CMS Energy Corporation | Consumers Energy Company

Board of Directors

Code of Conduct

The CMS Energy Corporation and the Consumers Energy Company Board of Directors Code of Conduct (the "Code") is a guide to outline the Company's standards for ethical behavior in a complex and changing business world. CMS Energy Corporation and Consumers Energy Company (the "Company") Directors have a responsibility to conduct business in compliance with applicable legal requirements, rules and regulations and to be good corporate citizens. We meet these responsibilities through ethical behavior, sound business practices and lawful activities. Our Company's reputation depends on our ability to conduct business ethically.

The Code provides summaries of corporate policies important to ethical issues that frequently arise. The Code provides a template for the ethical behavior expected from Directors of the Company. Directors are, of course, expected to follow the Code and applicable laws, rules and regulations and to raise questions about compliance and report suspected violations to the Governance and Public Responsibility Committee of the Board of Directors, the Chairman of the Board or the Chief Compliance Officer.

Directors who also serve as officers of the Company should read this Code in conjunction with the Company's Code of Conduct and Statement of Ethics Handbook.

Thank you for your continuing support.

Ken Whipple
Chairman of the Board

Confidentiality

The protection of the Company's confidential and sensitive information is the responsibility of every member of the Board of Directors. Each Director must hold in confidence all sensitive information entrusted to her/him, except when disclosure is authorized or legally mandated.

What is sensitive information?

■ "Sensitive information" means all information that is legally required to be kept confidential or which might be used to the disadvantage of the Company or any employee, customer, shareholder, Director or officer of the Company and specifically includes all of the following:

1. Any of the Company's plans, strategies, tactics or organizational structure not announced to the public;

2. Any financial data or results of the Company's operations not announced to the public;

3. Any personal information regarding an employee/Director or former employee/Director of the Company;

4. Any information in the Company's possession protected by the terms of a confidentiality agreement or other contract; and

5. Any Customer or Shareholder records or information.

As used in this Section, the term "Company" includes any corporation, partnership, company or other business entity in which the Company has a direct or indirect investment.

Sexual, Racial or National Origin Harassment

The Company is committed to providing an atmosphere that is free from discrimination, including sexual harassment and racial or national origin harassment. Board members shall act in a manner consistent with the Equal Employment Opportunity Policy of the Company, and thus shall not discriminate for or against employees or other persons on the basis of age, sex, race, religion, creed, color, national origin, ancestry, height, weight, marital status, disability or covered veteran status.

Sexual harassment occurs when conduct of a sexual nature explicitly or implicitly affects an individual's employment, unreasonably interferes with an individual's work performance, or creates an intimidating, hostile or offensive work environment. It is the Company's policy that sexual harassment to or by any Director is unlawful and will not be tolerated.

Racial or national origin harassment occurs when conduct relating to an individual's race or national origin interferes with an individual's work performance or creates an intimidating, hostile or offensive work environment. The law and Company policy require that the workplace be free from racial and national origin harassment. To that effect, the Company will not tolerate racial or ethnic slurs to or by any Director.

Protection and Proper Use of Company Assets

It is the responsibility of every Director to protect Company assets from loss, theft and misuse. Company assets include information, records, funds, equipment, supplies, facilities, property and materials. Directors shall use Company assets in a safe and efficient manner and in compliance with applicable laws and regulations. The intentional misuse of Company computer systems to change, distort, damage or destroy Company records or network infrastructure is prohibited. Directors shall not use Company assets or records for personal gain or to benefit others outside the normal course of conducting Company business.

May directors use Company assets for personal use?

■ All Company assets, including communications and computer systems such as telephones, voice mail, electronic mail and computers, shall be used primarily for the legitimate business purposes of the Company. To the extent that business processes are not detrimentally affected, Directors may reasonably use Company telephones, electronic mail, Internet, intranet, faxes and computers for limited and occasional personal reasons as long as the use is appropriate and does not violate Company policies or applicable law. Directors must never use Company assets to support a personal business or political venture.

Conflicts of Interest

What is a conflict of interest?

■ A conflict of interest is any situation in which it appears that a Director is not, or may not be, acting in the best interests of the Company. Directors shall resolve ethically any actual or apparent conflicts of interests. Directors should also be careful to avoid any actual or apparent conflicts of interest which would result from any Company-related actions or favors that involve individuals with whom the Directors have a personal relationship (e.g., children, parents, siblings and friends).

Initial Public Offerings and Investment Opportunities

Preferential allocations of stock or an offer to participate in an Initial Public Offering (IPO) from a company with whom the Company either conducts or could be expected to conduct business can create or could reasonably appear to create a conflict of interest. Such situations should be avoided and disclosed to the Chief Compliance Officer. The Chief Compliance Officer shall make a determination whether the circumstances create a conflict.

Purchases and Sales of Company Securities

Because the Company has publicly traded securities, there are important restrictions imposed on the Company, as well as all of its Directors, under state and federal securities laws regarding purchases and sales of the Company's publicly traded securities. Compliance with these restrictions is essential. Violations may subject the Company and the offending person to significant criminal penalties and civil liabilities.

What restrictions are applicable to the Company's securities?

- Directors and family members living in the same household may not purchase or sell the securities of the Company at any time that they are aware of any material nonpublic information relating to the Company. Similarly, they may not purchase or sell the securities of any other company at any time that, in the ordinary course of such Director conducting the Company's business, they become aware of any material nonpublic information relating to that other company.

What is considered material nonpublic information?

- For purposes of this policy, material information will be considered "nonpublic" until two full business days after it has been disclosed in a broad and nonexclusionary public distribution. Also, information is generally considered "material" if a reasonable investor would consider it important in making an investment decision regarding the Company's securities. Directors should assume that information regarding the following topics is "material" for purposes of this policy:

- earnings and other financial information, including forecasts of such information;
- significant investments, mergers, acquisitions, dispositions and joint ventures;
- announcements and updates concerning significant development and divestiture projects;
- significant Company or affiliate financings;
- significant developments regarding customers, partners and suppliers; and
- dividends, stock splits and other important events regarding the Company's securities.

Information, which may not appear to be material from the perspective of an individual, may in fact be material in light of information or plans known to others. Unless Directors are sure that information is immaterial, they should contact the Company's General Counsel or Corporate Secretary for guidance.

What restrictions are related to trading the Company's securities?

■ Directors and family members living in the same household may not at any time engage in "trading" the Company's securities or sell "short" the Company's securities or buy or sell puts or calls or other derivative securities relating to the Company's or an affiliate's securities. "Trading" means a combination or pattern of substantial or continuous buying and selling of the Company's securities with the primary objective of realizing short-term gains.

Do the restrictions apply to indirect purchases of the Company's securities?

■ The restrictions contained in this policy do not apply to indirect periodic purchases of securities made pursuant to a standing election to invest in Company securities under the Company's retirement or other benefit plans, to the extent an option to do so exists, or the Company's stock purchase plan, as long as the election is made at a time the Director is not aware of material nonpublic information. Similarly, these restrictions do not apply to purchases or sales made pursuant to a prearranged contract, instruction or plan effected in accordance with the safe harbor provisions of SEC Rule 10b5-1, although care should be given to avoid the appearance of impropriety if such trading occurs during certain "black-out periods" of which certain Directors may be made aware from time to time. Changes to such election or such contract, instruction or plan are likewise excepted if made at a time the Director is not aware of material nonpublic information.

Gifts and Trips

Directors may not accept gifts or trips from entities or persons who deal with the Company, if acceptance of the gift or trip could create the appearance of a conflict of interest or if any such gift or trip is being made in order to influence the Directors' actions as a member of the Board.

Are there additional factors Directors should consider when accepting or giving gifts from entities or persons who deal with the Company?

- Giving or accepting gifts or trips must be in compliance with applicable laws or regulations, and giving gifts must also comply with any policy that applies to the person receiving the gift. A gift must not be extravagant, embarrassing to the Company or jeopardize its image or reputation. Gifts of cash or cash equivalents (e.g., stock) are prohibited. Loans from vendors (other than banks made in the normal course of the bank's business) are prohibited. Solicitation of gifts is prohibited.

Are family members required to comply with this policy?

- This policy applies to all Directors and their immediate family members. An "immediate family member" is a Director's family member living in the same household.

Compensation from Noncompany sources

Directors may not accept compensation in any form from any source, other than the Company, for services performed for the Company. Outside employment must not conflict with, or appear to conflict with, the energy-related interests of the Company. Directors must ensure that their activities related to outside employment are not perceived as acting on behalf of the Company.

Conflicting Business Opportunities, Fair Dealing, Full Disclosure and Related Party Transactions

What is a conflicting business opportunity?

■ Directors must not take or use for their benefit any business opportunity which in fairness belongs to the Company, nor shall they misuse any information to which they have access by reason of their position. For example, Directors must not acquire by purchase or lease any real estate interests (including mineral interests) when it is known that the Company may be interested in acquiring the same property.

What are the requirements of fair dealing?

■ Directors must not take advantage of anyone through manipulation, misrepresentation of material facts or any other unfair dealing practice.

What are the requirements of disclosure and reporting?

■ Directors are responsible for disclosing full, fair, accurate, timely and understandable information, when required, for inclusion in applicable public communications, reports and documents made by the Company, including without limitation reports and documents filed with, or submitted to, the Securities and Exchange Commission ("SEC"), Michigan Public Service Commission and the Federal Energy Regulatory Commission.

What is a related party transaction?

■ Pursuant to SEC regulations, "Related Parties" include certain directors or executive officers, beneficial owners of 5 percent or more of Company common stock, family members of such persons, which includes any child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law of such director or executive officer and entities in which such persons have a direct or indirect material interest. A related party transaction occurs when a Related Party enters into a transaction in which the Company is participating, the transaction amount is more than $10,000 and the Related Party will acquire a direct or indirect material interest ("Related Party Transaction").

What are the related party transaction reporting and approval requirements?

■ Related Party Transactions must be preapproved by the Audit Committee of the Board of Directors. Any Related Party Transaction involving more than $120,000 must be disclosed in the Company's annual proxy statement. In drawing its conclusion on any approval request, the Audit Committee should consider the following factors:

- Whether the transaction involves the provision of goods or services to the Company that are available from unaffiliated third parties;
- Whether the terms of the proposed transaction are at least as favorable to the Company as those that might be achieved with an unaffiliated third party;
- The size of the transaction and the amount of consideration payable to a Related Party;
- The nature of the interest of the applicable Related Party; and
- Whether the transaction may involve an actual or apparent conflict of interest, or embarrassment or potential embarrassment to the Company when disclosed.

This policy does not apply to change in control agreements or other executive employment contracts; however, such contracts are subject to Board approval under a separate policy. Any approval of a Related Party Transaction by the Audit Committee shall be immediately communicated to the General Counsel if he/she was not otherwise informed of the approval at the time it was granted.

Who should Directors contact with questions regarding related party transactions?

■ Any questions regarding whether a particular transaction is a Related Party Transaction should be submitted to the General Counsel, who is responsible for making an initial determination after obtaining any necessary advice from securities counsel. Questions regarding Related Party Transactions also may be directed to the Chief Compliance Officer or the Corporate Secretary.

Compliance with Laws, Rules and Regulations

In addition to the provisions outlined in this Code, it is expected that Directors will abide by all applicable laws, rules and regulations. Directors who also are employees of the Company must also abide by the provisions of the employee's Code of Conduct and Statement of Ethics.

Modifications, Waivers or Exceptions to the Code

Any modifications to this Code may be made only by the Board upon recommendation of the Governance and Public Responsibility Committee of the Board. Waivers and exceptions to the Code may only be granted to members of the Board and executive officers by the Audit Committee of the Board and will be promptly disclosed to shareholders.

Enforcement and Violations

Any alleged violation of this Code by a Director shall be investigated by disinterested members of the Audit Committee, or if none, by disinterested members of the entire Board. The Audit Committee or Board, as applicable, may utilize the services of the General Counsel, Chief Compliance Officer, external counsel or other parties as appropriate to assist in any investigation. A failure by any Director to comply with the laws, rules and regulations governing the Company's business or the CMS Energy Corporation Board of Directors Code of Conduct will result in appropriate action. Any such action shall be taken by the entire Board upon the recommendation of the Governance and Public Responsibility Committee based upon the results of any investigation.

Reporting an Ethics Concern

A Director who has ethical questions or concerns may seek assistance from the Chairman of the Governance and Public Responsibility Committee of the Board, the Chairman of the Board, the Company's Chief Compliance Officer ("CCO") or by calling an external toll-free anonymous hotline.

Company's Compliance Department: Directors may contact the CCO by phone at 1-800-CMS-5212 (1-800-267-5212) or 517-788-6260. Directors may also send letters or electronic mail to the CCO at:

Chief Compliance Officer
CMS Energy Corporation
One Energy Plaza
Jackson, MI 49201

E-mail: [cmscompliance@cmsenergy.com]

External Hotline and Web Site: Directors may report compliance concerns by calling an external toll-free anonymous hotline, 1-866-ETHICSP (1-866-384-4277) or accessing a Web site at www.ethicspoint.com. This service is available through a third-party provider, EthicsPoint, and representatives handle calls and reports 24 hours a day, 7 days a week. Callers' identifications are kept confidential.

Certification Card

I have read, understand and agree to abide by the CMS Energy Corporation Board of Directors Code of Conduct. I am unaware of any violations of the Code and will report any possible violations as I become aware of them to the Compliance Department.

_____

Print Name

_____

Signature Line

_____

Date

Return to Corporate Secretary