

3M CO
Form DEF 14A
March 21, 2018
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

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

Filed by the Registrant

Filed by a Party other than the Registrant

CHECK THE APPROPRIATE BOX:

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

3M Company

(Name of Registrant as Specified In Its Charter)
(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

PAYMENT OF FILING FEE (CHECK THE APPROPRIATE BOX):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

- 1) Title of each class of securities to which transaction applies:
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 - 2) Form, Schedule or Registration Statement No.:
 - 3) Filing Party:
 - 4) Date Filed:
-

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2018

Notice of Annual Meeting
& Proxy Statement

TIME AND DATE

8:30 a.m., Eastern Daylight Time
Tuesday, May 8, 2018

PLACE

Conrad Indianapolis
50 West Washington Street
Indianapolis, Indiana 46204

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Inge G. Thulin

*Chairman of the Board, President and
Chief Executive Officer*

March 21, 2018

DEAR STOCKHOLDER:

We are pleased to invite you to attend 3M's Annual Meeting of Stockholders, which will be held on Tuesday, May 8, 2018, at 8:30 a.m., Eastern Daylight Time at the Conrad Indianapolis, 50 West Washington Street, Indianapolis, Indiana 46204. Aearo Technologies, an important part of our industry-leading Personal Safety business, is headquartered in Indianapolis, and we are excited about having our Annual Meeting in Indianapolis for the second time. We will also provide a live webcast of the meeting.

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

We sincerely hope you will be able to join us at the Annual Meeting. For information on how to attend the Annual Meeting, or listen to the live webcast, please read "Annual Meeting Admission" on page 78 of the accompanying Proxy Statement. Your vote is important. Whether or not you plan to attend the Annual Meeting, please vote as soon as possible. You may vote your proxy on the Internet, by telephone, or, if this Proxy Statement was mailed to you, by completing and mailing the enclosed traditional proxy card. Please review the instructions on the proxy card or the electronic proxy material delivery notice regarding each of these voting options.

Thank you for your ongoing support of 3M.

Sincerely,

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Notice of 2018 Annual Meeting of Stockholders

Time and Date	Place
8:30 a.m., Eastern Daylight Time Tuesday, May 8, 2018	Conrad Indianapolis 50 West Washington Street Indianapolis, Indiana 46204

Items of Business

1. Elect the twelve directors identified in the Proxy Statement, each for a term of one year.
2. Ratify the appointment of PricewaterhouseCoopers LLP as 3M's independent registered public accounting firm for 2018.
3. Approve, on an advisory basis, the compensation of our named executive officers.
4. Consider two stockholder proposals, if properly presented at the meeting.
5. Transact such other business as may properly come before the Annual Meeting and any adjournment or postponement.

Record Date

You are entitled to vote if you were a stockholder of record at the close of business on Tuesday, March 13, 2018.

Adjournments and Postponements

Any action on the items of business described above may be considered at the Annual Meeting at the time and on the date specified above or at any time and date to which the Annual Meeting may be properly adjourned or postponed.

Annual Report

Our 2017 Annual Report, which is not part of the proxy soliciting materials, is enclosed if the proxy materials were mailed to you. The Annual Report is accessible on the Internet by visiting www.proxyvote.com, if you have received

the Notice of Internet Availability of Proxy Materials, or previously consented to the electronic delivery of proxy materials.

By Order of the Board of Directors,

Gregg M. Larson

Vice President, Deputy General Counsel and Secretary

3M Company

3M Center, St. Paul, Minnesota 55144

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PROPOSALS	THE BOARD'S VOTING RECOMMENDATIONS	RATIONALE FOR SUPPORT	FOR FURTHER DETAILS
1. Elect the twelve directors identified in this Proxy Statement, each for a term of one year.	"FOR" each nominee to the Board	Our nominees are distinguished leaders who bring a mix of skills and qualifications to the Board and can represent the interests of all stockholders.	Page 6
2. Ratify the appointment of PricewaterhouseCoopers LLP as 3M's independent registered public accounting firm for 2018.	"FOR"	Based on its assessment of the qualifications and performance of PricewaterhouseCoopers LLP ("PwC") the Audit Committee believes that it is in the best interests of the Company and its stockholders to retain PwC.	Page 34
3. Approve, on an advisory basis, the compensation of our named executive officers.	"FOR"	Our executive compensation program appropriately aligns our executives' compensation with the performance of the Company and its business units as well as their individual performance.	Page 37
4. Stockholder proposal on special shareholder meetings, if properly presented at the meeting.	"AGAINST"	See the Board's opposition statement.	Page 71
5. Stockholder proposal on setting target amounts for CEO compensation, if properly presented at the meeting.	"AGAINST"	See the Board's opposition statement.	Page 73

How to Vote

Whether or not you plan to attend the meeting, please provide your proxy by either using the Internet or telephone as further explained in this Proxy Statement or filling in, signing, dating, and promptly mailing a proxy card.

BY TELEPHONE

In the U.S. or Canada, you can vote your shares toll-free by calling 1-800-690-6903.

BY INTERNET

You can vote your shares online at www.proxyvote.com.

BY MAIL

You can vote by mail by marking, dating, and signing your proxy card or voting instruction form and returning it in the postage-paid envelope.

ATTENDING THE MEETING

If you wish to attend the Annual Meeting in person, you will need to RSVP and print your admission ticket at www.proxyvote.com. An admission ticket together with a valid government issued photo identification must be presented in order to be admitted to the Annual Meeting. Please refer to the section entitled “Annual Meeting Admission” on page 78 of the Proxy Statement for further details.

Important Notice regarding the availability of proxy materials for the Annual Meeting of Stockholders to be held on May 8, 2018.

The Notice of Annual Meeting, Proxy Statement, and 2017 Annual Report are available at www.proxyvote.com. Enter the 16-digit control number located in the box next to the arrow on the Notice of Internet Availability of Proxy Materials or proxy card to view these materials.

THIS PROXY STATEMENT AND PROXY CARD, OR THE NOTICE OF INTERNET AVAILABILITY OF PROXY MATERIALS, ARE BEING DISTRIBUTED TO STOCKHOLDERS ON OR ABOUT MARCH 21, 2018.

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HIGHLIGHTS****Director Nominees**

DIRECTOR NOMINEE AND OCCUPATION	DIRECTOR		INDEPENDENT	OTHER CURRENT PUBLIC BOARDS	3M COMMITTEES A C F N&G
	AGE	SINCE			
Sondra L. Barbour Retired Executive Vice President, Information Systems and Global Solutions, Lockheed Martin Corporation	55	2014	YES		
Thomas “Tony” K. Brown Retired Group Vice President, Global Purchasing, Ford Motor Company	62	2013	YES	- ConAgra Foods, Inc. - Tower International, Inc. (non-executive chair)	
David B. Dillon Retired Chairman of the Board and Chief Executive Officer, The Kroger Co.	66	2015	YES	- Union Pacific Corporation - The Allstate Corporation	
Michael L. Eskew Independent Lead Director Retired Chairman of the Board and Chief Executive Officer, United Parcel Service, Inc.	68	2003	YES	- Eli Lilly and Company - International Business Machines Corporation (presiding director)	
Herbert L. Henkel Retired Chairman of the Board and Chief Executive Officer, Ingersoll-Rand plc	69	2007	YES	- Herc Holdings, Inc. (non-executive chair)	
Amy E. Hood Executive Vice President and Chief Financial Officer, Microsoft Corporation	46	2017	YES		
Muhtar Kent Chairman of the Board and former	65	2013	YES	- The Coca-Cola Company	

Chief Executive Officer, The Coca-Cola Company					- Abbott Laboratories	
Edward M. Liddy Retired Chairman of the Board and Chief Executive Officer, The Allstate Corporation	72	2000	YES		- AbbVie, Inc. - The Boeing Company - Deere & Company	
Gregory R. Page Retired Chairman of the Board and Chief Executive Officer, Cargill	66	2016	YES		- Eaton Corporation plc	
Michael F. Roman Chief Operating Officer and Executive Vice President 3M Company	58	New Nominee	NO			
Inge G. Thulin Chairman of the Board, President and Chief Executive Officer, 3M Company	64	2012	NO		- Chevron Corporation - Merck & Co., Inc.	
Patricia A. Woertz Retired Chairman of the Board and Chief Executive Officer, Archer-Daniels-Midland Company	65	2016	YES		- The Procter & Gamble Company	
A: Audit C: Compensation				F: Finance N&G: Nominating and Governance		Chair Member

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Corporate Governance Highlights

BOARD SIZE AND INDEPENDENCE

11 out of 12 Directors are independent

INDEPENDENT LEAD DIRECTOR

Independent Lead Director with robust authority

Combined Chairman and CEO positions

MEETING ATTENDANCE

98%

Overall attendance at Board and committee meetings

There were SEVEN Board meetings in 2017

DIRECTOR TENURE DIRECTOR AGE OTHER PUBLIC COMPANY BOARDS

The Corporate Governance Highlights above reflect the Board’s current 12 directors. One of the directors, Vance D. Coffman, is no longer eligible to stand for re-election as he has reached the mandatory retirement age.

DIRECTOR NOMINEES – DIVERSITY OF SKILLS AND EXPERIENCE

The Nominating and Governance Committee identifies, reviews, and recommends nominees to the Board for approval. The Committee seeks individuals with distinguished records of leadership and success and who will make substantial contributions to Board operations and effectively represent the interests of all stockholders. The Committee considers a wide range of factors and experiences, including ensuring an experienced, qualified Board with expertise in the following key areas most relevant to 3M. The numbers in parentheses represent the number of director nominees who the Committee believes possess each of the skills and experiences.

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Significant Corporate Governance Actions

We recently implemented several changes that demonstrate our ongoing commitment to strong corporate governance practices:

Board Refreshment

We regularly add directors to infuse new ideas and fresh perspectives into the boardroom. In the past five years, seven new independent directors have joined our Board. In recruiting directors, we focus on how the experience and skill set of each individual complements those of their fellow directors to create a balanced board with diverse viewpoints and backgrounds, deep expertise, and strong leadership experience. Amy E. Hood joined the Board in August 2017. Amy Hood is Executive Vice President and Chief Financial Officer of Microsoft Corporation, responsible for leading the worldwide finance organization, including acquisitions, treasury activities, tax planning, accounting and reporting, and internal audit and investor relations. She brings tremendous skill and experience to the Board, especially in strategic business development, finance and digitization.

Stockholder Engagement

We maintain a vigorous stockholder engagement program. During 2017, members of senior management met with a cross-section of stockholders owning approximately 35 percent of our outstanding shares or approximately 50 percent of our institutional stockholders. The meetings included an overview of the Company and a discussion of the Company's practices on corporate governance. Staff from our sustainability organization also attended these meetings and summarized 3M's more than 40 years of environmental stewardship. The feedback from these meetings was shared with the Board of Directors and helped inform the Board on corporate governance practices and trends.

Executive Compensation

2017 Financial Performance and Business Highlights

For 3M, 2017 was a year of strong financial performance achieved through solid growth and disciplined execution. Given the impact that the Tax Cuts and Jobs Act of 2017 (the "U.S. Tax Reform Legislation") and a related \$600 million pension contribution had on the Company's 2017 financial performance, our results are shown below both as determined in accordance with GAAP (to the extent applicable) and excluding the impact of certain items stemming from the U.S. Tax Reform Legislation and 3M's related pension contribution.

	RESULTS DETERMINED IN ACCORDANCE WITH GAAP (TO THE EXTENT APPLICABLE)	RESULTS EXCLUDING IMPACT OF TAX REFORM AND RELATED PENSION CONTRIBUTION	
EARNINGS PER SHARE GROWTH	-2.8%	+12.4%*	Excluding the impact of the U.S. Tax Reform Legislation, earnings per share grew from \$8.16 in 2016 to \$9.17 in 2017
ORGANIC LOCAL CURRENCY SALES GROWTH	+5.2%	+5.2%	Expanded full-year operating income margins 70 basis points to 24.7 percent Strong growth exceeding the external market
RETURN ON INVESTED CAPITAL	21.3%*	24.5%*	Positive organic growth across all Business Groups and geographic areas Efficiently deploying capital across the business
FREE CASH FLOW CONVERSION	100.2%*	97.3%*	Fifth consecutive year of at least 20 percent Including the impact of the U.S. Tax Reform Legislation and 3M's related pension contribution, fourth consecutive year of 100 percent or above

** See Appendix A to this Proxy Statement for a reconciliation of earnings per share, free cash flow and free cash flow conversion to our results for the most directly comparable financial measures as reported under generally accepted accounting principles in the United States and the calculation of return on invested capital as shown here.*

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We believe that our ability to deliver consistent results over time is reflected in our total stockholder return, which was in the top half of our executive compensation peer group for the one-, three-, and five-year periods ending on December 31, 2017. For additional information, see “Total Stockholder Return” on page 41 of this Proxy Statement.

Other noteworthy accomplishments include the following:

Enhanced 3M’s array of safety products and solutions through the acquisition of Scott Safety, making us even more relevant to our customers worldwide;

Awarded a record total of 4,168 patents from patent offices around the world in 2017, including 708 patents granted to 3M by the United States Patent and Trademark Office, which brings to more than 113,000 the total number of patents awarded to 3M in its corporate history;

Strengthened our portfolio going forward by completing or announcing the divestiture of all or substantially all of four businesses that no longer align with our strategic objectives: identity management, electronic monitoring, tolling and automated license/number plate recognition and optical fiber and copper passive connectivity solutions for the telecommunications industry;

Recognized by Ethisphere® as one of the World’s Most™ Ethical Companies® for the fifth consecutive year;

Nearly completed the rollout of the enterprise resource planning (ERP) system in West Europe, and successfully started the initial deployment in the United States;

Over 100 consecutive years of paying dividends to stockholders; and

Returned \$4.9 billion to stockholders via dividends and gross share repurchases.

For more information concerning our financial performance and its impact on the compensation of our executives, see page 38 of this Proxy Statement. For more complete information concerning our financial performance, see our Annual Report available at www.proxyvote.com.

Elements of Target 2017 Total Direct Compensation

The illustration below and the discussion that follows show how the target Total Direct Compensation of the Named Executive Officers was apportioned among base salary, annual incentives, performance share awards and stock options for 2017, and how these elements relate to the strategic business goals of the Company.

CEO

Other NEOs (Average)

Note: Numbers do not add to 100 percent due to rounding.

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Compensation Policies and Practices

Our compensation program is designed to provide appropriate performance incentives and avoid compensation practices that do not promote the interests of our stockholders.

WE DO

Maintain a strong alignment between corporate performance and our executive officers' compensation by having a majority of Total Direct Compensation consist of performance-based compensation.

Conduct an annual assessment for the purpose of identifying and mitigating significant economic and reputational risks in the design of our incentive compensation programs.

Have a comprehensive clawback policy.

Use an independent compensation consultant retained by, and reporting directly to, the Committee.

Limit the number and amount of executive perquisites.

Prohibit our executive officers from hedging or pledging 3M common stock.

Maintain robust stock ownership guidelines applicable to all of our executive officers.

Conduct competitive benchmarking to align executive compensation with the market.

WE DO NOT

Have employment, severance, or change in control agreements with any of our executive officers.

Provide tax gross-ups on executive perquisites.

Have agreements that would provide automatic "single-trigger" accelerated vesting of equity compensation or excise tax gross-up payments to any of our executive officers upon a change in control.

Provide dividends or dividend equivalents on unearned equity awards.

Reprice stock options without the approval of 3M stockholders, except for "anti-dilution" adjustments (such as adjustments in connection with a stock split, spinoff, etc.)

Noteworthy Compensation Actions for 2017 and Early 2018

During 2017 and the first two months of 2018, the Company took a number of actions that were intended to create a more unified program structure that applies to all eligible employees throughout the organization and simplify the design and administration of our compensation programs. Effective as of January 1, 2017, to encourage performance that exceeds targets and better align incentive compensation opportunities between those employees compensated on the basis of corporate performance and those employees compensated based on the performance of one or more businesses, we adjusted our approach to setting financial performance targets for the Annual Incentive Plan. In addition, the Company took the actions listed below, effective as of January 1, 2018.

Increased the payout slopes and further adjusted our approach to setting financial performance targets for the Annual Incentive Plan. These changes are intended, among other things, to better align payout opportunities with those of the Company's executive compensation peer group by strengthening "rewards" for participants when plan targets are exceeded and consequences when they are not.

Eliminated the Company's historical practice of granting prorated performance share awards to newly appointed or promoted members of the Company's senior management (which generally consists of approximately 100 of our top employees), and aligned the retirement vesting provisions of performance share awards for newly appointed members of senior management with those provided to other members who did not receive prorated grants.

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**CORPORATE
GOVERNANCE AT 3M**

Proposal No. 1: Elect the Twelve Directors Identified in this Proxy Statement

At the 2018 Annual Meeting, twelve directors are to be elected to hold office until the 2019 Annual Meeting of Stockholders and until their successors have been elected and qualified. All nominees are presently 3M directors who were elected by stockholders at the 2017 Annual Meeting, except for Amy E. Hood, who joined the Board on August 13, 2017, and Michael F. Roman, who was nominated by the Board on March 5, 2018 to stand for election for the first time. We expect each nominee for election as a director to be able to serve if elected. If any nominee is not able to serve, proxies will be voted in favor of the remainder of those nominated and may be voted for substitute nominees, unless the Board chooses to reduce the number of directors serving on the Board. Each nominee elected as a director will continue in office until his or her successor has been elected and qualified, or until his or her earlier death, resignation, or retirement. Vance D. Coffman is no longer eligible to stand for reelection as he has reached the mandatory retirement age of 74 under the Board's Corporate Governance Guidelines. Dr. Coffman will continue to serve as a director until the 2018 Annual Meeting.

The Nominating and Governance Committee reviewed the Board Membership Criteria (described on page 13) and the specific experience, qualifications, attributes, and skills of each nominee, including membership(s) on the boards of directors of other public companies. The following pages contain biographical and other information about the nominees. Following each nominee's biographical information, we have provided information concerning the particular experience, qualifications, attributes, and skills that are deemed most critical to 3M's long-term success and led the Nominating and Governance Committee and the Board to determine that each nominee should serve as a director. In addition, the majority of our directors serve or have served on boards and board committees (including as committee chairs) of other public companies, which the Board believes provides them with additional board leadership and governance experience, exposure to best practices, and substantial knowledge and skills that further enhance the functioning of our Board.

Table of Contents**Nominees for Director:****SONDRA L. BARBOUR**

Retired Executive Vice President, Information Systems & Global Solutions, Lockheed Martin Corporation

Age	55
Director since	2014
Other current directorships	None
3M Board committee(s)	Audit and Finance Committees
Independent	Yes

Professional Highlights

Ms. Barbour is the *Retired Executive Vice President, Information Systems & Global Solutions, Lockheed Martin Corporation, a high technology aerospace and defense company*. Ms. Barbour served as Executive Vice President, Information Systems & Global Solutions from 2013 until August 2016, when that business combined with Leidos Holdings, Inc. From August 2016 until January 2017 she was on the executive staff of Leidos Holdings, Inc. Ms. Barbour joined Lockheed Martin in 1986 and served in various leadership capacities and has extensive technology experience, notably in the design and development of large-scale information systems. From 2008 to 2013 she served as Senior Vice President, Enterprise Business Services and Chief Information Officer, heading all of the corporation's internal information technology operations, including protecting the company's infrastructure and information from cyber threats. Prior to that role she served as Vice President, Corporate Shared Services from 2007 to 2008 and Vice President, Corporate Internal Audit from 2006 to 2007 providing oversight of supply chain activities, internal controls, and risk management.

Nominee Qualifications

Ms. Barbour's degree in Computer Science and Accounting from Temple University, her leadership roles and experiences in Information Systems and Global Solutions at Lockheed Martin, her skills in information technology operations, including cyber security expertise, financial, internal controls and audit matters, and her experiences as a senior executive at Lockheed Martin, qualify her to serve as a director of 3M.

THOMAS “TONY” K. BROWN

*Retired Group Vice President, Global Purchasing,
Ford Motor Company*

Age	62
Director since	2013
Other current directorships	– ConAgra Foods, Inc., – Tower International, Inc. (non-executive chair)
3M Board committee(s)	Audit and Finance Committees
Independent	Yes

Professional Highlights

Mr. Brown is the *Retired Group Vice President, Global Purchasing, Ford Motor Company, a global automotive industry leader*. Mr. Brown served in various leadership capacities in global purchasing since joining Ford in 1999. In 2008, he became Ford’s Group Vice President, Global Purchasing, with responsibility for approximately \$90 billion of production and non-production procurement for Ford operations worldwide. He retired from Ford on August 1, 2013. From 1997 to 1999 he served in leadership positions at United Technologies Corporation, including its Vice President, Supply Management. From 1991 to 1997 he served as Executive Director, Purchasing and Transportation at QMS Inc. From 1976 to 1991 he served in various managerial roles at Digital Equipment Corporation.

Nominee Qualifications

Mr. Brown’s Bachelor of Business Administration degree from American International College in Springfield, Massachusetts, his leadership roles, including his experience serving as a director of the public companies listed above, and his knowledge of and extensive experiences in global purchasing, management, and supply chain at Ford Motor Company and other companies, qualify him to serve as a director of 3M.

Table of Contents**DAVID B. DILLON**

*Retired Chairman of the Board and Chief Executive Officer,
The Kroger Co.*

Age	66
Director since	2015
Other current directorships	– Union Pacific Corporation
Directorships within the past five years	– The Kroger Co. – Convergys Corporation – DirecTV
3M Board committee(s) Independent	Audit (Chair) and Nominating and Governance Committees Yes

Professional Highlights

Mr. Dillon is the *Retired Chairman of the Board and Chief Executive Officer, The Kroger Co., a large retailer that operates retail food and drug stores, multi-department stores, jewelry stores, and convenience stores throughout the U.S.* Mr. Dillon retired on December 31, 2014 as Chairman of the Board of Kroger, where he was Chairman since 2004 and was the Chief Executive Officer from 2003 through 2013. Mr. Dillon served as President of Kroger from 1995 to 2003 and was elected Executive Vice President in 1990. Mr. Dillon served as Director of the Kroger Co. from 1995 through 2014. Mr. Dillon began his retailing career at Dillon Companies, Inc. (later a subsidiary of The Kroger Co.) in 1976 and advanced through various management positions, including its President from 1986-1995.

Nominee Qualifications

Mr. Dillon's degree in business from the University of Kansas and his law degree from Southern Methodist University, his leadership roles and experiences at The Kroger Co., including serving as Chairman of the Board and Chief Executive Officer, his knowledge of and extensive experiences in leading one of the world's largest retailers, his experiences in Kroger's successful \$13 billion merger with Fred Meyer, Inc., his leadership in sustainability, his skills in financial and audit matters, and his experiences as a director at the public companies listed above, qualify him to serve as a director of 3M.

MICHAEL L. ESKEW

*Retired Chairman of the Board and Chief Executive Officer,
United Parcel Service, Inc.*

Age	68
Director since	2003
Other current directorships	<ul style="list-style-type: none"> – The Allstate Corporation – Eli Lilly and Company – International Business Machines Corporation (presiding director)
Directorships within the past five years	– United Parcel Service, Inc.
3M Board committee(s)	Compensation (Chair) and Nominating and Governance Committees
Independent	Yes

Professional Highlights

Mr. Eskew is the *Retired Chairman of the Board and Chief Executive Officer, United Parcel Service, Inc., a provider of specialized transportation and logistics services*. Mr. Eskew was appointed Executive Vice President in 1999 and Vice Chairman in 2000 before becoming Chairman and Chief Executive Officer of UPS in January 2002. He retired as Chairman of the Board and Chief Executive Officer at the end of 2007 but remained as a director of UPS until December 31, 2014.

Nominee Qualifications

Mr. Eskew’s degree in Industrial Engineering from Purdue University, his leadership roles and experiences at United Parcel Service, including serving as Chairman of the Board and Chief Executive Officer, his knowledge of and extensive experiences in global logistics, his skills in financial and audit matters, and his experiences as a director at the public companies listed above, qualify him to serve as a director of 3M. Mr. Eskew is Lead Director.

Table of Contents**HERBERT L. HENKEL**

*Retired Chairman of the Board and Chief Executive Officer,
Ingersoll-Rand plc*

Age	69
Director since	2007
Other current directorships	– Herc Holdings, Inc. (non-executive chair)
Directorships within the past five years	– The Allstate Corporation – C. R. Bard, Inc. – Visteon Corporation
3M Board committee(s)	Compensation and Nominating and Governance
Independent	Yes

Professional Highlights

Mr. Henkel is the *Retired Chairman of the Board and Chief Executive Officer, Ingersoll-Rand plc, a manufacturer of industrial products and components*. Mr. Henkel retired as Ingersoll-Rand's Chief Executive Officer, a position he held since October 1999, on February 4, 2010, and retired as Chairman of the Board on June 3, 2010. Mr. Henkel served as President and Chief Operating Officer of Ingersoll-Rand from April 1999 to October 1999. Mr. Henkel served in various leadership roles at Textron, Inc., including its President and Chief Operating Officer from 1998-1999.

Nominee Qualifications

Mr. Henkel's Bachelor's and Master's degrees in Engineering from Polytechnic University of New York and Masters of Business Administration from the Lubin School at Pace University, his leadership roles and experiences at Textron, Inc. and Ingersoll-Rand, including serving as Chairman of the Board and Chief Executive Officer of Ingersoll-Rand, his knowledge of and extensive experiences in engineering, manufacturing, management, sales and marketing in a variety of industries, his skills in financial and audit matters, and his experiences as a director at the public companies listed above, qualify him to serve as a director of 3M.

AMY E. HOOD

*Executive Vice President and Chief Financial Officer,
Microsoft Corporation*

Age	46
Director since	2017
Other current directorships	None
3M Board committee(s)	Finance Committee
Independent	Yes

Professional Highlights

Ms. Hood is *Executive Vice President and Chief Financial Officer of Microsoft Corporation, a worldwide provider of software, services and solutions*. As chief financial officer, Ms. Hood is responsible for leading Microsoft's worldwide finance organization, including acquisitions, treasury activities, tax planning, accounting and reporting, and internal audit and investor relations. Prior to this role, Ms. Hood was chief financial officer of Microsoft's Business Division, responsible for the company's productivity applications and services including Microsoft Office 365, Office, SharePoint, Exchange, Dynamics ERP and Dynamics CRM. During her time in the Business Division, Ms. Hood helped lead the transition to the company's Office 365 service, and she was deeply involved in the strategy development and overall execution of the company's successful acquisitions of Skype and Yammer. Ms. Hood joined Microsoft in 2002 and previously held positions in the Server and Tools Business as well as the corporate finance organization. Prior to 2002, she worked at Goldman Sachs & Co. in various investment banking and capital markets groups roles.

Nominee Qualifications

Ms. Hood's Bachelor's degree in economics from Duke University and Master's degree in business administration from Harvard University, her extensive leadership roles and experiences at Microsoft Corporation, especially in strategic business development, finance, and digitization, qualify her to serve as a director of 3M.

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MUHTAR KENT

*Chairman of the Board and former Chief Executive Officer,
The Coca-Cola Company*

Age	65
Director since	2013
Other current directorships	– The Coca-Cola Company
3M Board committee(s)	Compensation and Finance (Chair) Committees
Independent	Yes

Professional Highlights

Mr. Kent is the *Chairman of the Board of The Coca-Cola Company, the world's largest beverage company*. Mr. Kent has held the position of Chairman of the Board of The Coca-Cola Company since April 23, 2009, and the position of Chief Executive Officer since July 1, 2008 until May 2017. From December 2006 through June 2008, Mr. Kent served as President and Chief Operating Officer of The Coca-Cola Company. From January 2006 through December 2006, Mr. Kent served as President of Coca-Cola International and was elected Executive Vice President of The Coca-Cola Company in February 2006. From May 2005 through January 2006, he was President and Chief Operating Officer of The Coca-Cola Company's North Asia, Eurasia and Middle East Group, an organization serving a broad and diverse region that included China, Japan, and Russia.

Nominee Qualifications

Mr. Kent's Bachelor of Science degree in Economics from the University of Hull, England, and Master of Science degree in Administrative Sciences from City University London, his extensive leadership roles and experiences at The Coca-Cola Company across multiple geographies, and his extensive international experience not only at The Coca-Cola Company but also in the organizations mentioned above, qualify him to serve as a director of 3M.

EDWARD M. LIDDY

*Retired Chairman of the Board and Chief Executive Officer,
The Allstate Corporation*

Age	72
Director since	2000
Other current directorships	– Abbott Laboratories – AbbVie, Inc. – The Boeing Company
3M Board committee(s)	Compensation and Nominating and Governance (Chair) Committees
Independent	Yes

Professional Highlights

Mr. Liddy is the *Retired Chairman of the Board and Chief Executive Officer, The Allstate Corporation, and former Partner at Clayton, Dubilier & Rice, LLC, a private equity investment firm.* Mr. Liddy served as a partner of Clayton, Dubilier & Rice, LLC from January 2010 to December 2015. At the request of the Secretary of the U.S. Department of the Treasury, Mr. Liddy served as Interim Chairman of the Board and Chief Executive Officer of American International Group, Inc. (AIG), a global insurance and financial services holding company, from September 2008 until August 2009. Mr. Liddy served as Chairman of the Board of The Allstate Corporation, a personal lines insurer, from January 1999 to April 2008, and as its Chief Executive Officer from January 1999 to December 2006, and as President and Chief Operating Officer from August 1994 to December 1998.

Nominee Qualifications

Mr. Liddy earned an undergraduate degree from Catholic University and a Masters of Business Administration from George Washington University. He brings to our Board the benefits of his substantial experience as a senior executive and board member of several Fortune 100 companies across a range of industries. Mr. Liddy's extensive executive leadership experience at Allstate and American International Group enables him to provide our Board with valuable insights on corporate strategy, risk management, corporate governance, and many other issues facing large, global enterprises. Additionally, as a former Chief Financial Officer of Sears, Roebuck and Co., chair of the audit committee of Goldman Sachs, and partner at Clayton, Dubilier & Rice, LLC, Mr. Liddy provides our Board with significant knowledge and understanding of corporate finance, capital markets, and financial reporting and accounting matters, which qualifies him to serve as a director of 3M.

Table of Contents**GREGORY R. PAGE**

*Retired Chairman of the Board and Chief Executive Officer,
Cargill*

Age	66
Director since	2016
Other current directorships	– Deere & Company – Eaton Corporation plc
Directorships within the past five years	– Cargill – Carlson Companies
3M Board committee(s)	Audit and Nominating and Governance Committees
Independent	Yes

Professional Highlights

Mr. Page is the *Retired Chairman of the Board and Chief Executive Officer, Cargill, an international marketer, processor and distributor of agricultural, food, financial and industrial products and services*. Mr. Page was named Corporate Vice President & Sector President, Financial Markets and Red Meat Group of Cargill in 1998, Corporate Executive Vice President, Financial Markets and Red Meat Group in 1999, President and Chief Operating Officer in 2000, and became Chairman of the Board and Chief Executive Officer in 2007. He served as Executive Chairman of the Board of Cargill from December 2013 until his retirement from Cargill in September 2015, and Executive Director of Cargill from September 2015 to September 2016. Mr. Page is a director and past non-executive Chair of the Board of Big Brothers Big Sisters of America. He is immediate past President and board member of the Northern Star Council of the Boy Scouts of America.

Nominee Qualifications

Mr. Page's undergraduate degree in economics from the University of North Dakota, his leadership roles and experiences while serving as Chairman of the Board and Chief Executive Officer at Cargill, his expertise and knowledge of financial and audit matters and corporate governance, and his experiences as a director at the public companies listed above, qualify him to serve as a director of 3M.

MICHAEL F. ROMAN

*Chief Operating Officer and Executive Vice President,
3M Company*

Age	58
Director since	New Nominee
Other current directorships	None
3M Board committee(s)	None
Independent	No

Professional Highlights

Mr. Roman is the *Chief Operating Officer and Executive Vice President of 3M Company since July 2017, with direct responsibilities for 3M's five business groups and the Company's international operations*. Mr. Roman previously served as Executive Vice President, Industrial Business Group, of 3M Company from June 2014 to July 2017. Mr. Roman served as the Company's Senior Vice President, Business Development, from May 2013 to June 2014. Prior to that, he was Vice President and General Manager of Industrial Adhesives and Tapes Division from September 2011 to May 2013. Mr. Roman also has lived in and led 3M businesses around the world, including the United States, Europe and Asia.

Nominee Qualifications

Mr. Roman's Bachelor's and Master's Degrees in Electrical Engineering from the University of Minnesota and the University of Southern California, his distinguished 3M career over 30 years with leadership roles across multiple geographies and businesses, his experience in managing 3M's five business groups and international operations, his knowledge and skills in key areas such as manufacturing, supply chain, technology, finance, and risk management, and his accomplishments in sales growth, operational efficiency and value creation across a wide range of global businesses, qualify him to serve as a director of 3M.

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INGE G. THULIN

*Chairman of the Board, President and Chief Executive Officer,
3M Company*

Age	64
Director since	2012
Other current directorships	– Chevron Corporation – Merck & Co., Inc.
Directorships within the past five years	– The Toro Company
3M Board committee(s)	None
Independent	No

Professional Highlights

Mr. Thulin is the *Chairman of the Board, President and Chief Executive Officer of 3M Company since May 2012*. Mr. Thulin previously served as President and Chief Executive Officer of 3M Company from February 24, 2012 to May 8, 2012. Mr. Thulin served as the Company’s Executive Vice President and Chief Operating Officer from May 2011 to February 2012, with responsibility for all of 3M’s business segments and International Operations. Prior to that, he was Executive Vice President of International Operations from 2004 to 2011. Mr. Thulin also has held numerous leadership positions in Asia Pacific, Europe and Middle East, and across multiple businesses.

Nominee Qualifications

Mr. Thulin’s degrees in economics and marketing from the University of Gothenburg, his distinguished 3M career spanning more than three decades with leadership roles across multiple geographies and businesses, his in-depth understanding of 3M’s global businesses, his expertise and knowledge of managing a large global corporation across multiple industries and markets, his skills in business and financial matters, and his experiences as a director at the public companies listed above, qualify him to serve as a director of 3M.

PATRICIA A. WOERTZ

*Retired Chairman of the Board and Chief Executive Officer,
Archer-Daniels-Midland Company*

Age 65
Director since 2016
Other current directorships – The Procter & Gamble Company

Directorships within the past five years – Royal Dutch Shell plc
3M Board committee(s) Compensation and Finance Committees
Independent Yes

Professional Highlights

Ms. Woertz is the *Retired Chairman of the Board and Chief Executive Officer, Archer-Daniels-Midland Company (“ADM”), an agricultural processor and food ingredient provider*. Ms. Woertz joined ADM as Chief Executive Officer and President in April 2006, and was named Chairman of the Board in February 2007. She served as Chief Executive Officer until December 2014, and Chairman of the Board until December 2015. Before joining ADM, Ms. Woertz held positions of increasing importance at Chevron Corporation and its predecessor companies. Ms. Woertz served on the President’s Export Council from 2010-2015 and chaired the U.S. section of the U.S.-Brazil CEO Forum 2013-2015.

Nominee Qualifications

Ms. Woertz’s undergraduate degree from Pennsylvania State University in accounting, her experiences as a Certified Public Accountant at Ernst & Young, her experiences in finance, auditing, strategic planning, and marketing at Gulf Oil Corporation, her experiences in the financial aspects of the mergers between Gulf Oil and Chevron and Texaco and Chevron, her extensive leadership roles and experiences at ChevronTexaco Corporation as Executive Vice President, Global Downstream from 2001-2006, her expertise and knowledge of financial and audit matters and corporate governance, and her experiences as a director at the public companies listed above, qualify her to serve as a director of 3M.

RECOMMENDATION OF THE BOARD

The Board of Directors unanimously recommends a vote “FOR” the election of these nominees as directors. Proxies solicited by the Board of Directors will be voted “FOR” these nominees unless a stockholder indicates otherwise in voting the proxy.

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Board Membership Criteria

3M's Corporate Governance Guidelines contain Board Membership Criteria which include a list of key skills and characteristics deemed critical to serve 3M's long-term business strategy and expected to be represented on 3M's Board. The Nominating and Governance Committee periodically reviews with the Board the appropriate skills and characteristics required of Board members given the current Board composition. It is the intent of the Board that the Board, itself, will be a high performance organization creating competitive advantage for the Company. To perform as such, the Board will be composed of individuals who have distinguished records of leadership and success in their arena of activity and who will make substantial contributions to Board operations and effectively represent the interests of all stockholders. The Committee's and the Board's assessment of Board candidates includes, but is not limited to, consideration of:

Roles in and contributions valuable to the business community;

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

Relevant knowledge and diversity of background and experience in business, manufacturing, technology, finance and accounting, marketing, international business, government, and other areas; and

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

In addition to these minimum requirements, the Committee will also evaluate whether the nominee's skills are complementary to the existing Board members' skills, the Board's needs for particular expertise in certain areas, and will assess the nominee's impact on Board dynamics, effectiveness, and diversity of experience and perspectives.

Director Nominees – Diversity of Skills and Experience

The diagram below summarizes the director nominees' key skills and experiences in the areas that are most relevant to 3M and shows the number of director nominees (in parentheses) who possess each of the skills and experiences:

DIRECTOR SKILLS AND EXPERIENCE

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Diversity

For 3M, diversity, in its myriad manifestations, is fundamental to innovation, performance, and relevancy. 3M employees reflect that diversity. The Board of Directors regards diversity as an important factor in selecting board nominees to serve on the board. Although the Board has no specific diversity policy, when selecting nominees, it actively considers diversity in recruitment and nomination of directors, such as gender, race, and national origin. The current composition of our Board reflects those efforts and the importance of diversity to the Board.

Identification, Evaluation, and Selection of Nominees

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

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

The Committee retained Spencer Stuart in 2017 to help identify future Board candidates.

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

Director Independence

The Board has adopted a formal set of Director Independence Guidelines with respect to the determination of director independence, which either conform to or are more exacting than the independence requirements of the New York Stock Exchange ("NYSE") listing standards, and the full text of which is available on our website at www.3M.com, under Investor Relations — Governance. In accordance with these Guidelines, a director or nominee for director must be determined to have no material relationship with the Company other than as a director. The Guidelines specify the criteria by which the independence of our directors will be determined, including strict guidelines for directors and

their immediate family members with respect to past employment or affiliation with the Company or its independent registered public accounting firm. The Guidelines also prohibit Audit and Compensation Committee members from having any direct or indirect financial relationship with the Company, and restrict both commercial and not-for-profit relationships of all directors with the Company. Directors may not be given personal loans or extensions of credit by the Company, and all directors are required to deal at arm's length with the Company and its subsidiaries, and to disclose any circumstance that might be perceived as a conflict of interest.

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

As a result of this review, the Board affirmatively determined that the following directors are independent under these Guidelines: Sondra L. Barbour, Thomas "Tony" K. Brown, Vance D. Coffman, David B. Dillon,

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Michael L. Eskew, Herbert L. Henkel, Amy E. Hood, Muhtar Kent, Edward M. Liddy, Gregory R. Page, and Patricia A. Woertz. The Board has also determined that members of the Audit Committee and Compensation Committee received no compensation from the Company other than for service as a director. Inge G. Thulin, Chairman of the Board, President and Chief Executive Officer, is considered to not be independent because of his employment by the Company.

Nominees Proposed by Stockholders

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

Corporate Secretary
3M Company
3M Center
Building 220-13E-26A
St. Paul, MN 55144-1000.

In order for an individual proposed by a stockholder to be considered by the Committee for recommendation as a Board nominee for the 2019 Annual Meeting, the Corporate Secretary must receive the proposal by November 21, 2018. Such proposals must be sent via registered, certified, or express mail (or other means that allows the stockholder to determine when the proposal was received by the Company). The Corporate Secretary will send properly submitted stockholder proposed nominations to the Committee Chair for consideration at a future Committee meeting. Individuals proposed by stockholders in accordance with these procedures will receive the same consideration received by individuals identified to the Committee through other means.

Stockholder Nominations - Advance Notice Bylaw

In addition, 3M's Bylaws permit stockholders to nominate directors at an annual meeting of stockholders or at a special meeting at which directors are to be elected in accordance with the notice of meeting. Stockholders intending to nominate a person for election as a director must comply with the requirements set forth in the Company's Bylaws. With respect to nominations to be acted upon at our 2019 Annual Meeting, our Bylaws would require, among other things, that the Corporate Secretary receive written notice from the record stockholder no earlier than November 21, 2018, and no later than December 21, 2018. The notice must contain the information required by the Bylaws, a copy of which is available on our website at www.3M.com, under Investor Relations — Governance. Nominations received after December 21, 2018, will not be acted upon at the 2019 Annual Meeting.

Proxy Access Nominations

Further, pursuant to the proxy access Bylaw adopted by the Board in November 2015, a stockholder, or a group of up to 20 stockholders, continuously owning for three years at least three percent of our outstanding common shares may nominate and include in our proxy materials up to the greater of two directors and 20 percent of the number of directors currently serving, if the stockholder(s) and nominee(s) satisfy the Bylaw requirements. For eligible stockholders to include in our proxy materials nominees for the 2019 Annual Meeting, proxy access nomination notices must be received by the Company no earlier than November 21, 2018, and no later than December 21, 2018. The notice must contain the information required by the Bylaws.

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Role of the Nominating and Governance Committee

The Nominating and Governance Committee identifies individuals who the Committee believes are qualified to become Board members in accordance with the Board Membership Criteria set forth above, and recommends selected individuals to the Board for nomination to stand for election at the next meeting of stockholders of the Company in which directors will be elected. In the event there is a vacancy on the Board between meetings of stockholders, the Committee seeks to identify individuals who the Committee believes are qualified to become Board members in accordance with the Board Membership Criteria, and may recommend one or more of such individuals for appointment to the Board. The Nominating and Governance Committee also focuses on overall Board-level succession planning at the director level.

Corporate Governance Overview

The Company believes that good corporate governance practices serve the long-term interests of stockholders, strengthen the Board and management, and further enhance the public trust 3M has earned from more than a century of operating with uncompromising integrity and doing business the right way. The following sections provide an overview of 3M’s corporate governance practices, which are published on the Company’s website, including the Corporate Governance Guidelines, the Board’s leadership structure and the responsibilities of the independent Lead Director, communication with directors, director independence, the director nomination process, the Board’s role in risk oversight, the Codes of Conduct for directors and employees, public policy engagement, and the Company’s commitment to the environment and sustainability.

Corporate Governance Highlights

BOARD SIZE AND INDEPENDENCE

11 out of 12 Directors are independent

INDEPENDENT LEAD DIRECTOR

Independent Lead Director with robust authority

Combined Chairman and CEO positions

MEETING ATTENDANCE

98%

Overall attendance at Board and committee meetings

There were SEVEN Board meetings in 2017

DIRECTOR TENURE DIRECTOR AGE OTHER PUBLIC COMPANY BOARDS

The Corporate Governance Highlights above reflect the Board's current 12 directors. One of the directors, Vance D. Coffman, is no longer eligible to stand for re-election as he has reached the mandatory retirement age.

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Board Independence

Substantial majority of our directors – eleven of our twelve directors are independent of the Company and management – and all are highly qualified.

Independent directors regularly meet in executive sessions without management.

Independent directors have complete access to management and employees.

Regularly refresh Board; added seven new independent directors in past five years; average director tenure is seven years.

Board Committee Independence and Expertise

Committee independence – only independent directors serve on the Board’s committees with independent committee chairs empowered to establish committee agendas.

Committee executive sessions – at each regularly scheduled meeting, members of the Audit Committee, Compensation Committee, Finance Committee, and Nominating and Governance Committee meet in executive session.

Financial expertise – all members of the Audit Committee meet the NYSE listing standards for financial expertise, and three of the four members are “audit committee financial experts” under SEC rules.

Stockholder Rights

Annual election of all directors.

Majority voting for directors in uncontested elections. Incumbent director not receiving majority votes tenders resignation, subject to the Board recommendation for action.

Proxy access – a stockholder, or a group of up to 20 stockholders, continuously owning for three years at least three percent of our outstanding common shares may nominate and include in our proxy materials up to the greater of two directors and 20 percent of the number of directors currently serving, if the stockholder(s) and nominee(s) satisfy the Bylaw requirements.

Established policies and criteria for director nominations, including candidates recommended by stockholders.

No supermajority voting provisions in Bylaws or Certificate of Incorporation.

Stockholders holding 25 percent of the outstanding shares have the right to call a special meeting.

No stockholders’ rights plan (also known as a “poison pill”).

Established protocol for stockholders to communicate with the independent Lead Director, the chairs of the Audit, Compensation, Finance, and Nominating and Governance Committees of the Board, any of the other independent directors or all of the independent directors as a group or the full Board.

Stockholder Outreach and Engagement

We maintain a vigorous stockholder engagement program. During 2017, members of senior management met with a cross-section of stockholders owning approximately 35 percent of our outstanding shares or approximately 50 percent of our institutional stockholders. The meetings included an overview of the Company and a discussion of the Company’s practices on corporate governance and sustainability. The feedback from those meetings was shared with the Nominating and Governance Committee and the Board and helped inform the Board on corporate governance practices and trends.

Our independent Lead Director is available to meet with major stockholders upon request.

Risk Oversight

The Board oversees the Company’s risk profile and management’s processes for assessing and managing risk, both as a whole Board and through its committees. At least annually, the Board reviews enterprise risks facing the Company and certain of its businesses. Other important categories of risk are assigned to designated Board committees (which are comprised solely of independent directors) that report back to the full Board. The Board has delegated to the Audit Committee through its charter the primary responsibility for the oversight of risks facing the Company including cybersecurity. The Audit Committee’s charter provides that the Audit Committee shall “discuss policies and procedures with respect to risk assessment and risk management, the Company’s major risk exposures and the steps management has taken to monitor and mitigate such exposures.”

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Board Approved Long-Term Strategic Plans and Capital Allocation Strategies

Each year management presents to the Board, and the Board discusses and approves, detailed long-term strategic plans for the Company, the international business, and each of the Company's business groups. Each presentation includes an overview of the business group, the financial performance, an assessment of the portfolio for growth opportunities using a SWOT analysis (i.e., strengths, weaknesses, opportunities, and threats); strategic priorities to drive the three key value creation levers—Portfolio Management, Investing in Innovation, and Business Transformation; plans to drive the four corporate fundamental strengths—Technology, Manufacturing, Global Capabilities, and Brand; and the projected long-term financial performance.

The Board also approves the long-term capital structure of the Company to ensure that there is sufficient capital to invest for future growth.

The Company is committed to investing in organic growth, most notably through capital expenditures and research and development. The Company has invested over \$16.2 billion in capital expenditures and research and development to support and fund organic growth over the past five years. 3M has opened six customer technical centers around the world, and a new, state-of-the-art research and development laboratory in the United States.

The capital allocation plans have flexibility to respond quickly to strategic acquisition opportunities that can strengthen the Company's portfolio. Over the past five years, 3M has invested approximately \$6.6 billion in strategic acquisitions to build upon and strengthen its business portfolio for continued future growth.

The Company has a long history of returning cash to stockholders, having paid approximately \$11.98 billion in dividends over the past five years.

Finally, share repurchases represent the last component of 3M's capital allocation plans. Over the past five years, 3M has returned approximately \$21.9 billion to stockholders via share repurchases.

Director Orientation and Continuing Education

Board orientation – our orientation programs familiarize new directors with 3M's businesses, strategic plans, and policies, and for their role on their assigned committees.

Continuing education programs assist directors in maintaining skills and knowledge necessary for the performance of their duties. These programs may be part of regular Board and Committee meetings or provided by academic or other qualified third parties.

Board, Committee, and Director Evaluations

The Nominating and Governance Committee conducts an annual evaluation of the performance of the Board and each of its committees. The results are shared with the Board and help identify areas in which the Board and its committees could improve performance.

Before the November Board meeting, the Chairman/ CEO, Lead Director, and chair of the Nominating and Governance Committee meet to discuss the performance and contributions of each director.

As part of the nomination process, the Nominating and Governance Committee considers the performance and contributions of each director and evaluates each of the directors to ensure our directors continue to possess the necessary skills and experience to effectively oversee the Company. On occasion, the Nominating and Governance Committee has not renominated a director based on this individual director evaluation process.

Compliance

Code of Business Conduct and Ethics for directors.

Code of Conduct for all employees, including our Chief Executive Officer, Chief Financial Officer, and Chief Accounting Officer.

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For the fifth year in a row, 3M has been recognized by Ethisphere® as one of the World's Most™ Ethical Companies®. Disclosure committee as part of the Company's disclosure controls and procedures for financial reporting. Disclosure of public policy engagement on our Investor Relations website, under Governance — Governance Documents — “Political Activities and Issue Advocacy,” including disclosure of political contributions and membership in key trade associations where membership dues allocated for lobbying purposes exceed \$25,000.

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Environmental Stewardship and Sustainability

Long-standing commitment to environmental stewardship and sustainability.

2025 Sustainability Goals for raw materials, water, and energy and climate, including increasing wind and solar renewable energy to 25 percent of total electricity use by 2025.

Our Sustainability Report and 2025 Sustainability Goals are available on our website at www.3M.com, under About 3M — Sustainability.

Executive Compensation

Annual advisory approval of executive compensation with approximately 96 percent of the votes cast in favor of the Company's executive compensation program in 2017.

Strong pay-for-performance philosophy.

Incentive compensation subject to clawback policy.

Robust stock ownership guidelines for executive officers and stock retention policy for directors.

Prohibition of hedging or pledging 3M stock by directors and executive officers.

No employment, severance, or change in control agreements with any senior executives, including the CEO.

Long-term incentive compensation linked to financial objectives of earnings per share growth, relative organic volume growth, return on invested capital, and free cash flow conversion.

Corporate Governance Guidelines

The Board has adopted Corporate Governance Guidelines which provide a framework for the effective governance of the Company. The guidelines address matters such as the respective roles and responsibilities of the Board and management, the Board's leadership structure, the responsibilities of the independent Lead Director, director independence, the Board Membership Criteria, Board committees, and Board and management evaluation. The Board's Nominating and Governance Committee is responsible for overseeing and reviewing the Guidelines at least annually and recommending any proposed changes to the Board for approval. The Corporate Governance Guidelines, the Certificate of Incorporation and Bylaws, the charters of the Board committees, the Director Independence Guidelines, and the Codes of Conduct provide the framework for the governance of the Company and are available on our website at www.3M.com, under Investor Relations — Governance.

Board's Role in the Company's Long-Term Strategy

Each year management presents to the Board, and the Board discusses and approves, detailed long-term strategic plans for the Company, the international business, and each of the Company's business groups. Each presentation includes an overview of the business group, the financial performance, an assessment of the portfolio for growth opportunities using a SWOT analysis (i.e., strengths, weaknesses, opportunities, and threats); strategic priorities to drive the three key value creation levers—Portfolio Management, Investing in Innovation, and Business Transformation; plans to drive the four corporate fundamental strengths—Technology, Manufacturing, Global Capabilities, and Brand; and the projected long-term financial performance.

Our Company's long-term strategy is outlined in the 3M Playbook, which consists of five elements: our Vision, Strategies, Code of Conduct, Leadership Behaviors, and Key Levers.

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THE 3M PLAYBOOK

Our Vision captures our aspirations and guides our corporate direction - 3M Technology Advancing Every Company, 3M Products Enhancing Every Home, 3M Innovation Improving Every Life. For 115 years, we have advanced, enhanced and improved companies, homes and lives around the world. Our six strategies provide the roadmap for achieving our goals. They guide us to actively identify and align to external opportunities including customers, markets, and macro trends while continuously investing in our internal capabilities such as technology, manufacturing, global reach, and the 3M Brand. Our Leadership Behaviors (Play to win, Innovate, Foster collaboration and teamwork, Prioritize and execute, Develop others and self, Act with integrity and transparency) describe how leaders lead at 3M.

Our Code of Conduct serves as a constant reminder of our core values. The Code is structured around six core values - Be Good, Be Honest, Be Fair, Be Loyal, Be Accurate, and Be Respectful.

Our Playbook also defines three Key Levers that we use to operationalize our Playbook throughout the Company and create value across 3M - Portfolio Management, Investing in Innovation, and Business Transformation.

Portfolio Management seeks to align resources behind the best opportunities, investing in attractive, high-value markets, while de-emphasizing or exiting less attractive spaces. Investing in Innovation is an important element in delivering premium value for our customers and premium returns for our shareholders. Business Transformation starts and ends with our customers and is fundamentally transforming the Company and how we do business. We are optimizing and standardizing our global business processes to generate scale and leverage, deploying a single instance global ERP system that provides data transparency across the enterprise, and creating a global service model to optimize our supply chain and business services operations. All of these activities significantly enhance customers' experiences with 3M, making our customers more efficient and competitive, while also improving our internal efficiency and productivity in everything that we do, in a sustainable way – making us more competitive and profitable.

In combination, the five elements outlined in the Playbook serve as the foundation for our strategy. We are focused on succeeding in attractive global markets ensuring we deliver value to our customers, shareholders, and employees.

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Board's Role in Risk Oversight

The Board oversees the Company's risk profile and management's processes for assessing and managing risk, both as a whole Board and through its committees. At least annually, the Board reviews enterprise risks facing the Company and certain of its businesses. Other important categories of risk are assigned to designated Board committees (which are comprised solely of independent directors) that report back to the full Board. The Board has delegated to the Audit Committee through its charter the primary responsibility for the oversight of risks facing the Company including cybersecurity. The Audit Committee's charter provides that the Audit Committee shall "discuss policies and procedures with respect to risk assessment and risk management, the Company's major risk exposures and the steps management has taken to monitor and mitigate such exposures."

The Vice President and General Auditor, Corporate Auditing (the "Auditor"), whose appointment and performance is reviewed and evaluated by the Audit Committee and who has direct reporting obligations to the Committee, is responsible for leading the formal risk assessment and management process within the Company. The Auditor, through consultation with the Company's senior management, periodically assesses the major risks facing the Company and works with those executives responsible for managing each specific risk. The Auditor periodically reviews with the Audit Committee the major risks facing the Company and the steps management has taken to monitor and mitigate those risks. The Auditor's risk management report, which is provided in advance of the meeting, is reviewed with the entire Board by either the chair of the Audit Committee or the Auditor. The executive responsible for managing a particular risk may also report to the full Board on how the risk is being managed and mitigated.

The Board has delegated to other committees the oversight of risks within their areas of responsibility and expertise. For example, the Compensation Committee oversees risks associated with the Company's compensation practices, including by performing an annual review of the Company's risk assessment of its compensation policies and practices for its employees. The Finance Committee oversees risks associated with the Company's capital structure, credit ratings and cost of capital, long-term benefit obligations, and use of or investment in financial products, such as derivatives to manage risk related to foreign currencies, commodities, and interest rates. The Nominating and Governance Committee oversees risks associated with the Company's overall governance and its succession planning process to ensure that the Company has a slate of future, qualified candidates for key management positions.

The Board believes that its oversight of risks, primarily through delegation to the Audit Committee, but also through delegation to other committees to oversee specific risks within their areas of responsibility and expertise, and the sharing of information with the full Board, is appropriate for a diversified technology and manufacturing company like 3M. The chair of each committee that oversees risk provides a summary of the matters discussed with the committee to the full Board following each committee meeting. The minutes of each committee meeting are also provided to all Board members. The Board also believes its oversight of risk is enhanced by its current leadership structure (further discussed below) because the CEO, who is ultimately responsible for the Company's management of risk, also chairs regular Board meetings. Given his in-depth knowledge and understanding of the Company, the CEO is best able to bring key business issues and risks to the Board's attention.

Management Succession Planning

The Board plans the succession to the position of Chairman/CEO and other senior management positions. To assist the Board, the Chairman/CEO and Senior Vice President of Human Resources annually assess senior managers and their succession potential for the position of Chairman/CEO and other senior management positions. As a result of a thorough and thoughtful succession planning process, on March 5, 2018, the Board appointed Michael F. Roman CEO, effective July 1, 2018, succeeding Inge G. Thulin.

Communication with Directors

The Board of Directors has adopted the following process for stockholders and other interested parties to send communications to members of the Board. Stockholders and other interested parties may communicate with the Lead Director, the chairs of the Audit, Compensation, Finance, and Nominating and Governance Committees of the Board, or with any of our other independent directors, or all of them as a group, by sending a letter to the following address: Corporate Secretary, 3M Company, 3M Center, Building 220-13E-26A, St. Paul, MN 55144-1000. The Corporate Secretary reviews communications to the independent directors and forwards those

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communications to the independent directors as discussed below. Communications involving substantive accounting or auditing matters will be immediately forwarded to the Chair of the Audit Committee and the Company's Chief Compliance Officer consistent with time frames established by the Audit Committee for the receipt of communications dealing with these matters. Communications that pertain to non-financial matters will be forwarded promptly. Items that are unrelated to the duties and responsibilities of the Board will not be forwarded, such as: business solicitation or advertisements; product-related inquiries; junk mail or mass mailings; resumes or other job-related inquiries; and spam.

Compliance

3M's Codes of Conduct

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

Employees are required to report any conduct that they believe in good faith to be an actual or apparent violation of the Code of Conduct. The Audit Committee has adopted procedures to receive, retain, and treat complaints received regarding accounting, internal accounting controls, or auditing matters, and to allow for the confidential and anonymous submission by employees or others of concerns regarding questionable accounting or auditing matters. Information on how to submit any such communications can be found on 3M's Investor Relations website, under Governance — Governance Documents — Employee Business Conduct Policies — “Report a concern or ask a question.” Our Chief Compliance Officer, who has direct reporting obligations to the Audit Committee, periodically reports to the Audit Committee on compliance with the Company's Code of Conduct, including the effectiveness of the Company's compliance program.

The Board also has adopted a Code of Business Conduct and Ethics for Directors of the Company. This Code incorporates long-standing principles of conduct the Company and the Board follow to ensure the Company's business and the activities of the Board are conducted with integrity and adherence to the highest ethical standards, and in compliance with the law. The Company's Code of Conduct for employees and the Code of Business Conduct and Ethics for Directors are available on our website at www.3M.com under Investor Relations — Governance — Governance Documents.

Public Policy Engagement

The Company believes that transparency with respect to the consideration, processes, and oversight of our engagement with lawmakers is important to our stockholders, and continuously makes efforts to give our stockholders useful information about our public policy engagement. Since 2007, the Company has voluntarily published a detailed explanation of the Company's political activities which is available on our website at www.3M.com under Investor Relations — Governance — Governance Documents — “Political Activities and Issue Advocacy.” There, the Company sets out in detail its positions on important public policy issues, the factors we consider when making political contributions, and the processes we use for legal, financial, executive, and Board oversight of our political activities and contributions. We also provide links to the reports the 3M Political Action Committee files monthly with the Federal Election Commission and the Company's quarterly Lobbying Disclosure reports, as well as a detailed list of our contributions to state candidates and political parties, and contributions to “527” political organizations. The Company also discloses on its website the trade associations the Company joined where \$25,000 or more of the dues are allocated for lobbying purposes by the trade association. The Company believes that these disclosures on our website, which exceed the disclosures required by law, offer transparency respecting the Company's public policy engagement and political activities.

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Commitment to the Environment and Sustainability

At 3M, we are working hard to advance every company, enhance every home, and improve every life. We apply our expertise, and technology to solve problems collaboratively, and with a focus on long term, sustainable solutions that demonstrate our commitment and societal purpose. Sustainability is fundamental to our business — from sustainability-inspired innovation to product stewardship to sustainability in our operations. As we seek to improve every life, we see partnerships to help our customers and communities achieve their sustainability goals as key to that ambition.

For more than 40 years, 3M has been a leader among global corporations in sustainability actions and measures, beginning with the creation of its groundbreaking Pollution Prevention Pays (3P) Program in 1975. As a global corporation, we believe that we have a significant responsibility to society globally, and responsibility to the local communities in which we live and work. Our corporate vision states: “3M technology advancing every company... 3M products enhancing every home... and 3M innovation improving every life.” It is that vision — carried out in collaboration with our customers, communities, and partners — that guides our sustainability strategies and goals and aspirations. Our sustainability efforts improve 3M operations and the operations of our customers. Our product solutions help customers manage their environmental footprint - from paint systems that reduce the need for cleaning solvents to window films that ease energy consumption. Our life cycle management process enables teams to select more sustainable components and encourage more sustainable processes. In addition, our philanthropic and social sustainability programs support the workforce of the future – both in Science, Technology, Education and Math (STEM), as well as the skilled trades. For example, our skills-based volunteering programs for employees encourage sustainability thinking inside the company while supporting the environmental and social needs in our local communities. Our 2025 sustainability goals provide us with a holistic approach to driving sustainability in our own operations, in our communities, and for the needs of our customers.

In January 2013, our CEO elevated the company’s focus on sustainability, with emphasis in two areas: (1) developing and commercializing products which help our customers solve their sustainability challenges; and, (2) driving sustainability within 3M operations and supply chain. Sustainability is now embedded across the company with dedicated teams in R&D, Supply Chain, business groups, and regions across the globe. Recently, the establishment of an executive committee, the Science, Technology, and Sustainability Committee, provides leadership, oversight, and strategy to encourage and ensure sustainability opportunities are recognized and strong policies and procedures are in place. In addition, our Corporate EHS and Business Conduct Committee ensures our sustainability principles are embedded throughout the company.

As part of our sustainability efforts, we are a signatory to the United Nations Global Compact on Human Rights — a policy initiative for businesses to demonstrate their commitment to ten principles in the areas of human rights, labor, environment, and anti-corruption. We also align our goals and programs to the United Nations Sustainable Development Goals. We report annually on these efforts in our Sustainability Report. To learn more, please visit www.3M.com/Sustainability.

Related Person Transaction Policy and Procedures

The Board of Directors has adopted a written Related Person Transaction Policy and Procedures which is administered by the Nominating and Governance Committee. This Policy applies to any transaction or series of transactions in which the Company or a subsidiary is a participant, the amount involved exceeds \$120,000, and a Related Person (as that term is defined in the Policy) has a direct or indirect material interest and which is required to be disclosed under Item 404(a) of Regulation S-K. Transactions that fall within this definition are referred to the Committee for approval, ratification, or other action. Based on its consideration of all of the relevant facts and circumstances, the Committee decides whether or not to approve a transaction and approves only those transactions that are in the best interests of the Company. In the course of its review and approval or ratification of a transaction, the Committee considers:

- the nature of the Related Person's interest in the transaction;
- the material terms of the transaction, including whether the transaction is on terms no less favorable than terms generally available to an unaffiliated third party under the same or similar circumstances;
- the significance of the transaction to the Related Person;
- the significance of the transaction to the Company;
- whether the transaction would impair the judgment of a director or executive officer to act in the best interest of the Company; and
- any other matters the Committee deems appropriate.

Any Committee member who is a Related Person with respect to a transaction under review may not participate in the deliberations or vote respecting such approval or ratification, except that such a director may be counted in determining the presence of a quorum at a meeting at which the Committee considers the transaction. There were no Related Person Transactions that were referred to the Committee in 2017.

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Policy on Adoption of a Rights Plan

In 2002 and 2003, a 3M stockholder submitted a stockholder proposal to 3M regarding the approval process for adopting a stockholders' rights plan (also known as a "poison pill"). 3M does not have a rights plan and is not currently considering adopting one. The Board continues to believe, however, that there may be circumstances under which adoption of a rights plan would give the Board the negotiating power and leverage necessary to obtain the best result for 3M stockholders in the context of a takeover effort.

Following consideration of the favorable vote the stockholder proposal received and in light of this belief, the Board adopted and has reaffirmed a statement of policy on this topic. The Board's policy is that it will only adopt a rights plan if either (1) stockholders have approved adoption of the rights plan or (2) the Board (including a majority of the independent members of the Board), in its exercise of its fiduciary responsibilities, makes a determination that, under the circumstances existing at the time, it is in the best interests of 3M's stockholders to adopt a rights plan without the delay in adoption resulting from seeking stockholder approval.

The Board has directed the Nominating and Governance Committee to review this policy statement on an annual basis and to report to the Board on any recommendations it may have concerning the policy. The terms of the policy, as in effect, are included in 3M's published Corporate Governance Guidelines and its Proxy Statement.

Board Structure and Processes

Board's Leadership Structure

The Board's current leadership structure is characterized by:

a combined Chairman of the Board and CEO;

a strong, independent, and highly experienced Lead Director with well-defined responsibilities that support the Board's oversight responsibilities;

a robust committee structure consisting entirely of independent directors with oversight of various types of risks; and

an engaged and independent Board.

The Board of Directors believes that this leadership structure provides independent board leadership and engagement while deriving the benefits of having our CEO also serve as Chairman of the Board. As the individual with primary responsibility for managing the Company's day-to-day operations and with in-depth knowledge and understanding of the Company, our CEO is best positioned to chair regular Board meetings as the directors discuss key business and strategic issues. Coupled with an independent Lead Director, this combined structure provides independent oversight while avoiding unnecessary confusion regarding the Board's oversight responsibilities and the day-to-day management of business operations.

The Board believes that adopting a rigid policy on whether to separate or combine the positions of Chairman of the Board and CEO would inhibit the Board's ability to provide for a leadership structure that would best serve stockholders. As a result, the Board has rejected adopting a policy permanently separating or combining the positions of Chairman and CEO in its Corporate Governance Guidelines, which are reviewed at least annually and available on our website at www.3M.com, under Investor Relations — Governance. Instead, the Board adopted an approach that allows it, in representing the stockholders' best interests, to decide who should serve as Chairman or CEO, or both, under present or anticipated future circumstances.

The Board believes that combining the roles of CEO and Chairman contributes to an efficient and effective Board. The Board believes that to drive change and continuous improvement within the Company, tempered by respect for 3M's traditions and values, the CEO must have maximum authority. The CEO is primarily responsible for effectively leading significant change, improving operational efficiency, driving growth, managing the Company's day-to-day business, managing the various risks facing the Company, and reinforcing the expectation for all employees of continuing to build on 3M's century-old tradition of uncompromising integrity and doing business the right way.

The Board believes that the Company's corporate governance measures ensure that strong, independent directors continue to effectively oversee the Company's management and key issues related to executive compensation, CEO evaluation and succession planning, strategy, risk, and integrity. The Corporate Governance Guidelines provide, in part, that:

Independent directors comprise a substantial majority of the Board;

Directors are elected annually by a majority vote in uncontested director elections;

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Only independent directors serve on the Audit, Compensation, Finance, and Nominating and Governance Committees;

The committee chairs establish their respective agendas;

The Board and committees may retain their own advisors;

The independent directors have complete access to management and employees;

The independent directors meet in executive session without the CEO or other employees during each regular Board meeting; and

The Board and each committee regularly conduct a self-evaluation to determine whether it and its committees function effectively.

The Board has also designated one of its members to serve as Lead Director, with responsibilities (described in the next section) that are similar to those typically performed by an independent chairman.

On March 5, 2018, the Board appointed Michael F. Roman CEO, effective July 1, 2018. He succeeds Inge G. Thulin, who is appointed to a newly created position, executive chairman of the Board, also effective July 1, 2018.

Independent Lead Director

The Board has designated one of its members to serve as a Lead Director, with responsibilities that are similar to those typically performed by an independent chairman (“Lead Director”). Michael L. Eskew was appointed Lead Director by the independent directors effective November 12, 2012, succeeding Dr. Vance Coffman who had served as Lead Director since 2006. Michael Eskew is a highly experienced director, currently serving on the boards of The Allstate Corporation, Eli Lilly and Company, and International Business Machines Corporation, and is the former Chairman and CEO of United Parcel Service, Inc. His responsibilities include, but are not limited to, the following:

Presides at all meetings of the Board at which the Chairman is not present, including executive sessions of the independent directors;

Acts as a key liaison between the Chairman/CEO and the independent directors;

Approves the meeting agendas for the Board, and approves the meeting schedules to assure that there is sufficient time for discussion of all agenda items;

Has the authority to approve the materials to be delivered to the directors in advance of each Board meeting and provides feedback regarding the quality, quantity, and timeliness of those materials (this duty not only gives the Lead Director approval authority with respect to materials to be delivered to the directors in advance of each Board

meeting but also provides a feedback mechanism so that the materials may be improved for future meetings);

Has the authority to call meetings of the independent directors;

Communicates Board member feedback to the Chairman/CEO (except that the chair of the Compensation Committee leads the discussion of the Chairman/CEO's performance and communicates the Board's evaluation of that performance to the Chairman/CEO);

If requested by major stockholders, ensures that he is available, when appropriate, for consultation and direct communication; and

Performs such other duties as requested by the independent directors.

Executive Sessions

As an agenda item for every regularly scheduled Board and committee meeting, independent directors regularly meet in executive session, without the Chairman/CEO or other members of management present, to consider such matters as they deem appropriate. The Lead Director presides over the Board's executive sessions.

Board Committees

Board, Committees, and Director Evaluations

The Board conducts an annual self-evaluation to determine whether it and its committees are functioning effectively and consider opportunities for continual enhancement. The Nominating and Governance Committee solicits and receives comments from all directors and shares those comments with the Board. Based on the comments and further discussion and reflection, the Board makes an assessment reviewing areas in which the Board believes improvements could be made to increase the effectiveness of the Board and its committees as well as

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identifying existing practices which have contributed to high effectiveness and accordingly should be continued. Self-evaluation items requiring follow-up and/or the development and execution of implementation and action plans are monitored on a going-forward basis by the full Board, as well as by individual committees and the chairs thereof, as applicable. While this formal self-evaluation is conducted on an annual basis, directors share perspectives, feedback, and suggestions year-round. The Board and each committee conducted an evaluation of its performance in 2017.

Before the November Board meeting, the Chairman/CEO, Lead Director, and chair of the Nominating and Governance Committee meet to discuss the performance and contributions of each director. As part of the nomination process, the Nominating and Governance Committee considers the performance and contributions of each director and evaluates each of the directors to ensure our directors continue to possess the necessary skills and experience to effectively oversee the Company. On occasion, the Nominating and Governance Committee has not renominated a director based on this individual director evaluation process.

Board and Committee Information

The Board currently has twelve directors and the following four committees: Audit, Compensation, Finance, and Nominating and Governance. The membership and the function of each committee are described below.

During 2017, the Board of Directors held five regularly scheduled meetings and two telephonic meetings. Overall attendance at Board and committee meetings was 98 percent. During 2017, all of our directors attended at least 75 percent of all Board and Committee meetings on which they served.

The Company has a long-standing policy that directors are expected to attend the Annual Meeting of Stockholders unless extenuating circumstances prevent them from attending. Eleven directors attended last year’s Annual Meeting of Stockholders, which constituted all directors who were members of the Board as of the 2017 Annual Meeting date.

NAME OF NON-EMPLOYEE DIRECTOR	AUDIT	COMPENSATION	FINANCE	AND NOMINATING GOVERNANCE
Sondra L. Barbour				
Thomas “Tony” K. Brown				
Vance D. Coffman				
David B. Dillon				
Michael L. Eskew				
Herbert L. Henkel				
Amy E. Hood				
Muhtar Kent				

Edward M. Liddy
Gregory R. Page
Patricia A. Woertz
= *Committee Member*; = *Chair*

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AUDIT COMMITTEE

MEMBERS

Sondra L. Barbour
Thomas “Tony” K. Brown
David B. Dillon (chair)
Gregory R. Page

MEETINGS IN 2017 8

The Board of Directors has determined that all of the Audit Committee members are “independent” and “financially literate” under the NYSE listing standards and that members of the Audit Committee received no compensation from the Company other than for service as a director.

The Board has also determined that the following Audit Committee members — David B. Dillon (chair), Sondra L. Barbour, and Gregory R. Page — have “accounting or related financial management expertise” under the NYSE listing standards and are “audit committee financial experts” as that term is defined by applicable Securities and Exchange Commission regulations.

The Audit Committee has adopted, and annually reviews, its charter setting forth its roles and responsibilities.

AUDIT COMMITTEE CHARTER

www.3M.com > Investor Relations > Governance > Governance Documents > Committee Charters

INTRODUCTION

The Audit Committee assists the Board in its oversight of the integrity of the Company’s financial statements, compliance with legal and regulatory requirements, the qualifications, independence, and performance of the Company’s independent registered public accounting firm (the “Independent Accounting Firm”), the performance of the Company’s internal auditing department, and furnishes a report for inclusion in the Company’s Proxy Statement.

ROLES AND RESPONSIBILITIES

Reviews the Company's annual audited and quarterly consolidated financial statements and internal controls over financial reporting;

Reviews the Company's financial reporting process and internal controls over financial reporting, including any major issues regarding accounting principles and financial statement presentation, and critical accounting policies to be used in the consolidated financial statements;

Reviews and discusses with management and the Independent Accounting Firm the Company's report on internal controls over financial reporting and the Independent Accounting Firm's audit of internal controls over financial reporting;

By delegation to the chair, reviews earnings press releases prior to issuance;

Appoints, oversees, and approves compensation of the Independent Accounting Firm;

Reviews with the Independent Accounting Firm the scope of the annual audit, including fees and staffing, and approves all audit and permissible non-audit services provided by the Independent Accounting Firm;

Reviews findings and recommendations of the Independent Accounting Firm and management's response to the recommendations of the Independent Accounting Firm;

Discusses policies with respect to risk assessment and risk management, the Company's major risk exposures, and the steps management has taken to monitor and mitigate such exposures;

Periodically obtain reports from senior management, including the Chief Information Officer, regarding the progress on the phased implementation of the global enterprise resource planning system, information technology networks and systems, and the adequacy and effectiveness of the Company's information security policies and internal controls regarding information security;

Periodically obtains reports from the Company's senior internal auditing executive, who has direct reporting obligations to the Committee, on the annual audit plan, scope of work, and the results of internal audits and management's response thereto;

Periodically obtains reports from the Company's Chief Compliance Officer, who has direct reporting obligations to the Committee, on compliance with the Company's Code of Conduct, and at least annually, on the implementation and effectiveness of the Company's compliance and ethics program;

Reviews with the Company's General Counsel legal matters that may have a material impact on the consolidated financial statements and any material reports or inquiries received from regulators or government agencies regarding compliance; and

Establishes procedures for (i) the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and (ii) the confidential, anonymous submission by Company employees of concerns regarding questionable accounting or auditing matters and periodically review with the Chief Compliance Officer and the Company's senior internal auditing executive these procedures and any significant complaints received.

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COMPENSATION COMMITTEE

MEMBERS

Vance D. Coffman
Michael L. Eskew (chair)
Herbert L. Henkel
Muhtar Kent
Edward M. Liddy
Patricia A. Woertz

MEETINGS IN 2017 7

The Board of Directors has determined that all Compensation Committee members are “independent” under the NYSE listing standards, including the listing standards applicable to compensation committee members.

The Board has also determined that each Compensation Committee member qualifies as a “Non-Employee Director” under Rule 16b-3 of the Securities Exchange Act of 1934, and that each member qualifies as an “outside director” under Section 162(m) of the Internal Revenue Code.

The Compensation Committee has adopted, and annually reviews, its charter setting forth its roles and responsibilities.

COMPENSATION COMMITTEE CHARTER

www.3M.com > Investor Relations > Governance > Governance Documents > Committee Charters

INTRODUCTION

The Compensation Committee reviews the Company’s compensation practices and policies, annually reviews and approves (subject to ratification by the independent directors of the Board) the compensation for the CEO, annually reviews and approves the compensation for the other senior executives, evaluates CEO performance, reviews and discusses with management of the Company the Compensation Discussion and Analysis prepared in accordance with the Securities and Exchange Commission’s disclosure rules for executive compensation, and furnishes a report for

inclusion in the Company's Proxy Statement.

ROLES AND RESPONSIBILITIES

Reviews disclosures in the Company's Proxy Statement regarding advisory votes on executive compensation and the frequency of such votes;

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

Approves the adoption, amendment, or termination of equity compensation programs or, if stockholder approval would be required, recommends such actions to the Board;

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

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

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

Approves the adoption and amendment of Company guidelines covering ownership of Company common stock by executives, and annually reviews compliance with these guidelines;

Reviews and makes recommendations to the Board of Directors concerning any amendment to a retirement benefit plan that would require Board approval;

Annually reviews a risk assessment of the Company's compensation policies and practices for its employees;

Reviews stockholder proposals relating to executive compensation matters and makes recommendations to the Board regarding responses;

Periodically reviews human resource issues relating to the Company's policies and practices with respect to workforce diversity and equal employment opportunities; and

Has the authority to retain compensation consultants, counsel, or other advisors as it deems appropriate, including the authority to approve such advisors' fees and retention terms.

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FINANCE COMMITTEE

MEMBERS

Sondra L. Barbour
Thomas “Tony” K. Brown
Vance D. Coffman
Amy E. Hood
Muhtar Kent (chair)
Patricia A. Woertz

MEETINGS IN 2017 5

The Board of Directors has determined that all Finance Committee members are “independent” under the NYSE listing standards.

The Finance Committee has adopted, and annually reviews, its charter setting forth its roles and responsibilities.

FINANCE COMMITTEE CHARTER

www.3M.com > Investor Relations > Governance > Governance Documents > Committee Charters

INTRODUCTION

The Finance Committee assists the Board with its oversight of the Company’s financial structure, including its overall capital structure, sources and uses of funds and related cash and financing plans, the Company’s financial condition and capital strategy, and financial risk management.

ROLES AND RESPONSIBILITIES

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

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

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

Periodically reviews the Company's capital allocation and capital structure strategies and related metrics from a credit rating agency and investor perspective;

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

Reviews and recommends for approval by the Board capital expenditures in excess of \$75,000,000;

Periodically reviews the Company's global treasury and tax planning activities;

Reviews and evaluates risks associated with the Company's policies and activities related to cash investments, counterparty risks, and use of derivatives as part of hedging programs to manage risk related to foreign currencies, commodity prices, and interest rates;

Periodically reviews and approves the Company's decision to enter into derivative swaps, including swaps exempt from an otherwise applicable clearing or trading mandate, and other governance matters related to derivatives trading;

Periodically reviews the Company's insurance coverage;

Periodically reviews the funding, asset performance, and strategies for the Company's pension and other postretirement benefit plans; and

Periodically reviews the Company's funding and liquidity strategies for achievement of financing objectives.

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NOMINATING AND GOVERNANCE COMMITTEE

MEMBERS

David B. Dillon
Michael L. Eskew
Herbert L. Henkel
Edward M. Liddy (chair)
Gregory R. Page

MEETINGS IN 2017 6

The Board of Directors has determined that all Nominating and Governance Committee members are “independent” under the NYSE listing standards.

The Nominating and Governance Committee has adopted, and annually reviews, its charter setting forth its roles and responsibilities.

NOMINATING AND GOVERNANCE COMMITTEE CHARTER

www.3M.com > Investor
Relations > Governance >
Governance Documents >
Committee Charters

INTRODUCTION

The Nominating and Governance Committee establishes the Board Membership Criteria, assists the Board by identifying individuals qualified to become Board members, recommends to the Board matters of corporate governance, facilitates the annual review of the performance of the Board and its committees, and periodically reviews CEO and management succession plans.

ROLES AND RESPONSIBILITIES

Selects and recommends director candidates to the Board of Directors, in light of the Board Membership Criteria adopted by the Board, either to be submitted for election at the Annual Meeting or to fill any vacancies on the Board, including consideration of any stockholder nominees for director (submitted in accordance with the Company's Bylaws);

Reviews and makes recommendations to the Board of Directors concerning the composition and size of the Board and its committees, the Board membership criteria, frequency of meetings, and changes in compensation for non-employee directors;

Reviews the Company's Corporate Governance Guidelines at least annually, and recommends any proposed changes to the Board for approval;

Develops and recommends to the Board standards to be applied in making determinations on the types of relationships that constitute material relationships between the Company and a director for purposes of determining director independence;

Reviews and approves or ratifies any transaction between the Company and any related person, which is required to be disclosed under the rules of the Securities and Exchange Commission;

Develops and recommends to the Board for its approval an annual self-assessment process of the Board and its committees and oversees the process;

Reviews periodically with the Chairman/CEO succession plans relating to positions held by elected corporate officers, and makes recommendations to the Board with respect to the selection of individuals to occupy these positions;

Periodically reviews the corporate contribution program (3Mgives) and the contribution activities of the 3M Foundation, which is funded by the Company; and

Periodically reviews the Company's positions and engagement on important public policy issues affecting its business, including Sustainability and the political contributions of 3M and its Political Action Committee.

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Director Compensation and Stock Ownership Guidelines

Director Compensation Philosophy and Elements

The Nominating and Governance Committee periodically receives reports on the status of Board compensation in relation to other large U.S. companies and is responsible for recommending to the Board changes in compensation for non-employee directors. In developing its recommendations, the Committee is guided by the following goals:

Compensation should fairly pay directors for work required in a company of 3M's size and scope;

A significant portion of the total compensation should be paid in common stock to align directors' interests with the long-term interests of stockholders; and

The structure of the compensation should be simple and transparent.

The Nominating and Governance Committee works with an independent compensation consultant to support its objectives of maintaining a reasonable and appropriate program. For 2017, Frederic W. Cook & Co., Inc. provided the Committee with expert advice on the compensation of non-employee directors, in addition to analyzing market data on director compensation at the same peer group of 18 companies approved by the Compensation Committee for evaluating Named Executive Officer compensation. Neither the Company nor the Nominating and Governance Committee has any arrangement with any other compensation consultant who has a role in determining or recommending the amount or form of director compensation.

Our director program is comprised of a mix of cash and equity that is intended to approximate the peer-group median mix. Our directors' overall target total direct compensation is consistent with 3M's size and market-capitalization value relative to its peers. In addition, our hold-until-termination requirement on equity has resulted in ownership levels that are relatively high versus our peers. For more information on the peer group, please see the section entitled "Executive Peer Group" beginning on page 46 of this Proxy Statement. Non-employee directors' compensation includes the following compensation elements:

Annual Compensation — In May 2017, the Nominating and Governance Committee considered a board compensation study prepared by Frederic W. Cook & Co., Inc. After reviewing that study, the Committee recommended and the Board approved an increase of \$10,000 in the annual compensation for non-employee directors from \$285,000 to \$295,000, effective January 1, 2017. The annual cash retainer was increased \$5,000 (from \$125,000 to \$130,000). The annual stock retainer was also increased \$5,000 (from \$160,000 to \$165,000). Approximately 44 percent of the annual compensation (or \$130,000) is payable in cash in four quarterly installments and approximately 56 percent of the annual compensation (or \$165,000) is payable in common stock after the Annual Meeting. In addition, the chair of the Audit Committee receives an additional annual fee of \$25,000 and the chair of the Compensation Committee receives an additional annual fee of \$20,000. The chairs of the Finance and Nominating and Governance Committees each

receive additional annual fee of \$20,000 (an increase of \$5,000). The Lead Director receives an additional annual fee of \$30,000. There are no meeting fees. In lieu of the cash fees, a director may elect to receive common stock of the Company. Non-employee directors may also voluntarily defer all or part of their annual cash fees or stock awards until they cease to be members of the Board.

Deferred Stock — For directors who have elected to defer their annual stock awards or annual cash fees into a common stock equivalents account (“Deferred Stock”), the Company credits their accounts with a number of 3M common stock equivalents (including fractional share equivalents) equal to the number of actual shares of 3M common stock which could have been purchased with such deferred amounts on the first day of the calendar quarter, using the closing price of 3M common stock on the NYSE on the last business day immediately preceding such date. In addition, on each payment date for dividends on 3M common stock, the Company credits to the directors’ accounts a number of 3M common stock equivalents having a value equal to the dividend, determined by using the closing price of 3M common stock on the NYSE on the sixth business day preceding the dividend record date. The Deferred Stock is fully vested upon grant but does not have voting rights. Appropriate adjustments to the amount of Deferred Stock shall be made to the accounts for stock splits, stock dividends, merger, consolidation, payment of dividends other than in cash, and similar circumstances affecting 3M common stock. The Deferred Stock will be distributed in 3M common stock to non-employee directors beginning on January 1 of the year following the year in which they leave the Board, either in a lump sum or in up to ten annual installments pursuant to their deferral elections.

All Other Compensation — The column below showing “All Other Compensation” includes the incremental cost of complimentary products and matching gifts. The non-employee directors are eligible to participate in the Company’s matching gift program on the same terms as 3M employees. Under this program, the 3M Foundation will match up to a total of \$5,000 a year in contributions by the director to eligible institutions of higher education.

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The total 2017 compensation of our non-employee directors is shown in the following table:

NON-EMPLOYEE DIRECTORS	FEES EARNED OR PAID IN CASH (\$)(1)	STOCK AWARDS (\$)(2)	ALL OTHER COMPENSATION (\$)(3)	TOTAL (\$)
Sondra L. Barbour	130,000	165,000	0	295,000
Thomas “Tony” K. Brown	130,000	165,000	0	295,000
Vance D. Coffman	130,000	165,000	5,000	300,000
David B. Dillon*, **	148,750	165,000	0	313,750
Michael L. Eskew*	180,000	165,000	0	345,000
Herbert L. Henkel**	136,250	165,000	0	301,250
Amy E. Hood (elected August 13, 2017)***	49,810	63,740	0	113,550
Muhtar Kent*	150,000	165,000	0	315,000
Edward M. Liddy*	150,000	165,000	0	315,000
Gregory R. Page	130,000	165,000	0	295,000
Robert J. Ulrich (retired May 9, 2017)***	46,429	58,315	0	104,744
Patricia A. Woertz	130,000	165,000	0	295,000

* *Committee Chair*

** *Mr. Dillon succeeded Mr. Henkel as Chair of the Audit Committee, effective as of April 1, 2017. Accordingly, each received a pro rata portion of the additional annual fee provided to the Chair of the Audit Committee.*

*** *Director compensation prorated according to effective date of election or retirement.*

(1) *This column represents the amount of all fees earned or paid in cash for services as a director.*

(2) *This column represents the grant date fair value of the stock awards made in 2017, computed in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718, Compensation — Stock Compensation, excluding the effect of estimated forfeitures. The Company does not grant stock options to non-employee directors. Since all stock awards vest on the grant date, there are no unvested stock awards outstanding at year end.*

(3) This column includes matching gifts. Non-employee directors are eligible to participate in the Company's matching gift program on the same terms as 3M employees. Under this program, the 3M Foundation will match up to a total of \$5,000 a year in contributions by the director to eligible institutions of higher education.

Reasonableness of Non-Employee Director Compensation

As described above, our philosophy on director compensation is to pay directors fairly for work required in a company of our size and complexity, make a significant portion of the total compensation equity-based to align directors' interests with those of our stockholders and structure compensation in a simple and transparent manner. We believe that the application of this philosophy has resulted in a non-employee director compensation program that reflects best-in-class design with the following provisions:

Retainer-only cash compensation with no fees for attending meetings that are an expected part of board service.

Additional retainers for special roles having greater responsibilities, such as Lead Director and committee chairs, to recognize the incremental additional time and effort required.

Equity delivered in the form of full-value shares, where annual grants are based on a competitive fixed-value formula and immediate vesting helps avoid director entrenchment.

A requirement to retain the stock portion of annual compensation issued on or after October 1, 2007, until termination from Board service, which includes net after-tax shares attributable to current payments and pre-tax shares attributable to deferrals.

Flexible voluntary deferral provisions and no material benefits or perquisites.

Our 2016 Long-Term Incentive Plan, approved by shareholders at the 2016 Annual Meeting, includes a \$600,000 annual compensation limit on all forms of compensation for non-employee directors.

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Stock Ownership Guidelines

The Board requires that each director retain the stock portion (currently valued at \$165,000) of the annual compensation issued on or after October 1, 2007, until the director leaves the Board. Information regarding accumulated stock and deferred stock units is set forth in the section entitled “Security Ownership of Management” beginning on page 75 of this Proxy Statement.

Hedging and Pledging Policies

The Company’s stock trading policies prohibit directors and the Company’s executive officers from (i) purchasing any financial instrument that is designed to hedge or offset any decrease in the market value of the Company’s common stock, including prepaid variable forward contracts, equity swaps, collars and exchange funds; (ii) engaging in short sales related to the Company’s common stock; (iii) placing standing orders; (iv) maintaining margin accounts; and (v) pledging 3M securities as collateral for a loan. All transactions in 3M securities by directors and executive officers must be pre-cleared with the Deputy General Counsel.

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AUDIT COMMITTEE

MATTERS

Proposal No. 2: Ratification of the Appointment of Independent Registered Public Accounting Firm for 2018

The Audit Committee is directly responsible for the appointment, compensation (including approval of all fees), retention, and oversight of the Company's independent registered public accounting firm ("Independent Accounting Firm") retained to perform the audit of our financial statements and our internal control over financial reporting.

The Audit Committee has appointed PricewaterhouseCoopers LLP ("PwC") to serve as 3M's Independent Accounting Firm for 2018. PwC has been 3M's Independent Accounting Firm since 1998. Prior to that, 3M's Independent Accounting Firm was Coopers & Lybrand from 1975 until its merger with Price Waterhouse in 1998. In accordance with SEC rules and PwC policy, audit partners are subject to rotation requirements to limit the number of consecutive years an individual partner may provide service to our Company. For lead and concurring audit partners, the maximum number of consecutive years of service in that capacity is five years. The process for selection of the Company's lead audit partner pursuant to this rotation policy involves a meeting between the Chair of the Audit Committee and the candidate for the role, as well as discussion by the full Committee and with management.

The Audit Committee annually reviews PwC's independence and performance in connection with the Audit Committee's determination of whether to retain PwC or engage another firm as our Independent Accounting Firm. In the course of these reviews, the Audit Committee considers, among other things:

PwC's historical and recent performance on the 3M audit, including input from those 3M employees with substantial contact with PwC throughout the year about PwC's quality of service provided, and the independence, objectivity, and professional skepticism demonstrated throughout the engagement by PwC and its audit team;

an analysis of PwC's known legal risks and significant proceedings;

external data relating to audit quality and performance, including recent Public Company Accounting Oversight Board ("PCAOB") reports on PwC and its peer firms;

PwC's independence;

the appropriateness of PwC's fees, on both an absolute basis and as compared to its peer firms;

PwC's tenure as our independent auditor and its familiarity with our global operations and businesses, accounting policies and practices and internal control over financial reporting; and

PwC's capability and expertise in handling the breadth and complexity of our global operations, including the Company's phased implementation of an enterprise resource planning system on a worldwide basis over the next several years.

Based on this evaluation, the Audit Committee believes that PwC is independent and that it is in the best interests of the Company and our stockholders to retain PwC to serve as our Independent Accounting Firm for 2018.

We are asking our stockholders to ratify the selection of PwC as our Independent Accounting Firm for 2018. Although ratification is not required by our Bylaws or otherwise, the Board is submitting the selection of PwC to our stockholders for ratification as a matter of good corporate governance. If the selection of PwC is not ratified, the Audit Committee will consider whether it is appropriate to select another Independent Accounting Firm. Even if the selection is ratified, the Audit Committee may in its discretion select a different Independent Accounting Firm at any time during the year if it determines that such a change would be in the best interests of the Company and our stockholders.

PwC representatives are expected to attend the Annual Meeting where they will be available to respond to appropriate questions and, if they desire, to make a statement.

RECOMMENDATION OF THE AUDIT COMMITTEE

The Audit Committee of the Board of Directors unanimously recommends a vote "FOR" the ratification of the appointment of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for 2018. Proxies solicited by the Board of Directors will be voted "FOR" ratification unless a stockholder indicates otherwise in voting the proxy.

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Audit Committee Report

The Audit Committee oversees the Company's financial reporting process on behalf of the Board of Directors. The management of the Company is responsible for (i) the preparation of complete and accurate annual and quarterly consolidated financial statements ("financial statements") in accordance with generally accepted accounting principles in the United States, (ii) maintaining appropriate accounting and financial reporting principles and policies and internal controls designed to assure compliance with accounting standards and laws and regulations, and (iii) an assessment of the effectiveness of internal control over financial reporting. The Independent Accounting Firm is responsible for planning and conducting in accordance with the standards of the Public Company Accounting Oversight Board ("PCAOB") an audit of the Company's annual consolidated financial statements and a review of the Company's quarterly financial statements and expressing opinions on the Company's financial statements and internal control over financial reporting based on the integrated audits.

In this context, the Audit Committee has met and held discussions with management and the Independent Accounting Firm regarding the fair and complete presentation of the Company's results and the assessment of the Company's internal control over financial reporting. The Audit Committee has discussed significant accounting policies applied by the Company in its financial statements, as well as alternative treatments. Management has represented to the Audit Committee that the Company's consolidated financial statements were prepared in accordance with accounting principles generally accepted in the United States, and the Audit Committee has reviewed and discussed the consolidated audited financial statements with management and the Independent Accounting Firm. The Audit Committee has discussed with the Independent Accounting Firm matters required to be discussed pursuant to the PCAOB's Auditing Standards on Communications with Audit Committees, as currently in effect.

In addition, the Audit Committee has reviewed and discussed with the Independent Accounting Firm the auditor's independence from the Company and its management. As part of that review, the Audit Committee has received the written disclosures and the letters required by applicable requirements of the PCAOB regarding the Independent Accounting Firm's communications with the Audit Committee concerning independence, and the Audit Committee has discussed the Independent Accounting Firm's independence from the Company.

The Audit Committee also has considered whether the Independent Accounting Firm's provision of non-audit services to the Company is compatible with the auditor's independence. The Audit Committee has concluded that the Independent Accounting Firm is independent from the Company and its management.

The Audit Committee has discussed with the Company's Internal Audit Department and Independent Accounting Firm the overall scope of and plans for their respective audits. The Audit Committee meets with the Internal Auditor, Chief Compliance Officer, the General Counsel, and representatives of the Independent Accounting Firm in regular and executive sessions, to discuss the results of their examinations, the evaluations of the Company's internal controls, and the overall quality of the Company's financial reporting and compliance programs.

In reliance on the reviews and discussions referred to above, the Audit Committee has recommended to the Board of Directors, and the Board has approved, that the audited financial statements be included in the Company's Annual Report on Form 10-K for the year ended December 31, 2017, for filing with the SEC.

Submitted by the Audit Committee

David B. Dillon, Chair

Sondra L. Barbour

Thomas "Tony" K. Brown

Gregory R. Page

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Audit Committee Policy on Pre-Approval of Audit and Permissible Non-Audit Services of the Independent Accounting Firm

The Audit Committee is responsible for appointing and overseeing the work of the Independent Accounting Firm. The Audit Committee has established a policy requiring its pre-approval of all audit and permissible non-audit services provided by the Independent Accounting Firm.

The policy identifies the guiding principles that must be considered by the Audit Committee in approving services to ensure that the Independent Accounting Firm's independence is not impaired; describes the Audit, Audit-Related, Tax and All Other services that may be provided and the non-audit services that may not be performed; and sets forth the pre-approval requirements for all permitted services. The policy provides for the general pre-approval of specific types of Audit, Audit-Related and Tax services and a limited fee estimate range for such services on an annual basis as set forth in the engagement letter with the Independent Accounting Firm. The policy requires specific pre-approval of all other permitted services. The Independent Accounting Firm is required to report periodically to the Audit Committee regarding the extent of services provided in accordance with their pre-approval and the fees for the services performed to date.

The Audit Committee's policy delegates to its Chair the authority to address requests for pre-approval of services in certain limited circumstances between Audit Committee meetings. The chair, in his discretion, must either seek immediate approval by email from the other Audit Committee members, or report any pre-approval decisions to the Audit Committee for its approval at its next scheduled meeting.

The Audit Committee may not delegate to management the Audit Committee's responsibility to pre-approve permitted services of the Independent Accounting Firm.

All Audit, Audit-Related, Tax and All Other services described below were approved by the Audit Committee before services were rendered.

Fees of the Independent Accounting Firm

The following table represents fees billed for professional services rendered by PricewaterhouseCoopers LLP ("PwC") for the audit of the Company's consolidated financial statements for the years ended December 31, 2016 and 2017, and fees billed for other services rendered by PwC during those periods.

Audit and Non-Audit Fees (\$ in Millions)

	2016	2017
Audit Fees:	\$15.1	\$17.4
Audit-Related Fees:	0.5	1.2
Tax Fees:	1.0	0.9
All Other Fees:	0.2	0.1
Total	\$16.8	\$19.7

In the above table, in accordance with SEC rules, “Audit” fees consisted of audit work and review services, as well as work generally only the independent registered public accounting firm can reasonably be expected to provide, such as statutory audits, comfort letters, consents, and review of documents filed with the Securities and Exchange Commission. “Audit-related” fees consisted principally of procedures related to the adoption of new accounting standards in future years, internal control and system audit procedures for periods prior to the rollout of the ERP system, agreed-upon procedures, employee benefit plan audits, and other attestation services. “Tax” fees consisted principally of tax compliance services in foreign jurisdictions, assistance with transfer pricing documentation, assistance with excise tax filings, and advice on foreign and domestic tax related matters. “All Other” fees consisted of information security vendor assessments, licenses for accounting software, and other permissible services that do not fall into the three categories listed above.

Audit Committee Restrictions on Hiring Employees of the Independent Accounting Firm

The Audit Committee has adopted restrictions on the hiring by the Company of any PwC partner, director, manager, staff, reviewing actuary, reviewing tax professional, and any other persons having responsibility for providing audit assurance on any aspect of PwC’s certification of the Company’s financial statements. Audit assurance includes all work that results in the expression of an opinion on financial statements, including audits of statutory accounts.

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EXECUTIVE

COMPENSATION

Proposal No. 3: Advisory Approval of Executive Compensation

Section 14A of the Securities Exchange Act provides our stockholders with the opportunity to approve, on an advisory basis, the compensation of our named executive officers as described in this Proxy Statement. This is the seventh year that the Company is asking stockholders to vote on this type of proposal, known as a “say-on-pay” proposal.

We believe that our executive compensation program is consistent with our core compensation principles and is structured to assure that those principles are implemented. At the Annual Meeting of Stockholders held on May 9, 2017, approximately 96 percent of the votes cast on this issue voted to approve the compensation of the Company’s named executive officers as disclosed in last year’s Proxy Statement. Although the vote was non-binding, the Compensation Committee believes this level of approval percentage indicates that our stockholders strongly support our core compensation principles and our executive compensation program, and we believe our stockholders as a whole should support them as well.

Thus, the Company is submitting to stockholders the following resolution for their consideration and approval:

“RESOLVED, that the stockholders approve, on an advisory basis, the compensation of the Company’s Named Executive Officers as disclosed in this Proxy Statement pursuant to the compensation disclosure rules of the Securities and Exchange Commission (including in the Compensation Discussion and Analysis, the accompanying compensation tables and related narrative).”

As described in the Compensation Discussion and Analysis portion of this Proxy Statement, 3M delivered another year of strong financial performance in 2017. These results reflected the strong performance of the Company’s leadership team, including the Named Executive Officers, which impacted their annual and long-term incentive compensation earned during 2017.

While the Board of Directors and the Compensation Committee intend to carefully consider the results of the voting on this proposal when making future decisions regarding executive compensation, the vote is not binding on the Company or the Board and is advisory in nature. The Company currently holds advisory votes on the compensation of

named executive officers annually. Accordingly, the next such advisory vote is expected to occur at the 2019 Annual Meeting.

**RECOMMENDATION
OF THE BOARD**