Portfolio III Voluntary Investment Plan

(Effective January 1, 2016)

Summary Plan Description

Contents

Introduction

Overview

This is the Summary Plan Description ("SPD" or "Summary") for the Portfolio III Voluntary Investment Plan ("Portfolio III VIP" or "Plan"). It describes how the Portfolio III VIP works and, except as noted otherwise, is based on Plan provisions effective January 1, 2016. Every attempt has been made to accurately summarize the provisions of the Plan Document; however, if disagreements arise between this SPD and the Plan Document, the Plan Document always governs.

At 3M ("3M" or "Company"), innovation is at the heart of the total compensation program we provide to our employees. From your pay to health care protection to career opportunities to savings and retirement, we strive to offer programs that are comprehensive, creative in their approach and responsive to the needs of our employees and their families.

That's why we are committed to a total retirement income approach. 3M partners with you in preparing for your financial future by offering a total retirement program that includes the following:

- Portfolio III Voluntary Investment Plan, which includes Company matching and retirement income contributions; and
- Social Security benefits.

Plan Highlights

A Snapshot of Your Plan

The Portfolio III VIP is an easy, tax-effective way to supplement your Social Security benefits. With the Portfolio III VIP, you and the Company share in the responsibility of building income for your retirement years. The Portfolio III VIP provides you with an opportunity to save and invest for retirement through convenient payroll deductions, and to pay less in taxes at the same time. The Company also helps you build your savings by making contributions to your Portfolio III VIP. The Portfolio III VIP is a type of defined contribution retirement plan known as a "401(k) plan."

Portfolio III VIP Overview	
Eligibility	You are eligible to participate in the Portfolio III VIP if you are an active regular U.S.-based salaried or hourly non-union* production/maintenance/warehouse employee of 3M or a 3M subsidiary offering Portfolio III. This Plan covers employees hired or rehired on or after January 1, 2009 or later, or employees who were hired prior to January 1, 2009 whose employer became a participating subsidiary on January 1, 2009 or later. *"Non-union" means your terms of employment are not subject to a collective bargaining agreement. (If you are a union employee, you are not eligible to participate unless the collective bargaining agreement governing your terms of employment provides for your inclusion in the Portfolio III VIP.)
When Your Participation Begins	If you are hired or rehired on or after January 1, 2009, your participation in the Portfolio III VIP begins as soon as administratively practicable after you enroll. **Please Note:** Employees who do not actively enroll or decline enrollment within 45 days of their hire or rehire date will automatically be enrolled in the Portfolio III VIP at a 7% Before-Tax 401(k) contribution rate. Employees who are currently contributing less than 10% of eligible pay to the Portfolio III VIP and who have not changed their contribution percentage in the last six months will be automatically enrolled in the Portfolio III VIP unless they decline automatic enrollment or change their contribution percentage within 45 days of the date the recordkeeper provides notice of automatic enrollment. See the "Automatic Enrollment and Auto-Escalation" topic under the "Eligibility and Participation" section for more information.
How Your Benefit Grows	Your benefit can grow through your 401(k) contributions (either before-tax or Roth), after-tax savings contributions, your catch-up 401(k) contributions (if any), your rollover contributions (if any), 3M's matching contributions on your 401(k) contributions (excluding catch-up), retirement income (if any) contributions, and any investment earnings on the money in your account(s).
Vesting	You are always 100% vested in your own contributions. You become vested in Company matching and retirement income contributions to your account according to the following schedule: • 40% after one year of service; • 70% after two years of service; and

<table>
<tr><th colspan="2">Portfolio III VIP Overview</th></tr>
<tr><td></td><td>100% after three years of service.</td></tr>
<tr><td>When You Can Receive Your Benefit</td><td>All vested portions of your Portfolio III VIP accounts are generally payable to you while still working if you are age 59½ or older, or when you:
Retire;
Terminate employment; or
Are determined to be permanently and totally disabled and are receiving Social Security Disability Income.
Roth 401(k) contributions are subject to special limitations, described later in this Summary.</td></tr>
<tr><td>Payments to Your Beneficiary</td><td>Your beneficiary will receive your benefits from the Plan should you die.</td></tr>
</table>

How to Request Information and Make Transactions

About Your Benefits Resources and 3M FIRST Line Center

To make sure you get the most from the Plan, it's important that you take advantage of the tools and resources 3M gives you to manage your Portfolio III VIP according to your personal needs and goals.

You can manage most transactions and requests for information either online or by calling 3M FIRST Line Center. Making transactions online is designed to be easier, faster and more convenient, and it ultimately saves you money by reducing Portfolio III VIP administrative costs.

Please Note: It's important to remember your Password. You will need to enter it, along with your User ID, to access your Portfolio III VIP accounts through the Your Benefits Resources™ website or 3M FIRST Line Center.

The following tools and resources are available to you:

- **The Your Benefits Resources website**
  This site provides you with access to important information about your accounts, including how to request different types of online transactions. You can access this site through 3M Source or directly from the Internet.
  - Accessing the site through 3M Source.
    - From the intranet: **http://3msource.mmm.com**.
    - From the Internet: **http://3msource.3m.com**. **Please Note:** Accessing 3M Source through the Internet means you need to enter your User Name (e.g., us123456, a99abzz), then your USAC, or Windows password.
    - Follow these links from the 3M Source home page: Life & Career > 3M Total Rewards (401k, Benefits & More) (under "Quick Links").
  - Accessing the site directly from the Internet: **http://resources.hewitt.com/3M**.
- **3M FIRST Line Center**
  You can reach 3M FIRST Line Center by calling:
  - (888) 611-5500 (toll free) if within the United States and Canada; or
  - (847) 883-0483 if outside the United States and Canada.

Eligibility and Participation

Who Is Eligible?

You are eligible to participate in the Portfolio III VIP if you are an active regular U.S salaried or hourly non-union* production/maintenance/warehouse employee of 3M or a 3M subsidiary offering Portfolio III employees hired or rehired on or after January 1, 2009 or later, or employees who were hired prior to January 1, 2009 whose employer became a participating subsidiary on January 1, 2009 or later. Your participation is voluntary.

*"Non-union" means your terms of employment are not subject to a collective bargaining agreement. (If you are a union employee, you are not eligible to participate unless the collective bargaining agreement governing your terms of employment provides for your inclusion in the Portfolio III VIP.)

Any person who is classified or treated by 3M as a person who is not a common law employee (including without limitation a leased employee, independent contractor, contingent worker, service worker, consultant, contract workers, agency worker, freelance worker, temporary worker, or project-based worker), regardless of the person's actual legal status, is ineligible for the Portfolio III VIP. 3M's classification of an individual is conclusive and binding for purposes of determining eligibility to participate in the Portfolio III VIP and will be made solely in the discretion of 3M. No reclassification of a person's status, for any reason, by a third party, whether by a court, governmental agency or otherwise, without regard to whether 3M agrees to such reclassification, will make the person retroactively or prospectively eligible for benefits. However, 3M, in its sole discretion, may reclassify a person as benefits eligible on a prospective basis. Any uncertainty regarding an individual's classification will be resolved by excluding the person from eligibility.

Enrolling in the Portfolio III VIP

You will receive an enrollment kit containing all the information you need to get started. You can enroll online or by calling 3M FIRST Line Center at any time. Follow the instructions in the enrollment kit or see the resources available to you in the "How to Request Information and Make Transactions" section.

Your contributions to the Portfolio III VIP will start as soon as your enrollment choices are processed on the payroll system.

Please Note: It's important to remember your Password. You will need to enter it, along with your User ID, to access your Portfolio III VIP accounts through the Your Benefits Resources website or 3M FIRST Line Center.

Automatic Enrollment and Auto-Escalation

To get the most from 3M's retirement contributions, you need to participate in the Portfolio III VIP. Ideally, you should enroll within 45 days after your date of hire or rehire. If you do not enroll within 45 days, you automatically will be enrolled in the Portfolio III VIP at a 7% 401(k) (before-tax) contribution rate.

If you don't want savings (through payroll deductions) to begin automatically, you must decline enrollment within 45 days of being hired or rehired. If you do not decline enrollment, contributions will be deducted from your paycheck on a before-tax basis and invested 100% in the 3M LifePath Portfolio for the year closest to the year in which you reach age 65. If you are automatically enrolled in the Plan, your contribution rate will increase by 1% each Plan Year up to a maximum of 10% beginning with the Plan Year immediately following your automatic enrollment.

Automatic Enrollment and Auto-Escalation for Certain Participants

Automatic enrollment for participants who are not making contributions. If you are a participant in the Portfolio III VIP but you are not currently making before-tax 401(k) contributions or Roth 401(k) contributions to the Portfolio III VIP and you have not changed your contribution percentage in the last six months, you will be automatically enrolled to make before-tax 401(k) contributions at a 7% contribution rate. If you do not want savings (through payroll deductions) to begin automatically, you must decline enrollment within 45 days of the date the recordkeeper provides you with notice of automatic enrollment. If you do not decline enrollment, contributions will be deducted from your paycheck on a before-tax 401(k) basis and invested 100% in the 3M LifePath Portfolio for the year closest to the year in which you will reach age 65. You can decline automatic enrollment or change your contribution rate or investment elections online or by phone.

Automatic enrollment for participants who are contributing less than 7%. If you are a participant in the Portfolio III VIP and you are making before-tax 401(k) contributions or Roth 401(k) contributions or both before-tax 401(k) contributions and Roth 401(k) contributions at a rate of less than 7% and you have not changed your contribution percentage in the last six months, you will be automatically enrolled in the Portfolio III VIP to make contributions at the rate of 7%. If you are only making before-tax 401(k) contributions, your before-tax contribution rate will be increased to 7%. If you are only making Roth 401(k) contributions, your after-tax Roth 401(k) contribution rate will be increased to 7%. If you are making both before-tax 401(k) contributions and Roth 401(k) contributions, your before-tax contribution rate will be increased to a percentage that results in your combined before-tax 401(k) contribution rate and after-tax Roth 401(k) contribution rate equaling 7%. If you do not want your contribution rate to be increased automatically, you must decline automatic enrollment or change your contribution rate within 45 days of the date the recordkeeper provides you with notice of automatic enrollment. If you do not decline automatic enrollment, your automatic contributions will be deducted from your paycheck on either a before-tax basis or an after-tax Roth basis or a combined before-tax and after-tax Roth basis and invested 100% in the 3M LifePath Portfolio for the year closest to the year in which you will reach age 65. You can decline automatic enrollment or change your contribution rate or investment elections online or by phone.

Automatic enrollment for participants who are contributing at least 7% but less than 10%. If your contribution rate is at least 7% but less than 10% as of the date the automatic enrollment notice is given and you have not changed your contribution rate in the preceding six months, you will be automatically enrolled at a new contribution percentage equal to your current contribution percent plus 1% to a maximum of 10% of eligible compensation as soon as administratively practicable on or after April 1 of the calendar year in which the notice is sent. If you are making before-tax 401(k) contributions only, your before-tax contribution rate will increase by 1%. If you are making Roth 401(k) contributions only, your Roth 401(k) contribution rate will increase by 1%. If you are making both before-tax 401(k) and Roth 401(k) contributions for a combined contribution rate of at least 7% but not 10%, your before-tax 401(k) contribution rate will increase by 1%. If you do not want your contribution rate to be increased automatically, you must decline automatic enrollment or change your contribution rate within 45 days of the date the recordkeeper provides you with notice of automatic enrollment. If you do not decline automatic enrollment, your automatic contributions will be deducted from your paycheck on either a before-tax basis or an after-tax Roth basis or a combined before-tax and after-tax Roth basis and invested 100% in the 3M LifePath Portfolio for the year closest to the year in which you will reach age 65. You can decline automatic enrollment or change your contribution rate or investment elections online or by phone.

Auto-escalation in contribution rate. If you are automatically enrolled in the Portfolio III VIP as described above, your contribution rate will be automatically increased by 1% each year up to a maximum of 10% of eligible pay beginning as soon as administratively practicable on or after April 1 of the year following the year in which you are automatically enrolled in the Portfolio III VIP, unless you decline (opt out of) automatic escalation or change your contribution rate. If you are making before-tax 401(k) contributions or after-tax Roth 401(k) contributions (but not both), your before-tax 401(k) contribution rate or after-tax Roth 401(k) contribution rate, whichever is applicable, will be automatically increased by 1% each year up to a maximum of 10% of eligible pay. If you are making both before-tax 401(k) contributions and after-tax Roth 401(k) contributions, your before-tax 401(k) contribution rate will be automatically increased by 1% up to maximum combined before-tax 401(k) and after-tax Roth 401(k) contribution rate of 10% of eligible pay. All contributions as a result of automatic enrollment or auto-escalation, whether before-tax 401(k) or Roth 401(k) contributions, will be invested 100% in the 3M LifePath Portfolio with the year closest to the year in which you reach age 65. You can change your contribution rate or investment elections online or by phone.

Please Note: If you have a deferral election in effect under the 3M VIP Excess Plan as of the beginning of the year, then you will not be subject to automatic enrollment or the automatic escalation of your contribution rate for that year.

You can enroll, decline enrollment or change your contribution rate or investment elections online or by phone. See the resources available to you in the “How to Request Information and Make Transactions” section.

Naming Your Beneficiary

Beneficiaries

You must name a beneficiary, or beneficiaries, to receive any benefits from the Plan should you die. You can complete your beneficiary designation online—see the resources available to you in the "How to Request Information and Make Transactions" section. For your beneficiary designation to be valid, you may be required to provide certain information including a social security number (SSN) or taxpayer identification number (TIN) for your beneficiary.

If you are legally married, your spouse is automatically your beneficiary. Spouse* is defined as the person to whom you are lawfully married under any state law.

You may name another person, persons or entity as your beneficiary if your spouse gives his or her consent and your spouse's signature is notarized on the Beneficiary Designation Authorization Form that will be sent to you after you complete your beneficiary designation online. If you name a trust as your beneficiary, you will need to provide a written certification of the trust's validity. Your beneficiary designation is not valid until your signed Authorization is returned to 3M FIRST Line Center.

*The term "spouse" does not include your domestic partner or your civil union partner, unless you are also lawfully married to that individual.

- If you are single, you can name any beneficiary (a person, persons or entity) you wish. However, you cannot name different beneficiaries for each account.
- If you do not have a valid beneficiary designation on file when you die, your Portfolio III VIP accounts will be paid to the first of your survivors in the following order:
  - To your spouse if you are married;
  - Equally to your children;
  - Equally to your parents;
  - Equally to your brothers and sisters; or
  - Your estate.

You may change your beneficiary online at any time.

Cost of the Plan

Funding

The Plan is funded by voluntary employee contributions and by 3M contributions.

How the Plan Works

Contributions Overview

Both you and the Company contribute to the Portfolio III VIP. Each type of contribution is held in a separate VIP account along with any investment gains or losses on those amounts.

Your contributions are made into these accounts:

- 401(k) Accounts, which include:
  - Before-Tax 401(k) Account
  - Roth 401(k) Account
- After-Tax Savings Account
- Rollover Accounts, which include:
  - Before-Tax Rollover Account
  - Roth Rollover Account
  - After-Tax Rollover Account

Company contributions are made to the following accounts:

- Company Match Account
- Retirement Income Account
- Company Contribution Account

See the "Your Contributions to the Portfolio III VIP" topic under this section for an explanation of each type of contribution.

Your Contributions to the Portfolio III VIP

When you enroll in the Portfolio III VIP, you decide how much to contribute. You may contribute a percentage of your eligible pay to your 401(k) Accounts and/or to your After-Tax Savings Account. You may contribute to either or all three accounts through convenient payroll deductions. Company matching contributions are made only on 401(k) Account contributions. In addition, once you reach age 50 (by each year-end), you can make "catch-up" 401(k) contributions to your 401(k) Accounts as long as you are contributing at least 6% to the 401(k) Account(s).

Definition

Eligible Pay: Eligible pay is the amount that Portfolio III VIP contributions are based on. Eligible pay includes your base pay plus any overtime pay, shift premium pay, sales incentive, annual incentive pay, pro-share, gain-share payments and incentive pay for hourly paid employees. Eligible pay also includes reductions for 401(k) contributions and section 125 contributions. Federal tax law limits the amount of eligible pay that can be used for plan purposes, which is $265,000 for 2016. The Internal Revenue Service may adjust this amount each year for changes in the cost of living.

401(k) Contributions

You can contribute from 2% to 35% of your eligible pay to your 401(k) Accounts each pay period, up to the dollar limit described in the "Maximum Contribution Limits" topic under this section. However, if you are a "highly compensated employee" as defined in the "Maximum Contribution Limits" topic under this section, your contributions are limited to a maximum of 17% of your eligible pay. Because you elect a percentage rather than a set dollar amount, your Portfolio III VIP contributions change if your pay changes during the year.

Please Note: If you have a deferral election in effect under the 3M VIP Excess Plan as of the beginning of a calendar year, then your contribution percentage to your 401(k) Accounts for that year will be locked in at your deferral election percentage under the 3M VIP Excess Plan. You are not permitted to increase or decrease your 401(k) contributions for that calendar year. You may, however, during a year re-designate future 401(k) contributions as Roth 401(k) contributions in place of before-tax 401(k) contributions, or vice versa, but your 401(k) deferral rate cannot change. You can also elect, change or stop catch-up 401(k) contributions throughout the year.

Before-Tax 401(k) Contributions. When you make **before-tax** 401(k) contributions, you put money into the Plan before federal and, in most cases, state and local income taxes are calculated. (Your before-tax 401(k) contributions do not reduce your Social Security taxes or benefits.) As a result, your taxable income—and therefore the income tax you owe for the year(s) that contributions are made—is lower.

Roth 401(k) Contributions (After Tax). You also have the option of making Roth 401(k) contributions. Roth 401(k) contributions are made on an **after-tax** basis; therefore your Roth 401(k) contributions will not reduce your taxable income or income taxes for the year(s) that contributions are made. However, a benefit to making Roth 401(k) contributions is that these contributions, plus their earnings, will not be taxed when you receive them in a qualified distribution. A distribution is considered qualified if the distribution occurs after:

- Your attainment of age 59½, disability or death; **and**
- After five years have passed since the first day of the calendar year in which your first Roth contribution is made to your 401(k) Accounts.

Catch-Up 401(k) Contributions. To help individuals save more as they get closer to retirement, employees age 50 or older can make additional contributions to their 401(k) Accounts called catch-up 401(k) contributions as long as you are contributing at least 6% to the 401(k) Account(s).

You are eligible to make catch-up 401(k) contributions if you will be at least 50 years old by December 31 of the year for which you are making catch-up contributions. Catch-up 401(k) contributions are in addition to the maximum 401(k) contributions allowed by law each year (see federal dollar limits below). Please note, however, that catch-up 401(k) contributions are not eligible for Company matching contributions.

You must make a separate election for catch-up 401(k) contributions. You choose a flat dollar amount that will be deducted from **each regular payroll payment** throughout the year until you reach the annual limit. You may designate catch-up 401(k) contributions as either before-tax or Roth (after tax). (Catch-up 401(k) contributions are not taken from variable pay such as annual incentive, sales incentive or pro-share/gain-share.) Catch-up 401(k) contributions are stored in your 401(k) Accounts. You can elect catch-up 401(k) contributions online or by phone. See the resources available to you in the "How to Request Information and Make Transactions" section.

Catch-up 401(k) contribution elections automatically carry over from one year to the next unless you make a change. However, since the maximum amount of catch-up 401(k) contributions may increase from year to year, you'll want to review your catch-up 401(k) contribution election each year.

Federal Dollar Limits on Your 401(k) Contributions. The Internal Revenue Service (IRS) determines annually dollar limitations for retirement plans, which will increase based on the cost of living index.

Please Note: The federal dollar limit applies to **all** of your 401(k) contributions to employer-sponsored plans. That means if you contribute to another employer's 401(k) plan in the same year you contribute to the Portfolio III VIP, your combined 401(k) contributions to both plans cannot exceed the annual limit. You are responsible for ensuring that your contributions do not exceed the limit. See the "Maximum Contribution Limits" topic under this section for more information.

After-Tax Savings Contributions

You also have the option of contributing from 2% to 9% of your eligible pay to your After-Tax Savings Account each pay period on an **after-tax** basis. However, no Company matching contributions apply. See "Limits on Total Plan Contributions" in the "Company Contributions to the Portfolio III VIP" topic under this section for limits on your contributions.

When you save on an after-tax basis, your contributions will not reduce your taxable income or income taxes, but earnings on these contributions will grow on a tax-deferred basis. This means you will not be taxed when you receive distributions of your after-tax contributions. However, unlike Roth 401(k) contributions, any investment earnings on after-tax savings contributions will be taxed when you receive them. In addition, investment earnings may be subject to the early withdrawal tax penalty.

<table>
<tr><th colspan="4">Comparing Your Portfolio III VIP Contribution Options</th></tr>
<tr><th></th><th colspan="2">401(k) Accounts</th><th>After-Tax Savings Accounts</th></tr>
<tr><td>Your Contributions</td><td colspan="2">From 2% to 35%* of your eligible pay, up to certain limits.</td><td>From 2% to 9% of your eligible pay, up to certain limits.</td></tr>
<tr><td>The Basic Match

Non-Elective Company Contributions</td><td colspan="2">Company matching contributions are 100% of the first 5% you contribute to your 401(k) Accounts each pay period.

The Company contributes 3% of your eligible pay each payroll payment to the Retirement Income Account (RIA).</td><td>No Company contributions</td></tr>
<tr><td rowspan="2">Tax Advantages</td><td>Before-Tax 401(k)</td><td>Roth 401(k)</td><td rowspan="2">Income taxes are deferred on investment earnings only.</td></tr>
<tr><td>Income taxes are deferred on both contributions and investment earnings.</td><td>Income taxes are not deferred on contributions, but investment earnings will not be taxed upon a qualifying distribution.</td></tr>
</table>

Comparing Your Portfolio III VIP Contribution Options		
	401(k) Accounts	**After-Tax Savings Accounts**
Withdrawals	Restrictions apply to when the money can be withdrawn.	You can withdraw the money at any time.
Loans	Available.	Not available.
Vesting	You are 100% vested in your 401(k) contributions. You become vested in Company non-elective and matching contributions to your account according the following schedule: ▪ 40% after one year of service; ▪ 70% after two years of service; and ▪ 100% after three years of service.	You are 100% vested in your after-tax savings contributions.

*Limit is 17% for highly compensated employees. See the "Maximum Contribution Limits" topic under this section for a definition of highly compensated employees.

Rollover Account Contributions

If you receive a distribution from a previous employer's qualified retirement plan, you may be able to roll over the taxable portion of the distribution into your Portfolio III VIP Before-Tax Rollover Account, any non-taxable portion of the distribution into your Portfolio III VIP After-Tax Rollover Account and any Roth 401(k) contributions to your Portfolio III VIP Roth Rollover Account. Making a rollover contribution may allow you to postpone paying income taxes on the amount of your distribution. Your Rollover Accounts are 100% vested.

Call 3M FIRST Line Center before you request a payout from your former employer's plan, to ensure the Portfolio III VIP can accept your rollover. Rollover Account balances can be withdrawn at any time and are used when calculating the amount available for Plan loans.

In-Plan Roth Conversion

You are eligible to request an in-plan Roth conversion if you are an active employee, a former employee who is not receiving distributions from the Plan or a retiree who stops their elected installment until after the in-plan Roth conversion is processed. A beneficiary is not eligible to request an in-plan Roth conversion.

You may request that all or any portion of your vested account, excluding the Roth 401(k) Account, any portion of your other Accounts that are invested in the 3M Stock Fund or your outstanding loan balance, be transferred or converted to your Roth 401(k) Account, Roth Rollover Account and/or Roth Conversion Company Account under this Plan. You may request two in-plan Roth conversion distributions in a Plan Year. The minimum amount of any in-plan Roth conversion distribution is $500. Your election of an in-plan Roth conversion is irrevocable and cannot later be revoked.

The amount of your in-plan Roth conversion distribution will not include any withholding for federal or state income taxes. The taxable amount of your in-plan Roth conversion will be included in your gross income in the taxable year in which the conversion occurred. As a result, taxes may be due when you file taxes for that calendar year.

The in-plan Roth conversion is allocated to the following account with the Plan as follows:

- Before-tax 401(k) amounts to the Roth 401(k) Account.
- After-Tax Savings Account, After-Tax Rollover Account, Before-Tax Rollover Account and Individual Retirement Account amounts to the Roth Rollover Account.
- Company Match Account, Retirement Income Account and Company Contribution Account amounts to the Roth Conversion Company Account.

Talk to your financial and tax advisors before making any decisions to request an in-plan Roth conversion.

Maximum Contribution Limits

Please Note: These maximums and limits may change from year to year.

401(k) Contributions Limit

Federal law limits your regular 401(k) contributions to a specific dollar amount each year. This amount may change because of legislation or be adjusted annually for cost-of-living increases. Federal law also limits the maximum that can be saved using special catch-up 401(k) contributions for participants who are age 50 or more by each year end. For 2016, the 401(k) savings limit is $18,000. The 2016 catch-up 401(k) contribution limit is $6,000. Your contributions can be deducted on a before-tax basis or on a Roth basis up to these limits.

Example: An employee who is age 46 elects to contribute 10% to his or her Before-Tax 401(k) Account and reaches the maximum contribution limit of $18,000 in October of the current year. No further contributions can be made to either the Before-Tax 401(k) or the Roth 401(k) Account for the remainder of that calendar year.

Before-tax 401(k) contributions are deducted from your eligible pay before federal and in most cases state and local income taxes are calculated. However your Social Security taxes are not reduced and therefore you taxable income is lower.

Roth 401(k) Contribution Limit

Roth 401(k) contributions are deducted after taxes; therefore, your Roth contributions and the associated earnings are not taxed when received in a qualified distribution. The Roth 401(k) contributions can either replace or complement your before-tax contributions. If you elect before-tax and Roth 401(k) contributions, your 2016 combined annual maximum savings is limited to $18,000. Employees eligible to make catch-up 401(k) contributions may save an additional $6,000 in 2016.

Definition of Highly Compensated

The Internal Revenue Code (IRC) and the Plan provide rules for determining which participants are considered highly compensated for a given year. For 2016, participants with Plan-defined compensation over $120,000 in 2015 will generally be considered highly compensated under these rules.

The Plan is not a safe harbor plan. There may be other conditions that are affected if a participant is considered highly compensated.

Limits on Your Account

The IRC limits the maximum amount of Company contributions and your own contributions (before-tax, Roth and after-tax) that may be added to your account in any year to the lesser of 100% of your compensation or the IRC annual dollar limit ($53,000 in 2016). Rollover amounts are not counted toward this limit.

If you are also a participant in another employer retirement program, total contributions to all plans cannot exceed a certain limit. You are responsible for ensuring that your contributions do not exceed the limit.

Plan Compensation

Your compensation used to determine the amount of your savings or the Company's matching contributions may not exceed $265,000 in 2016. This amount is subject to future indexing and may change annually.

The compensation limit will generally not limit you from reaching the IRC deferral limit ($18,000 in 2016). For example, if in 2016 you earn $100,000 and elect to save 20% of your pay (and you are not considered highly compensated or eligible for catch-up 401(k) contributions), your savings will stop when you reach $18,000—the lesser of the IRC 401(k) savings limit ($18,000) or the Plan limit on your aggregate saving for the Plan Year ($97,250) (35% of $265,000 maximum plan compensation). Your Company matching contributions will stop when they reach $13,250 (100% [the employer matching contribution rate] x 5% [the Plan matching limit] x $265,000 [the IRC compensation limit]).

Company Contributions to the Portfolio III VIP

Like your before-tax 401(k) contributions, you won't pay income taxes on your Company contributions—or the investment earnings on them—as long as these amounts remain in the Plan.

The Basic Match

The Company will make an employer matching contribution equal to 100% of the first 5% you contribute to your 401(k) Accounts. There is no employer matching contribution for catch-up 401(k) contributions or your contributions above 5% of pay.

If, at the end of a year, the total employer matching contributions for the year are less than 100% of the first 5% you contributed to your 401(k) Accounts that year, then the Company will make a year-end "true-up" matching contribution.*

***Please Note:** You are not eligible for a year-end true up matching contribution when:

- You retire or terminate your employment December 31 or earlier.
- You receive an equivalent matching contribution under the 3M VIP Excess Plan.

You become vested in your Company Match Account according to a vesting schedule (see the "Vesting" section).

Retirement Income Contributions

The Company contributes 3% of your eligible pay each payroll payment. These contributions are made to your Retirement Income Account (non-elective) and are not conditioned upon your making contributions to the Plan. You become vested in your Retirement Income Account according to a vesting schedule (see the "Vesting" section).

Company Contributions to the Portfolio III VIP

Matching contributions and retirement income contributions are made by 3M in cash. These cash contributions follow your non-Roth contribution election and will default to the 3M LifePath Portfolio for the year closest to the year in which you will reach age 65 if no contribution election is on file.

Limits on Total Plan Contributions

Federal tax law limits total annual Plan contributions—that is, your before-tax and after-tax contributions as well as all Company contributions—to the Portfolio III VIP and any other 3M-sponsored tax-qualified savings plan in which you participated during the year. This limit is indexed and may change annually. See the "Maximum Contribution Limits" topic under this section for more information.

Investing Your Accounts

About Investing

You can make one investment election for all of your balances or you can make two different elections—one for your Roth contributions and one for your non-Roth contributions (including your before-tax 401(k) contributions, Company contributions and after-tax savings contributions). You may want to direct your non-Roth and Roth contributions differently because dollars are taxed differently when you receive them during your retirement.

Because the Plan allows you to direct the investment of the contributions made to your accounts, it constitutes a plan described in section 404(c) of the Employee Retirement Income Security Act of 1974, as amended (ERISA), and Title 29 of the Code of Federal Regulations section 2550.404c-1. This means that you (and not any plan fiduciary) will be responsible for any investment losses that result from your investment selections.

Employee Contributions

One of the advantages of the Portfolio III VIP is that you can choose from a diverse selection of professionally managed investment funds in which to invest your Portfolio III VIP contributions. These investment funds reflect a broad range of potential performance and risk levels. Since you assume the risk of gain or loss, it's in your interest to learn as much as possible about the Portfolio III VIP investment funds so you can determine the funds that best match your financial goals and needs.

How to invest your Portfolio III VIP contributions is up to you. You may invest your contributions in one or more of the funds in increments of 1% to 100%. Any combination of funds is acceptable, as long as your choices add up to 100%. For investors who want a wider array of investment alternatives, the Plan offers a self-directed brokerage account option offered through Charles Schwab & Company. **Please Note:** You may not invest any portion of your employee contributions (i.e., 401(k) contributions, after-tax savings contributions or rollover contributions) in 3M stock. If you do not affirmatively direct investment of your contributions or Company contributions, they will be invested 100% in the 3M LifePath Portfolio for the year closest to the year in which you will reach age 65.

Keep in mind that, as with all investments, fund returns will vary—and the Company, trustee, and investment fund managers do not guarantee your account against any investment losses.

Detailed information about each of the core investment funds and the 3M LifePath Portfolios, including their investment strategies, risk profiles and performance history, is available in the Investment Fund Summary (which is an important supplement to this SPD), as well as on the Your Benefits Resources website. More information about the brokerage account option is also available in the *Investment Fund Summary*, on the *Your Benefits Resources website*, and by contacting the *Schwab PCRA Call Center* at **(888) 393-7272**.

If you have Internet access, you can make your initial investment elections, reallocate the investment of your current accounts, or change the way your future contributions will be invested online. (If you don't have access to the Internet, you can call 3M FIRST Line Center.) See the resources available to you in the "How to Request Information and Make Transactions" section.

When Your Investment Changes Become Effective

If your request is made **before** 4:00 p.m. Eastern Time (or close of market if earlier) on a business day in which the stock market is open, your changes will be effective that same business day at the closing prices of that day. If your request is received **after** 4:00 p.m. Eastern Time (or close of market if earlier), or on a day the stock markets are closed, the changes will be effective at the closing prices of the next business day.

While the Portfolio III VIP values all of its funds and account balances daily, you should be aware that the Plan's ability to perform daily valuations and daily transactions depends on the normal operation of U.S. and international financial markets and institutions. Although unlikely, significant interruptions in the operations of these markets and institutions may temporarily delay the Plan's valuation of its funds and account balances as well as daily transactions.

The Portfolio III VIP trustee, State Street Bank, in its discretion or as directed by any investment manager, may limit the daily volume of its purchases or sales of securities, and as a result, may limit the Plan's transactions in any or all of the Plan's investment funds. Transactions may not be completed on a particular day for a number of reasons, including, but not limited to, suspension of trading in an asset important to one of the investment funds, insufficient liquidity within any investment fund to process transactions or a major market disruption. As a result, there may be a delay in accepting and/or execution of transactions for one or more days.

Fund Restrictions

When you transfer any amounts out of the Balanced Fund, Growth Stock Fund, Small Cap Stock Index Fund, International Stock Index Fund or International Stock Fund, you cannot transfer money back into the same fund for at least 30 days. For example, if you transfer money out of the International Stock Index Fund before market close on March 1, you cannot transfer money back into that fund until March 31. For complete information, refer to the *Investment Fund Summary*.

Vesting

About Vesting

Vesting means that you have ownership rights to the accounts in your Portfolio III VIP that will not be lost or forfeited if you leave the Company.

Vesting Schedule for Company Match Account and Retirement Income Account

Your right to your Company Match Account, to which matching contributions are made, and your Retirement Income Account, to which non-elective contributions are made, is determined by a vesting schedule. The vesting schedule uses years of service to determine what percentage of your Company Match Account and Retirement Income Account is vested. You start to earn service beginning on your date of hire. It includes your active employment, time you are on approved absences from work such as vacations, Company holidays and short- or long-term disability as well as any period of military leave.

The chart below shows how the vesting schedule works:

If your years of service equal…	You are vested in this portion of your Company Match Account and Retirement Income Account
Less than 1 year	0%
1 year but less than 2 years	40%
2 years but less than 3 years	70%
3 years or more	100%

You also become 100% vested in your Company Match Account and Retirement Income Account immediately if any of the following events occur:

- You complete three years of service or attain age 65;
- You become totally and permanently disabled and are receiving Social Security disability benefits;
- The Plan Administrator determines that your 3M employment ended as the result of a management-approved downsizing (including group severance pay plans that provide for immediate vesting), business sale or shutdown; or
- You die (in which case benefits would be paid to your beneficiary).

Immediate Vesting for Other Accounts

Your 401(k) Accounts, After-Tax Savings Account and Rollover Accounts are always 100% vested.

Forfeitures

If you leave 3M before you are fully vested, you normally forfeit the non-vested portion of your Company Match Account and Retirement Income Account.

However, if you are rehired by 3M or a participating employer within five years (or within six years, if your absence is due to an approved leave under the Family and Medical Leave Act in connection with the birth or adoption of a child), you will regain the vesting service you had earned before you left and your right to non-vested amounts that were forfeited. Plus, if you are gone less than 12 months, your service for determining your vesting status will include the time you were away.

Receiving Money From Your Accounts

Overview on Receiving Money

While the primary purpose of the Portfolio III VIP is to provide benefits for your retirement, the Plan allows you to receive money from your accounts under limited circumstances, both while you are employed and after you leave 3M. The different options are described in this section.

Loans

While actively employed, you may take out a loan from your 401(k) Accounts and/or Rollover Accounts. You can have up to two loans outstanding at any time. Only employees receiving regular wage payroll payments are eligible to take a loan.

You can find out how much you may borrow online or by phone. See the resources available to you in the “How to Request Information and Make Transactions” topic. All loans are subject to an origination fee that is deducted from your loan amount. The minimum loan amount is currently $1,000 plus the loan origination fee. The maximum loan amount is the **lesser** of:

- 50% of the total of your 401(k) Accounts, Rollover Accounts, Retirement Income Account, Company Contribution Account and vested Company Match Account, minus any outstanding loans; or
- $50,000 minus the highest outstanding loan balance you had during the last 12 months; or
- The sum of your 401(k) Account and Rollover Account balances invested in the Plan’s investment funds (excluding 3M stock and PCRA), minus $1,000 if you have a balance in the self-directed brokerage account (PCRA).

Please note that actual loan amounts are only taken from your contributions to the 401(k) Accounts and your Rollover Accounts.

Example

Assume an active employee has the following Account balances:

401(k) Accounts	$70,000
Rollover Accounts	$10,000
Company Contribution Account	$10,000
Retirement Income Account (vested)	$15,000
Company Match Account (vested)	$15,000

Assume further that the employee has one loan outstanding with a current balance of $10,000, that the employee’s highest outstanding loan balance in the last 12 months was $15,000, and that no portion of the employee’s 401(k) Accounts and Rollover Accounts is invested in the 3M Stock Fund or self-directed brokerage account (PCRA). The maximum loan amount is $35,000. This is the lesser of the following three amounts:

(i) $50,000 (50% x $120,000 total balance of the Accounts above = $60,000 minus $10,000 current outstanding loan balance);

(ii) $35,000 ($50,000 – $15,000 highest outstanding loan balance during last 12 months); and

(iii) $80,000 (balance of 401(k) Accounts and Rollover Accounts, no portion of which is invested in 3M stock or the PCRA).

Please note that actual loan amounts are only taken from your contributions to your 401(k) Accounts and your Rollover Accounts.

Loan Terms

Loan terms are as follows:

- Loan amounts are taken from your 401(k) Accounts (Roth first, then Before-Tax) to the extent you have funds available and then from your Rollover Accounts (Roth first, then Before-Tax) to the extent necessary. When you borrow from the Portfolio III VIP, you reduce the amount you have invested in the Plan's investment funds by the amount of your loan.
- You repay the loan through after-tax payroll deductions in equal amounts over a period of up to five years. (And, you can repay the loan balance in full earlier without any penalty.) Your loan repayments go back into your 401(k) Accounts (or Rollover Accounts if that's where the loan came from) according to your investment directions for new 401(k) contributions.
- The interest rate will be set when your loan is requested. The rate will be 2% above the prime rate as reported in *The Wall Street Journal*.
- A loan origination fee will automatically be added to each new loan you take, and you repay it as you repay your loan.

You do not pay income taxes on any money you borrow from the Portfolio III VIP unless it is not repaid to your account(s). Please note that the interest you pay on your Plan loan is not tax deductible. Also, keep in mind that the Portfolio III VIP may not always be the best source for a loan. Make sure you compare the advantages and disadvantages of all your available loan sources. Consider carefully before borrowing from the Portfolio III VIP, because the investment earnings on your loan amount will be limited to the interest you pay with your loan re-payment payroll deductions instead of the returns generated by the plan's investment funds.

Before you request a loan, visit the loan modeling Web page on the *Your Benefits Resources website*. You can enter different loan amounts and payment terms to find one that works for you.

After you request a loan, you will receive a Promissory Note/Disclosure Statement. This statement will show:

- Amount you are borrowing;
- Total amount of interest you'll pay;
- Total amount (principal and interest) you'll pay if you make all of your scheduled payments; and
- Amount that will be deducted from each of your regular payroll payments to repay the loan.

Generally, loan checks are mailed within two business days after your request is processed. You may request that your loan amount be direct deposited.

Failure to Repay

To protect the tax advantages of the Portfolio III VIP for all employees, 3M must ensure that each loan is repaid in full and that loan repayments comply with all Internal Revenue Service (IRS) regulations. In the event of nonpayment, the Plan has the right to initiate collection proceedings. If this happens, you will be liable for the unpaid balance and any accrued interest, plus collection and attorney fees. Instead of collection proceedings, the Plan Administrator may declare the entire amount of your loan in default and reduce your account(s) by such an amount as soon as possible. The Plan recordkeeper will treat the entire outstanding amount, plus any accrued interest, as a deemed distribution resulting in taxable income and report it to the IRS.

Your loan will be declared in default when:

- The loan has not been repaid in full by the end of the five-year federal tax law maximum.
- Your employment status is inactive and you have not made a payment in 12 months (unless your inactive employment status is due to military leave).
- At the end of any calendar quarter, you are an active employee and have not made one or more scheduled payments from the prior quarter.

A defaulted loan will be considered a deemed distribution (and generally subject to taxes, unless it is a qualifying distribution from your Roth 401(k) Account). The defaulted loan continues to count against the maximum number of loans that you may have outstanding under the Plan and the maximum amount available for a new loan.

If your employment ends and your loan is not repaid in 90 days, it will be considered a distribution from the Plan (which will be taxable to you, except to the extent that the distribution is a qualifying distribution of your Roth 401(k) Account).

Withdrawals

The following chart summarizes when you can withdraw money from your Portfolio III VIP accounts and the tax implications associated with each type of withdrawal. If you request a withdrawal, you will receive more detailed information about any tax consequences. Withdrawals can be requested online or by phone. See the resources available to you in the “How to Request Information and Make Transactions” section.

Portfolio III VIP Account	When You Can Withdraw	Income Tax Implications*
▪ Before-Tax 401(k) Account	▪ After you reach age 59½, even if still employed; ▪ When you are considered to be totally and permanently disabled **and** are receiving Social Security disability benefits; or ▪ When you terminate/retire from 3M.	Both contributions and earnings are taxable.
▪ Roth 401(k) Account	▪ After you reach age 59½, even if still employed; ▪ When you are considered to be totally and permanently disabled **and** are receiving Social Security disability benefits; or ▪ When you terminate/retire from 3M.	Contributions are not taxable. In addition, investment earnings are not taxable if the withdrawal is a qualifying distribution.
▪ Vested Company Match Account, Retirement Income Account and Company Contribution Account	▪ After you reach age 59½, even if still employed; ▪ When you become totally and permanently disabled **and** are receiving Social Security disability benefits; or ▪ When you terminate/retire from 3M.	Both contributions and earnings are taxable.
▪ After-Tax Savings Account	▪ Any time	Only investment earnings are taxable.
▪ Rollover Accounts	▪ Any time	Before-tax contributions and earnings thereon are taxable. Roth contributions are not taxable. In addition, investment earnings on Roth contributions are not taxable if the withdrawal is a qualifying distribution.

*See the “How Taxes Affect Your Benefits” section for more information.

Please Note: Withdrawals are subject to a minimum payment of $500.

Distributions When You Leave 3M

All vested amounts in your accounts are payable to you when you leave 3M or to your beneficiary upon your death. Depending on your situation, you may have one or more payment options. The following chart describes your payment options.

Your Situation	Payment Options
If you retire	If your accounts equal more than $1,000, you can: ▪ Receive partial payments;* ▪ Receive a lump-sum payment; ▪ Receive monthly, quarterly, semi-annual or annual installment payments;* or ▪ Postpone payments to a later time.** If your accounts equal $1,000 or less: ▪ The amount will be paid to you in a lump-sum payment. ▪ If you do not make a request within 60 days of the date you leave 3M, your vested Portfolio III VIP accounts will be paid to you in cash, less any required withholding.
If your employment ends for any reason other than retirement	If your accounts equal more than $1,000, you can: ▪ Receive a lump-sum payment of your vested Portfolio III VIP accounts; or ▪ Postpone your lump-sum payment to a later time.** If your accounts equal $1,000 or less: ▪ The amount will be paid to you in a lump-sum payment. ▪ If you do not make a request within 60 days of the date you leave 3M, your vested Portfolio III VIP accounts will be paid to you in cash, less any required withholding.
If you die before your accounts are paid to you	Your beneficiary can: ▪ Receive a lump-sum payment;*** ▪ Receive annual installments for up to five years;* or ▪ Continue receiving minimum distributions if you had begun receiving minimum distributions by the time of your death.

*Subject to a current minimum payment of $500.

**If you choose to leave your funds in the Plan until a later time, investment returns will continue to be credited to your accounts. However, you will not be able to make new contributions or take out loans from your Portfolio III VIP accounts after you leave 3M.

***The only payment option available to a trust or other non-person, such as a charitable organization, is a lump sum.

When money is withdrawn from your accounts, the money is taken proportionately from each of the core investment funds in which you have invested that account's dollars. The funds invested in the self-directed brokerage account are not available for withdrawal until you transfer funds to the core investment funds.

You can request distributions online or by phone. See the resources available to you in the "How to Request Information and Make Transactions" section.

Any taxable amounts you receive will be reported to the IRS. To help you in filing your tax return, a copy of the information sent to the IRS will also be sent to you. For information about taxes, see the "How Taxes Affect Your Benefits" section.

Special Rules for After-Tax Savings Account Withdrawals

A proportional amount of contributions and earnings will be withdrawn from contributions (and the earnings thereon).

Please Note: If you are over age 70½ and receive minimum distributions, unless you request a specific After-Tax Savings Account withdrawal, your non-taxable balance will be distributed over the length of your minimum distributions. Call 3M FIRST Line Center at (888) 611-5500 (toll free) for more information.

Latest Date When Distributions May Begin

You must begin receiving distributions from the Plan no later than December 31 of the year in which you reach age 70½, unless you are still working for 3M. If you continue working beyond age 70½, distributions must begin the year you retire. If payments don't begin, the minimum distribution amount that you are required to receive each year, according to federal tax law, will be subject to a 50% tax penalty. Each year after you are retired, starting with the year you reach age 70½, you will receive a notice explaining your options.

To Whom Payments Are Made

In general, you can elect to have all or part of your payment made in a direct rollover or paid to you.

- If you request a direct rollover, all or any part of your taxable distribution (at your direction) will be made payable to another employer's qualified plan or an Individual Retirement Account (IRA). The portion of your payment that's rolled over is not subject to immediate taxation.
- If you do not request a direct rollover, the payment is made payable to you and the taxable portion is subject to 20% mandatory federal tax withholding unless you are receiving installment payments over a period of at least 10 years or your lifetime.
- Different federal tax withholding rules apply when you are receiving installment payments over a period of at least 10 years or your lifetime. Refer to your Payment Rights Notice or consult with a financial advisor for further information.

If You Die

How Your Death Affects Payments

If you die before your accounts are paid to you, your entire Portfolio III VIP balance will be vested and will be paid to your beneficiary. (See the “Naming Your Beneficiary” section for more information.)

Your beneficiary, excluding a named entity, can:

- Receive a lump-sum payment;
- Receive annual installment payments for up to five years; or
- Continue receiving minimum distributions if you were receiving minimum distributions before your death.

If your beneficiary is a trust or other non-person, such as a charitable organization, it can only receive a cash lump sum payment.

If you die and leave your accrued benefit to a designated beneficiary who is not your spouse, the designated beneficiary may roll over the assets into an inherited traditional or Roth Individual Retirement Account (IRA).

How Taxes Affect Your Benefits

Taxes and Your Benefits Overview

Under current law, money in your Portfolio III VIP is not taxable while it remains in the Plan. You or your beneficiary will owe income taxes on the taxable portion of your distribution when you receive the money. That means you will pay taxes on any before-tax 401(k), before-tax rollover, and all Company contributions, as well as all investment earnings you receive. You will not pay taxes on any after-tax savings contributions that are part of the distribution. However, investment earnings on your After-Tax Savings Account are subject to taxes including the early withdrawal penalty. You will not pay taxes on any Roth 401(k) contributions, as well as all investment earnings on those contributions that are part of a qualifying distribution. A distribution is considered qualified if the distribution occurs after:

- Your attainment of age 59½, disability or death; **and**
- After five years have passed since the first day of the calendar year in which your first Roth contribution is made to your 401(k) Accounts.

If a distribution of your Roth 401(k) contributions is not a qualifying distribution, then the investment earnings on those contributions are taxable.

In addition to ordinary income taxes, you may also owe a 10% penalty tax on the taxable portion of any distribution you receive before you reach age 59½. However, no penalty tax applies if, at the time of distribution:

- You are retired or leave employment at age 55 or older.
- You are totally and permanently disabled and receiving Social Security Disability Income.
- The distribution does not exceed the amount of your deductible medical expenses for the year(s) in which you receive payment.
- The money is paid to your former spouse or children pursuant to a divorce decree determined to be a Qualified Domestic Relations Order (QDRO).
- The money is paid to your beneficiary in the event of your death.

Lump-Sum Distribution or Partial Payments

If your benefit payment is in the form of a lump-sum distribution or partial payment (if eligible), you can postpone paying taxes by rolling it over directly to another qualified plan or a traditional Individual Retirement Account (IRA). A qualified plan is one that meets certain federal tax requirements and is therefore subject to special tax rules.

You may also roll over your lump-sum distribution or partial payment (if eligible) to a Roth IRA. If you roll over your distribution to a Roth IRA, you will include in your gross income the taxable amount rolled over and owe taxes on the taxable amount. Later payments from your Roth IRA that are qualified distributions will not be taxed.

If you do not elect a direct rollover of the distribution, the Plan is required to withhold and forward to the Internal Revenue Service (IRS) 20% of the taxable portion of the amount distributed.

Another option is for you to receive your account balance and then roll it over yourself into another employer’s qualified plan or traditional IRA within 60 days. In this case, you postpone paying taxes, but

20% federal withholding is still deducted from the Plan payment. If you roll over the entire distribution, including the amount that was withheld for taxes, you can file for the refund of the 20% withheld when you file your tax return with the IRS.

When you request a distribution from your account, you will receive more detailed information about your options and the tax consequences that may apply.

Installments

If you are eligible and you receive payment of your benefit in the form of installments over a period of at least 10 years or your lifetime, the payment will not be eligible for a rollover and different federal tax withholding rules apply. You may still owe additional taxes on the payments. You are responsible for payment of any taxes associated with the payments.

If you elect to receive installment payments over a period of less than 10 years, the rollover and tax withholding rules for partial payments will apply.

State Taxes

Distributions from your Portfolio III VIP accounts may also be subject to state income taxes. State income taxes are not generally withheld unless your state requires withholding.

Tax Advice

Tax laws change from time to time, and the tax impact of receiving payments from the Plan will vary with your individual situation. Because 3M cannot give tax advice or counsel, you should consult a personal tax advisor or financial expert for specific advice about your circumstances.

Filing a Claim for Benefits

Claims

If you disagree with any decision about your eligibility for Portfolio III VIP benefits or with the amount of your benefits, call 3M FIRST Line Center at (888) 611-5500 (toll free). If 3M FIRST Line Center cannot resolve the issue, you have the right to file a claim.

Your first step is to submit a written claim to 3M Total Rewards at the following address:

3M Total Rewards Program Management
3M Company
3M Center, Building 224-2W-15
St. Paul, Minnesota 55144-1000

3M Total Rewards must receive actual delivery of your written claim within one year after the date you knew or reasonably should have known of the facts behind your claim. If your claim is that your (or your beneficiary's) investment directions or your contribution elections were not properly followed, this one year is shortened to 30 days.

3M Total Rewards will review your claim and, within 90 days of the date your claim was received, will provide you with written notice of the decision or a notice describing the need for additional time (up to 90 additional days) to reach a decision. If you are notified that more time is needed, the notice will describe the special circumstances requiring the extension and the date by which they expect to reach a decision. If your claim is denied, in whole or in part, you will receive a written explanation from 3M Total Rewards detailing:

- Reasons for the denial;
- References to the Plan provisions that support these reasons;
- Statement that you are entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to your claim for benefits;
- Additional information, if any, that you need to provide to perfect your claim, and the reasons why that information is necessary;
- Your right to file a civil action under section 502(a) of ERISA if (and after) your claim is denied on review; and
- Procedures available for a further review of your claim.

If your claim is denied, you have a right to appeal the denial. To do so, you need to submit a written notice of appeal to the Plan Administrator within 60 days after your claim is denied. Your notice of appeal should state the specific reasons why you believe you are entitled to benefits, or to different benefits. You may submit written comments, documents, records and other information relating to your claim. You or your representative is given an opportunity to review the pertinent documents and submit written comments (and other information relating to the claim for benefits) for the Plan Administrator's consideration.

Within 60 days after the date your notice of appeal is received, you will receive either written or electronic notice of the decision or a notice describing the need for additional time (up to 60 additional days) to reach a decision. If you are notified that more time is needed, the notice will describe the special circumstances requiring the extension and the date by which the Plan Administrator expects to reach a decision. If the Plan Administrator affirms the denial, in whole or in part, the notice will include the specific reasons and the Plan provisions on which the decision is based, notice that upon request you are entitled to receive free of charge reasonable access to copies of the relevant documents, records and information used in the claims process, and notice of your right to file a civil action under section 502(a) of the Employee Retirement Income Security Act of 1974 (ERISA). All Plan provisions and decisions of the Plan Administrator will be applied consistently to all persons in similar circumstances.

The Plan Administrator has the sole discretion, authority, and responsibility to decide all factual and legal questions under the Plan. This includes interpreting and construing the Plan and any ambiguous or unclear terms, and determining whether a claimant is eligible for benefits and the amount of the benefits, if any, a claimant is entitled to receive. The Plan Administrator’s decisions are conclusive and binding on all parties. Before commencing legal action to recover benefits, or to enforce or clarify rights, you must completely exhaust the Plan’s claim procedures.

Before commencing legal action to recover benefits, or to enforce or clarify rights, you must completely exhaust the Plan’s claim procedures.

If you file your claim within the required time, you complete the entire claim procedures, and the Plan Administrator denies your claim after you request a review, you may sue over your claim (unless you have executed a release on your claim). You must, however, commence that suit within 30 months after you knew or reasonably should have known of the facts behind your claim or, **if earlier**, within six months after the claim procedures are completed. The 30-month period is shortened to 19 months to the extent your claim is that your investment directions or your contribution elections were not properly followed.

Any claim or action brought with respect to the Plan (including any breach of fiduciary duty claims, claims for benefits, or any other claims brought under section 502(a) of ERISA) must be brought in the federal courts of the State of Minnesota.

Loss of or Delay in Receiving Benefits

General Circumstances

You should be aware that your right to receive Plan benefits may be lost or delayed in certain circumstances.

- If you don't properly apply for your benefits, or fail to provide necessary information, your benefits could be delayed.
- If you don't keep your most recent address and phone number on file and the Plan Administrator or recordkeeper can't locate you, your benefit payments may be delayed. Once you (or your beneficiary, if you die) provide a current address, benefit payments can be made.
- If you leave 3M before you are fully vested, your nonvested Company contributions will be forfeited (unless you return to work, generally within five years).
- If you (or your beneficiary) are unable to care for your own affairs, any payments due may be made to someone who is authorized to conduct your affairs. This person may be a relative, a court-appointed guardian, or some other person.
- If the Plan mistakenly pays benefits for which you are not eligible or pays more than you have earned, you will be required to immediately repay the overpaid amount. The Plan also may also offset or reduce the amount of your future benefit payments until it has recovered the overpayment.

If You Become Divorced or Separated

Your benefits from the Portfolio III VIP belong to you and cannot be sold, assigned, transferred, pledged or garnished, under most circumstances.

However, if you become divorced or legally separated, a court may order the Plan to pay all or a part of your vested Portfolio III VIP accounts to your spouse or your children. The Plan will make payments to your former spouse or children if the court issues a Qualified Domestic Relations Order (QDRO) that meets certain requirements. You should contact your attorney for advice if you become involved in a divorce or legal separation proceedings. The Plan Administrator of the Portfolio III VIP has adopted written procedures describing the process by which it reviews and accepts or rejects proposed QDROs. To receive a copy of these procedures (at no charge) or for more information about QDROs, contact or write to:

3M FIRST Line Center
Qualified Order Team
Post Office Box 1459
Lincolnshire, IL 60069-1459
Tel: (888) 611-5500 (toll free)
Fax: (847) 883-9313

The Qualified Order Team can provide sample language for drafting a QDRO that will be accepted by the Plan Administrator.

Future of the Plan

Although 3M intends to continue the Portfolio III VIP at this time, the Company reserves the right to amend or terminate it at any time and for any reason. If 3M terminates the Plan for any reason, the assets of the

Plan will be used for the exclusive benefit of Plan participants and their beneficiaries. If the Plan terminates, you will become 100% vested in your Portfolio III VIP accounts.

Implied Promises

Nothing in this SPD reads or implies that participation in this Plan is a guarantee of continued employment with 3M. Nor is it a guarantee that contribution levels will remain unchanged in future years.

Fairness Test

As a 401(k) plan, the Portfolio III VIP must pass certain Internal Revenue Code anti-discrimination requirements to retain the Plan's tax advantages.

These tests may differ for each of the Portfolio III VIP accounts and are designed to ensure a fair mix of participation by both highly compensated employees and non-highly compensated employees (as defined by federal tax laws). To meet these tests, it may become necessary to reduce the level of contributions being made by highly compensated employees, recharacterize some of the 401(k) contributions made by highly compensated employees as after-tax contributions, make qualified non-elective contributions to the non-highly compensated employees, or distribute to highly compensated employees a portion of their contributions and the income attributable to them. You will be notified if you are affected in any way.

Pension Benefit Guaranty Corporation (PBGC)

The Portfolio III VIP is a "defined contribution" plan, which means the value of your accounts depends on the amount of contributions made and on investment gains and losses. Since benefits under this Plan are not determined by a formula, federal law does not provide for insurance through the Pension Benefit Guaranty Corporation (PBGC). The PBGC is a federal government agency, generally responsible for guaranteeing a portion of vested benefits under "defined benefit" plans (normally pension and similar plans).

Plan Administration

Plan Sponsor

3M Company, 3M Center, St. Paul, Minnesota 55144-1000, is the principal sponsor of the Plan. A complete list of participating employers in the Plan may be obtained by writing to the Plan Administrator.

Plan Administrator

The **Plan Administrator** is:

3M's Director, Total Rewards Program Management (or his or her successor)
3M Company
3M Center, Building 224-2W-15
St. Paul, Minnesota 55144-1000
(651) 575-5000

3M has hired a recordkeeper to help with the administration of the Plan. The Plan Administrator has the sole discretion, authority, and responsibility to decide all factual and legal questions under the Plan. This includes interpreting and construing the Plan and any ambiguous or unclear terms, and determining whether a claimant is eligible for benefits and the amount of the benefits, if any, a claimant is entitled to receive. The Plan Administrator's decisions are conclusive and binding on all parties.

Employer and Plan Identification Numbers

Documents and reports for this Plan are filed with the United States Internal Revenue Service and the Department of Labor under two numbers: 3M's Employer Identification Number (EIN) and the Plan Number (PN). The EIN for 3M is 41-0417775. The PN is 333.

Plan Year

Plan records are kept on a Plan Year basis. The Plan Year is the same as the calendar year—January 1 to December 31.

Plan Documents

This SPD is intended as a summary of the Plan. Official Plan Documents and annual government reporting forms are kept on file. If you want to review these documents, you may request to do so at any time during regular working hours. If you want copies, you must request them in writing. They will be sent to you at a reasonable charge. In the event of any conflict between this SPD and the official Plan Document, the provisions of the Plan Document must govern.

Plan Name

The official name of the Plan is the 3M Voluntary Investment Plan and Employee Stock Ownership Plan.

Plan Financing

The Plan is financed by 3M's and employee contributions to the 3M Voluntary Investment Plan Trust. 3M's previous stock contributions under the Plan were made to the separate 3M Employee Stock Ownership Plan Trust.

Plan Trustee

The trustee of both trusts is:

State Street Bank and Trust Company
One Lincoln Street
Boston, MA 02111

Plan Costs

Portfolio III VIP participants pay all or a portion of the trustee, recordkeeping, investment advice, audit, consulting, customer service, communication, administration and investment management fees and expenses incurred in operating the Plan. Your share of these fees and expenses is generally prorated, based on the amount of your Portfolio III VIP accounts. However, some types of fees and expenses are deducted from your account based on your utilization of plan features, such as fees for taking plan loans and for processing Qalified Domestic Relations Orders (QDROs). Any fees and expenses of administering the Plan not paid by Plan participants are paid by 3M. The Plan Administrator may change its method of allocating expenses incurred by the Portfolio III VIP.

Legal Proceedings

The agent for the service of legal process for the Plan is:

Secretary
3M Company
3M Center
St. Paul, Minnesota 55144-1000

Service of legal process may also be made upon the **Plan Administrator** or the trustee.

Your Rights Under ERISA

About Your ERISA Rights

As a participant in the Plan, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (**ERISA**), as amended. **ERISA** provides that all Plan participants will be entitled to the information as described in this section.

Receive Information About Your Plan and Benefits

- Examine, without charge, at the Plan Administrator's office or your worksite during normal business hours all documents governing the Plan and a copy of the latest annual report (Form 5500 Series) filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration (EBSA) at:

  Public Disclosure Room
  Employee Benefits Security Administration
  U.S. Department of Labor
  200 Constitution Avenue, N.W., Room N 15
  Washington, D.C. 20210

- Obtain, upon written request to the Plan Administrator, copies of documents governing the operation of the Plan and copies of the latest annual report (Form 5500 Series) and updated Summary Plan Description (SPD). The Plan Administrator may make a reasonable charge for the copies.
- Receive a summary of the Plan's annual financial report. The Plan Administrator is required by law to furnish each participant with a copy of the summary annual report.

Prudent Actions by Plan Fiduciaries

In addition to creating rights for Plan participants, **ERISA** imposes duties upon the people who are responsible for the operation of the employee benefit plan. The people who operate your Plan, called "fiduciaries" of the Plan, have a duty to do so prudently and in the interest of you and other Plan participants and beneficiaries.

No one, including your employer or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a pension benefit or exercising your rights under **ERISA**.

Enforce Your Rights

Under **ERISA**, there are steps you can take to enforce the above rights. For instance:

- If you request a copy of Plan Documents or the latest annual report from the Plan and do not receive them within 30 days, you may file suit in a federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to $110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator.

- If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or a federal court after exhausting the Plan's claim and appeal procedure.
- In addition, if you should disagree with the Plan's decision or lack thereof concerning the qualified status of a domestic relations order, you may file suit in a federal court.
- If it should happen that the fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a federal court.
- If you file suit against the Plan, the court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

Assistance with Your Questions

If you have any questions about your Plan, contact the Plan Administrator. If you have any questions about this statement or about your rights under **ERISA**, or if you need assistance in obtaining documents from the Plan Administrator, contact the nearest office of the Employee Benefits Security Administration (EBSA), U.S. Department of Labor, listed in your telephone directory or the:

Division of Technical Assistance and Inquiries
Employee Benefits Security Administration
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, D.C. 20210

You may also obtain certain publications about your rights and responsibilities under **ERISA** by:

- Calling the publications hotline of the EBSA at (866) 444-3272;
- Logging on to the Internet at **dol.gov/ebsa**; or
- Contacting the EBSA field office nearest you.