during 2012 by the Named Executive Officers in three nonqualified deferred compensation plans offered by the Company. The Deferred Compensation Excess Plan allows eligible employees to defer for a number of years or until retirement from the Company the receipt of base salary and the portion of their annual incentive compensation paid in cash. The Performance Awards Deferred Compensation Plan allows eligible employees to defer for a number of years or until retirement from the Company the payout of their performance share or performance unit awards under the 2008 Long-Term Incentive Plan. The VIP Excess Plan allows eligible employees to defer until retirement from the Company the receipt of base salary and annual incentive compensation. All three plans generally allow the eligible employees to elect to receive payment of their account balances in the form of either a single lump sum payment or in up to ten annual installments. With the exception of deferrals of performance shares under the Performance Awards Deferred Compensation Plan, earnings are credited to the amounts deferred under all three plans based on the returns paid on the investment funds available to participants in 3M's qualified 401(k) plan or a fixed rate of return based on corporate bond yields (as selected by each participant). Earnings are credited to the deferrals of performance shares under the Performance Awards Deferred Compensation Plan based on the return on shares of 3M common stock, including reinvested dividends.

2012 Nonqualified Deferred Compensation Table

Name	Executive Contributions in Last FY ($)(1)	Registrant Contributions in Last FY ($)(2)	Aggregate Earnings in Last FY ($)(3)	Aggregate Withdrawals/ Distributions ($)	Aggregate Balance at Last FYE ($)(4)
Inge G. Thulin					
VIP Excess Plan	100,107	60,064	10,830	0	448,059
George W. Buckley					
VIP Excess Plan	232,728	149,290	411,772	0	3,293,407
Performance Awards Deferred Compensation Plan	0	0	1,638,519	0	12,294,050
David W. Meline					
VIP Excess Plan	73,186	40,080	55,562	0	485,332
Performance Awards Deferred Compensation Plan	0	0	110,018	0	752,939
Deferred Compensation Excess Plan	0	0	105,125	0	721,221
Ivan K. Fong					
None					
Hak Cheol Shin					
VIP Excess Plan	52,087	31,253	71,009	0	778,848
Brad T. Sauer					
VIP Excess Plan	53,415	27,213	8,549	0	326,807

FOOTNOTES TO 2012 NONQUALIFIED DEFERRED COMPENSATION TABLE

(1) With the exception of the amounts contributed during 2012 by Mr. Sauer from the payout of his annual incentive compensation earned during 2011, all amounts contributed by these individuals during 2012 have been included in the Summary Compensation Table as Salary or Non-Equity Incentive Plan Compensation earned in 2011 or 2012. Since Mr. Sauer was not a Named Executive Officer for 2011, the

Summary Compensation Table does not reflect any of his 2011 annual incentive compensation from which these contributions were made during 2012.

(2) All amounts contributed by the Company on behalf of these individuals during 2012 are included in the ‘‘All Other Compensation’’ column of the Summary Compensation Table.

(3) None of these amounts is included in the Summary Compensation Table as compensation earned in 2012.

(4) Of the amounts reported in this column, $265,325 of Mr. Thulin’s balance at the end of 2012, $11,366,033 of Mr. Buckley’s balances at the end of 2012, $93,163 of Mr. Meline’s balances at the end of 2012, $10,315 of Mr. Shin’s balance at the end of 2012, and $45,792 of Mr. Sauer’s balance at the end of 2012 were reported previously as compensation in the Company’s Summary Compensation Table for prior years.

POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE IN CONTROL

As reflected in the Compensation Discussion and Analysis portion of this Proxy Statement, 3M has no employment agreements with any of the Named Executive Officers nor does it have any severance or change in control plans or arrangements that would provide severance benefits to any of the Named Executive Officers in the event of the termination of their employment or a change in control of the Company. However, certain of the Company's executive compensation and benefit plans provide all participants (including the Named Executive Officers) with certain rights or the right to receive payments in the event of the termination of their employment or upon a change in control of the Company. The terms applicable to these potential rights or payments in various situations are described below. Payments or benefits under other plans and arrangements that are generally provided on a non-discriminatory basis to all similarly situated employees of the Company upon the termination of their employment are not described, including (a) accrued base salary; (b) annual incentive earned with respect to completed performance periods; (c) retiree welfare benefits provided to substantially all of the Company's U.S. employees, including retiree medical and dental benefits; (d) distribution of vested account balances under the Company's qualified 401(k) plan; (e) accrued pension benefits under the Company's defined benefit pension plans payable following an employee's retirement or other termination of employment (the amounts of these benefits earned by the Named Executive Officers are reported in the 2012 Pension Benefits Table); and (f) distribution of account balances under the Company's nonqualified deferred compensation plans (the amount of these account balances of the Named Executive Officers are reported in the 2012 Nonqualified Deferred Compensation Table).

Right and Payments upon Retirement

Following retirement (termination of employment after attaining age 55 with at least five years of employment service with the Company), the Named Executive Officers are entitled to receive:

- continued vesting of stock options previously granted under the Company's stock plans, and the opportunity to exercise vested stock options previously granted under such plans during the remainder of the original term (up to 10 years) of such options;
- continued vesting of restricted stock and restricted stock units previously granted under the Company's stock plans;
- for those Named Executive Officers whose initial appointment to a 3M executive position occurred prior to January 1, 2006, payment for all previously granted performance shares upon completion of the respective three-year performance period (prorated to reflect the portion of the year worked only with respect to the performance shares granted in the year of retirement); and
- for those Named Executive Officers whose initial appointment to a 3M executive position occurred on or after January 1, 2006, payment for all previously granted performance shares upon completion of the respective three-year performance period (prorated to reflect the portion of the three-year performance period that occurred prior to the date of the Named Executive Officer's retirement).

Rights and Payments upon Termination due to Death or Disability

In the event of the termination of their employment due to death or disability, the Named Executive Officers are entitled to receive:

- in the event of termination due to disability, continued vesting of stock options previously granted under the Company's stock plans, and the opportunity to exercise vested stock options previously granted under such plans during the remainder of the original term (up to 10 years) of such options;
- in the event of termination due to disability, immediate vesting of all restricted stock and restricted stock units previously granted under the Company's stock plans;

- in the event of termination due to death, immediate vesting of all unvested stock options, restricted stock and restricted stock units previously granted under the Company's stock plans, and the opportunity for the Named Executive Officer's estate or beneficiaries to exercise all vested stock options within the two years following the date of death (but not beyond the original expiration date of any such stock option);
- in the event of termination due to disability, payment for all previously granted performance shares upon completion of the respective three-year performance period;
- in the event of termination due to death, payment to the Named Executive Officer's estate or beneficiaries no later than March 15 of the year following the year in which the Named Executive Officer died for all previously granted performance shares (in the same amount as paid for the performance shares granted to other Named Executive Officers if the date of death occurs after the end of the three-year performance period for such shares, and at the lesser of the target value or such other amount as determined by the Committee in its discretion if the date of death occurs before the end of the three-year performance period for such shares); and
- in the event of termination due to death, payment to the Named Executive Officer's beneficiaries of the proceeds from the life insurance policies provided for such Named Executive Officer pursuant to the Company's Executive Life Insurance Plan.

Rights and Payments upon Termination for any other reason

In the event of the termination of their employment for any reason other than retirement, death, or disability, the Named Executive Officers are entitled to receive:

- the opportunity to exercise vested stock options granted under the Company's stock plans within the first 90 days following the termination date (but beyond the original expiration date of any such stock option), at which time any remaining vested stock options are forfeited; and
- all unvested stock options, restricted stock, restricted stock units, and performance shares are forfeited immediately (with the exception of the stock options and restricted stock units granted to Mr. Fong on November 1, 2012, which vest immediately upon the termination of his employment by the Company without cause).

Rights and Payments upon a Change in Control

In the event of a change in control of the Company (as defined for purposes of Section 409A of the Internal Revenue Code), the Named Executive Officers are entitled to receive:

- for awards with a grant date prior to February 9, 2010, the immediate vesting of all outstanding stock options, restricted stock, and restricted stock units granted under the Company's stock plans and the immediate termination and payout of all outstanding performance shares; and
- in the event of the termination of a Named Executive Officer's employment without Cause or if the Named Executive Officer resigns for Good Reason within 18 months following a change in control, the immediate vesting of all outstanding stock options, restricted stock, and restricted stock units granted under the Company's stock plans with a grant date of February 9, 2010, or later and the immediate termination and payout of all outstanding performance shares.

For purposes of these awards, ''Cause'' means a material violation of any policy of the Company, or embezzlement or theft of property belonging to the Company, and ''Good Reason'' means (i) a material diminution in the Named Executive Officer's position, authority, duties, or responsibilities as in effect immediately prior to the change in control, (ii) a material diminution in the Named Executive Officer's base salary or annual planned cash compensation, or (iii) a material change in the geographic location at which the Named Executive Officer is required to perform services for the Company.

The amounts payable to or on behalf of each of the Named Executive Officers in each of the above situations is reflected in the following table, assuming that each individual's employment had terminated and/or a change in control of the Company had occurred on December 31, 2012. As of December 31, 2012, Mr. Thulin and Mr. Shin were eligible to retire (as that term is defined for purposes of 3M's stock plans). Mr. Buckley retired from the Company effective June 1, 2012.

2012 Potential Payments upon Termination or Change in Control Table

Name	Triggering Event	Outstanding Performance Share Awards ($)(1)	Unvested RSUs ($)(2)	Unvested Options ($)(3)	Life Insurance Proceeds ($)(4)	Total ($)
Inge G. Thulin	Retirement	0	0	0	0	0
	Death	6,218,072	308,076	1,350,283	8,900,000	16,776,431
	Termination due to disability	0	308,076	0	0	308,076
	Resignation for Good Reason/ Non-Cause Termination within 18 months following Change in Control	2,265,799	308,076	1,350,283	0	3,924,158
George W. Buckley	Retirement	0	0	0	0	0
David W. Meline	Death	2,508,436	753,478	382,269	2,760,883	6,405,066
	Termination due to disability	0	753,478	0	0	753,478
	Termination for other reason	0	0	0	0	0
	Resignation for Good Reason/ Non-Cause Termination within 18 months following Change in Control	1,025,376	753,478	382,269	0	2,161,123
Ivan K. Fong	Death	926,829	1,040,384	181,523	2,310,000	4,458,736
	Termination due to disability	0	1,040,384	0	0	1,040,384
	Termination for other reason	0	1,040,384(5)	181,523(5)	0	1,221,907
	Resignation for Good Reason/ Non-Cause Termination within 18 months following Change in Control	358,192	1,040,384	181,523	0	1,580,099
Hak Cheol Shin	Retirement	0	0	0	0	0
	Death	1,651,894	567,128	612,712	2,288,000	5,119,734
	Termination due to disability	0	567,128	0	0	567,128
	Resignation for Good Reason/ Non-Cause Termination within 18 months following Change in Control	704,141	567,128	612,712	0	1,883,981
Brad T. Sauer	Death	1,651,894	314,576	499,846	2,093,700	4,560,016
	Termination due to disability	0	314,576	0	0	314,576
	Termination for other reason	0	0	0	0	0
	Resignation for Good Reason/ Non-Cause Termination within 18 months following Change in Control	704,141	314,576	499,846	0	1,518,563

FOOTNOTES TO 2012 POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE IN CONTROL TABLE

(1) The amounts in this column reflect the value of performance share awards under the 2008 Long-Term Incentive Plan for which the three-year performance period has not been completed (adjusted to reflect the closing market price of 3M common stock on December 31, 2012), and which would be paid upon the occurrence of the respective triggering events in accordance with the provisions of the Plan.

(2) The amounts in this column reflect the value of unvested 3M restricted stock units that would vest upon the occurrence of the respective triggering events in accordance with the provisions of the 2008 Long-Term Incentive Plan. Share values are based on the closing market price of 3M common stock on December 31, 2012 ($92.85).

(3) The amounts in this column reflect the spread value on December 31, 2012, of unvested, in-the-money 3M stock options that will vest upon the occurrence of the respective triggering events in accordance with the provisions of the 2008 Long-Term Incentive Plan. Spread values are based on the closing market price of 3M common stock on December 31, 2012 ($92.85).

(4) The amounts in this column reflect the life insurance proceeds that would be payable to each individual's beneficiary or beneficiaries pursuant to the universal life insurance policies obtained for them under the Executive Life Insurance Plan.

(5) Assumes that Mr. Fong's employment was terminated by the Company without cause. These amounts would be zero in the event that the termination was for cause (the unvested RSUs and stock options would be forfeited).

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

The members of the Compensation Committee are named in the preceding section. No members of the Compensation Committee were officers or employees of 3M or any of its subsidiaries during the year, were formerly 3M officers (except that Robert S. Morrison served as interim Chairman of the Board and Chief Executive Officer from June 30, 2005, to December 6, 2005), or had any relationship otherwise requiring disclosure.