



Presidents Bulletin

usw418prez@gmail.com (651) 417-2065

Sisters and Brothers,

You'll have to bear with me on this one. It takes a little more space than most of my Bulletins. By now those of us who own stock through various means will have received a Notice Regarding the Availability of Proxy Materials for the Stockholder Meeting to Be Held on May 14, 2019. The USW as a stockholder in 3M has put forward the following proposal for the Annual Stockholder Meeting this year. The Resolution and Supporting Statement are taken directly from the Meeting Notice and Proxy Statement:

RESOLVED: Shareholders of 3M Corporation (the "Company") request that the Compensation Committee of the Board of Directors take into consideration the pay grades and/or salary ranges of all classifications of Company employees when setting target amounts for CEO compensation. The Compensation Committee should describe in the Company's proxy statements for annual shareholder meetings how it complies with this requested policy. Compliance with this policy is excused if it will result in the violation of any existing contractual obligation or the terms of any existing compensation plan.

Supporting Statement

Like at many companies, our Company's Compensation Committee uses peer group benchmarks of what other companies pay their CEOs to set its target CEO compensation. These target pay amounts are then subject to performance adjustments. To ensure that our Company's CEO compensation is reasonable relative to our Company's overall employee pay philosophy and structure, we believe that the Compensation Committee should also consider the pay grades and/or salary ranges of Company employees when setting CEO compensation target amounts.

This proposal does not require the Compensation Committee to use other employee pay data in a specific way to set CEO compensation targets. Under this proposal, the Compensation Committee will have discretion to determine how other employee pay should impact CEO compensation targets. The Compensation Committee also will retain authority to use peer group benchmarks and/or any other metric to set CEO compensation target amounts. Over time, using peer group benchmarks to set CEO compensation can lead to pay inflation. Although many companies target CEO compensation at the median of their peer group, certain companies have targeted their CEO's pay above median. In addition, peer groups can be cherry-picked to include larger or more successful companies where CEO compensation is higher. (Charles Elson and Craig Ferrere, "Executive Superstars, Peer Groups and Overcompensation," Journal of Corporation Law, Spring 2013).

High pay disparities between CEOs and other senior executives may undermine collaboration and teamwork. According to Institutional Shareholder Services, an excessive pay disparity between the CEO and the next highest-paid named executive officer is a problematic pay practice that may result in a recommendation to its clients that they vote against advisory votes on executive compensation (Institutional Shareholder Services, United States Proxy Voting Manual, February 23, 2016, p. 147). In our view, the pay of non-executive employees should also be considered. High CEO compensation can impact the morale and productivity of employees who are not senior executives. According to a Glassdoor study of employee opinions, "Higher CEO compensation is statistically linked to lower CEO approval ratings on average" (Glassdoor, What Makes a Great CEO?, August 2016, available at <https://www.glassdoor.com/research/studies/what-makes-a-great-ceo/>).

For those reasons, we urge you to vote in favor of this proposal.

The Board of Directors disagrees. Their full explanation of why is also in the Proxy Statement but summarized they believe the current pay assessment practices address these concerns, that the "overwhelming majority of stockholders support the current executive compensation program" (Prez note: who are a fair portion of who those folks?), and that any additional cost to implement Proposal 4 is unwarranted.

I would invite you to read through all the stockholder materials provided (be prepared though. The Meeting Notice and Proxy Statement is 101 pages and the Annual Report is 136). Access is simple. Please go to www.proxyvote.com. You will be asked to enter the 16 digit number you received on the mailing sent to our homes. Once in you can review all the information available and decide how you wish to vote for each director position and the four proposals.

Time is running short however. All voting must be completed by 11:59 PM EDT on 13 May 2019 (or by 11:59 PM EDT on 12 May 2019 for participants in 3M's Voluntary Investment Plan, Employee Stock Ownership Plan and the 3M Savings Plan).

In Solidarity,

A handwritten signature in blue ink, appearing to read 'Rod'.

Rodney W. "Rod" Naseth
President, USW Local 11-418

"Human rights are not only violated by terrorism, repression or assassination, but also by unfair economic structures that creates huge inequalities." Pope Francis