

3M Company

Meeting type: Annual General Meeting
Date: 9 May 2006
Country: United States
Index: NYSE
Sector: Converted paperboard & paperboard products

Item	Description	TMF vote	Mgmt vote
1.1	Elect Linda G. Alvarado as director	FOR	FOR
1.2	Elect Edward M. Liddy as director	FOR	FOR
1.3	Elect Robert S. Morrison as director	FOR	FOR
1.4	Elect Aulana L. Peters as director	WITHHOLD	FOR
	<p><i>Comment: Ms Peters has been a director of the company for 16 years. We also note that she holds a common directorship with Mr Sharer at Northrop Grumman Corporation and with Mr Coffman at Deere & Company. We do not consider that Ms Peters is sufficiently independent and therefore withholds.</i></p>		
2	Ratify the appointment of PricewaterhouseCoopers LLP as 3M's independent registered public accounting firm	FOR	FOR
3	Approve an amendment to the Company's Certificate of Incorporation to authorise the annual election of directors and remove certain supermajority voting provisions	FOR	FOR
4	<p>Shareholder proposal on pay-for-superior-performance</p> <p><i>Comment: The proponents request that the company's executive compensation plan incorporate the following principles:</i></p> <p><i>1. The annual incentive component of the Company's Plan should utilize financial performance criteria that can be benchmarked against peer group performance, and provide that no annual bonus be awarded based on financial performance criteria unless the Company exceeds the median or mean performance of a disclosed group of peer companies on the selected financial criteria.</i></p> <p><i>2. The long-term equity compensation component of the Company's Plan should utilise financial and/or stock price performance criteria that can be benchmarked against peer group performance, and any options, restricted shares, or other equity compensation used should be structured so that compensation is received only when Company performance exceeds the median or mean performance of the peer group companies on the selected financial and stock price performance criteria.</i></p>	FOR	OPPOSE

3. *Plan disclosure should allow shareholders to monitor the correlation between pay and performance established in the Plan.*

While performance units under the company's plan are linked to the achievement of Economic Profit Growth and Sales Growth measures, the lack of disclosure concerning specific performance targets and their relation to payout prevents any assessment by shareholders of whether such restricted stock and option awards (excluding the 'golden hello' grants made to the CEO) actually ensure pay for superior performance. Triodos Bank considers that all long-term compensation should be subject to transparent performance criteria, which clearly define the relationship between the achievement of specific performance goals and eventual payout over a performance period of at least three years.

If the proposal is adopted, it could potentially allow the payout of awards for only median performance. Ordinarily, we would consider this to be contrary to the interests of shareholders. However, on balance, if this proposal is adopted, it would allow shareholders to assess how payout under the company's compensation plans correlate to actual corporate and peer performance. We therefore support for this plan.

5

Shareholder proposal on animal testing

FOR

OPPOSE

Comment: The proponent requests that the Board adopt and post an Animal Welfare Policy online which addresses the Company's commitment to (a) reducing, refining and replacing its use of animals in research and testing, and (b) ensuring superior standards of care for animals who continue to be used for these purposes, both by the Company itself and by all independently retained laboratories, including provisions to ensure that animals' psychological, social and behavioural needs are met. Further, the shareholders request that the Board issue an annual report to shareholders on the extent to which in-house and contract laboratories are adhering to this policy, including the implementation of the psychological enrichment measures. This Resolution is designed to bring the company in line with other pharmaceutical companies that have adopted and prominently published animal welfare policies on their websites relating to the care of animals used in product research and development.

The company has stated that it is committed to the achievement of a high quality animal care and uses a programme, which is accredited by the Association for Assessment and Accreditation of Laboratory Animal Care, International (AAALAC). The Company has also stated that it is willing to issue an annual report regarding compliance with the Animal Welfare Policy and post that report on its website as part of the company's Sustainability Report.

Triodos Bank has strict criteria regarding animal testing and can exclude any company that conducts animal testing for non-medical products that is not legally required, and is therefore in support of greater transparency regarding animal testing. In addition, Triodos Bank welcomes the responsiveness by the company to the proponents' request, however we vote in favour of this proposal, as the company has not stated when it intends to start disclosing the required information.

6	Shareholder proposal on human rights	FOR	OPPOSE
	<p><i>Comment: The proponents are seeking that the company make all possible lawful efforts to implement and/or increase activity on each of nine principles, based on the ILO human rights standards and United Nations' Norms on the Responsibilities of Transnational Corporations with Regard to Human Rights named, in the People's Republic of China.</i></p> <p><i>The company has argued that each year, 3M publishes on its website a sustainability report, which provides the employees and a broad external audience with an overview of the management systems the company applies to the economic, social, workforce, and environmental aspects of the business. This report is available not only to the China Working Group referred to in the stockholder proposal, but to everyone via the company's website.</i></p> <p><i>Triodos Bank has strict criteria regarding human rights, in particular with regard to operations in China. We do not consider that the company has addressed the proponents' demand for the disclosure of the implementation of the human rights principles referred to above. We therefore support this proposal.</i></p>		