

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

**CURRENT REPORT PURSUANT
TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934**

Date of report (Date of earliest event reported): **May 14, 2007**

3M COMPANY

(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

File No. 1-3285
(Commission File Number)

41-0417775
(IRS Employer Identification No.)

3M Center, St. Paul, Minnesota
(Address of Principal Executive Offices)

55144-1000
(Zip Code)

(651) 733-1110
(Registrant's Telephone Number, Including Area Code)

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

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

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

At the Annual Meeting of Stockholders of 3M Company held on May 8, 2007, the stockholders approved the 3M Executive Annual Incentive Plan as well as the revised performance criteria under the 3M Performance Unit Plan (the "Plans") recommended by the Board of Directors. The Plans are briefly described below. These descriptions are subject to the full terms of such Plans attached hereto as Exhibits 10.1 and 10.2 and incorporated by reference herein.

(1) *3M Executive Annual Incentive Plan*

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

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

The following is a summary of the material terms of the Annual Incentive Plan and is qualified in its entirety by reference to the full terms of the Plan, which is attached as Exhibit 10.1 hereto.

1. The purposes of the Plan are to attract and retain highly qualified individuals to serve as executive officers of the Company, to focus their attention on achieving certain business objectives established for the Company and its business units, and to provide these individuals with incentive compensation that is designed to qualify as performance-based compensation for purposes of Section 162(m) of the Internal Revenue Code.
2. Participation in the Plan is limited to the Named Executive Officers of the Company and those other senior executives of the Company whose compensation

is approved by the Compensation Committee of the Board of Directors.

3. The Compensation Committee will administer the Plan. The Committee may delegate any of its administrative responsibilities in connection with the Plan to the appropriate employees of the Company.
4. The Plan establishes limits on the maximum annual incentive payable to any participating individual for any year. For the Named Executive Officers of the Company, this limit is one quarter of one percent (0.25%) of the adjusted net income of the Company for the year. For all other individuals participating in the Plan, this limit is one tenth of one percent (0.1%) of the adjusted net income of the Company for the year. Subject to these limits, the Committee determines the amount of each individual's annual incentive opportunity for each year and has the discretion to reduce the annual incentive payable to such individual below the applicable limit.

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5. Payments may be made in the form of cash or in the form of shares of 3M common stock, restricted stock, or restricted stock units delivered pursuant to the Company's Management Stock Ownership Program. All payments for a year will be made no later than March 15 of the following year, but not until the Committee has certified in writing that the performance goal for the year has been satisfied and that the limits on the maximum annual incentive payable to any individual participating in the Plan have not been exceeded.
 6. If an individual's employment with 3M ends for any reason other than retirement or death, that individual's participation in the Plan will end and any annual incentive compensation that would otherwise have been payable to such individual for the year in which his or her employment ended will be forfeited.
 7. Annual incentive compensation payments made in cash or shares of 3M common stock will be taxed to the recipient as ordinary income in the year of receipt. Annual incentive compensation delivered in the form of restricted stock or restricted stock units will be taxed to the recipient as ordinary income when the shares of restricted stock or the restricted stock units vest.
 8. The Plan became effective on January 1, 2007, subject to the requirement that it be approved by a majority vote of the Company's stockholders at the Company's next annual meeting. Once approved, the Plan will remain in effect until terminated by the Compensation Committee. The Committee may amend the Plan at any time, except that no amendment which would (a) increase the limit on the annual incentive compensation payable to any participant, or (b) revise the performance goal available for determining the amount of annual incentive compensation payable under the Plan, will become effective until it has been approved by a majority vote of the Company's stockholders.

(2) 3M Performance Unit Plan

The Performance Unit Plan (the "Plan") is one element of the Company's compensation program for its executives. The Plan provides long-term incentive compensation payable annually based on the Company's attainment of the performance criteria selected by the Compensation Committee for each year's awards. This performance is measured over rolling three-year periods.

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

At its meeting on February 11, 2007, the Compensation Committee approved an amendment to the Plan which amends the available performance criteria to include adjusted net income or improvement in adjusted net income, earnings per share or improvement in earnings per share, net sales, cash flow, gross margin, operating margin, earnings before interest and taxes, EBITDA, economic value added, stock price, return on assets or net assets, and operating income or improvement in operating income. As amended, the performance criteria available to the Compensation Committee under the Plan now include return on capital employed, return on assets or net assets, net sales, sales growth, cash flow, earnings per share or improvement in earnings per share, return on equity, stock price, gross margin, operating margin, total shareholder return, economic value added, economic profit or improvement in economic profit, earnings before interest and taxes, EBITDA, operating income or improvement in operating income, improvements in certain asset or financial measures, reductions in certain asset or cost areas, net income or variations of net income in varying time periods, and comparisons with other peer companies or industry groups or classifications with regard to one or more of these criteria. As amended, the criteria may now apply either to the Company as a whole or to any of its business segments. This summary of the amendment to the Performance Unit Plan is qualified in its entirety by reference to the full terms of the amended plan document, which is attached as Exhibit 10.2 hereto.

In order to preserve the Company's ability to deduct for federal income tax purposes the payments made under the Plan to certain of its executives, Section 162(m) of the Internal Revenue Code and the regulations

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issued thereunder require that the Company's stockholders approve the material terms of these performance criteria as amended by the Compensation Committee.

Item 5.03. Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year

At the Annual Meeting of Stockholders of 3M Company held on May 8, 2007, the stockholders approved two amendments recommended by the Board of Directors to Article ELEVENTH and Article THIRTEENTH (the "Amendments") of the Company's Restated Certificate of Incorporation. The Amendments, briefly described below, eliminated the supermajority vote requirements and the fair price provision, respectively. These Amendments each received the affirmative "FOR" vote by the holders of at least 80 percent (80%) of the outstanding common stock entitled to vote. The Amendments became effective upon the filing with the Secretary of State of Delaware of a Certificate of Amendments on May 11, 2007. The Restated Certificate of Incorporation incorporating such Amendments is attached hereto as Exhibit 3(i) and incorporated by reference herein.

(1) Elimination of Supermajority Vote Requirements

Article ELEVENTH of our Restated Certificate of Incorporation previously required the affirmative vote of at least 80 percent of our outstanding voting stock to amend, alter, or repeal our Bylaws or certain provisions of the Restated Certificate of Incorporation. The Amendments removed the 80 percent supermajority vote requirement previously in place to approve, alter, amend, or repeal the provisions of the Restated Certificate of Incorporation:

- To amend, alter, or repeal any provision of our Bylaws; and
- To amend, alter, or repeal Article ELEVENTH or Article THIRTEENTH of the Restated Certificate of Incorporation.

(2) *Elimination of Fair Price Provision*

Article THIRTEENTH of our Restated Certificate of Incorporation, which is sometimes referred to as a “fair price” provision, previously required the affirmative vote of the holders of at least 80 percent of the outstanding voting stock to approve certain transactions involving any person or group that beneficially owns at least 10 percent of our outstanding voting stock (a “Related Person”). Under the Amendments, this Article was deleted in its entirety. The previous requirements of Article THIRTEENTH applied to the following transactions between a Related Person and 3M:

- A merger or consolidation;
- Any sale, lease, exchange, transfer, or other disposition of all or any substantial part (more than five percent of the fair market value) of the assets of 3M or any of its subsidiaries;
- Any sale, lease, exchange, transfer, or other disposition of all or any substantial part (more than five percent of the fair market value) of the assets of an entity to 3M or any of its subsidiaries;
- The issuance, sale, exchange, transfer, or other disposition by 3M or its subsidiaries of any securities of 3M or its subsidiaries;
- Any recapitalization or reclassification of the securities of 3M or other transaction that would have the effect of increasing the voting power of a Related Person or reducing the number of shares of each class of voting stock outstanding; or
- Any liquidation, spin-off, split-off, split up, or dissolution of 3M.

This 80 percent voting requirement did not apply to (a) transactions approved by the vote of the majority of the Continuing Directors (directors who were directors prior to the time the Related Person became a Related Person, and directors recommended for election by such directors) and (b) in the case of any business transaction involving a merger or consolidation or sale of substantially all of the assets, the

aggregate amount of cash to be received per share in connection with such business transaction is at least equal in value to the highest price per share of common stock paid by the Related Person in the transaction which resulted in such Related Person becoming a Related Person or within one year prior to the date such Related Person became a Related Person, whichever is higher. Article THIRTEENTH also previously included a requirement that Article THIRTEENTH could only be amended, altered, or repealed with the affirmative vote of the holders of at least 80 percent of all of the then outstanding shares of voting stock, voting together as a single class.

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

3M will continue to be subject to Section 203 of the Delaware General Corporation Law. Section 203 provides, in general, that a transaction constituting a “business combination” within the meaning of Section 203 involving a person owning 15 percent or more of our voting stock (referred to as an “interested stockholder”), cannot be completed for a period of three years after the date the person became an interested stockholder unless (1) the Board of Directors approved either the business combination or the transaction that resulted in the person becoming an interested stockholder prior to such business combination or transaction, (2) upon consummation of the transaction that resulted in the person becoming an interested stockholder, that person owned at least 85 percent of our outstanding voting stock (excluding shares owned by persons who are directors and also officers of 3M and shares owned by certain 3M employee benefit plans), or (3) the business combination was approved by the Board of Directors and by the affirmative vote of at least 66^{2/3} percent of our outstanding voting stock not owned by the interested stockholder.

Item 9.01 Financial Statements and Exhibits

(c) Exhibits:

<u>Exhibit Number</u>	<u>Description of Exhibits</u>
3.1	Certificate of Incorporation, as amended as of May 11, 2007
10.1	3M Executive Annual Incentive Plan
10.2	3M Performance Unit Plan, including amendments through February 11, 2007

SIGNATURE

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

3M COMPANY

By: /s/ Gregg M. Larson
Gregg M. Larson,

Dated: May 14, 2007

INDEX TO EXHIBITS

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CERTIFICATE OF INCORPORATION OF
3M COMPANY

(Original Certificate Filed on June 25, 1929)

FIRST: The name of the Corporation is 3M COMPANY.

SECOND: The address of its registered office in the State of Delaware is 1209 Orange Street, in the City of Wilmington, County of New Castle. The name of its registered agent at such address is The Corporation Trust Company.

THIRD: The nature of the business or purposes to be conducted or promoted is: to engage in any lawful act or activity for which Corporations may be organized under the General Corporation Law of Delaware.

FOURTH: A. The total number of shares of all classes of stock which this Corporation shall have authority to issue is 3,010,000,000 consisting of 10,000,000 shares of preferred stock without par value and 3,000,000,000 shares of common stock with a par value of \$0.01 per share.

B. The designations, powers, preferences, and rights, and the qualifications, limitations, or restrictions of the preferred stock and the common stock of the Corporation are as follows:

1. The preferred stock may be issued from time to time as shares of one or more series in any amount, not exceeding in the aggregate, including all shares of any and all series previously issued, the total number of shares of preferred stock hereinabove authorized. All shares of any one series of preferred stock shall rank equally and be identical, except as to the times from which cumulative dividends, if any, thereon shall be cumulative.

2. The Board of Directors of the Corporation is hereby expressly authorized from time to time to issue preferred stock as preferred stock of any series, and in connection with the creation of each such series to fix by the resolution or resolutions, providing for the issue of shares thereof, the designations, preferences and relative, participating, optional, conditional, or other special rights, and qualifications, limitations, or restrictions thereof, of such series, to the full extent now or hereafter permitted by the laws of the State of Delaware, including, without limitation, the following matters:

- (a) The designation of such series;
- (b) The rate or amount and times at which, and the preferences and conditions under which, dividends shall be payable on shares of such series, the status of such dividends as cumulative or noncumulative, the date or dates from which dividends, if cumulative, shall accumulate, and the status of such series as participating or nonparticipating after the payment of dividends on shares which are entitled to any preference;
- (c) The voting rights, if any, of shares of such series in addition to those required by law, which may be full, limited, multiple, fractional, or none, including any right to vote as a class either generally or in connection with any specified matter or matters;
- (d) The amount, times, terms, and conditions, if any, upon which shares of such series shall be subject to redemption;
- (e) The rights and preferences, if any, of the holders of shares of such series in the event of any liquidation, dissolution, or winding up of the Corporation;
- (f) Whether the shares of such series shall be entitled to the benefit of a sinking fund to be applied to the purchase or redemption of such series, and if so entitled, the amount of such fund and the manner of its application; and
- (g) Whether the shares of such series shall be made convertible into, or exchangeable for, shares of any other class or classes or of any other series of the same or any other class or classes of stock of the Corporation, and if made so convertible or exchangeable,

the conversion price or prices, or the rates of exchange, and the adjustments, if any, at which such conversion or exchange may be made.

C. Except for and subject to those rights expressly granted to the holders of preferred stock, or any series thereof, by the Board of Directors, pursuant to the authority hereby vested in the Board or as provided by the laws of the State of Delaware, the holders of the Corporation's common stock shall have exclusively all rights of shareholders and shall possess exclusively all voting power. Each holder of common stock of the Corporation shall be entitled to one vote for each share of such stock standing in such holder's name on the books of the Corporation.

FIFTH: The Corporation is to have perpetual existence.

SIXTH: In furtherance, and not in limitation of the powers conferred by statute, the Board of Directors is expressly authorized:

To make, alter, or repeal the Bylaws of the Corporation.

To authorize and cause to be executed mortgages and liens upon the real and personal property of the Corporation.

To set apart out of any funds of the Corporation available for dividends a reserve or reserves for any proper purpose and to abolish any such reserve in the manner in which it was created.

By a majority of the whole Board, to designate one or more committees, each committee to consist of one or more of the directors of the

Corporation. The Board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. The Bylaws may provide that in the absence or disqualification of a member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether the member or members constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member. Any such committee, to the extent provided in the resolution of the Board of Directors, or in the Bylaws of the Corporation, shall have and may exercise all the powers and authority of the Board of

Directors in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers which may require it; but no such committee shall have the power or authority in reference to amending the Certificate of Incorporation, adopting an agreement of merger or consolidation, recommending to the stockholders the sale, lease, or exchange of all or substantially all of the Corporation's property and assets recommending to the stockholders a dissolution of the Corporation or a revocation of a dissolution, or amending the Bylaws of the Corporation; and, unless the resolution or Bylaws expressly so provide, no such committee shall have the power or authority to declare a dividend or to authorize the issuance of stock.

When and as authorized by the stockholders in accordance with statute, to sell, lease, or exchange all or substantially all of the property and assets of the Corporation, including its goodwill and its corporate franchises, upon such terms and conditions and for such consideration, which may consist in whole or in part of money or property, including shares of stock in, and/or other securities of, any other Corporation or Corporations, as its Board of Directors shall deem expedient and for the best interest of the Corporation.

SEVENTH: Meetings of stockholders may be held within or without the State of Delaware, as the Bylaws may provide. The books of the Corporation may be kept (subject to any provision contained in the statutes) outside the State of Delaware at such place or places as may be designated from time to time by the Board of Directors or in the Bylaws of the Corporation.

EIGHTH: This Corporation reserves the right to amend, alter, change, or repeal any provision contained in this Certificate of Incorporation, in the manner now or hereafter prescribed by statute, and all rights conferred upon stockholders herein are granted subject to this reservation.

NINTH: Whenever a compromise or arrangement is proposed between this Corporation and its creditors or any class of them and/or between this Corporation and its stockholders or any class of them, any court of equitable jurisdiction within the State of Delaware may, on the application in a summary way of this Corporation or of any creditor or stockholder thereof or on the application of any receiver or receivers appointed for this Corporation under the provisions of Section 291 of Title 8 of the Delaware Code or on the application of trustees in dissolution or of any receiver or receivers appointed for this Corporation under the provisions of Section 279 of Title 8 of the Delaware Code, order a meeting of the creditors or class of creditors, and/or of the stockholders or class of stockholders

of this Corporation, as the case may be, to be summoned in such manner as the said court directs. If the majority in number representing three-fourths in value of the creditors or class of creditors, and/or of the stockholders or class of stockholders of this Corporation, as the case may be, agree to any compromise or arrangement and to any reorganization of this Corporation as a consequence of such compromise or arrangement, the said compromise or arrangement and the said reorganization shall, if sanctioned by the court to which the said application has been made, be binding on all the creditors or class of creditors, and/or on all the stockholders or class of stockholders, of this Corporation as the case may be, and also on this Corporation.

TENTH: A. The number of directors of the Corporation shall be fixed from time to time by or pursuant to the Bylaws of the Corporation. At the 1986 Annual Meeting of Stockholders of the Corporation, the directors shall be divided, with respect to the terms for which they severally hold office, into three classes, as nearly equal in number of directors as possible, as determined by the Board of Directors, with the term of office of the first class to expire at the Annual Meeting of Stockholders to be held in 1987, the term of office of the second class to expire at the Annual Meeting of Stockholders to be held in 1988, and the term of office of the third class to expire at the Annual Meeting of Stockholders to be held in 1989, with each class of directors to hold office until their successors are duly elected and have qualified. At each Annual Meeting of Stockholders following such initial classification and election until the 2007 Annual Meeting of Stockholders, directors elected to succeed those directors whose terms expire at such annual meeting, other than those directors elected under particular circumstances by a separate class vote of the holders of any class or series of stock having a preference over the common stock, of a par value of \$0.01 per share, of the Corporation (the "Common Stock") as to dividends or upon liquidation of the Corporation, shall be elected to hold office for a term expiring at the Annual Meeting of Stockholders in the third year following the year of their election and until their successors are duly elected and have qualified. When the number of directors is changed, any newly created directorships or any decrease in directorships shall be so apportioned among the classes as to make all classes as nearly equal in number of directors as possible, as determined by the Board of Directors. The terms of office of all directors who are in office immediately prior to the closing of the polls for the election of directors at the 2007 Annual Meeting of Stockholders of the Corporation shall expire at such time. At each Annual Meeting of Stockholders beginning with the 2007 Annual Meeting of Stockholders of the Corporation, the directors shall not be classified, and the directors shall be elected annually and shall hold office for a term expiring at the next Annual Meeting of Stockholders and until their respective successors shall have been duly elected and qualified. No decrease in the number of directors constituting the Board of Directors shall shorten

the term of any incumbent director. The provisions of this Paragraph are subject to the provisions of Paragraph D of this Article.

B. Except as may be provided in the terms of any class or series of stock having a preference over the Common Stock as to dividends or upon liquidation of the Corporation relating to the rights of the holders of such class or series to elect, by separate class vote, additional directors, prior to the 2007 Annual Meeting of Stockholders of the Corporation, no member of the Board of Directors may be removed from office except for cause. Except as may be provided in the terms of any class or series of stock having a preference over the Common Stock as to dividends or upon liquidation of the Corporation relating to the rights of the holders of such class or series to elect, by separate class vote, additional directors, from and after the 2007 Annual Meeting of Stockholders of the Corporation, any member of the Board of Directors may be removed from office with or without cause.

C. Subject to the provisions of Paragraph D of this Article TENTH, newly created directorships resulting from an increase in the number of directors of the Corporation and vacancies occurring in the Board of Directors resulting from death, resignation, retirement, removal, or any other reason shall be filled by the affirmative vote of a majority of the directors, although less than a quorum, then remaining in office and elected by the holders of the capital stock of the Corporation entitled to vote generally in the election of directors or, in the event that there is only one such director, by such sole remaining director. Prior to the 2007 Annual Meeting of Stockholders of the Corporation, any director elected in accordance with the preceding sentence shall hold office for the full term of the class of directors in which the new directorship was created or the vacancy occurred and until such director's successor shall have been elected and qualified.

D. In the event that the holders of any class or series of stock of the Corporation having a preference over the Common Stock as to dividends or upon liquidation of the Corporation are entitled, by a separate class vote, to elect directors pursuant to the terms of such class or series, then the provisions of such class or series with respect to

such rights of election shall apply to the election of such directors. The number of directors that may be elected by the holders of any such class or series of stock shall be in addition to the number fixed by or pursuant to the Bylaws. Except as otherwise expressly provided in the terms of such class or series, the number of directors that may be so elected by the holders of any such class or series of stock shall be elected for terms expiring at the next Annual Meeting of Stockholders and without regard to any classification of the remaining members of the Board of Directors, and vacancies among directors so elected by the separate class vote of any such

class or series of stock shall be filled by the affirmative vote of a majority of the remaining directors elected by such class or series, or, if there are no such remaining directors, by the holders of such class or series in the same manner in which such class or series initially elected a director.

If at any meeting for the election of directors, more than one class of stock, voting separately as classes, shall be entitled to elect one or more directors and there shall be a quorum of only one such class of stock, that class of stock shall be entitled to elect its quota of directors notwithstanding absence of a quorum of the other class or classes of stock.

ELEVENTH: Intentionally omitted.

TWELFTH: No action required to be taken or which may be taken at any annual or special meeting of stockholders of the Corporation may be taken without a meeting, and the power of stockholders to consent in writing, without a meeting, to the taking of any action is specifically denied.

THIRTEENTH: Intentionally omitted.

FOURTEENTH: The liability of the Corporation's Directors to the Corporation or its stockholders shall be eliminated to the fullest extent permitted by the General Corporation Law of the State of Delaware, as the same exists or may be amended from time to time. Any repeal or amendment of this Article FOURTEENTH by the stockholders of the Corporation shall not adversely affect any right or protection of a director existing at the time of such repeal or amendment.

3M EXECUTIVE ANNUAL INCENTIVE PLAN

1. Purposes.

The purposes of the 3M Executive Annual Incentive Plan (the "Plan") are to attract and retain highly qualified individuals as executive officers of 3M; to focus their attention on achieving certain business objectives established for 3M and its business units; and to provide these individuals with incentive compensation that is intended to qualify as performance-based compensation under Section 162(m) of the Internal Revenue Code.

2. Definitions.

- (a) "Adjusted Net Income" means the net income of 3M as reported in the Consolidated Statement of Income as adjusted to exclude special items.
- (b) "Committee" means those members of the Compensation Committee of 3M's Board of Directors who qualify as outside directors for purposes of Section 162(m) of the Internal Revenue Code.
- (c) "Named Executive Officers" means those executive officers of 3M covered by the SEC's disclosure requirements for executive compensation in Item 402 of Regulation S-K.
- (d) "Participant" means an employee of 3M who is eligible to participate in this Plan pursuant to Section 4 and whose participation in the Plan has been approved by the Committee.
- (e) "Plan" means this 3M Executive Annual Incentive Plan.
- (f) "Plan Year" means the 12-month period ending on December 31.
- (g) "Retirement" means the termination of a Participant's employment with 3M after meeting the requirements for retirement under any retirement plan of 3M (including, in the United States, the 3M Employee Retirement Income Plan).

3. Term and Termination of the Plan.

This Plan shall become effective on January 1, 2007, subject to approval by the affirmative vote of the holders of a majority of the shares of outstanding common stock of 3M voting at the 2007 Annual Meeting of Stockholders, and it shall remain in effect until it is terminated by the Committee.

4. Participation.

The individuals eligible to participate in this Plan shall be the Named Executive Officers of 3M, as well as any other senior executives of 3M whose compensation is approved by the Committee.

5. Amounts of Annual Incentive.

The maximum annual incentive payable to any Named Executive Officer for any Plan Year shall be one-quarter of one percent (0.25%) of the Adjusted Net Income for such Plan Year, while the maximum annual incentive payable for any Plan Year to any Participant who is not a Named Executive Officer shall be one-tenth of one percent (0.10%) of the Adjusted Net Income for such Plan Year. Subject to these maximums, the Committee shall determine the amount of each Participant's annual incentive opportunity for each Plan Year in its discretion. Notwithstanding anything to the contrary in this Plan document, the Committee in its sole discretion may decide to

reduce the annual incentive payable to a Participant for any Plan Year below the applicable maximum amount payable under this Section 5.

6. Payments of Annual Incentive.

All annual incentive payments under this Plan shall be made in the form of cash or in the form of shares of 3M stock, restricted stock or restricted stock units delivered pursuant to the 3M Management Stock Ownership Program. All annual incentive payments for a Plan Year shall be completed no later than March 15 of the year following the end of such Plan Year; provided, however, that no payment shall be made under this Plan until the Committee has certified in writing that: (a) the performance goal for such Plan Year has been satisfied, and (b) the limitations described in Section 5 have not been exceeded.

7. Plan Administration.

This Plan will be administered by the Committee, which may delegate any of its administrative responsibilities in connection with the Plan to the appropriate employees of 3M. The Committee will have full power and authority to interpret the Plan, to establish, amend and rescind any rules, forms or procedures as it deems necessary for the proper administration of the Plan, to determine the manner and time of payment of the annual incentive compensation payable hereunder, and to take any other action as it deems necessary or advisable in connection with the Plan. Any decision made, action taken or interpretation made by the Committee or its delegate that is not inconsistent with the provisions of this Plan will be final, conclusive, and binding on all persons interested in the Plan.

8. Amendments.

The Committee may at any time amend this Plan, in whole or in part; provided no amendment which would (a) increase the maximum annual incentive payable to any Participant, or (b) revise the performance goal available for determining the amount of the annual incentive compensation payable hereunder, shall become effective until approved by the affirmative vote of the holders of a majority of the shares of outstanding common stock of 3M voting at a meeting of the corporation's stockholders.

9. Rights of Participants.

Nothing in this Plan or the fact that a person has received or become eligible to receive annual incentive compensation hereunder shall be deemed to give such person any right to be retained in the employ of 3M or to interfere with the right of 3M to discipline or terminate the employment of such person at any time for any reason whatsoever. No person shall have any claim or right to receive annual incentive compensation under this Plan, except as provided in accordance with the provisions of this Plan and as approved by the Committee. If a Participant's employment with 3M terminates for any reason other than death or Retirement, participation in this Plan will end and any annual incentive compensation that would otherwise have been payable to such Participant for the Plan Year in which such termination occurs shall be forfeited.

10. Withholding.

All payments of annual incentive compensation made pursuant to this Plan will be subject to withholding for all applicable taxes and contributions required by law to be withheld therefrom.

3M

PERFORMANCE UNIT PLAN

SECTION 1

Purpose

The purpose of this plan is to attract talented, competent and resourceful managers to the Company and to provide a strong incentive for such management employees to remain with the Company. The purpose of the plan is also to provide such management employees an opportunity to acquire shares of the Company's common stock, with the belief that such equity participation will provide incentive for added effort toward the Company's growth and success. The plan is intended to provide management incentive compensation related to the long-range planning functions of management participants and the success of the Company in the long-term context.

SECTION 2

Definitions

- (a) "Company" shall mean 3M Company.
- (b) "Plan" shall mean the Company's Performance Unit Plan.
- (c) "Committee" shall mean the Compensation Committee of the Company's Board of Directors, excluding any members who are eligible to receive an award under the Plan.
- (d) "Participant" shall mean a management employee of the Company or any of its subsidiaries or affiliates who is designated as a Participant by the Committee.
- (e) "Award" shall mean the determination by the Committee that a Participant should receive a given number of Performance Units, as evidenced by a document of notification given a Participant at the time of such determination.
- (f) "Performance Unit" shall mean a unit of participation with a face value of \$100 which shall constitute the basis from which a Participant's payment shall be determined with regard to performance criteria established by the Committee.
- (g) "Performance Criteria" shall mean such internal performance criteria for the Company or any business segment thereof as determined by the Committee with respect to each Award and may include any one or more of several criteria, such as, but not limited to, return on capital employed, return on assets or net assets, net sales, sales growth, cash flow, earnings per share or improvement in earnings per share, return on equity, stock price, gross margin, operating margin, total shareholder return, economic value added, economic profit or improvements in economic profit (after-tax operating income, excluding non-recurring items, less the cost of capital), earnings before interest and taxes, EBITDA, operating income or improvement in operating income, improvements in certain asset or financial measures (including working capital and the ratio of sales to net working capital), reductions in certain asset or cost areas (including reductions in inventories or accounts receivable or reductions in laboratory, engineering, sales or administrative costs), net income or variations of income criteria in varying time periods, adjusted net income or improvement in adjusted net income, or general comparisons with other peer companies or industry groups or classifications with regard to one or more of these criteria. Such criteria shall include a target for payment of the Performance Unit at full face value and upper and lower limits for the measurement of payment to Participants.

(h) "Performance Period" shall mean a period of no less than three years, as determined by the Committee, during which Performance Criteria shall be measured for purposes of calculating the payment with respect to each Performance Unit. The Committee may elect, during the initial years of granting Performance Units, to provide for shorter periods of less than three years.

(i) "Payment Date" shall mean a date determined by the Committee at the time of the Award for purposes of making payment to the Participant. This date shall be no later than March 15 of the year immediately following the completion of the respective Performance Period.

SECTION 3

Participation

(a) The Committee shall determine and designate from time to time those management employees of the Company and its subsidiaries or affiliates who are to be granted Performance Units, and thereby become Participants, and the number of Performance Units to be granted to each Participant.

(b) Performance Units granted by the Committee shall be by letters of notification to Participants evidencing the Award in such form as the Committee shall approve, which letters shall comply with and be subject to the terms and conditions of this Plan. Further Performance Units may be granted by the Committee from time to time to Participants, so long as this Plan shall continue in full force and effect.

SECTION 4

Granting of Performance Units

(a) Grants of Performance Units shall be determined and directed by the Committee from time to time. The letter of notification evidencing the Award shall specify the number of Performance Units granted to the Participant, the proration of such Performance Units if the Participant retires prior to the completion of the relevant Performance Period, the commencement and expiration of the relevant Performance Period, the Performance Criteria by which the payment value of the Performance Units will be determined, and the Payment Date.

(b) Awards shall be granted to Participants in recognition of their positions and ability to affect the Company's performance. Either the Company's books and records or the Participant's letter of notification of the Award shall be deemed conclusive evidence of the granting of an Award and, in the event of inconsistency or ambiguity, the Company's books and records shall supersede and prevail.

SECTION 5

Company Performance

The Performance Criteria established by the Committee with respect to each Award shall provide a means by which the Company's performance may be measured during the Performance Period specified in the Award. Actual Company performance during the Performance Period shall determine the amount of payment to be received by the Participant at the Payment Date. The payment value of the Performance Units shall be adjusted to reflect the actual Company performance during the Performance Period, within lower and upper limits established by the Committee at the time of the Award.

SECTION 6

Payment

(a) The amount payable with respect to each Performance Unit shall be contingent upon the attainment of Performance Criteria as established in the Award during the specified Performance Period and the continued employment of the Participant until the Payment Date as defined in Section 2(i) hereof.

(b) Amounts payable with respect to Performance Units under this Plan shall be paid to Participants in cash, reacquired shares of the Company's common stock, or any combination of cash and reacquired shares of common stock, as determined at the sole discretion of the Committee at the Payment Date. The number of shares of common stock to

be transferred by way of payment shall be determined by dividing the dollar amount of payment to be effected thereby by one hundred percent (100%) of the fair market value of such common stock as reported on the New York Stock Exchange Composite Index on the payment date. The fair market value shall be the average of the high and low prices so reported.

(c) A Participant shall obtain no absolute rights under any Award under this Plan until the Payment Date, except as provided in Sections 9 and 10 hereof.

(d) The maximum payment to any Participant under this Plan with respect to a single Award shall not exceed the amount reasonably determined by the Committee to equal three-tenths of one percent (0.3%) of the consolidated net income of the Company, excluding non-recurring items, for the calendar year immediately preceding the year including the Payment Date.

(e) Awards of Performance Units shall be paid to the respective Participants no later than the March 15 immediately following the completion of the Performance Period for such Units, unless a Participant shall have made an effective election to defer the receipt of such payment pursuant to the terms of the 3M Deferred Compensation Plan and all applicable laws.

SECTION 7

Special Payments

The Committee may elect, at its sole option, to advance the Payment Date of any Award in the event of a Participant's termination of employment for any cause; provided, however, that the Committee shall not advance the Payment Date of any Award payable to a Participant who is then eligible to retire pursuant to a pension plan maintained by the Company. This provision shall not confer any right upon a Participant not otherwise conferred under Sections 6, 9 and 10 hereof.

SECTION 8

Administration

The Plan shall be administered under the supervision and direction of the Committee. In administering the Plan, the Committee will determine the Participants and the number of Performance Units to be granted to individual participants, establish appropriate Performance Periods and Performance Criteria as bases for payments under the Plan, and determine the Payment Date and methods and procedures for payment of Awards under the Plan. Further, it may be necessary from time to time to change or waive requirements of the Plan, or outstanding Performance Units, to conform with the law, to meet special circumstances not anticipated or covered in the Plan, or to carry on successful operation of the Plan, and in connection therewith, the Committee shall have the full power and authority to:

(a) Prescribe, amend and rescind rules and regulations relating to the Plan, or outstanding Performance Units, establish procedures deemed appropriate for its administration, and make any and all other determinations not herein specifically authorized which may be necessary or advisable for its effective administration;

(b) Make any amendments to or modifications of the Plan which may be required or necessary to make the Plan set forth herein comply with the provisions of any laws, federal or state, or any regulations issued thereunder, and to cause the Company at its expense to take any action related to the Plan which may be required under such laws or regulations; and

(c) Contest on behalf of Participants or the Company, at the expense of the Company, any ruling or decision on any issue related to the Plan, and conduct any such contest and any resulting litigation to a final determination, ruling or decision.

Nothing herein shall be deemed to authorize, and the Committee will have no discretion, to alter or amend the Performance Criteria or the specific performance goals of Awards under the Plan after they have been approved by the Committee or communicated to Participants, whichever shall occur later in time.

If required for compliance with legal or tax guidelines with regard to its role in administering the Plan, the Committee may act through a subcommittee of at least two of its members, none of whom shall be eligible to participate in the Plan.

SECTION 9

Termination of Award

Participation hereunder shall cease and all rights under the Plan and any Award thereunder are forfeited by the Participant upon termination of employment for any

cause prior to the Payment Date other than (i) retirement pursuant to any income or pension plan of the Company or any of its subsidiaries or affiliates, (ii) retirement because of physical or mental disability, or (iii) death. The foregoing shall not affect the right of the Committee to effect special payments as provided in Section 7.

SECTION 10

Retirement or Death

(a) If a Participant retires pursuant to a pension plan maintained by the Company or changes employment status as a result of physical or mental disability prior to the Payment Date of an Award, such retirement or change in status shall not affect any rights of the Participant under any Performance Unit grants received by such Participant prior to such retirement or change in employment status; provided, however, that the Committee may provide for the proration of the Performance Units granted to a Participant who retires from employment with the Company prior to the completion of the Performance Period for such Performance Units.

(b) If a Participant dies without having received payment of any Performance Units under outstanding Awards, payment of such Units shall be made no later than the March 15 of the year following the year in which the Participant died to such Participant's surviving beneficiary or beneficiaries or, if there shall be no such surviving beneficiaries, to such Participant's estate in the following manner:

(i) If the Participant dies after the expiration of a Performance Period of an Award, the payment shall be at the full rate previously determined, together with any interest earned thereon until the date of payment; and

(ii) If the Participant dies before the expiration of a Performance Period of an Award, the amount of payment shall be at the lesser of:

- the face value of each outstanding Performance Unit for which payment has not been made; or
- any other amount approved, in its discretion, by the Compensation Committee of the Board of Directors.

(c) Each Participant shall have the right at any time to designate any person, persons or entity as the beneficiary or beneficiaries to whom payment of the Participant's outstanding Performance Units shall be made in the event of the Participant's death. Any designation filed under the Plan may be revoked or changed by written instrument so signed and filed prior to the Participant's death.

(d) If a Participant designates more than one beneficiary to receive such Participant's outstanding Performance Units and any beneficiary shall predecease the Participant, the Company shall pay the deceased beneficiary's share to the surviving beneficiary or beneficiaries proportionately, as the portion designated by the Participant for each bears to the total portion designated for all surviving beneficiaries.

SECTION 11

Transferability

Any rights of a Participant under this Plan, and in or to an Award, shall be personal in nature and may not be assigned or transferred (other than a transfer by will or the laws of descent and distribution). Any attempted assignment or transfer of the Award shall be null and void and without effect.

SECTION 12

Withdrawal, Amendment or Termination of the Plan

The term of the Plan shall be indefinite and the Plan shall continue in full force and effect indefinitely until terminated at any time by action of the Company's Board of Directors or the Committee. Any such termination shall not adversely affect Awards theretofore granted.

The Company's Board of Directors or the Committee may at any time withdraw or amend the Plan, except that there shall be no withdrawal or amendment which shall adversely affect Awards theretofore granted.

SECTION 13

Change in Control

(a) For purposes of this Section 13, the following words and phrases shall have the meanings indicated below, unless the context clearly indicates otherwise:

(i) "Person" shall have the meaning associated with that term as it is used in Sections 13(d) and 14(d) of the Act.

(ii) "Affiliates and Associates" shall have the meanings assigned to such terms in Rule 12b-2 promulgated under Section 12 of the Act.

(iii) "Act" means the Securities Exchange Act of 1934.

(iv) "Continuing Directors" shall have the meaning assigned to such term in Article Thirteenth of the Company's Restated Certificate of Incorporation.

(v) "Code" means the Internal Revenue Code of 1986, as amended.

(b) The Plan shall terminate and the Company shall immediately distribute in cash to the respective Participants the value of all outstanding Performance Units, as determined in accordance with the other provisions of this Plan and this Section 13, upon the occurrence of a Change in Control of the Company.

(c) For purposes of this Section 13, a Change in Control of the Company shall be deemed to have occurred if:

(i) any person (together with its Affiliates and Associates), other than a trustee or other fiduciary holding securities under an employee benefit plan of the Company, is or becomes the "beneficial owner" (as that term is defined in Rule 13d-3 promulgated under the Act), directly or indirectly, of securities of the Company representing thirty percent (30%) or more of the combined voting power of the Company's then outstanding securities, unless a majority of the Continuing Directors of the Company's Board of Directors prior to that time have determined in their sole discretion that, for purposes of this Plan, a Change in Control of the Company has not occurred; or

(ii) the Continuing Directors of the Company's Board of Directors shall at any time fail to constitute a majority of the members of such Board of Directors.

(d) With respect to those Performance Units for which the Performance Period has not been completed at the time of a Change in Control of the Company, the value of such Units for purposes of this Section 13 shall be equal to the product of a fraction, where the numerator of such fraction is the number of full calendar months completed during the respective Performance Period and prior to the Change in Control and the denominator of such fraction is 36, multiplied by the largest of:

(i) the value of such Performance Units computed as if the Company's performance during the remainder of the Performance Period following the Change in Control equaled its performance during those full calendar quarters completed during the respective Performance Period and prior to the date of the Change in Control;

(ii) the value of such Performance Units computed as if the Performance Period for such Units was the three consecutive calendar year period ending immediately prior to the year in which the Change in Control occurs; or

(iii) any other amount approved, in its discretion, by the Committee.

(e) With respect to those Performance Units for which the Performance Period has been completed at the time of a Change in Control of the Company, the value of such Units for purposes of this Section 13 shall be the actual value as adjusted to reflect the actual Company performance during the Performance Period plus interest up to the date of distribution at the rate determined by the Committee in accordance with the provisions of Section 7.

(f) In the event that the payments made pursuant to this Section 13 are finally determined to be subject to the excise tax imposed by Section 4999 of the Code, the Company shall pay to each Participant an additional amount such that the net amount retained by such Participant, after allowing for the amount of such excise tax and any additional federal, state and local income taxes paid on the additional amount, shall be equal to the value of the Performance Units distributed to such Participant pursuant to this Section 13.

(g) The Company shall pay to each Participant the amount of all reasonable legal and accounting fees and expenses incurred by such Participant in seeking to obtain or enforce his rights under this Section 13 or in connection with any income tax audit or proceeding to the extent attributable to the application of Section 4999 of the Code to the payments made pursuant to this Section 13, unless a lawsuit commenced by the Participant for such purposes is dismissed by the court as being spurious or frivolous. The Company shall also pay to each Participant the amount of all reasonable tax and financial planning fees and expenses incurred by such Participant in connection with such Participant's receipt of payments pursuant to this Section 13.
